

Title	Develop and monitor financial plans for an agribusiness		
Level	5	Credits	15

Purpose	People credited with this unit standard are able to, for an agribusiness: prepare a calendar of operations, and analyse information to develop a financial plan; develop and assess an annual financial forecast budget; develop a cashflow forecast; and monitor, record, and review an annual financial plan.
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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:
Financial Advisers Act 2008;
Goods and Services Tax Act 1985;
Income Tax Act 2007;
Privacy Act 1993;
and any subsequent amendments.
- 2 Definitions
Budgets are GST exclusive.
Cashflows are GST inclusive.
Organisational procedures – policies and procedures on operation and guidelines set down by the employer, or organisation for financial planning. Workplace procedures should reflect current legislation.
- 3 References may include but are not limited to – financial statements, industry standards, level of production.
- 4 For the purposes of assessment:
 - evidence may be presented either with or without the use of computer software, such as Excel spreadsheet or computerised cash book software;
 - monitoring may be assessed using case study data.
 - all evidence must be in accordance with organisational procedures.

Outcomes and performance criteria

Outcome 1

Prepare a calendar of operations, and analyse information to develop a financial plan for an agribusiness.

Performance criteria

1.1 Prepare a calendar of operations which identifies timing of events.

Range events may include but are not limited to – sale and purchase of stock, major expenditure, crop harvesting, lambing, calving, dairy season product sales, reproduction and/or production cycles, disease control, animal health, plant health; evidence of five events is required.

1.2 Analyse information to determine expected volume of product(s) for the agribusiness.

Range one of – analysis of historical information; benchmarking of key performance indicators and production schedules which may include but are not limited to – stock reconciliation, annual production cycle, crop yields, grades, volume; evidence of one production schedule is required.

1.3 Analyse information to determine the major input costs required for the agribusiness.

Range one of – analysis of historical information, benchmarking of similar agribusinesses.

1.4 Analyse information to determine prediction of the sale price for the agribusiness product(s).

Range prediction by – market information, economic trends, timing of payment.

Outcome 2

Develop and assess an annual financial forecast budget for an agribusiness.

Performance criteria

2.1 Develop an annual financial forecast budget in accordance with the objectives and values of the agribusiness owners or managers.

2.2 Estimate the annual gross revenue for the financial year taking into account all sources of revenue for the agribusiness.

2.3 Estimate the annual operating expenditure for the financial year for all inputs to the agribusiness.

2.4 Calculate the annual cash operating surplus, and estimate the cash disposal is for the financial year.

Range personal expenditure or drawings or dividend distribution, taxation, development, net capital expenditure, net debt repayment; expected return on investment, return on equity, profit, cash balance.

2.5 Assess the annual financial plan in terms of business viability.

2.6 Develop a sensitivity analysis to assess the effect of a change in the performance, and/or price of a primary product, on the agribusiness.

Outcome 3

Develop a cashflow forecast for an agribusiness.

Range for a minimum of 12 months.

Performance criteria

3.1 Transpose the annual budget and goods and services tax (GST) to monthly income and expenditure.

3.2 Calculate net cash change and the running bank balance for each month.

3.3 Verify the need for, and amount of, seasonal finance required.

3.4 Present final cash flow workings in a formal statement.

Outcome 4

Monitor, record, and review an annual financial plan for an agribusiness.

Performance criteria

4.1 Monitor and record actual income and expenditure on a monthly basis for a minimum of three months, and reconcile with a bank statement.

4.2 Review actual income and expenditure over three months with the annual financial plan, and reforecast the plan to reflect differences from the original plan.

Replacement information	This unit standard replaced unit standard 16654.
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Planned review date	31 December 2026
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	27 April 2005	31 December 2022
Review	2	18 March 2011	31 December 2022
Review	3	28 October 2021	N/A

Consent and Moderation Requirements (CMR) reference

0052

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact the Primary Industry Training Organisation standards@primaryito.ac.nz if you wish to suggest changes to the content of this unit standard.