

Another year and another road trip! This time, a little under 4,000 kilometres. Lots of windshield time with some great people — listening, observing, and learning.

I started down Ruta Nacional 2 to Mar Del Plata for a board meeting with Argentina's largest strawberry producer. From there, I continued to Bahía Blanca, which was recently decimated by storms and floods, then across the desert-like scrublands of Río Negro province to General Conesa to look at a fascinating regeneration project. Next, I headed west through the Río Negro valley to Choele Choel and General Roca to meet with Mariano, CEO of a fruit marketing company, before driving to Nuequen and onward to Añelo to visit our El Silencioso project. Finally, I turned back to Buenos Aires across the desert scrublands of La Pampa province (with a brief stopover at some salt-laced hot water springs), to Aires province through the fertile agricultural heartland of the Pampas..



Let's dive in and see what's behind the curtain in the Argentina of Q1 2025.

### **A Latino Lunch?**

We've been in discussions with one of the largest strawberry and mixed berry producers in the country since May last year. It's a third generation business that has survived almost 40 years of Argentina's economic and political turmoil under various flavors of socialist governments.

As a group, they have been somewhat representative of the mood of the nation; from somewhat skeptical, yet hopeful of Milei in Q1 2024, to cautiously optimistic by Q3, then optimistic in Q4 last year, and somewhat bullish today. This year has seen a record strawberry harvest, along with record demand and record prices. And right now, they're swimming in a strawberry coulis of cash! Along with this optimism, the company is now shifting from quarterly planning to a longer-term, multi-year perspective and beginning to think that maybe, just maybe, things are about to turn and they can now envision a three- to five-year strategic plan.

During each of my prior meetings and visits, I've met with the CEO and one of the four siblings who currently run the company and make up its board. We've met in Buenos Aires and on their farm, along with several online calls. These meetings have always been very productive, each time diving a little deeper into the business.

On this visit, I joined the quarterly board meeting with the four second generation siblings who now control the business, the CEO, and a couple of the third generation youngsters now working within the business. We presented about Mavericks and Subvertere Capital and our plans in Argentina.

To be honest, it was challenging to stay on track. The conversation veered on and off track like your first time on a 1990s arcade racing game (or Xbox for the kids). It was a bit all over the place! Chris and Paola joined remotely from Costa Rica, and she commented later that it felt like a typical Latino weekend lunch — chaotic, yet purposeful.

A boardroom meeting or weekend at Nona's?

But here's the thing! While this might be scoffed at in most boardrooms across the finance sector, in many respects, this "order within chaos" is exactly what we're looking for. A family that has withstood political, economic, and general agricultural turmoil to ride out the tough times. Companies that have inbuilt resilience, that are capable of growing when the times are good times and shrinking during downturns, and that know how to tough it out.

Weekend at Nona's is actually quite appealing (if not essential) in the times we're navigating today.

Just Add Water...

The landscape of southern Argentina changes quickly as you leave the rich fertile agricultural lands of Buenos Aires province (home to some of the most productive farmland in the world) and cross into the more marginal borderlands into La Pampa Province, where cattle ranching is king. From there, you cross into Río Negro Province where the landscape quickly turns barren, dry, and harsh. You see the occasional cow grazing with Andean condors and hawks circling above. There's maybe the occasional Guanaco (a type of llama) and a nandú or two (it's sort of like an emu). And you're ever hopeful to spot a puma!

Driving south from Bahia Blanca, you hit the sleepy village of Río Colorado — the border town between La Pampa and Río Negro province. And this is where you get the first hint of greenery. The Río Colorado flows from The Andes to the Atlantic and literally greens the desert on its way down, through a series of irrigation canals and flood-style irrigation systems.

Turning this...



Into this....



Using this....



*You could almost say, water is unlimited.  
And when you just add water, you literally green the desert!*

Next, we visited General Conesa, an even sleepier town (if such a thing exists!). We arrived on a national holiday and it felt like stepping onto a scene out of a Hollywood Western — no cars, no people, houses locked up and the occasional tumbleweed rubbish being blowing across the town. Our only lunch was the asado diner at the only fuel stop in town. It was packed with locals — it seemed the entire population of 50 was there.

The Rio Negro Valley is loosely divided into three zones:

**The Upper Valley** centered on General Roca and stretching west to Neuquén and Añelo and then down river to Choele Choel to the east. We're talking about 100,000 hectares of prime farmland, irrigated through a vast canal network built over the past century, which delivers water within 1km of every property in the valley. Keep in mind that there's less than 100mm of annual rainfall, so the valley's unique lush greenery is entirely due to irrigation. This irrigation sustains fruit and crop production, enhances soil quality, and creates a distinct microclimate within the valley — contrasting sharply with the dry Patagonian meseta surrounding it.

