Opportunities for private equity investment within the sheep/beef and deer industries

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Executive Summary

Use of private equity is well established in the agriculture sector. The dairy industry, in particular, has used private equity partners to fund purchases and conversions, successfully driving growth of businesses across different stages.

This report identifies the limitations and opportunities of private equity for the sheep and beef industry, where capital constraints and cash-flow issues are an inherent hurdle to growth.

Modern farming systems, technology, and sciences are evolving along with the way businesses are being financed and governed.

This evolution is influenced by such factors as investment costs, social and environmental pressures, availability of skill sets and price volatility – factors that shape how we farm today and into the future.

The backbone of New Zealand agriculture is family-farmed businesses. The industry has been further shaped over the last two centuries by strong trading cycles influenced by political and environmental dynamics ranging from economic recessions, global conflicts and subsidies, to technological and land use advances and high interest rates.

While the traditional family-owned farm remains a strong part of the agriculture industry now and into the future, structures are evolving with the rapid growth of corporates, foreign investors, multi shareholder businesses, leases and their relative hybrid models.

My views and interest in private equity are based on my personal background of growing up on a family farm, my education, work, business experience and the family succession process.

Capital – or lack of it – is probably the largest factor influencing the sustainability and growth of my farming businesses.

The focus on both cost of capital investment in the farming business and on ownership structures has elevated rapidly, driven by high levels of capital appreciation in the last two decades.

Perhaps the issue is best demonstrated by a discussion I had with a former employer about the cost of buying a farm, this was about the in the year 2000. He reflected on how tough farmers thought things were in the 1980's when the capital cost was about three times the gross turnover of a stock unit. He noted that this was nothing compared to where it sat in 2000 - nearly eight times the gross turnover.

So, 16 years after that discussion, the cost is over 10-12 times the gross turnover, and there are now far greater compliance costs and social and environmental concerns increase the cost of doing business.

While high capital gains have created wealth, this has created its own challenges around succession and entry into the industry. Issues over land availability, land use change and investors paying aesthetics values for marginal producing land have all impacted on the environment we farm in today.

I hope this report will stimulate debate and highlight opportunities with the use of private equity for the benefit of industry businesses.

Acknowledgements

Many people can be thanked for the help I have received over the process of this report.

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Thank you for the depth of knowledge shared.

General Introduction

This report focuses on private equity opportunities for the sheep and beef and deer sectors. As distinct from dairy, these sectors have unique operating challenges that have made it difficult to model successful private equity structures and relationships.

Likewise, cash flow limitations, low return on capital but often reasonable capital appreciation, land development costs and price volatility have also influenced effective use of private capital ownership structures within the industry.

I believe the use of private equity in these sectors has multiple potential benefits for all parties:

For the farmer

- The family farm/ succession
- Investor/ silent could bring valuable skills to the table
- Industry entry
- Industry exit
- To gain better economies of scale
- To meet the varied needs of shareholder interests

For the investor

- Security of management/ staffing
- Upper level management
- Increased return on investment

What is Private Equity?

The term “Private Equity” in a commercial context is defined here:

A definition of what is 'Private Equity'

Private equity is equity capital that is not quoted on a public exchange. Private equity consists of investors and funds that make investments directly into private companies or conduct buyouts of public companies that result in a delisting of public equity. Capital for private equity is raised from retail and institutional investors, and can be used to fund new technologies, expand working capital within an owned company, make acquisitions, or to strengthen a balance sheet.

The majority of private equity consists of institutional investors and accredited investors who can commit large sums of money for long periods of time. Private equity investments often demand long holding periods to allow for a turnaround of a distressed company or a liquidity event such as an IPO or sale to a public company.

Read more: Private Equity Definition | Investopedia
http://www.investopedia.com/terms/p/privateequity.asp#ixzz48wlrrMaB
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However, for the purpose of the report, I have used the term “private equity” more broadly to encompass capital funds as a means to achieve growth and success within the sheep and beef industry. Thus, private equity is about using shareholders’ capital and skills to own and grow a business. This could be from a private investor, an institutional fund and/or offshore money. It could also be a mixture of all of the above.

Intangibles, Skills, Personalities and Goals

Before there are any discussions on shareholding values and capital inputs, the most important part of any working relationship is establishing a firm understanding of goals and values. Inherently, investments in sheep and beef businesses tend to be long term and less liquid than for dairy.

Anecdotal information indicate that equity partnership models are evolving and agreements are changing rapidly. In instances where there are multiple working partnerships, they will all vary in ownership structure and management and change rapidly as agreements are reached.

It’s clear that personal attribues and relationship building are critical to forming an agreement and successful business.

Based on my discussions, I have summarized the key elements of a successful equity partnership.

Personal goals are aligned - All partners will have different goals.
An equity manager wants growth while a farm that is invested may have someone wanting to exit, or a silent investor seeking long-term gains. All parties need to agree on goals and outcomes for the farm, for example, development versus taking out dividends etc.

Forms of Available Capital

Institutional Investors e.g. Equity Fund

Equity funds can be both local and international. This can be a useful form of capital as institutional investors may or may not require a yield and look at the situation as a long-term investment. They often have a term or duration attached to the agreement.

Institutional investors with fund equity available are increasingly common in New Zealand's agricultural sector. The fund is usually administered by a fund manager, typically requiring a management fee (often 1-1.5% of the amount invested).

An inherent issue with institutional investors is that they have large amounts of money they need to invest ($100m +) so it isn't in their best interest to work with individual cases. Therefore, a "My farm" type operation may use it in their ownership structures along with private equity and bank debt.

