

Calm in the economic storm

In the midst of one of the most turbulent times since the Great Depression, farmer, turned banker, turned financial consultant—Jennifer Wainwright—has been welcomed as a breath of fresh air.

BY KIRSTY O'CONNELL

As agriculturalist first and banker second, Jenn felt that the crisis should send investors running back to the solid returns of farming, but she also saw, with many producers leveraged to the hilt, that it would take a cool head and some practical advice for those producers to weather the storm.

"I think a few people were surprised that I chose the midst of a financial crisis to launch this new business but to me it was pretty clear that a lot of people would need sound strategic advice," Jenn remarked.

Jenn intended to specialise in private equity networking when she launched her new business, Aux Venture in February, but quickly expanded her services into grassroots customer support on the back of the rising need for assistance in the current market.

"Having been in the banking industry I could see a gap emerging in the market for experienced support resources.

"Actually, that's how the name came about; 'Aux' comes from the Latin 'auxiliary', meaning to aid or support, and 'venture' being the taking of risk in the pursuit of higher gain—it really sums up what I do.

"An increasing number of producers are in difficult circumstances, be it drought or market conditions, with no further avenue to carry on working capital. Loans are being called in and valuations are being dropped and in all this there is a real lack of strategic support out there for borrowers. Producers are attending mediations with their finance providers

without any opportunity to gain good solutions-based advice first.

"I've been trying to share my knowledge where I can to help both the producers in difficulty and the financial providers that clearly have a mandate and need workable solutions."

A fourth generation Queensland beef producer, Jenn was born and raised on a cattle station at Alpha before completing a degree in agriculture through the University of New England in Armidale, NSW. Holidays were spent working in the beef industry across Queensland, the Northern Territory, Victoria and New South Wales.

"I wanted to know how the beef industry worked from front to back so I did everything I could—worked in abattoirs, backgrounding operations, feedlots—you name it. Short of getting on a live export boat to Indonesia I've had hands on experience in every sector of the industry."

After graduating, Jenn worked as a sales rep for one of the world's top four animal health companies where she spent the majority of her time working with producers to solve production and technical challenges—developing a keen understanding of a variety of beef production models.

Jenn was then offered a role with ANZ as the national beef banking specialist where she continued to support producers, travelling all over the country for seven years to see various beef enterprises first hand and to offer practical advice and support.

Today she maintains a property at Rockhampton where she operates a small stud and commercial Droughtmaster operation and helps her parents on their beef and wine grape property in Queensland's Burnett region.

This understanding of both the farming and banking sectors has put her in a unique position to see practical solutions for borrowers and lenders.

"There's really no one answer to the way out of a tight situation. Having worked for both sides I have an understanding of workable solutions, or certainly an understanding of what doesn't work. In the cattle game, selling core herd assets for working capital or interest commitments is one example. Straight away you cut your profits and eliminate sources of your future cash flow, which is the very thing you need to survive.

"The same thing goes for any business—cash is king; you should always maintain the assets that provide your revenue stream."

Jenn, previously the author of Cattle Country Magazine's Banking Basics column, said the key to staying in control is to be proactive.

"We're often in the position of trying to help clients at the eleventh hour but you have far greater bargaining power if you understand your options and talk to your lender early."

Beyond the practicalities of managing through difficult times Jenn says a sound recovery strategy also requires an understanding of the client's aspirations.

"Part of the picture is about getting the debt structure right but it's also about knowing where you want to go and what you want to achieve so that you can develop a strategy that positions you well."

Her successful customer support activities have been prompted a landslide of



processes and functions that allow animals to live and grow.

Potassium and sodium are used for osmotic regulation of body fluids. Iron and copper are a component of proteins and most importantly hemoglobin. Zinc and selenium are necessary for optimum growth. Deficiencies of minerals can result in ill-thrift. Vitamin supply is not usually a problem for grazing animals.

Supplementation is the most common method used to correct a nutrient deficiency, but a balance must be struck between delivering essential nutrients and supplementing without the risk of upsetting the delicate balance of the animal's system.

Supplementation can be done in many ways. Some animals may require a daily ration of a specific mineral or vitamin, while others may benefit from a single dose of a specific mineral or vitamin.

Determining the most effective method of supplementation will depend on the animal's needs, the availability of the supplement, and the cost of the supplement.

Proper property and feeding techniques are very important to the success of any supplementation program. ■

See advertisement on page 42 for more information or visit www.merck.com.

Minerals are essential in nutrition of beef cattle. Calcium and phosphorus are the key components of bone. Minerals are also needed for the essential

cellular functions of the animal.

