

APPENDIX TO CHAPTER 3.0
Agricultural Assessment

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Prepared by
David Stephen Thomas, BSc
(Agric)

ANDERSONS

THE ANDERSONS CENTRE

PENWERN

LLANSPYDDID

BRECON

POWYS

LD3 8PF

Tel: 01874 625856

Fax: 01874 625856

Mobile: 07850 224524

dthomas@theandersonscentre.co.uk

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the
FARM *business*
CONSULTANTS

Partners: M A Greetham, F D Mordaunt, A N Evans, D A S Neill, R A King
www.theandersonscentre.co.uk

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1.1 INTRODUCTION

- 1.1.1 I am David Thomas a Senior Consultant working for The Andersons Centre, a national firm of farm business consultants. I have a degree in Agriculture followed by 25 years farm management experience working with farming businesses providing business and technical services. Full details are show in Appendix 1.
- 1.1.2 This report has been prepared on behalf of HD Ltd in order to assess the viability of the 35.806 ha (88.47 acre) site for Agriculture and impact on the farmers business if the land is no longer available. (Ref. Appendix 2 for site details of the HD Ltd land holding).
- 1.1.3 I viewed and walked the land on 28th July 2009 and also met on the same day with the tenant who is farming the land.

1.2 THE SITE

- 1.2.1 Part of the Island Farm site is owned by HD Ltd, which extends to 35.806 hectares (88.47 acres).
- 1.2.2 This land is let on a short term Farm Business Tenancy with 2 years remaining to Messrs T Anthony & Sons, Haregrove Farm, Laleston, Bridgend CF32 0NE.
- 1.2.3 The site has no farm buildings or other facilities attached to it.

1.3 THE LAND

- 1.3.1 The Agricultural land classification for the site is grade 2 and grade 3a. This means land quality is good to very good quality with some limitations on this site due to the amount and size of stones and gravel.
- 1.3.2 The land is level and has free draining soil.
- 1.3.3 The land on the site has one copse within the land and is sub divided by tall wide hedges splitting the land into 9 fields. The high hedges also mean there is some shading out of crops.
- 1.3.4 The land is fenced on the perimeter but is not stock proof within individual enclosures.

1.4 FARMING SYSTEM

- 1.4.1 The land is currently all arable cropping with spring barley and forage maize. (19.6 ha spring barley and 16.2 ha maize). This has meant spring sowing, autumn harvesting with peak tractor and machine movements at these times.
- 1.4.2 With no agricultural buildings on site all crops are transported off the land at harvest.
- 1.4.3 As a result of its location bordering urban dwellings and lack of internal field divisions, livestock and grazing livestock are not suitable due to worries and risks of disturbance by

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people and dogs.

- 1.4.4 With continuous removal of crops from the land the farmer has transported in farmyard manure for crop nutrients and to maintain soil structure and fertility.
- 1.4.5 Maize growing with late September to October harvest dates poses some risk of soil contamination of the highway in a wet season presenting a potential hazard to other road users.

1.5 TENANT FARMER – Messrs T Anthony & Sons

- 1.5.1 Messrs Anthony farm a total of 364 hectares (900 acres) based from Haregrove Farm, Laleston, Bridgend. This is a distance of 3 miles from the arable land at Island Farm.
- 1.5.2 The farm system at Haregrove is predominantly a livestock holding with 450 dairy cows, 450 dairy and beef heifers and 600 breeding ewes.
- 1.5.3 Crops grown at Island Farm are all for home feeding to livestock.
- 1.5.4 Contract services are used for combining cereals, maize drilling and maize harvesting. All other field work being done by the farm staff and machinery.
- 1.5.5 The land is rented by Messrs Anthony without Single Payment Scheme entitlements attached to the land. Messrs Anthony have invested in additional entitlements to utilise the land to claim Single Payment. European farm support is paid via the Single Payment Scheme.
- 1.5.6 Labour use on Hargrove Farm consists of:
- 3 partners (Mr TG Anthony and two sons)
 - 3 full time employees
 - 2 part time workers
- 1.5.7 This is equivalent to 2212 Standard Man Days.
- 1.5.8 Labour requirements for the cropping system at Island Farm are:

