

AGRICULTURAL APPRAISAL FOR USE IN SUPPORT OF AN APPLICATION FOR PLANNING CONSENT/S  
PERTAINING TO THE AGRICULTURAL BUSINESS CARRIED OUT AT

**LITTLE BLAKELEY LANE FARM** KINGSLEY STAFFORDSHIRE MOORLANDS ST10 2PT

FOR THE BUSINESS OWNER AND FARMER MR OAKLEY WHILOCK

BY ROBERT L FORD *private architectural practitioner and rural development consultant*

MAY 2017

IMPORTANT NOTE:

THIS APPRAISAL CONTAINS INFORMATION WHICH IS COMMERCIALY SENSITIVE AND SHOULD BE  
TREATED CONFIDENTIALLY AND NOT BE MADE AVAILABLE FOR PUBLIC SCRUTINY

1

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This appraisal has been prepared by **Robert L Ford**. I am an architectural practitioner based in the town of Leek in the Staffordshire Moorlands and specialise in rural and farm development.

I qualified in Architecture in 1982 and have been in private practice in the Moorlands for some 30 years. I am also a Hill Farmer with experience thus gained in pastoral farming practice.

Over this period I have prepared numerous appraisals in support of agricultural development proposals for which I have produced the design and required Planning Applications; these being farm worker dwellings / cattle rearing sheds etc. on holdings in the Staffordshire Moorlands and Peak District LPA areas

The farmer is **Oakley Whilock**. A young man aged 21 who has taken over the running of the farm from his father and indeed grandfather before. Father and son live on the holding in a traditional farmhouse with a road frontage. The farm buildings and yard are behind the farmhouse and are of modern construction.

The holding comprises the farmhouse, buildings and land extending to 6.5 ha. adjacent to and surrounding the farmhouse and buildings. The house and land is held under a secure successional tenancy. This is held currently by Oakley's father and is expected to pass to Oakley in due course by election. Father Whilock takes little part in the farm business being employed elsewhere.

Oakley has built up the current enterprise of which he is sole proprietor over the last 3 years. Considerable investment has been made in modern farm equipment in the form of a 4 wheel drive tractor, forage harvesting tackle, which includes a large bale trailer, telescopic handler, mower, baler and a muck spreader; and a produce delivery van and trailer. New farm buildings have been erected to house dry fodder, dead stock (tractors etc) and livestock along with an expanded hardstanding yard area upon which to store by stacking large round bales of fodder (round baled silage/haylage) with adequate vehicular manoeuvring space and provision for the outdoor parking of farm equipment.

As stated, Oakley has the use of 6.5 ha. of land around the farmstead and has additionally some 23.2 ha. of farmland spread over 10 sites in the locality. These land parcels are rented from separate land owners and mostly have been in the Whilock family's use from before Oakley's time.

Land in this region of Britain is geographically designated as upland or semi upland with on official classification of Less Favoured Area. Thus described because of altitude and adverse weather being on the western / north western side of England and not conducive to arable cropping and therefore devoted almost entirely to pastoral farming practices (dairy, beef and sheep).

According to data published annually by DEFRA and ONS and corroborated by the NFU the averaged income from Hill Farming (beef and sheep) is not enough to even break even without subsidy.

The data (see appendices) shows that income derived from farming beef cattle and sheep (lamb production) does not produce a profit. Profit is derived from the farmed land area based subsidy from the EU called the Basic Farm Payment which for 2016 amounted to £215 / ha. On this holding it is only available on 6.5 ha. attached to the farmstead. Further additional income in the profit band is shown derived from participation in various Agri Environment schemes which provide a fairly narrow band of income on top of BPS and then some form of on farm diversification eg: niche marketing of produce or holiday accommodation etc.

Bearing in mind that published data is based on average performance, with larger owned units being in profit through no rent and economies of scale, Oakley's land holding is rather less than average size, he pays rent and receives little by way of subsidy and so his enterprise has from the outset sought to develop a niche market for produce (hay and haylage) by providing in small quantities and with delivery to the small Equine units which are locally abundant. Thereby achieving a premium payment for produce.

Actual farm activities can be analysed in two ways; firstly by hours worked;- showing that Oakley is fully employed on the unit and secondly by looking at the costs versus sales derived from production.

#### **Activity:**

3

Forage harvesting; ie: mainly haylage (a dry form of silage) or hay in both big and small bales (weather permitting) over 23 ha.

Big bales: mow, turn, row, bale and wrap, @ 7.5 hrs./ha.

load, cart to farmstead, (sites dispersed with quite some cumulative travel distance), stack @ 7 hrs/ha.

28 ha. (incl. some second cut) x 14.5 hours/ha.

406 hrs. c/f

Some 650 big bales produced per year @ av. 23 /ha.

