

SWITHLAND AGRICULTURAL HOLDINGS

Review of Business Development Plan of 2004

Date : 12th March 2009

The original business development plan for Swithland Agricultural Holdings was drawn up in November 2003. Until now, Phoenix Barn remains unfinished due to local political influences on Charnwood Borough Council.

Since November 2003, the land holdings of Swithland Agricultural Holdings have changed. This is very normal, however changes to the land holdings represent changes in the overall development plan of the business and it is necessary to review certain key aspects of the original business development plan taking into account the current size of the holding and the location of its land.

Phase (1) works

Phoenix Barn is not yet completed and works to complete the barn have been halted pending the Public Enquiry. In accordance with the requirements of Helen Robinson of Charnwood Borough Council, the Barn comprises of office, staff room, machinery and equipment store, grain and other materials store areas.

Until the enforcement matters are resolved, we will not be purchasing any new equipment or machinery for the business as we have no secure place to keep the machinery and no secure future for the business if Phoenix Barn is demolished.

All other land that forms part of Swithland Agricultural Holdings will not be farmed as part of the new proposed business until after the enforcement matter is resolved as Phoenix barn is of core importance to the holding and without it, the Holding will not be able to operate the way the business development plan intends it to operate.

The Holding at 12th March 2009

Swithland Agricultural Holdings now owns or controls a total of 17.73 acres (7.18 hectares) which will be used for the commercial agricultural business.

This **excludes** a further 5.70 acres (2.31 hectares) of land owned by Mr White at Six Acres, Westfield Farm, Rothley (which is not planned to be farmed). The total amount of land owned by Mr White (including Rothley) is therefore 23.43 acres (9.49 hectares).

Mr White has been in constant negotiation with land owners and agents since 2004 to secure further land for the agricultural holding and seeks to expand the land holding by the year 2020 to at least 300 acres.

Variation of Business Proposal

The original business plan of 2004 was to split the holding into two distinct areas – Specialty Crop and Heritage Pork :

Heritage Pork

Heritage Pork will be located at land in Swithland. Negotiations are continuing to secure a further 12 acres or thereabouts in Cropston and a further 13 acres or thereabouts in Rothley of which 10 acres is intended to be added to Heritage Pork production.

Specialty Crop

Specialty Crop will initially be located at the Holdings land in Cropston (13.73 acres / 5.56 hectares) which is just a few minutes by tractor from Phoenix Barn in Swithland. The land is well drained with a brook located at its northern perimeter and in times of dry weather, water can be pumped from the stream.

To further drive winter production, we will be looking at the possibilities to installing six (30m x 6m) poly tunnels on the land in Cropston which will further intensify production during the winter months.

In the last three years, the supermarkets have continued to expand their ranges of niche market vegetables although prices do not appear to have dropped.

Whereas we originally intended to farm niche market vegetables using modern day fertilizer treatments we now consider our product would be more marketable if produced organically. Currently there are insufficient organically produced vegetables in the UK to meet consumer demand and most organically produced vegetables are imported (Firth C, Schmutz U, Hamilton Rand Sumption P 2004 The Economics of Conversion to Organic Field Vegetable Production.)

Despite the strong demand for organic produce, conventional growers remain reluctant to convert their land to organic production; the lack of information and advice relating to conversion to organic systems being perceived as the major barrier for individual growers to change.

As a new business, it will be possible to invest in new technology suitable for organic crop production which is considered to be a long term capital investment in the business. Starting organically from the beginning would appear to be the most sensible course of action as established traditional businesses that convert to organic systems typically see decreases in production and capacity by as much as 66% during conversion (although they typically recover 36% of pre-conversion levels once organic vegetable production begins).

References : FIRTH C., GEEN N. and HITCHINGS R. (2003) The UK Organic Vegetable market: HDRA.
LAMPKIN N., MEASURES M. and PADEL S. (2002) 2002/03 Organic Farm Management
Handbook: Institute of Rural Studies, University of Wales, Aberystwyth.

A new business will take some time to establish and starting from a solid organic foundation will be the right way forward.

The basic range of vegetable production will not change although we plan to expand on our original "five crop" plan to several more varieties of Asian specialty vegetables and herbs.

Seed will be purchased through The Swithland Groups "Far East Office" which has easy access to South East Asia seed producers in China, Vietnam, Thailand and India.

Swithland Cheese Production

The original business development plan looked at the longer term implementation of specialty cheese production. This still remains a longer term objective but is not likely to be implemented until the holding reaches a minimum size of 100 acres. The commercial realization of this would be the production of 14,000 kg's of cheese per year from approximately 80 acres of grazing which would be the minimum sensible production for a commercially profitable specialty cheese division.