**The Mid-Valley**, which stretches downstream from Choele Choel to General Conesa and covers several hundred thousand hectares of mostly undeveloped (but fertile) floodplains accumulated over millennia as a result of Andean floods. It's desert-like, with some inklings of the last rainfall or floods showing pockets of greenery. The soils are a light, sandy loam type — rich, but free draining, and the lack of vegetation and water means the organic material in the soil is low. But you just add water... and boom! Desert turns into greenery, with improved organic material. However, very little of the Mid-Valley has the canal development of the Upper Valley, so you have a scattering of projects pumping water direct from the Rio Negro, but for the most part, these 100,000 or so hectares of potentially prime farmland is waiting for water.

Then there's the **lower valley**, which I am yet to venture into; there's always more to explore!

**Water resources:** The Rio Negro's flow averages to about 900 cubic meters per second (m<sup>3</sup>/s), which is like an Olympic-sized swimming pool of water running down the valley every two seconds. It's a isht-ton of water, and yet, industry estimates that less than 4% of annual river flows are used across the entire valley for industry, human, and agricultural use. It's truly remarkable, almost unimaginable, the impact that a small fraction of these anual river flows will make to the mid-valley. The productivity, jobs, revenues and improvement in life across this region would be generationally life changing and we're excited to be part of that change.



### **Power: The Basis for a Rich Economy**

So we've good quality soils, along with abundant water.

Now, how do we get the water onto the soil? Well, in some places it's done via flood-style irrigation and an extensive canal system. The vast canal system in the Upper Valley was planned over 100 years ago and gradually expanded over deacdes.

The Mid-Valley, however, doesn't have this, so it needs to be built. Until now, this hasn't been done —, despite several big project proposals... well, because of socialism. To get a better sense as to why long-term agricultural development has been stalled, you can go back and read some of my previous Argentina reports.

Another missing piece (quite literally) in all this is lack of energy. You see, even with a canal network, the most efficient irrigation method relies on pumps and, especially, large center-pivot irrigation systems.

Luckily, this part of Argentina is abundant with energy. Four huge hydroelectric dams on the Río Limay, upstream from Neuquén, provide abundant, low-cost electricity to the southern end of the country, all the way to Buenos Aires. You might have also heard of Vaca Muerta, one of the world's largest oil and gas fields, has new gas pipelines running directly through the Río Negro Valley. Plus, recent announcements also include plans for a new nuclear power plant in the region.

In short, this region has an abundance of cheap and reliable energy.

This combination (fertile soils, ample water, and abundant energy) means the region has the productive capacity to compete with any other part of Argentina for low-cost agricultural output.

### **Old Is New Again!**

Anyone with an inkling of interest in food and agriculture has come across the latest buzzword: regenerative farming. But when you start to see it permeating the mainstream, you gotta start asking critical questions.

I had the great opportunity to travel through the Río Negro Valley and later to Entre Rios with Pepo, an Argentine agribusiness professional who spent the past 12 years in the U.S. managing agricultural funds focused on regenerative farming projects. He just landed back in Argentina with his wife and four kids in tow. Why? In a word, FOMO.

I would call it asymmetry, but Pepo sees Argentina's enormous upside potential, driven by its powerhouse of the resource and energy sectors and coupled with his passion for farming and agriculture. The risk is that Argentina goes sideways. But even then, he lives in a beautiful country raising his family. What's not to love about it?

While Western, city-centric supermarkets slaps "regenerative farming" labels on industrial sludge for marketing appeal, Pepo takes a more pragmatic approach. For him, regenerative farming is about soil health-prioritizing organic matter, microbial activity, and water retention through crop-livestock rotations. Yields become a byproduct — not the goal — of restoring soil density and fertility.

If fact, this focus on soil management and organic matter and water holding capacity in the soil isn't new. These traditional methods have been the cornerstone of agriculture for centuries. Sadly, this has been somewhat lost post-WW2, especially in the West, as industrial farming meant you could dump cheap synthetic fertilizers and get the same yields as the traditional approach.

But today, this old school focus on soil health as the means for productivity and, dare I say, sustainability, are making a comeback. Meanwhile, regenerative agriculture has been dreamt up in the marketing boardrooms of Big Ag and Big Food.

**Riverwood Ag**

Pepo is building out a really interesting development project, where he's looking to secure large tracts of land (either through direct acquisition, partnerships, or options to buy) and control almost all of the north side of the Mid-Valley system, which is almost 45,000 hectares.

