

svpartners

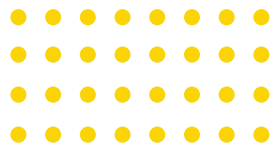
specialist accountants & advisors

Agriculture

Solutions for Every Situation

svpartners.com.au

1800 246 801





The Sector

Now, more than ever, it's imperative for businesses to invest in technology to remain competitive and best position themselves for future success.



The Agriculture sectors employs over 257,000 workers (ABS, 2024) with employment growing one the year by 2.4%. It is represented by a diverse range of occupations including livestock farmers, crop farmers, farm workers, plant operators, agriculture scientists and more.

Over the past two decades, the gross value of agricultural production surged by 51%, soaring to \$94.3 billion in 2022–23 from \$62.2 billion in 2003–04. Despite this growth, productivity gains have slowed down, averaging a mere 0.60% annual increase since the 2000s.

In 2022-23, cropping and dairy farms nationwide had record farm cash incomes, driven by high wheat prices and increased production in some areas, although wet weather affected grazing. On the other hand, livestock farms experienced income declines due to lower prices for beef, sheep, wool, and lamb, yet average incomes remained in line with historical averages.

Australia's agricultural exports in 2022-23 hit a milestone of \$80 billion, led by robust growth in grains, oilseeds, and pulses, which saw an impressive average annual growth rate of 11% since 2003–04. This was closely followed by other horticultural products (excluding fruits and vegetables), as well as meat and live animals (ABARES, 2023).

Our Approach

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SV Partners is an expert accounting and specialist advisory firm focused on supporting businesses and individuals in financial stress.

SV Partners has been working with small to medium businesses across industries to help with financial stress for over 20 years. We work hard to ensure the best possible outcome by carefully considering the full circumstances, addressing concerns and providing tailored solutions.

Every situation is different and our team ensures that clients understand all of the options available to them in navigating through financial stress.

We deliver superior outcomes by focusing on exceptional service delivery, respecting our clients, exceeding their expectations and working effectively as a team.



National Strength with Regional Capability

SV Partners is a national practice represented across Australia by a team of over 140.

In addition to our metro offices, SV Partners maintains a strong regional focus in QLD and NSW with offices in Mackay, Townsville, Rockhampton, Sunshine Coast, Toowoomba, Gold Coast, Wollongong, Newcastle, Dubbo and Tamworth.

Our industry experience has allowed us to develop expert skills and apply them across small and large scale matters across the Agricultural sector.

Our Experience

SV Partners has worked on a broad range of appointments, many of them unique and highly complex, with an appreciation of individual circumstances, attention to detail and decisive responses.

SV Partners has developed an in-depth understanding of specific requirements and business operations having undertaken many appointments of varying complexity across the Agriculture industry. We recognise that the sector requires specialist knowledge and skills when dealing with businesses that are facing financial difficulties, stress or insolvency.

Free Initial Consultation

SV Partners works collaboratively with business owners to assess the main concerns and priorities given the current situation.

We take a measured approach in our evaluation, making sure to consider individual circumstances and all contributing factors before discussing options for moving forward.

Our Services

- Financial Stress Advice
- Turnaround Management
- Voluntary Administration
- Creditor's Voluntary Liquidation
- Court Liquidation
- Receiverships
- Business Restructure

Our team are highly experienced and skilled, equipped to handle even the most complex scenarios in a sensitive manner.

Horse Stud Farm - Members Voluntary Liquidation

The Situation

- ▶ We were appointed to a large horse stud property in Scone due to a shareholder dispute. The main cause of dispute were assets that were comprised of a variety of plant, equipment and real estate. The business regularly engaged in the selling of a significant volume of livestock each month.

The Solution

- ▶ We oversaw the day-to-day operations of the business, managing the sale of livestock to optimise revenue, and implementing breeding programs to ensure the growth and sustainability of the cattle herd.
- ▶ The adjustment rights for the livestock referred to the contractual agreements or arrangements associated with the properties. These agreements needed careful consideration because they impacted the valuation and management of the livestock.
- ▶ The property, valued at around \$10 million, included land, water access licences, and coal rights, significantly enhancing its overall value.
- ▶ We worked closely with a mining company on an exploration basis which resulted in a sale of the property for over \$20 million. The mining company established a mine on the land and were able to the use the property as their carbon offset property.

