

AGRIBUSINESS RECEIVERSHIP CASE STUDY: BROADACRE CROPPING IN AUSTRALIA

FTI Consulting Director Hugh Campbell managed the sale of assets in the receivership of a portfolio of 15 broadacre cropping properties engaged in cereal and oil seed production. The properties covered approximately 27,000 hectares of land on the Eyre Peninsula of South Australia.

Situation

- Shortly after the completion of harvest, receivers were appointed to the company which owned four separate cropping aggregations, comprising a total of 15 properties, throughout the Eyre Peninsula of South Australia.
- The receivership required the sale of three classes of assets; plant and equipment, stored grain and the properties themselves.

Our Role

- Mr. Campbell carried out initial visits to all properties to establish a trading/sale strategy and to determine which of the company staff were necessary going forward.
- An independent expert was engaged and utilised to assist in the sale of the grain which was held both on-farm and in local grain receival silos.
- Independent marketing agents and valuers were engaged to assist in the sale of the properties, plant and equipment. This process was complicated by the volume of heavy machinery and the broad geographic coverage and remoteness of the properties (split into four aggregations of varying soil and production capacity).
- Mr. Campbell worked with appointed marketing agents to produce a series of in-depth information memorandums detailing each of the properties.

Outcome

- All grain was successfully realised at prevailing market values or sold privately for stock feed if contaminated or pickled.
- Clearing sales were held at three locations and all plant and equipment was sold, achieving an overall result above market valuation.
- All properties were sold following a five week press-marketing campaign. A flexible approach was adopted, with some adjoining properties sold in-one-line and others sold individually.
- All viable cropping properties were able to be sold in time to allow incoming purchasers to plant winter crops for the coming season.

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About FTI Consulting

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