The Mid-Valley already has about 2,000 hectares in various stages of production; one property we visited, which will be part of Pepo's consortium, has about 700 hectares they've been trialing and testing for about 15 years now. We also visited a Spanish project with about 1,200 hectares and a scattering of smaller operators with less than 200 hectares each.

In this part of the Valley, farming operations rely almost exclusively on center pivot irrigation systems with massive circular fields ranging from about 50 to 100 hectares each. Water is pumped out of the river or canal and transported underground via pipes to the center of the circle, where a center pivot rig walks itself around the circle, irrigating the crop.

You can then build out a bank of these center pivot rigs. First, you run an irrigation canal through the property, then install power infrastructure, and finally connect a series of pumping station (usually 1 pump serves 4-6 rigs). Voila! You have center pivot irrigated land... at scale!

**The Importance of Scale!**

The main challenge in the Mid-Vally to date has been scale. With a relatively small number of hectares under cultivation, there is no service industry to support that. Irrigation companies or machinery service companies don't have a local office. Spare parts, even contractors have to travel from a far. So even a simple O-ring failure on an irrigation pump can result in an 8-hour round trip to buy a replacement and leave you stuck without water while waiting for parts, sometimes for days.

Pepo's Riverland Ag project aims to bring 5,000 hectares (of the planned 45,000) into production in the first 18 months. This \$20 million development will level the land, build irrigation canals and power infrastructure, and install about 70 center pivot rigs, each covering 60-80 hectares. With the existing 2,000 hectares and about 60 pivots already in the Mid-Valley, there will be enough scale to attract service providers — irrigation companies and service and parts companies will set up shop, and most importantly, the contractors will come in droves looking for oportunities.

**Why the Mid-Valley?**

Solar radiation, sunlight hours, and diurnal temperature variation.

In short, the southern latitude brings long days during the peak growing season, while the desert climate is rain-free, which means lower or nonexistent pest and disease problems. On top of that, the desert climate also brings cool/cold nights, which creates a large range between nighttime and daytime temperature. This allows plants to go somewhat dormant at night (and conserving nurtrients and wáter when they are not actively growing), while the warm/hot days and long sunlight hours provide long growing hours.

As a result, this region gets some of the best yields in Argentina for major crops such as soy, corn, wheat, alfalfa, and onions. Trials over the past 15 years have identified optimal crop varieties, soil-building strategies, and planting rotations. Combined with low-cost energy from abundant electricity and endless water, all these factors have established this area as some of the most productive land in the country.

And here's the best part...

It's cheap as... well, dirt! Including development costs, land here is valued at 1/3 to 1/4 of prime agricultural land in Buenos Aires Province, but with significantly greater yields.

Watch this space! This project is being built out, and we'll share more very soon.

### **Kissing Contractors**

Just to spell it out, Pepo is married and has four kids. He doesn't actually kiss his contractors. But solid man hug is deemed acceptable.

Instead, KISS stands for "Keep It Simple, Stupid."

You see, Pepo is a smart businessman wrapped up in a farmer's skin. He wants to run profitable and successful farming businesses without actually being a farmer. Huh? How do you do that?

Well, you KISS with contractors. You see, if you're a landowner in Buenos Aires, you're almost certainly not a farmer — you either rent your land out to farmers or you bring in contractors to do the work for you. An entire contracting industry has mushroomed across the country with highly specialized operators and deep competition. This way a land owner who wants to rotate corn, soy, and wheat might buy the seed and sell the crop, but rely on contractors in a highly competitive market for everything in between. You would bring in a planting group, another group for spraying and fertilizer spreading, then harvesters and transport. You might even employ one group to do the whole lot while you kick your feet up on the porch and sip Port wine, pointing out any missed spots in the home paddock.

Riverwood Ag's smart business approach leverages contractors for the cropping business, probably also the alfalfa production, and rents out to the Bolivianos for vegetable production! In other words, you develop the land from scrub country into productive farmland by investing in water and energy infrastructure, build scale that attracts the contractors and Bolivianos. This approach makes it possible to manage a significant business with a very small core team and focus on the vital piece (energy and water) while experts handle production.



### **Bolivianos: Controlling the Fresh Produce Supply Chain**

The best farmers of small crops are Bolivianos (as in the people from Bolivia). If you're eating onions, potatoes, garlic, probably even the carrots and tomatoes in Argentina, you can be pretty certain Bolivianos grew them.

These farmers typically rent land from you on a 2-3 year cycle and manage the entire production cycle; you pretty much do nada, just collect the rent cheque, which is pretty handsome considering these crops are profitable (very profitable when done well). Compared to traditional wheat, soy, and corn rotations, small-crop vegetable rents are very good.