If the fund is from overseas sources, then they are required to work within Overseas Investment Office restrictions. Often an amount will be granted to spend over a set period of time along with other regulations.

Literature Review

Identified Entry/Exit Models

The key models available for entry and exit into the sector are:

- Equity Partnerships
- Share Farming / Profit Sharing
  - 50/50 Arrangements
  - Variable Share Arrangements
- Leasing
  - Wet Leasing
  - Dry Leasing
- Wage Incentives
- Variations of the above

Common themes to success found in all models:

- They are governed by simple models that are well understood by all parties
- They provide young people with the opportunity to progressively gain management control
- There is good two-way information flow so that results and outcomes are transparent to all parties
- The partnership rewards young people for achieving results
- They incentivise owners to invest in business performance
- In most cases, increasing farm performance or maintaining performance at a high level is essential to these models working.

Equity Partnerships

Short description
An Equity Partnership is a joint venture between individuals who pool their capital, and possible skills or resources to achieve greater revenue and growth from their investment.

Equity Partnerships can be one solution to the challenge of individual ownership of land and management succession, thus ensuring the business can continue as a viable operation. Partners could be farmer and new entrants or just new entrants.

Benefits
- Allows a new entrant an ownership as well as management interest in a property, which may otherwise be out of reach
- Provides an opportunity to grow your business faster than perhaps going it alone

- Reduces individual capital requirements and spreads the risk involved with investing in the rural sector
- Greater access to capital to fund development projects which will improve business performance
- Releases equity tied up in your farm for succession and retirement planning purposes
- Realises the benefits of investing in the rural sector without having to manage a farm
- Provides an additional governance (two minds are better than one)

Risks

- Typically, a medium to long-term investment and therefore its consequential benefits and risks will not suit all personalities or individual needs
- A partner needs to be trustworthy whilst holding the same values and goals
- Equity partner / managers need a worthwhile stake in the business or it can limit options rather than accelerate progress
- Planned exit by one or more part partners

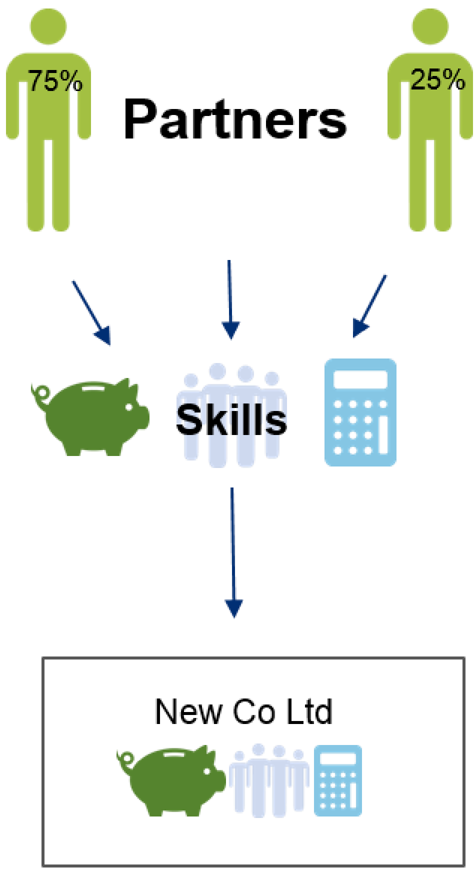


Figure 1 – Diagram of partner model

Share-Farming / Profit Sharing or Joint Ventures

Short Description

Share farming is a contractual arrangement to share income and expenses on an agreed basis, derived from the perceived risk involved, degree of management autonomy and investment in the business. Generally, one party (the farm owner) provides the infrastructure required for farming, and the other (the share

farmer) provides the physical labour, management skills and some or all of the chattels or livestock required to operate the farm.
In some cases, a new entity is formed as a joint venture between land owners, and new entrant managers, to lease and operate land.

Benefits

- Allows entrants to the industry to gain experience and build capital in an effective manner, hopefully enabling them a step towards achieving farm ownership
- Will ensure a level of rejuvenation in the farming population, by people who have, with determination and ability, proven themselves in both financial and operational management
- Such people often push boundaries and raise the standards of development and/or achievement from which the whole industry can benefit
- Allows ageing farm owners to step away from the daily operational activities yet at the same time retaining ownership, input into farm direction and an income from the farm
- Requires share-farmers to be connected to the impact their management decisions have on the business creating incentives to be rewarded for common goals
- Attracts and retains good people in the industry by offering the potential for personal and professional growth, asset creation and/or realisation

Risks

- Such arrangements will involve a shift in management control from the farm owner to the share farmer
- Difficulties can arise for both parties to identify and agree on the level of control assigned to each party, which in turn dictate profit share
- Land owners must be incentivised to continue to invest
- Length of joint venture and exit strategy