Small baled hay

Mow, ted, row, bale, load, cart, stack (in farm buildings) @ 25 hrs/ha

8 ha. x 25 hrs/ha.

200 hrs. c/f

1840 bales produced @ av. 230 /ha.

Other land management:

Muck spreading (dry muck sourced from a nearby pig unit)

Hours per hectare

Cart and spread	2.5
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Roll and harrow	2.0
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Periodic bag fertiliser application, spraying (thistles / docks/ rushes) say	1.0
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Hectares thus treated 26 x 5.5	143
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Other: fence repairs, track topping, tractor maintenance say	100
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Calf rearing:

Sourced from livestock market as weaned beef crosses from dairy farms and reared over 12 months to strong stores being winter housed and fed and then summer grazed on field margins and aftermath grazing following forage harvesting

Average 12 per year 0 – 6 month x 2hrs/month x 6 months x 12	144
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6 – 12 months x 0.5 hrs / month	36
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4

Sale of produce:

Bales from stack yard and buildings and with small loads delivered

Average sales unit being 2.5 big bales or small bale equivalent (10 to bale)

le: 670 / 2.5 x 1.75 hrs.	469
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Seasonal contracting farm work using own equipment

le: mowing and baling for other farmers and muck spreading in winter

Say 400 hours (10 weeks throughout year)	400
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Total hours worked during the year	1898
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**This number of hours equates to full time employment with more hours spent than the average for the full time working population.**

## PROFITABILITY

The farmstead lies firmly in the semi upland area of north west England. The area generally is given over almost entirely to pastoral farming. That is; dairy, beef and sheep (lamb).

These categories rely upon forage throughout the year as animal feed. Grazing during the summer and conserved grass or other protein / sugar rich plant material for the 6 month winter period.

Scattered amongst the farm steads are equine units. These are quite small and for the private recreational use of their owners.

These small units do not usually produce their own winter forage as would the larger farm units and it is to these small equine interests that Oakley sells his produce.

Big bales cost around £15 to produce, incl. ground rental and they sell at around £30 to the equine people. Lesser quality produce can be sold to local farms. This gives an average unit sale value of some £25 leaving a £10 net gain per bale

le: 670 bales x £10	£6700
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Net income from beef cattle rearing is very approx. 12 x £125	£1500
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Of the 30 ha. farmed only 6.5 carries entitlement to EU Basic Payment Scheme farm land based annual subsidy which at £215 / ha. (2016 value) provides some £1290

£1290
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Other income from contracting is approx.. 400hrs x £15	£8450
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Total net income is therefore some £16440 (highly variable)

From fixed costs are to be deducted: equipment maintenance and finance, vet, accountant, insurance etc. and these amount to some £8500

(£8500)
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Residual net income	£9940
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This residual net income is more than is shown in the trading accounts for the year ending April 2016 (the most recent available) This is because the business is being developed from a near zero base only some 3 years ago. However: it is difficult to see how any further uplift can be achieved so as to provide Oakley with a "living wage" without some form of additional income from a low hourly input form of "diversification" within his farm business.

To this end: Oakley has installed 9 no. shipping containers on the edge of the stack yard and has rented these to householders for the private storage of household goods and furniture etc. They are storage units.

This has proved to be highly profitable generating some £900 a month from an initial outlay of £1400 per unit x 9 - £12,600. With very little labour time involved as they are at the farmstead where

Oakley is stationed anyway loading up for small deliveries or tending his beef calves or dealing with calling customers. The units are weather proof and secure and can be accessed by the renters without much involvement from Oakley. An ideal form of diversification within agriculture which is capable of lifting Oakley's income to a reasonable level and arguably essential for the survival and longer term sustainability of this farm enterprise.

Indeed: without a demonstrably profitable farm business, it is quite likely that any attempt at succession in the tenancy will be challenged by the landlord. Failure to get succession would lead to business loss as well as loss of home.

Rob Ford

May 2017

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## **APPENDICES**

**LBK stackyard phot**

**LBK farm buildings phot**

**LBK FARM LAND**

**LBK trading accounts year end 04 2017**

**LBK nfu sector performance chart**

**LBK defra sector performance chart**

## Appendices



### LBK stackyard

Note: stacked wrapped big bales – phot taken in Feb 2017 and so stack depleted / storage containers visible to left / bale delivery trailer to right

