

News

Ratings assess top agribusiness managers

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[Australian Agribusiness Group \(AAG\)](#) has produced the first set of ratings evaluating the top managers of agribusiness managed investment schemes.

The ratings have been compiled to cover two streams of assessment, corporate governance and track record.

"We think it's important that people recognise that an organisation like AAG actually looks at the quality of the management groups behind the products in these particular areas of corporate governance and track record, and we think that good management is the fundamental principle behind good projects," AAG managing director Marcus Elgin said.

The corporate governance ratings have been compiled to assess factors such as financial management, compliance, operational performance and governance, while the track record ratings examine past projects, markets, marketing, project financial performance, and management.

"We say that past performance in agriculture is an excellent guide to future performance," Elgin explained.

He said AAG had deliberately published the ratings using two completely separate criteria so users of the information could themselves determine the amount of weighting given to each set of evaluating factors when making a decision as to which agribusiness manager to invest in.

According to the ratings, [Rural Funds Management](#) and Willmot Forests came out on top with four and a half stars each for corporate governance.

In terms of track record, Food and Beverage Australia was the only manager to be awarded four and a half stars.

While Elgin feels the factors used to rate the managers are important, he warned investors should also consider geography when deciding whether to invest in agribusiness managed investment schemes.

"If you have a single project in a single area you expose yourself to agricultural risk through climatic risk. We say managers are important, but also think about spreading your commodity exposure and spreading your geographic exposure," he said.

1 May 2006