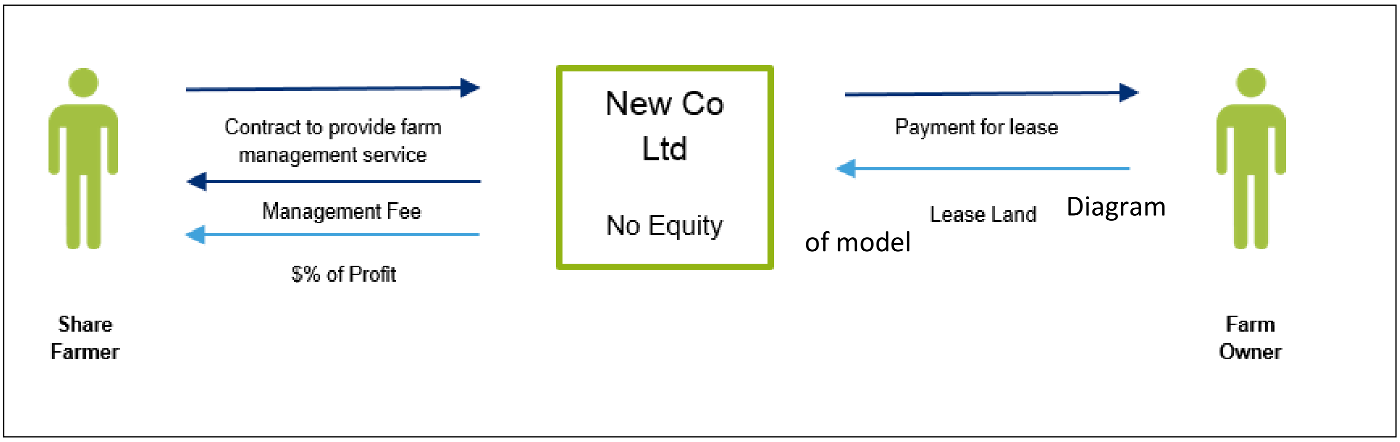


Figure 2 – Diagram of Share-Farming

50/50 Arrangement

Description

A common form of share farming is the 50/50 agreement. Under this relationship, the farm owner, in addition to providing the land, is responsible for ensuring the farm and infrastructure is of a standard to maximise production and profitability. The farm owner is required to pay for any capital expenses, fertiliser and half of any production-related feed costs.

The share farmer usually owns the stock, plant and mobile equipment and is responsible for all stock-related expenses, general farm work and maintenance. The share farmer in return receives 50% of animal income and all the proceeds from stock sales. They are also usually responsible for both day-to-day strategic farm management.

50/50 agreements usually last for a period of three or more years to provide security for tenure. The benefit of this relationship over traditional employment is that it incentivises those farming the stock because they own them.

Further, a share farmer is placed in a stronger financial position and will have learnt vital business management skills to eventually buy a farm, thus creating a pathway for non-family and family farm succession.

Variable Share Agreement

Description
Where a share farmer does not own the livestock and has minimal plant and equipment, a variable share agreement can be entered. The percentage of income received is usually then negotiated and the farm owner is often more involved in the day-to-day and strategic farm management.

This provides a share farmer with a valuable opportunity to learn from the owner who is often sympathetic to their desire for progress, both on and off the farm.

A farm owner is given their first step away from day-to-day operations and a pathway towards further succession models such as a 50/50 arrangement or equity partnership.

Leasing

Short Description
An alternative option to selling a farm is to lease it, either as bare land or as a going concern. Leasing may be an attractive option where there is reluctance to part with the family farm or where there has been no decision about future options (investment, lifestyle or businesses) resulting from the proceeds of a potential sale.

Put simply, such a lease is the contractual agreement between a land owner and a tenant to lease the land and its fixtures. The lease agreement will cover the maintenance and ownership of the chattels, ensure the pastures and fertility of the property are at least maintained, define permissible activity on the land plus any further party requirements.

Benefits

- Viable option for those starting out who may not have enough equity to purchase the farm outright
- Family farms are leased to the next generation as part of the succession process as it can allow the tenant to develop critical management skills, generate more income and potentially build equity faster than if they were employees or share farmers

Risks

- Ascertaining the value of the lease can be quite complicated where there are different options for how the farm should be valued
- Leasing is not a long-term option

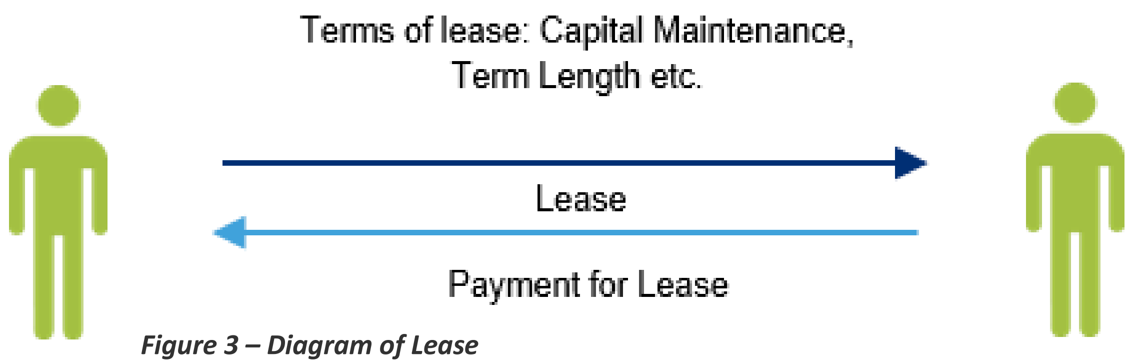


Figure 3 – Diagram of Lease

Wage Incentive

Short Description
Where farm owners are not ready to step away, an option is to provide an incentive-based wage scheme. This provides employees a monetary gift based on their individual or team performance, with the goal enticing them to continue delivering positive results. Incentive pay may come in the form of a bonus, profit sharing, or commission.

Due to technological innovations, red meat farmers have better information than ever on how to increase farm production and profit, providing the opportunity and scope for performance incentivisation models. They are, however, not yet widely understood or supported by professionals in the way share milking has been.

