

# InvestmentNews

## NY investment firm gaga for green acres

By Hilary Potkewitz

December 29, 2009, 12:14 PM EST

New York-based Optima Fund Management, a \$6 billion fund of hedge funds, thinks farming is a growing business.

Chief Executive Dixon Boardman announced Monday that Optima has already raised \$100 million for a new fund called American Farmland Co., with the intention of acquiring about 10,000 acres of Arizona farmland and California vineyards in the next year.

According to Mr. Boardman, U.S. farmland boasts an average return of least 15% per year over the past five years, despite the credit crisis.

Attracted by the recent run-up in commodities prices, from soybeans to wheat to pepper, Optima is just the latest investor to join a growing club of gentleman-farmers.

**Pharos Financial Group, a Moscow-based firm backed by financier George Soros, among others, launched its own agriculture-centered private-equity fund in November.**

**The \$350 million Pharos Miro Agriculture Fund will be buying up farmland in Eastern Europe, Central Asia and Africa.**

**The funds' investments will be managed by a Miro, a Dubai-based agriculture and timber conglomerate.**

And London-based Barclays Capital started a farm fund in mid-2008 called the Global Agriculture Delta Fund, which is designed to give its clients in Hong Kong and Singapore better access to the Rogers International Commodity Index.

Prices for agricultural commodities, from grain to cattle to cotton, have experienced a slow burn over the past few years, though they've been mostly overlooked in favor of gold and other metals currently at historic highs.

But the bigger picture, according to Barclays analysts, is that increased food demand from China and India, coupled with the surge in bio-fuel usage, has depleted inventories of wheat and soybeans to levels low enough that prices are rising faster than inflation.

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