

Title	Analyse performance, and determine investment opportunities for an agribusiness		
Level	5	Credits	10

Purpose	People credited with this unit standard are able to, for an agribusiness: analyse a set of annual accounts to establish the viability and efficiency; describe and evaluate the options for capital investment or development; and evaluate investment options beyond current operations.
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Classification	Agriculture > Agribusiness Management
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Available grade	Achieved
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Guidance Information

- 1 Legislation applicable to this unit standard includes but is not limited to:
 Employment Relations Act 2000
 Goods and Services Tax Act 1985
 Privacy Act 1993
 Income Tax Act 2007
 Financial Advisers Act 2008.
- 2 Definitions
Cash surplus – the budgeted cash position of the total gross income (TGI) less all cash expenses.
Net profit – the cash surplus adjusted for non-cash items, for example, change in stock value and depreciation.
Ratio analysis includes Total gross Expenditure (TGE)/Total Gross Income (TGI), Farm Working Expenditure (FWE)/Total Gross Income (TGI), Debt Servicing/Total Gross Income (TGI).

Outcomes and performance criteria

Outcome 1

Analyse a set of annual accounts to establish the viability and efficiency of an agribusiness.

Performance criteria

- 1.1 The analysis determines the viability of the agribusiness at current market values.

- 1.2 The analysis establishes the efficiency of the agribusiness.
- Range efficiency factors may include but are not limited to – cash surplus, net profit, return on capital, return on equity, ratio analysis, economic farm surplus; evidence is required for at least three.
- 1.3 The analysis includes benchmarking against other similar agribusinesses.
- Range production parameters, price received, cost of inputs, scale of operation.

Outcome 2

Describe and evaluate the options for capital investment or development for an agribusiness.

Performance criteria

- 2.1 The law of diminishing returns, opportunity cost, and cost benefit analysis are described in terms of their application to a specified capital investment or development.
- 2.2 The viability of a specified capital investment or development is assessed using budgeting methods.
- Range budgeting methods include but are not limited to – partial budgeting, gross margin analysis, sensitivity analysis, annual financial plan.
- 2.3 The viability of a specified capital investment or development is analysed for return on capital and equity.

Outcome 3

Evaluate investment options beyond current operations for an agribusiness.

Performance criteria

- 3.1 The evaluation identifies investment options for an agribusiness beyond current operations.
- Range investment options may include but are not limited to – retirement fund, off site investment, forestry, property investment, shares, livestock; evidence is required for at least three options.

3.2 The evaluation summarises the methods of calculating investment returns of the selected options for an agribusiness using financial analysis techniques.

Range financial analysis techniques may include but are not limited to – compounding and/or discounting, payback period, net present value;
evidence is required for a minimum of two.

Replacement information	This unit standard replaced unit standard 16656.
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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	27 April 2005	31 December 2022
Review	2	18 March 2011	31 December 2022
Review	3	22 October 2020	31 December 2022
Rollover	4	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>.