Benefits
- Connecting employees to their performance aligns the farm owners and employees' goals
- Greater pay capability allows young farmers to build equity accelerating progress to achieve their farm ownership interests
- Opportunity to test future joint venture parties

Risks
- Can be unsustainable for farm owners due to seasonal fluctuations in income.

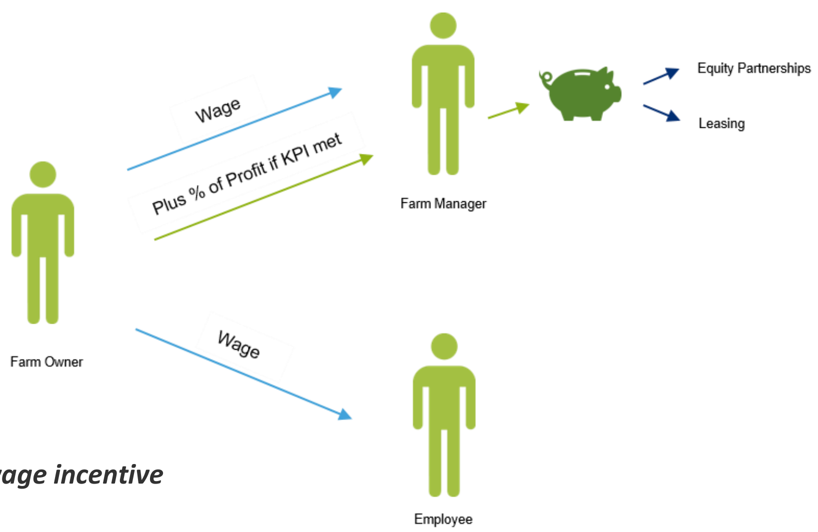


Fig 4 – Diagram of wage incentive

Separation of roles in the Equity Partnership

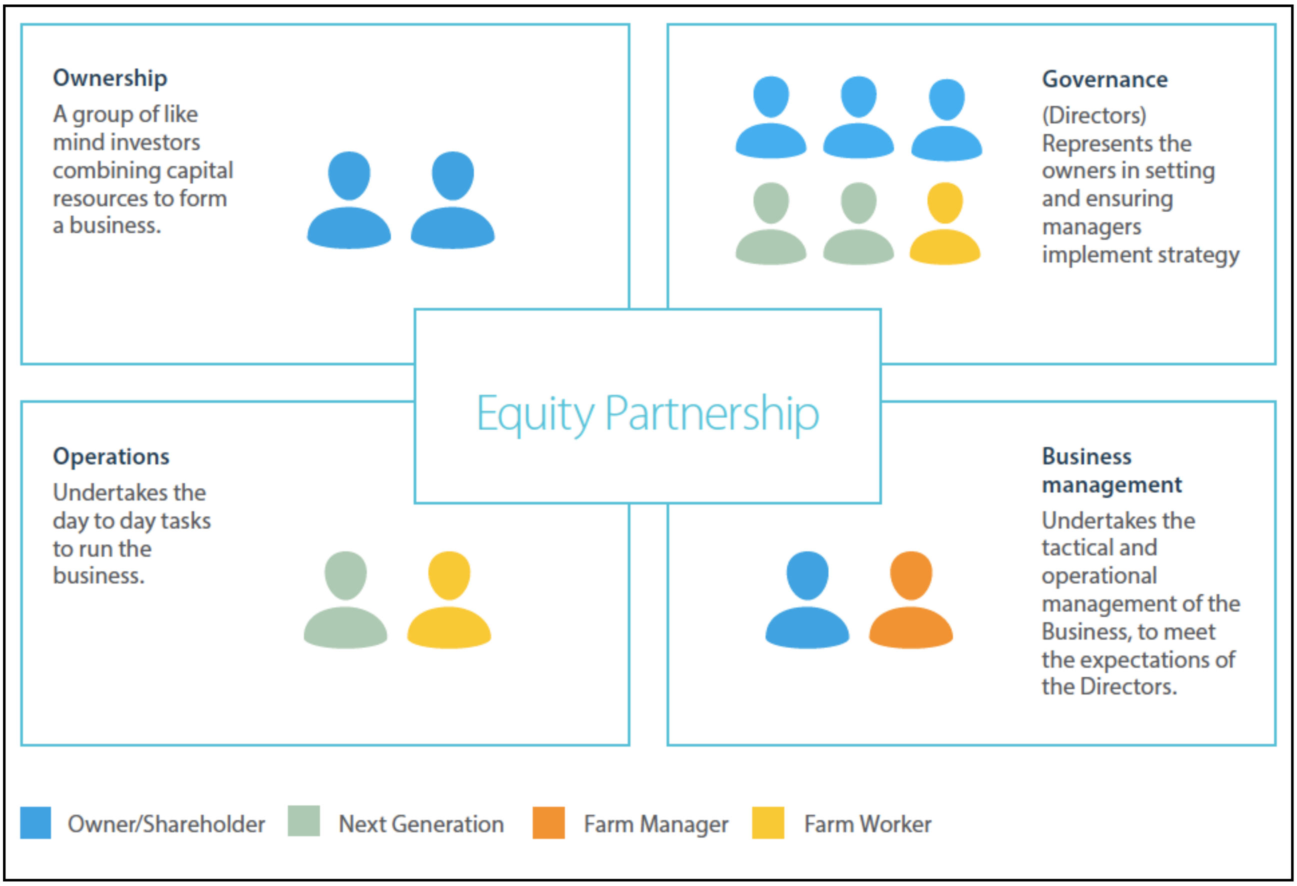
In forming an equity partnership, consideration needs to be given to the various roles that are to be performed within the business, the skill set and availability of the investors to fulfill these roles, along with external parties required to strengthen
areas of perceived weakness.

