

SWITHLAND AGRICULTURAL HOLDINGS

Review of Business Development Plan of 2004 & March 2009

Date : 28th September 2009

The original business development plan for Swithland Agricultural Holdings was drawn up in November 2003. Until now, we have been unable to build a barn for our business to operate due to maladministration of 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

Phase (1) remains an uncompleted part of the business plan and until a suitable barn has been built on our farms holding land in Swithland then we are unable to farm our land as we wish to do so.

The Holding at 28th September 2009

Swithland Agricultural Holdings owns or controls a total of 17.73 acres (7.18 hectares). The land is being actively farmed as a 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 Plan

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

HeritagePork

HeritagePork will be located at land in Swithland. Negotiations are continuing to secure further land in the area.

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 the farms main operation base 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 although this is not a critical factor in the business development but would certainly be a benefit to production.

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 P2004 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 relatively 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. Much research has gone into organic farming techniques and we have decided to implement the organic status of the farm over a period of four years in accordance with the regulations set down by the Soil Association.

References : FIRTH C., GEEN N. and HITCHINGS R. (2003) The UK Organic Vegetable market: HDRA.

LAMPKIN N., MEASURESM. and PADEL S. (2002) 2002/03 Organic Farm Management

Handbook: Institute of Rural Studies, University of Wales, Aberystwyth.

The basic process of vegetable production will not change although we do 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.

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 will not be implemented until the holding reaches a minimum size of 100 acres or thereabouts. 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.

Further information relating to the proposed development of the farm business can be referred to in the letter of introduction in respect of the prior notification of agricultural development dated the 28th September 2009.