

We focus on your financial concerns so you can focus on growing your agribusiness

**Take the first steps to investing in a KPMG-designed Treasury Toolkit now.**

A KPMG-designed Treasury Toolkit will be your true trusted adviser when it comes to managing financial risk.

The sooner you call, the sooner we can help by tailoring an approach that fits your budget. So talk to one of our experts now and see how easy it is to start seeing the benefits that a practical treasury toolkit can bring to your business.

**Contact us:**



**Ceri Horwill**  
**Partner**  
T: 09 367 5348  
E: cerihorwill@kpmg.co.nz



**Rajesh Megchiani**  
**Director**  
T: 09 367 3581  
E: rmegchiani@kpmg.co.nz



**Michael Stanton**  
**Associate Director**  
T: 022 403 5150  
E: mstanton1@kpmg.co.nz



**Simon Cole**  
**Associate Director**  
T: 04 816 4875  
E: simoncole@kpmg.co.nz



**Lajos Csordas**  
**Senior Manager**  
T: 09 367 5974  
E: lajoscsordas@kpmg.co.nz



**Brent Love**  
**Director**  
T: 03 683 1871  
E: blove@kpmg.co.nz



**Julia Jones**  
**Farm Enterprise Specialist**  
T: 07 858 6553  
E: juliajones1@kpmg.co.nz



**Kate McCorkindale**  
**Assistant Manager**  
T: 09 367 5807  
E: katemccorkindale@kpmg.co.nz

**kpmg.com/nz**

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You've built  
a world-class  
farming operation

**Now protect your returns with a first-class approach to financial risk management**

A KPMG-designed Treasury Toolkit

July 2016

[kpmg.com/nz](http://kpmg.com/nz)

# Simple, practical, treasury support

**Owners of farming operations and agri-businesses frequently feel out of their comfort zone when it comes to managing risks and considering their options to reduce the effects that milk and commodity prices and interest rate movements have on their bottom line.**

Managing cash flow when milk prices fluctuate or interest costs on borrowings can be challenging, complex and time consuming. Every decision is important to the success of the farm, but typically farmers and agri-business owners have little time to think about the treasury strategy that is most appropriate for their farming enterprise. KPMG aims to help farmers and agri-business owners build treasury toolkits that simplify risk management decision making. A toolkit should be flexible enough to reflect market movements, practical enough to be used every day and simple enough to understand in order to help farmers feel confident in their treasury decisions.

## What is a treasury toolkit?

A treasury toolkit is a document that helps you to make decisions around fixing interest rates, currencies or your milk price and other commodities. It sets boundaries to operate within and base decisions on. The toolkit aligns with your farm's or agribusiness' needs and will be matched to how much risk you want to take on.

## Why is it so important?

As a farmer or agri-business owner you will be faced with numerous financial decisions that will have a direct impact on the profitability of your business. A declining market payout for your product, an adverse weather pattern such as a drought or a rise in market interest rates can all have a significant impact upon profitability. How you are positioned from a financial risk management perspective, can be the difference between a successful operation and one that falters.

A Treasury Toolkit provides a framework or a platform to guide you through those important decisions.

"Should I fix my interest rate on debt now, how much should I fix and for how long? I hear about milk price futures, how do these work and will they protect me from a falling milk pay-out?"

Additionally, your stakeholders, or those that have a vested interest in your financial performance will have an enhanced level of confidence in you with the knowledge that your world class farming enterprise is supported by a first class approach to financial risk management.

# A return that meets your needs

## Our five-step approach to a practical and simple Treasury Toolkit.

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### 1 Let's talk

  - » We'll work to understand what's important for the future success of your farm.
  - » We'll want to understand your farm's strengths, weaknesses, threats and challenges.
  - » We'll also want to understand what keeps you awake at night – moving milk prices? A movement in interest rates? The exchange rate for your next machinery import?
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### 2 KPMG Think Tank

  - » Based upon our initial meeting our treasury team will brain storm and come up with a tailored toolkit that is right for you.
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### 3 Let's work together

  - » We'll visit your farm and introduce ideas and approaches to financial risk management that will make you challenge the way you have previously done things.
  - » We'll provide you with explanations of different tools, that can be used to reduce the impact on your farms bottom line if the milk price drops lower, or interest rates increase unexpectedly.
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### 4 Drafting a practical toolkit

  - » We will agree an approach and formal guidelines that will set the tone for how you intend to manage financial risks. These outcomes will then need to be documented. KPMG have the skills and experience to do this, or alternatively, you can draft a toolkit and we'll review it.
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### 5 Ensuring the outcome meets your needs

  - » Once we've finalised your toolkit and it's embedded in your farming operation, we'll check back to ensure that it's delivering against your needs. We'll fine-tune it if necessary and be there to answer any questions that you may have.

# Our approach

**If you decide to invest in a KPMG-designed Treasury Toolkit you'll be investing in the future of your farm.**

## Dedicated KPMG treasury team

You'll have access to our team of treasury consultants who will work with you to develop a practical toolkit that you understand. KPMG will support your farming operation and help you to navigate the risks that are present in today's market.

## Understanding your farming business

We'll work to understand what makes your farming business tick. We'll draw upon the knowledge of our employees that are experienced in the farming sector and work with you to identify the key financial risks impacting your success.

## Risk appetite

We'll help you to understand how much you'd like to be exposed to movements in the milk pay out, interest rates and any other factors that concern you. We'll then help you to help yourself by sharing our knowledge in these areas. We'll work with you to provide a straight forward toolkit that will guide you through financial hurdles.

## Practical support

As part of the package, you'll have access to our treasury consultants to help answer questions and give feedback as you start to implement your toolkit.