The following diagram depicts the many roles within an equity partnership and highlights that any one individual may fulfill a number of roles.

Ownership structure

The most common ownership vehicle is a limited liability company, due to the transparency of ownership and relative ease by which the owners may buy and sell share parcels.

Other common ownership vehicles include trusts, partnerships and limited liability partnerships. With all cases legal and accountancy advice are an absolute necessity to make sure the correct structure is used to suit the proposed business.



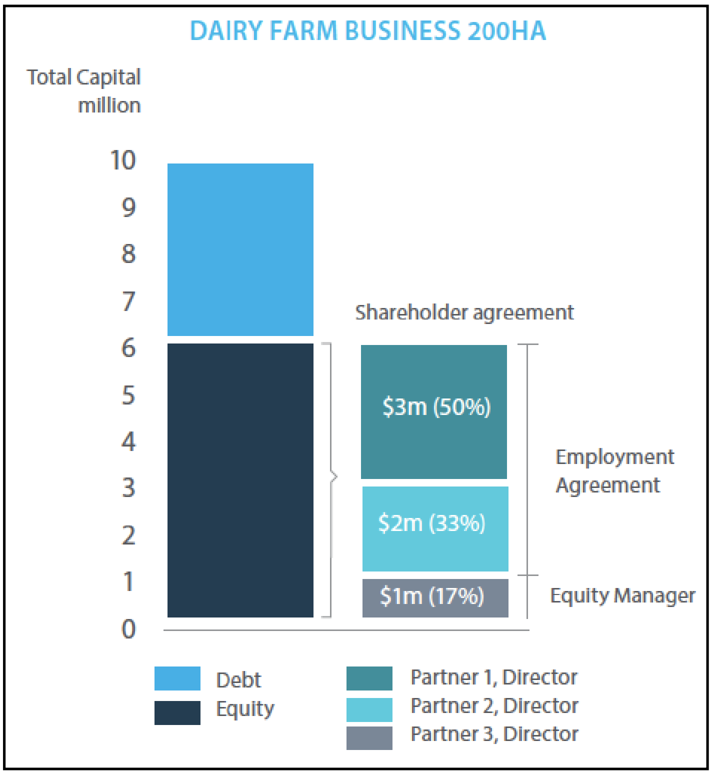
The owners and their rights

The portion of ownership will be determined by the amount of capital contributed relative to fellow investors.

Once the capital structure of the Equity Partnership is established the investors then need to determine:

- The number and classes of shares
- Issuing of shares and issue consideration
- The right of those shareholders to elect (voting rights) a representative (Director) on the Board
- Equality of voting rights, where unequal shareholding exists, in matters that go to the heart of the investment.

In this example, three shareholders with varying levels of equity investment have pooled together their capital to purchase this farm. In funding the company, they have also used $4M of bank debt. One of the investors is also going to run the business and is referred to as the Equity Manager.



Shareholder terms and exit procedures

It is also necessary to consider how the future interactions between shareholders are to be handled. Terms of any Shareholders accounts should be determined at the outset (does interest apply and at what rate?), exit procedures established including responsibility for the costs associated with valuation of the Equity Partnership's assets, and consideration given to pre-emptive rights of remaining shareholders when shares are to be sold. Below is an example of how this process could occur:

Step 1: A shareholder, "Moving on", advises their desire to exit some or all of their shares by a certain date.

Step 2: Two sets of Independent valuations are undertaken on the assets of the business, and the total shareholder capital is determined by taking the midpoints of the values, and then subtracting all of the company's liabilities.

Step 3: The equity held by "Moving on" in the business is then calculated by applying the number of their shares by value per share.

Step 4: Pre-emptive rights to buy the exiting parties' shareholding exist, so "Moving on" offers the remaining shareholders the shares at valuation.

Step 5: If the remaining shareholders do not wish to purchase the shareholding, then "Moving on" can then market them, much like your typical farm is marketed.

Governance

The Board of Directors is charged with the responsibility of determining the direction for the business. They do this by establishing the strategic plan (> one year) and then ensuring it is implemented in the farming policies and practices that the Management and staff of the business apply at tactical (weekly to monthly) and operational (daily) management level.

Not all shareholders need to be directors, and not all directors need to be shareholders, although in small companies they usually are. In determining who should be directors of an equity partnership, consider the breadth and balance of skills and knowledge that exists within the investors.

Where prudent seek out external independent Directors (namely, people that do not have an ownership or other beneficial interest in the company) to complete the necessary skill set - well respected local farmers, farm consultants, financial advisors are all common elections.

Other sources that may be considered include the Institute of Directors and local business identities that may diversify the leadership background, and ultimately strengthen the business. As they will not have a vested interest in the ownership of the business they will need to be remunerated for their time, and this is an additional cost that needs to be factored in when considering the viability of the business.

The Board is also responsible for reporting back to the Shareholders and consideration should be given to the amount and frequency of farm and financial reporting to be completed (either monthly or quarterly are typical).