An interesting side note: nearly all street-side fruit and vegetable vendors in Buenos Aires are also Bolivianos. They control much of the supply chain — they grow most crops across the country, they have a large control over the intermediary wholesale market, and they totally dominate the small retail space in the major cities. Hard working lot, those Bolivianos!

**If you want to learn more about Riverwood Ag and co-invest with us, register your interest here:**  
<https://subvertere.capital/>

### **Añelo: A Modern-Day Deadwood**

If you haven't watched the TV series, Deadwood, you should. You c\_ck s\_cker!

The series is based on the true history of the town, , set during the Dakota Territory's mid-1870s gold rush. Deadwood was one of the last true anarchist towns, meaning it had no formal government and was run by the town's so-called leaders.

More importantly, it was a boomtown built on the gold rush of the late 1800s. While there was a couple of big gold rush winners, namely the sociopath George Hearst and the always lovely Alma Garret, the show illustrates that the real money was made by the purveyors of lodging, construction, booze, and women — often dubbed the “picks and shovels” approach to mining.

Alright, enough about TV reviews. What the heck's this got to do with Añelo, Vaca Muerta, and El Silencioso?



New century, new commodity — same opportunities, same anarchy.

### **Black Gold and Liquid Gas**

Today, the main (and paved) Ruta Provincial 7 runs through Añelo, along with the principal road (also paved) through the town center and down to the El Silencioso site. But much of the town still has dirt roads with soft edges. There's one set of traffic lights and a new, modern YPF fuel station (vested interests, of course), and power lines are only now being strung up across much of the residential streets.

If you close your eyes, take away the cars (and the incessant traffic from the shift workers for six hours a day), you could take yourself back in time to a modern-day Deadwood, complete with Al Swearengen shouting profanities across the street.

During my visit, we met with the mayor, and he's currently sitting on 400 development applications ranging from new industrial parks to back shed renovations. The town is struggling to cope with rapid growth. It feels like buildings are popping up all over the place like mushrooms in spring, with little town planning. It's build, baby, build!

The population growth is staggering. In 2010, Añelo had 1,200 people. Today, it's almost 12,000 — 10x in 15 years. And here's an even crazier part: the population is forecast to hit 100,000 by the end of this decade. That's an 8x increase in the next 5 years.

**With our pals from El Silencioso, Fede and I narrated a short documentary series on Añelo, Vaca Muerta, El Silencioso and its future; you can watch a prerelease of it [HERE!](#)**

## El Silencioso: Making Progress

As I mentioned, we produced a short documentary series during our last visit last month. This time, we really stepped up our game. You see, the original pitch for El Silencioso was shot on my Pixel 4a privacy phone, out the window of a moving car. This time, we were joined by a professional film crew with a drone and a couple of great filmmakers. The final result is brilliant, I am very impressed!

An interesting side note: the film's producer and editor, Juan, loves the Mavericks story. Over an evening asado and glass of Malbec, he was captivated by the entire Mavericks story — from historical cycles to the building of personal freedom through resilience and personal health and wellness. I've said it many times: I seem to be a magnet for people who are so utterly attracted to the Mavericks worldview. It's spooky!

Anyway, keep an eye out for the series. If it turns out as well as it felt while filming across the town and the Vaca Muerta meseta, you're in for a real treat. We cover the history of the town, the Vaca Muerta boom, El Silencioso, and the role we see the project playing in the town's expansion plans, including town planning and where we hope the town city looking towards its future.



## A City by the River

One thing I've learned travelling through rural Argentina is that people truly embrace lifestyle. On weekends, families, teens, and young couples flock to parks, beaches, and rivers. I spent one Sunday in San Antonio de Areco, a charming town near Buenos Aires. It has a lovely river running through it and on any given Sunday, it's filled with people BBQ'ing, swimming, fishing, or just hanging out.

Añelo, and more specifically the El Silencioso site, has a river running along about a kilometer of its eastern border. As part of the master plan for the 31-hectare site, we recently secured approval for increased building density in exchange for dedicating the riverside land as community parkland. The master plan for the canal, river, and lagoon areas is truly spectacular.

While Fede and I were filming this series across multiple locations of Añelo, it became clear to us that the future of Añelo City is on the river. The arid meseta will be the industrial heart of the city, the main Ruta Provincial 7 will accommodate commercial and light commercial activities, while El Silencioso will create Nuevo Añelo — a vibrant new district facing the river with parkland, a new town square, and retail spaces ranging from gyms to cafes and restaurants. We're truly building a new city, underpinned by the booming Vaca Muerta oil and gas dollars.