Crop	Ha	Standard Man Days (SMD) /ha	Total SMD
Spring Barley	19.6	2	39.2
Forage Maize	16.2	2.5	40.5
TOTAL			79.7

(Standard Man Days ref to John Nix Farm Management Pocketbook)

- 1.5.9 However contractors with specialist harvesting equipment are used for the barley and maize crop, which reduces the farms own labour requirement to 1 SMD per hectare i.e. a total of 36 SMD from the farm to crop the land at Island Farm. This labour requirement represents 1.6%

of the total farm labour requirements.

1.6 CROP MARGINS

- 1.6.1 Although the Island Farm site has an agricultural land classification of 2 and 3a the significant stone and gravel content limits use for higher value crops such as potatoes or vegetables, restricting its use for cereals and forage crops.
- 1.6.2 Current cost of production for spring barley crops on the land after rent and based on a yield of 6.2 t /ha (2.5 t /acre) are £92 per tonne. Cereal prices have fallen recently and barley can be purchased, delivered to farm for £90 per tonne. Loss of cereal growing land to the T. Anthony & Sons business will be therefore be negligible.
- 1.6.3 Cost of production of maize for cow forage on this site after rent will be around £82 /tonne dry matter. Purchase of an alternative feed for example brewers grain would cost £133 /tonne dry matter per hectare. This can present a cost saving to the business of £510 per hectare or £8262 for the current cropping of 16.2 ha based on a yield of 10.0 tonnes of dry matter per hectare. This is a very modest cost increase for a business of this scale and is too small a change to threaten the business financial viability.
- 1.6.4 With decline of margins for cereals growing (Ref. 1.6.2) this will mean more opportunities of alternative local good quality land for maize growing.

1.7 CONCLUSIONS

- 1.7.1 The land is of good quality being level and free draining. Following 20 years continuous cereals the land needs fertility maintained by the import of organic matter in the form of farmyard manure.
- 1.7.2 Land productive limitations are the high stone and gravel content restricting cropping to cereals and forage crops. The urban fringe location of the land also rule out livestock keeping.
- 1.7.3 With low cereal prices and low margins the site is even now marginal in terms of profitability, especially with added movement costs of commodities in and out of the land. Downward pressure on profitability and viability of farming the site is likely to increase as European Agriculture support is scheduled for major revision downwards after 2012.
- 1.7.4 With no buildings on the site all crops need hauling away at harvest with all inputs hauled in. For the current cropping over 80 tractor and trailer movements will be needed to harvest crops with around 100 in movements with crop inputs and manure plus support vehicle movements to and from the site.
- 1.7.5 Loss of the land to the tenant farmer will have only a small impact on the business costs and not threaten business viability or the number of workers employed.

1.8 Appendices

Appendix 1

Personnel

David Thomas

BSc Agriculture (Reading)

David has 25 years experience working with farm businesses throughout England and Wales. During this time he has specialised in financial and technical consultancy on a whole farm basis with particular emphasis on understanding client's objectives/aims.

Specialist Skills

- Business reviews and whole farm business plans.
- Profitable farm business advice for Dairy, Beef and Sheep clients
- Specialising in beef and sheep production systems and marketing
- Preparation of Farm Management Accounts
- Interpretation and use of Business Accounts
- Completion of Tir Cynnal and Tir Gofal applications and Resource Management Plans for farmer clients
- Detailed knowledge of livestock subsidy/support systems

Qualifications and Experience

- 2005 – SFEDI Accreditation
- 2001 – Joined The Andersons Centre working as a Senior Business Consultant in South Wales
- 1995 - 2001- National manager of Farm Business Accounts for Promar International
- 1987 - 1995 – Farm Business Consultant for Promar International working initially for 3 years in Somerset and Devon, followed by five years in Monmouthshire and Gloucestershire
- 1984 - 1987 - Sheep Specialist in Devon and Cornwall for the Meat and Livestock Commission