Core functions of the Board include (but are not limited to):

- Establishing terms of manager's employment contract
- Establishing major farm policies
- Monthly financial reporting, cash flow projections and revision, and farm production reports where it is not defined as the farm manager, accountants or farm consultants responsibility
- Completion of annual budgets, preparation of financial statements and general upholding of accounting records
- Dividend distribution policy
- Capital developments, planning and execution
- Delegations of authority to create obligations on behalf of the company
- Matters requiring approval by a special resolution:
  - Major transactions
  - Asset disposal/acquisition
  - Issue/transfer of shares
  - Borrowing or lending by the company

ANZ TIP

Directors with an owner operator business background often find it a challenge to transition to a strategic, oversight and collective decision-making role. Setting a clear role mandate and regular interaction with the Board through management meetings is a good way to ensure that the Equity Partnership goals and strategy are being upheld.

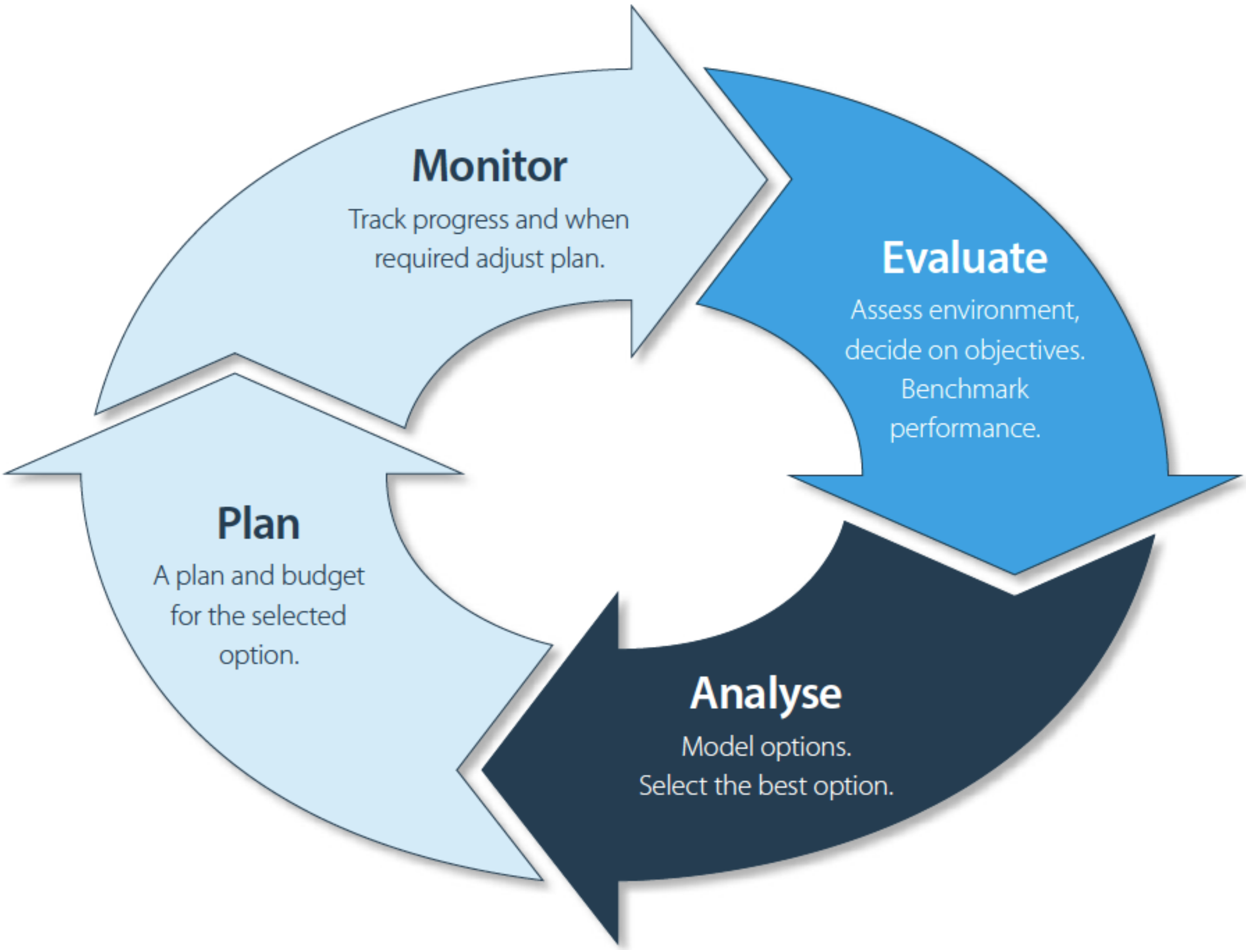
Business Management

This is one of the most commonly underperformed processes in any business, let alone equity partnerships. An equity partnership is an on-going collaboration between the Board of Directors, operational and financial management, and external advisors. This is integral to the equity partnership achieving its invevstment goals.

Consider the diagram below as to whether these key processes have been discussed and determine who will be completing, how regularly, what outputs are required and who needs to see them.

There is a number of IT systems which can assist in this and providing the management and governance information to support decision processes and make activities and results visible.

Business Management Cycle



Methodology

This report is based on my interviews with people with vested interests across a wide range of sheep and beef partnership ventures and business-related backgrounds.

Including
- Potential and existing equity managers
- Farm business owners
- Real estate agents
- Successful equity partnership operators
- Advisor
- Accountant
- Lawyer
- Fund managers

Questions have been tailored to the person and their skill base rather than a standard questionnaire. This approach has delivered rich conversations which cover the intended topics. I contacted most interviewees several times to discuss and debate issues and concepts raised in other interviews. I found that as my knowledge and ideas grew, so did the discussion and debate.