We're about to launch a project to present the opportunity to co-invest with us in the El Silencioso masterplan site, keep an eye out for this and meanwhile you can register your interest here

<https://subvertere.capital/>



### **Between the Rivers: Entre Rio**

I ventured into Entre Rio province for the first time, travelling again with Pepo, and this time with his brother Augustin, who runs an agronomic advisory business to cattle producers from across the country. He manages about 150,000 hectares of land across 28 farms for 6 owners. Pepo and Augustin grew up on family farms in Entre Rios and have horses, cattle, and Argentine farmland running through their veins, but with a uniquely international and very commercially savvy business sense.



We were specifically looking at a large 12,000-hectare cattle operation in Entre Rios, which is off-market and known to Agustín through his advisory work. What makes the property particularly interesting is that it's unprofitable, and the US-based owners cannot eek a living out of the place. Why? Because they're getting poor advice.

One insightful tidbit I learnt from Pepo and Augustin is that the vast majority of cattle (and other livestock) producers in Argentina rely primarily on a veterinary advisory services for operational guidance. The focus is on animal "health," which often means regular check-ups and a regimen of preventative medications. Hmmm – sound familiar!

In contrast, Augustin and a small group of his agronomic advisor pals focus on soil health as the primary driver to profitability. Build healthy soils, to grow nutritious pastures, produce healthy cows, and they do this through high rotation grazing systems, which — apart from being a very productive system — also allows you to walk calmly amongst the cattle daily so you produce happy, healthy cows.

Hmmm, also sounds familiar! What you put in your body and your mental state of mind are the secrets to good health.

### **Farming Women Is Profitable!**

Right , so the feminists have stopped reading, and the lefties are screaming at me for saying hurtie words. But hear me out..

Augustin's focus is on improving the bottom line. Ironically he does this by focusing on soil health and its cascading impact on productivity, stocking rates, conversion ratios, and ultimately, more dollars in the bank at the end of each year.

But he also stumbled upon a nice little arbitrage opportunity between the price of heifers (young female cattle just weaned off their mothers at about 9 to 11 months) versus steers (young male cattle, also at 9 to 11 months). Males tend to be more valuable throughout the growth curve, but once a female becomes pregnant - now a cow in calf - her value shoots up by about 25%.

More interestingly, there is a 9-month window (the time in pregnancy) to sell her while in calf. This allows you to time the market and release pregnant heifers into the market when prices are best. Meanwhile, steers are sold at specific weights and ages as they go to cattle fattening operations with strict criteria. So Augustin is capitalizing on this cow-calf arbitrage along with the time horizon to play the market.

While most land owners employ farm managers who rely on veterinary advisors and focus on stocking rates, animal health, and vaccines. Augustin and Pepo emphasis on soil health, data analytics, and business profitability is unique in the country and genuinely sets them apart from most others in the sector; its refreshing!

**Once again, if your interested in the opportunity to co-invest with us in this type of project, please register your interest here: <https://subvertere.capital/>**



**A Horse’s Haircut**

What struck me while spending the day together with Pepo and Augstin is that these two are genuinely smart dudes. Not the intellectual academic types, but their practical approach to farming as a business and their ability to strip away the shulbit to deliver real returns is impressive. Strip the noise away, go back to basics, implement good farming systems, monitor the results, learn from those results, and repeat!

My every question had a rational, logical, well-thought-out response. Their goal is to run businesses that are easy to manage, low risk, and high return and focus on profitability rather than traditional farming metrics like cows per hectare.

Most farmers usually do things because it’s the way their father or grandfaather or some other close family member taught them — never questioning the status quo, simply because “that’s how it’s always been done.”

Importantly, Augustin’s results speak for themselves. He consistently turns around underperforming farms and significantly improves all measurable metrics, whether soils, pastures, protein and conversation ratios, or simply the bottom line. His approach clearly works.

So I couldn’t help but laugh after a four-hour horseback ride around the farm when I asked why all the horses had their manes cut short, almost like Mr. T from The A-Team. Their answer? Because that’s what everyone does. Aparently, whether for farming or or for shows, it’s tradition to cut the horse’s mane and keep it tidy. It would be embarrassing to have someone show up on the farm or at a show without a Mr. T-style mohawk-because that’s just the way it’s been done for generations!



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That's a wrap, folks! We're making extraordinary progress. I know it might feel slow for y'all reading this, but the projects are taking shape, and the next 6-9 months will be very revealing. Thanks for reading! As always, please reach out with comments or questions.

**Andy, The Adventurer**  
**Mavericks HQ**