

## TAKING A CHANCE



The Foot Family Story  
By Jonathon Foot

## OVERVIEW OF OPERATIONS

- ▶ Family Partnership
- ▶ Mixed Enterprise
- ▶ Based around Clermont
- ▶ 7500 head of cattle
- ▶ 4800 ha of farming



## OVERVIEW OF PRESENTATION

- ▶ Outline of our operations
- ▶ Expansion of the business
- ▶ My role in the family business
- ▶ Interaction with Rabobank



## EARLY DAYS

- ▶ Family partnership with Dad's brother and father
- ▶ Originally acquired Marmadilla in Springsure
- ▶ Purchased Pioneer in 1984
- ▶ 44 000 acres, west of Clermont
- ▶ Pioneer remains home block today
- ▶ High interest rates in late 80s
- ▶ Partnership split in 1994 – my parents took Pioneer

## My parent's expansion

- ▶ Initial contact with PIBA
- ▶ Leased Monteagle in 1999
- ▶ Enabled an increase in stock numbers
- ▶ Led to desire and ability to expand operations
- ▶ Purchased breeder block – Alice River in 2001

## TIGGABON

- ▶ Purchased Tiggabon in 2003
- ▶ 7000 acres with 4000 acres cultivation
- ▶ Traditionally farming country
- ▶ Idea to transform into fattening block by utilising leucaena
- ▶ Leucaena is a deep rooted legume of high nutritional value
- ▶ Planted at 6 m row spacings
- ▶ Buffel and bambatsi panic planted between the rows.

## Planting the Leucaena in 2003



## Leucaena in early 2004



## Mature Leucaena with buffel rows in 2005



## DIVERSIFICATION INTO GRAIN

- ▶ 2006 Purchased Karin Downs and Beacon Hill
- ▶ Total of 11 000 acres with 9 000 acres cultivation
- ▶ Initially to plant leucaena
- ▶ Successful first wheat crop so moved into grain industry

## Wheat at Beacon Hill 2006



## GRAIN AND CATTLE PRODUCTION

- ▶ Transformed traditional farming blocks to mixed enterprise
- ▶ Planted legume dolichus (Lab Lab)
- ▶ Mixed with forage sorghum
- ▶ Bonus of reducing fertiliser inputs

## Dolicus and Forage at Karin 2008



## CROSS BREEDING

- ▶ Originally Santa Gertrudis herd at Pioneer
- ▶ Introduced Brahmans for harsher conditions at Alice River
- ▶ Recently utilised Charolais
- ▶ Able to meet weight goals at younger ages

## SANTA / CHAROLAIS CROSS CALVES AT PIONEER



## OK STATION

- ▶ Bought OK Station in 2008
- ▶ North of Clermont
- ▶ Wall to wall buffel grass
- ▶ Fertile soils
- ▶ 3 000 acres of cultivation
- ▶ Sense of personal satisfaction

## OK STATION



## SUMMARY OF CURRENT POSITION

- ▶ Family owned and run business
- ▶ Close proximity to one another
- ▶ In process of gaining EU accreditation
- ▶ 5 blocks:
  - Pioneer
  - Tiggabon
  - Karin Downs
  - Beacon Hill
  - OK Station



## **FAMILY PARTNERSHIP – My role**

- ▶ Evolving over the years
- ▶ Increasing role in decision making
- ▶ Played a significant role in diversification to grain & implementation of leucaena
- ▶ Coordinates farming activities
- ▶ Works across all operations
- ▶ Based at Karin Downs with wife and daughter

## **INTERACTION WITH RABOBANK**

- ▶ Long association since 1999
- ▶ Supported our visions for future developments
- ▶ Focus on rural enterprises
- ▶ Good relationship with Craig Slack
- ▶ Provides advice, support and importantly the MONEY!!



# THE END



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The Farmer, The Banker and Business Growth



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# Finding the right Financier




Seeking finance can be daunting

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# Finding the right Financier



Look for ingenuity and a can do attitude

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# Finding the right Financier


Be persistent – there's always a way through

Rabobank

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# Finding the right Financier




Sometimes it's not the right fit

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# Understanding your business



The slide features the title 'Understanding your business' in a large, bold, black font. The Rabobank logo, consisting of a stylized figure on a globe and the word 'Rabobank', is located in the top right corner.

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# Understanding your business



Flexibility/adaptability - the ability to alter plans on the run

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Response time - make sure your bank can meet your expectations for hasty answers when required (the right ones)

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You need both your bank manager and bank to have a deep understanding of your industry and your business

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Response time – make sure your bank can meet your expectations for hasty answers when required (the right ones)

You need both your bank manager and bank to have a deep understanding of your industry and your business

You both need to know where things will sit if not everything goes well


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# Communication



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# Communication



As often as necessary to keep everyone comfortable (early communication leads to timely and measured responses)

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Honesty - carry through with commitments (both ways)


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## Relationship



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# Relationship



Both the client and financier need to have a mutual interest and understanding of each others business.

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like any relationship there may be times when views do not match perfectly, however if there is a strong relationship of mutual understanding

If a trusting relationship is formed and held, big problems become small ones and tend to fade away.


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# The final point – numbers



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**Serviceability**

- Operating/Cash profit
- Cash Flow Budget
- Debt per head ratio

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- Debt per head ratio

**Equity**

- Assets
  - Land
  - Cattle
  - Plant
  - Off Farm
- Liabilities
  - Term loan
  - Overdraft
  - Equipment loans (leases)
  - Other (Vendor)

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## Questions



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Roma

18th November 2010

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