A collaborative report of ANZ and Red Meat Profit Partnership and the ANZ Equity Partnerships and Joint Ventures in Agriculture Report has identified the recognised avenues to enter and exit the industry.

Online research through journals and publications has helped inform discussions and ideas
Common themes have been collated from the different research avenues. Discussion points and concepts will be quoted

Findings

The literature shows several established options to grow a business through shared equity arrangements: joint ventures including 50/50 arrangements (or other variables), equity partnerships, leasing or a mixture of these.

What constitutes a successful Joint Venture?

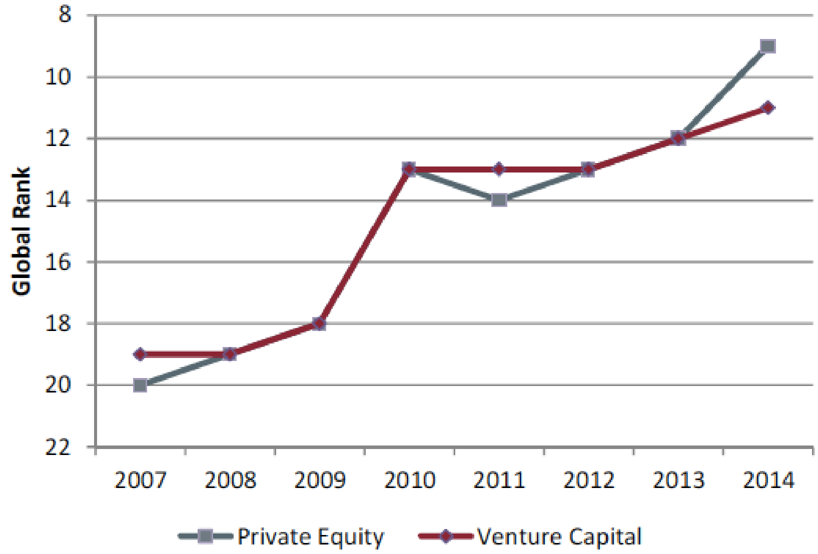
Intangible Qualities
- Trust between the parties
- Aligned goals and objectives and clear understanding of these
- Open and honest communication
- Shared values

Tangible Qualities
- Ownership structures. Correct ownership structures need to be implemented through the use of good legal and accountancy advice
- Excellent governance.
- Representation and implementation of strategy
- Business Management involving Planning- Monitor-Evaluate-Analyse

Venture Capital and Institutional Funds

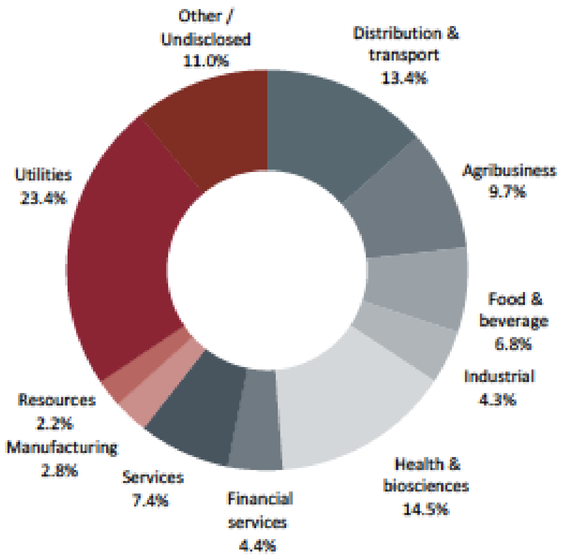
There has been a greater amount of Fund Capital invested in New Zealand over the last decade as

New Zealand Private Equity & Venture Capital Market Attractiveness 2007-2012



Source: Groh, Liechtenstein and Lieser (2014)

Private Equity Investment by Sector 2009-2013



illustrated below:

The agriculture sector has only contributed to about 10 percent of the total private equity investment in New Zealand over recent years – a large portion of which is likely to relate to the dairy industry.

While there are good reasons why the sheep and beef industry is both attractive and unattractive to private equity institutions, stable government and a tax system with no capital gains makes investing in New Zealand attractive.

Institutional equity is starting to embrace the agricultural market. With a better understanding of the industry and New Zealand's reputation as a safe place to invest, further growth in investment is likely. The way the capital is used will also change with systems developing as the market matures. The constraints that exist now will be better understood and finance products for farm business look to become more widely available.

According to Craigmore Farming, there are 12 fundamentals of investing in New Zealand agriculture that make it attractive.

1) Pastoral farming
2) Low cost systems
3) Water availability
4) Highly skilled and efficient labour force
5) Productivity gains
6) Logistics and infrastructure
7) Marketing
8) Biosecurity
9) Concern for the environment
10) Animal welfare
11) No subsidies
12) Food assurance and integrity

Equity funds can be both local and international. This can be a useful form of capital as institutional investors may or may not require a yield and look at the situation as a long term investment. They often have a term or duration attached to the agreement.

Institutional investors with fund equity available have become common in the NZ agricultural scene in recent years. The fund is usually managed by a fund manager who most likely requires a management fee (often 1-1.5% of the amount invested).

As stated earlier, equity funds are often administered by fund managers. It is important to distinguish between fund management and asset management for the fund. Both activities can be managed by one company but have two distinct purposes.

Fund management concentrates on money access which requires expertise in taxation, hedging, reporting and accounting.

Whereas, asset management solely focused on management of "The Farms" often set up in "Pods". It covers day-to-day farm and business management including accounting and reporting systems for the business.