The Outcome

- ▶ The businesses' assets were sold off, including property, equipment, inventory, and intellectual property, to various buyers. Proceeds totalling \$28 million were then distributed among the shareholders based on their ownership stakes. This distribution marked a significant milestone in the businesses' restructuring efforts.

Winery - Voluntary Administration/Deed of Company Arrangement

The Situation

- ▶ SV Partners were entrusted with the Administration of a winery located in Mudgee. The appointment resulted in the successful implementation of a Deed of Company Arrangement in the early months of 2020, ensuring the winery's continued operation and financial stability.

The Solution

- ▶ Traded the cellar door business whilst marketing the winery/cellar door for sale. As it was during the drought, the business was unable to produce a crop.
- ▶ This matter was to proceed to a Members Voluntary Liquidation in order to have the company deregistered.

The Outcome

- ▶ Various assets were identified such as property, machinery, and stocks of bottled and vat-stored wine. These assets were sold off to generate funds, which were then distributed among the creditors. Creditors received approximately ten cents for every dollar owed.

Dairy/Cattle Farm - Creditors Voluntary Liquidation (CVL)

The Situation

- ▶ We were appointed to oversee the operations of a dairy and cattle enterprise. This encompassed managing expansive rural properties equipped with infrastructure tailored to support a substantial herd of dairy cattle.

The Solution

- ▶ Throughout the engagement, we conducted in-depth negotiations with creditors primarily operating within the agricultural sector. These negotiations aimed to address outstanding debts and establish mutually agreeable repayment arrangements.

Case Studies

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The Outcome

- ▶ As part of the process, we successfully managed the sale of a substantial herd of cattle and facilitated the divestment of two expansive rural dairy properties.

Livestock/Rural Property - Bankrupt Estate

The Situation

- ▶ We were appointed as a consequence of a Sequestration Order. The Bankrupt had significant holdings in major rural property with impaired (diseased) livestock. The matter was a high profile local rural issue with extensive media and government interest.

The Solution

- ▶ We managed all matters concerning livestock, including the handling of sales and related logistics. Furthermore, we facilitated the sale of rural properties to ensure the bank's interests were protected and realised.

The Outcome

- ▶ Managing creditor claims resulted in a section 153A annulment of the Bankrupt Estate as a result of payment of all debts and costs in full to both secured and unsecured creditors.

Livestock/Agriculture - Consulting

The Situation

- ▶ A third party and the Company applied for an exploration licence. SV Partners were engaged by the New South Wales Department of Planning to prepare an independent assessment of the financial capacity of the parties.

Case Studies

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The Solution

- ▶ We were required to assess the sale of cattle (bulls v calves/pregnant commercial cows v heifers) and the expected timeframe to raise \$1.445 million over 12 months.
- ▶ Assessment of expected income from the exploration licence if approved by Department of Planning.
- ▶ Evaluate the expected rental yield/sale price of the property if it was to be rented/sold to fund the exploration licence .
- ▶ Preparation of financial analysis of the trading entities to determine their solvency and financial capacity to fund the exploration licence.

The Outcome

- ▶ Following a thorough evaluation, the involved parties successfully secured the necessary funding and obtained the exploration licence for the venture.

Farming Equipment & Manufacturing - Consulting

The Situation

- ▶ A family owned business with significant amounts of property and machinery encumbered to a large bank. Cattle was purchased from Stock Co. which was sold with the debt only being partially repaid.

The Solution

- ▶ We were engaged to provide expert advice regarding the intricate matters surrounding conflicting security interests and the lender's rights in relation to Stock Co., particularly concerning the unresolved debt shortfalls.

The Outcome

- ▶ We successfully negotiated an exit by meticulously organising the sale of diverse farming equipment, real estate properties, and additional assets to fully satisfy the outstanding debt obligations.