The body's demand for minerals is constantly changing. Minerals are constantly being degraded in the rumen and are directly absorbed into the animal's system.

Minerals are also used for energy production and for the synthesis of proteins and enzymes.

Minerals are also used for the synthesis of DNA and RNA, which are essential for cell growth and division.

Minerals are also used for the synthesis of hormones, which are essential for the regulation of many body functions.

Minerals are also used for the synthesis of antibodies, which are essential for the immune system.

Minerals are also used for the synthesis of enzymes, which are essential for the metabolism of nutrients.

Minerals are also used for the synthesis of vitamins, which are essential for many body functions.

Minerals are also used for the synthesis of proteins, which are essential for many body functions.

STOCKPILING

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

2001

enquiries—from embattled producers, to lenders, to lawyers.

"The people who are calling me generally aren't aware that they have the power to negotiate and if they are they aren't sure what they should ask for. They're so relieved to get some straight advice—I feel like I'm actually making a difference."

Word has travelled fast and in less than eight months of operating, Aux Venture now services more than 20 key clients.

"I started this business with two clients and I just thought to myself that either I could roll my sleeves up and make this work or go back to work for someone else. It's been hard and at times emotionally draining but I wouldn't swap it for any rung on a corporate ladder!"

Jenn, ably supported by her loyal staff members, works between her main bases of Rockhampton and Darwin, with plans to open another office in Brisbane in 2010.

"With clients spread from Victoria to New South Wales, Far North Queensland, the Territory and the Kimberley, the logistics of getting in front of them can be tricky but I love to do it—they're paying for *me* essentially, so I think it's really important that I get to them in person."

And it's not just the satisfying work of providing advice and support to fellow farmers that is keeping Jenn occupied.

In addition to the customer support work the company also provides corporate services including due diligence and has attracted attention from Australian and foreign investors for

equity networking—a service that sees the introduction of investors looking for lucrative investment opportunities to unique ventures in Australian agriculture.

Aux Venture has more than \$300 million in investment opportunities on the table ranging in individual size and scope to over \$100 million.

"I've been overwhelmed with the number and calibre of clients who have engaged work with us. I'm privileged and really excited at the opportunities to help make great things happen."

So did she ever imagine managing eight-figure deals at just 32?

"It's definitely exciting when you're working with the big clients—they've got the power to make things happen and you have a real sense that you're helping to further the development of an industry."

"That said, I wouldn't want to be perceived as only dealing with the big guys. It's important to me to work with the people who really need our support, regardless of whether they're big or small."

She sees genuine opportunity for investors in Australian agriculture, particularly in the country's northern half.

"The opportunities in the north are immense and there is a window of opportunity right now with the current property market. Wealth creation up there is not complicated; it's strategic property development, like we did in Central QLD when I was a little kid—you increase your carrying capacity and multiply your returns."

"Globally there are some opportunities in Russia, Uruguay and other developing countries that have stronger potential for returns on investment than those in the north of Australia, but those opportunities don't offer the same political stability that we enjoy."

This isn't the first time that the Australian farming sector has attracted the interest of city-based investors but Jenn believes that what will make these new ventures more successful than their predecessors is a foundation in equity partnerships.

"I believe equity partnerships have a lot to offer Australian agriculture. For investors, being involved with experienced operators who are prepared to also invest their own capital into the venture greatly reduces one of the key risks of agriculture—management. For the operator, it gives them the potential to retain custodianship of the business and to get an improved return for their hard work."

"New Zealand is finding equity partnerships in their farming sector are solving many of the capital and productivity issues and there is interest in groups of producers forming equity partnerships across Victoria and Western Australia currently under way."

Ever-positive, while Jenn doesn't discount the notion that Australia's economy might experience a W-style crash and recovery, she encourages investors and producers to look for opportunities to innovate.

"True, we've been through a period of great uncertainty with the global financial crisis, but times like this also bring huge opportunities for those who are willing to take them. It's a great time to get amongst it." ■

Wanted: Freelance Journalists

Here at Cattle Country Magazine, we are on the lookout for freelance journalists to join our team.

To be considered as a freelancer for Cattle Country Magazine please submit two story ideas in 100 words or less and copies of two previously published articles of work to:

The Managing Director, Sally Murfet
PO Box 9 Sorell TAS 7172
Email sally@cattlecountry.com.au
Fax (03) 6257 5247

Cattle
COUNTRY
MAGAZINE

STAY-RIGHT[®] SLING ASSISTANCE FOR COWS



Ellis & Son
Manufacturers
& Distributors

8-10 Bourke St
Cowra NSW 2794

TOLL FREE
1800 808 769