These type of farm businesses can have high overheads to meet the requirements of the fund managers and often OIO. There is also the risk of farms or farmers losing their autonomy from having a large and top-heavy hierarchy.

Inherent issues with institutional type investors is that they have large amounts of money they need to invest ($100m +) so it isn't in their best interest to work with individual cases there for a “My farm” type operation may use it in their ownership structures along with private equity and bank debt. If the fund is from overseas sources then they are required to work with OIO rules. Often an amount will be granted to spend over a set period of time along with other regulations.

Lending systems are evolving within the fund sector, where they will operate more like a hybrid fund/banking facility allocating a percentage of fund money instead of/or on top of bank finance. The fund may have a dividend requirement of 2 percent p/a of the amount invested and also take a percentage of capital gain. This enables the business to use cash flows to increase production and development. The requirement to service the money is much less than banking but if over a 10-year period the property holds an average 5 percent rate of capital gain then the fund will receive 2.5 percent.

Q) Profitability in the S&B industry has been marginal and cash flows often unreliable but land appreciation has been strong. Do you think it is hard as an investor to understand the inherent constraints and issues?

A) “I think most private investors would be interested in seeing their investments go into profitable farms, not just relying on property values appreciating. Perhaps property developers and property investors would be different but I don’t think private investors on the whole would be all that comfortable relying solely on property values.”

Concept for Equity Partnerships in Aesthetically Valued Properties

A large area of traditional high country properties is now being valued and purchased by investors or non-farmers for reasons other than running traditional sheep and beef farms. As well as investment, these reasons may include recreational or for retreat.

Managers are employed for the day-to-day operations, which has advantages and disadvantages for the sheep and beef industry.

From the farmers’ perspective this pushes land prices outside their capabilities, although beneficial for the vendor. It can also make succession for families difficult as inflated valuations and modest profitability restrict options.

Advantages are the investors often have more disposable funds to develop land and infrastructure and combat inherent issues like weeds and pest. Farm managers often stay long term, are well remunerated and treat the property as theirs.

However, inflated values make it hard for managers to have an equity share in the property. For example, “X” purchase price $20m. It is deemed that the economic value is say $8m. The EM gets an opportunity to invest as a % shareholder in the business part of the property, say a $2m of the $8m= 25% partner in the business. Expenditure can be prioritised as "business development" or “Aesthetic". If the Property sells for $30m ten years later the investor of the Aesthetic value will receive this minus the EM’s share and appreciation on the value of the $8m economic value

Conclusions

The Knowledge Gap

While we've long had ways to attract capital to invest in sheep and beef businesses, there is a general lack of awareness of the opportunities among some key groups: people wanting to enter the industry, those wanting to grow their business and those wanting to exit.

Likewise, there is a void between the investor and the business owner, often lacking specialist advice, networking experience and exposure to opportunities that give them the confidence to invest. Several of the people I interviewed said there were a lot of people wanting to invest but wary of going down the wrong path.

In the last decade, we've seen a shift in how people in agriculture see themselves, not just as farmers but as business people. This change in mindset is critical to sustaining a successful business.

That said, based on my discussions with farmers, many still have preconceived ideas   using external capital in their business – as reflected in comments such as "If you can do it yourself, do it yourself" and the view that private equity means giving part of your business away.

The reality is that people who open to the opportunities in the future will be in a better place to grow their business.

Evolution of the Industry

We often hear of the evolution of industry technologies. Machinery has progressed markedly over the past century, animal genetics has also advanced in leaps and bounds in the past 50 years. There is a whole raft of technologies that help both production and efficiency.

Likewise, the private equity market and the opportunities to enter a sheep and beef property have developed and evolved. Given the high capital cost to enter farming today, we will see substantial increases in options and opportunities with in the sector.

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Appendix

Questions used

1) From the points I have raised, do you think that there is more scope for farmers and investors to be collaborating more in the future? For the interests of all involved

2) Profitability in the S&B industry has been marginal and cash flows often unreliable but land appreciation has been strong. Do you think it is hard as an investor to understand the inherent constraints and issues?

3) What are main points that constitute a successful equity partnership?

4) Is land, more specifically sheep and beef hill/ high country going to be a sort after investment in the future. Is it seen as a "safe" place to invest to the outsider?

5) Land values in a lot of areas are valued outside their productivity value and more so on an aesthetic value. I have been playing with a concept of distinguishing the economic value and using this value to attract and equity manager. The Equity manager then can have a vested interest in the business where he can be rewarded by growing production and get a share in the capital gains on that "economic" value if ever sold.

    For example: Station "X" Purchase prices $20 m
    It is deemed that the economic value is say $8m (the EM gets an opportunity to invest as a % shareholder in the business part of the property, say a $2m of the $8m= 25% partner in the business)

    Expenditure can be prioritised as "business development" or "Aesthetic"

    If the Property sells for 30m ten years' later the investor of the Aesthetic value will receive this minus the EM's share and appreciation on the value of the $8m economic value

    I might have lost you but can you see advantages here?

6) As an investor in land, where are your biggest risk? e.g. staff, legal liabilities, knowledge and support?

7) Do you see that there would be a lot more people investing in farms/stations if they knew the right paths to take, e.g. advice and networking.

    Is there a lack of confidence from investors to take the step?

8) Investors have other drivers rather than just profitability/business. For the use as a retreat/ vacation etc., is there something we are missing as Industry/ farmers that doesn't't cater for the values of the investor

9) Your views on this topic?