Case Studies

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Winery - Bankruptcy

The Situation

- ▶ A small winery in the Port Stephens area of New South Wales sold wine by mail order and cellar door.
- ▶ The owner passed away, leaving the business to his spouse who was unable to maintain the operations.

The Solution

- ▶ As a result of the business not being able to continue due to the deceased, SV Partners were appointed.
- ▶ Sale of real property was required in addition to valuation of the vineyards and related equipment.

The Outcome

- ▶ We managed the sale process of the property to a well-established developer renowned for their expertise in creating retirement communities tailored to the needs of the over 50s demographic.

Hay Farm/Processing Plant - Receivership

The Situation

- ▶ The company's primary venture revolved around owning and managing a hay farm coupled with a processing facility situated in the vicinity of Griffith, New South Wales. To facilitate the acquisition of the farm and its associated assets, the company secured a substantial loan amounting to \$2 million from a private lender.
- ▶ Inadequate rainfall dealt a severe blow to the farm's productivity. Consequently, the farm failed to yield any viable crops, thereby impeding the company's ability to generate revenue through sales.

Case Studies

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The Solution

- ▶ We were appointed to manage the sale of the land and assets, and as of now, we are actively considering offers within the range of \$1.5 million to \$2 million.

The Outcome

- ▶ This case is still in progress. Our current focus involves facilitating the sale of the property, machinery, equipment, and export licence.

Our Offices

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SV Partners is a specialist accounting and expert advisory firm focused on supporting professionals and their clients.

We provide professional corporate and personal insolvency accounting, turnaround strategy advice, forensic and advisory services to businesses, individuals, accountants, financial institutions, corporations, financial and legal advisors, and their clients.

Adelaide

Level 4, 12 Pirie Street
Adelaide SA 5000
t: 08 7077 2444
e: adelaide@svp.com.au

Dubbo

By Appointment
t: 02 6882 8995
e: dubbo@svp.com.au

Mackay

Cnr Sydney and Gordon Street
Mackay QLD 4740
t: 07 4953 4060
e: mackay@svp.com.au

Parramatta

Level 49, 8 Parramatta Square
Parramatta NSW 2150
t: 02 8986 8986
e: parramatta@svp.com.au

Sunshine Coast

Level 6, La Balsa 45 Brisbane Road
Mooloolaba QLD 4557
t: 07 5414 3000
e: sunshinecoast@svp.com.au

Toowoomba

610 Ruthven Street
Toowoomba QLD 4350
t: 07 4639 6140
e: toowoomba@svp.com.au

Brisbane

22 Market Street
Brisbane QLD 4000
t: 07 3310 2000
e: brisbane@svp.com.au

Gold Coast

Level 3, 12 Short Street Southport
Gold Coast QLD 4215
t: 07 5503 4960
e: goldcoast@svp.com.au

Melbourne

Level 17 200 Queen Street
Melbourne VIC 3000
t: 03 9669 1100
e: melbourne@svp.com.au

Perth

Level 8, 68 St George's Terrace
Perth WA 6000
t: 08 6277 0026
e: perth@svp.com.au

Sydney

Level 7 151 Castlereagh Street
Sydney NSW 2000
t: 02 8986 8986
e: sydney@svp.com.au

Townsville

3/41 Sturt Street
Townsville City QLD 4810
t: 07 4724 0000
e: townsville@svp.com.au

Caringbah

By Appointment
t: 02 8986 8986
e: sydney@svp.com.au

Hobart

27 Elizabeth Street
Hobart TAS 7000
t: 03 9669 1100
e: hobart@svp.com.au

Newcastle

Suite 2, Level 1, 1 Market Street
Newcastle NSW 2300
t: 02 4023 0847
e: newcastle@svp.com.au

Rockhampton

222 Quay St
Rockhampton Qld 4700
t: 07 4994 1854
e: rockhampton@svp.com.au

Tamworth

307 Peel Street
Tamworth NSW 2340
t: 0402 222 158
e: tamworth@svp.com.au

Wollongong

By Appointment
t: 02 8986 8986
e: sydney@svp.com.au