

Title	Prepare a case for obtaining finance to establish, extend, or diversify an agribusiness		
Level	5	Credits	15

Purpose	People credited with this unit standard are able to: assess an agribusiness opportunity for possible investment; assess alternative methods to finance the selected agribusiness opportunity; and prepare a proposal making a case for obtaining finance for the selected agribusiness opportunity.
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Classification	Agriculture > Agribusiness Management
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Available grade	Achieved
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Guidance Information

- 1 Legislation relevant to this unit standard includes but is not limited to:
 Personal Property Securities Act 1999
 Financial Advisers Act 2008
 Property (Relationships) Amendment Act 2001.
- 2 Assessment
 The candidate will prepare a finance proposal for the agribusiness to the standard required by an intended financier, for example, bank or other investor; people are encouraged to use computer-based cashbook software.
- 3 Definitions
Goals – statement of intent that relates to the whole agribusiness production system, usually for a period of 1-5 years and should follow the SMART (specific, measureable, achievable, relevant, timebound) criteria.
Objectives – components which collectively contribute to achieving goals.

Outcomes and performance criteria

Outcome 1

Assess an agribusiness opportunity for possible investment.

Range opportunities may include but are not limited to – outright farm purchase, part ownership, sharefarming or leasing propositions, major development or diversification of an existing agribusiness.

Performance criteria

- 1.1 Assessment determines match with investor's personal goals and objectives.

1.2 Assessment determines productivity and profitability.

1.3 Assessment determines capital requirements.

Range capital requirements may include but are not limited to – working capital, land, buildings, stock, plant, shares, off-farm investment, owner's equity.

1.4 Assessment determines suitability in terms of location and physical aspects.

1.5 Assessment determines the debt requirement and debt servicing costs and repayments.

Outcome 2

Assess alternative methods to finance the selected agribusiness opportunity.

Performance criteria

2.1 Assessment of types of lending identifies their terms and conditions.

Range types of finance include but are not limited to – short-term, medium-term, long-term; terms and conditions include but are not limited to – interest rate, principal repayment, security.

2.2 Assessment of sources of finance determines suitability, advantages, and disadvantages for the agribusiness.

Range sources of finance may include but are not limited to – family, private, bank, solicitor, building society, vendor, offshore; rural servicing company; other investors – equity partners; evidence is required for at least three.

Outcome 3

Prepare a proposal making a case for obtaining finance for the selected agribusiness opportunity.

Performance criteria

3.1 Summary of assessment of the prospective agribusiness opportunity provides indications of viability of investment, and meets investor's personal and business goals and objectives.

3.2 Documentation required for finance application is complete, and in accordance with lending institution or investor requirements.

Range documentation includes but is not limited to – asset and liability statements, seasonal capital requirements, cashflow budget, two to three year budget predictions, risk analysis or sensitivity analysis, business plan.

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 August 1997	31 December 2022
Revision	2	25 June 1999	31 December 2022
Revision	3	14 August 2002	31 December 2022
Review	4	27 April 2005	31 December 2022
Review	5	18 March 2011	31 December 2022
Review	6	22 October 2020	31 December 2022
Rollover	7	30 September 2021	31 December 2023

Consent and Moderation Requirements (CMR) reference	0052
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.