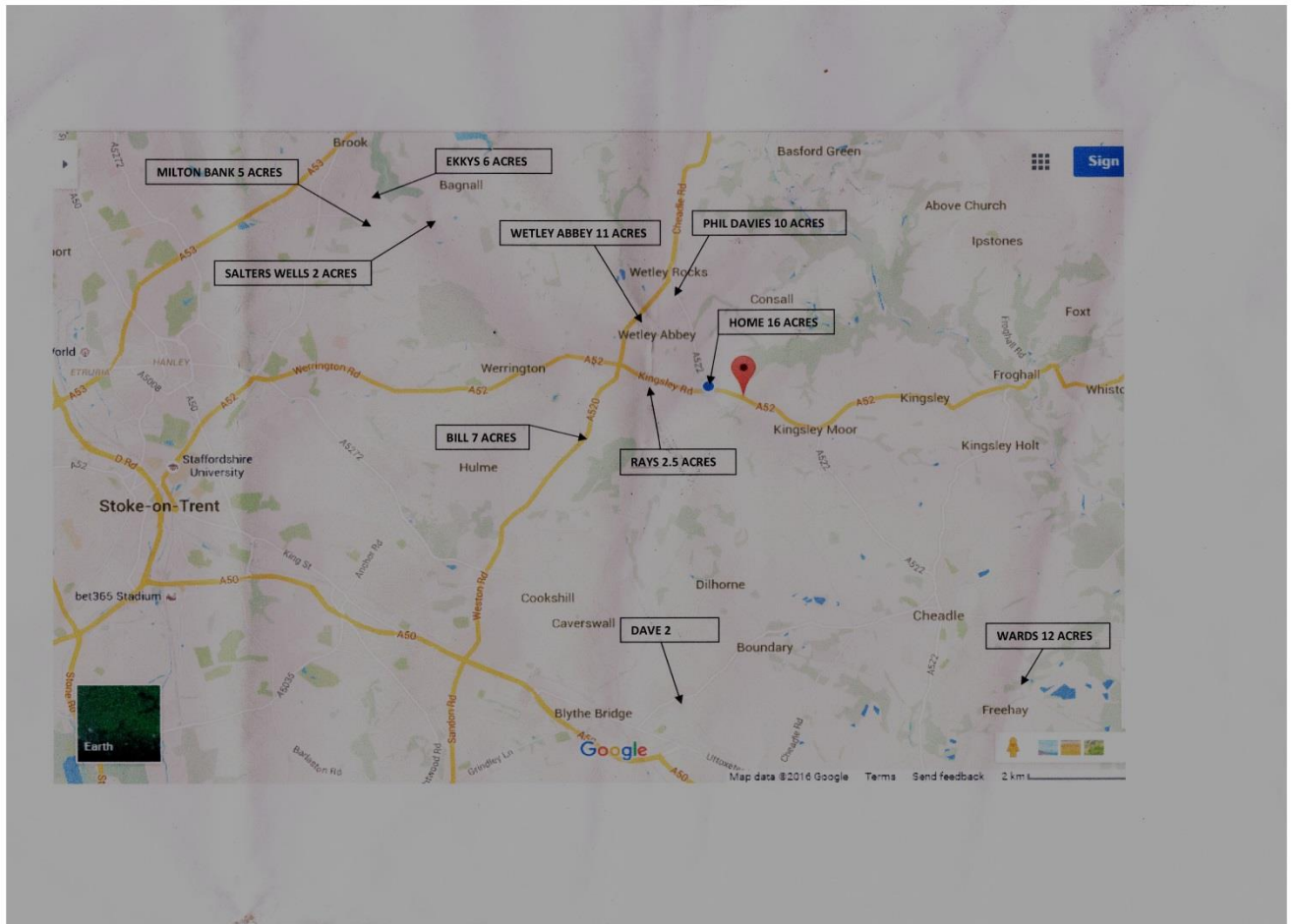


8

### **LBK farm building**

Note: stacked big baled hay and small bales. Phot taken in Feb2017 and so stock depleted





## LBK LAND MAP

Note: farm stead in marked as Home / significant time expended between disparate land parcels at harvesting time/ all produce returned to farmstead for safe storage

**Oakley Joseph Whilock**  
**Profit and Loss Account for the Year Ended 5 April 2016**

	<b>Year ended 5 April 2016</b>		<b>15 August 2014 to 5 April 2015</b>	
	£	£	£	£
<b>Turnover</b>				
Sales		24,066		15,969
<b>Cost of sales</b>				
Purchases		(6,077)		-
<b>Gross profit</b>		17,989		15,969
<b>Expenses</b>				
Insurance	915		646	
Repairs and maintenance	2,178		2,309	
Telephone and fax	501		-	
Office expenses	716		50	
Motor expenses	5,451		6,379	
Accountancy fees	300		300	
Depreciation of plant and machinery	2,829		2,455	
		(12,890)		(12,139)
<b>Net profit</b>		5,099		3,830

10

## Diverging trends in sector performance



UK pig sector has the highest cost of production across the EU but commands a premium price



Arable crops have a lower cost to most EU countries; output prices tend to be lower in the UK



Costs of production in the dairy sector is good but room for improvement when compared with the key global producers



Beef and sheep enterprises struggle to break-even, requiring subsidy to provide profit

11

NFU supported by  
 NFU Mutual

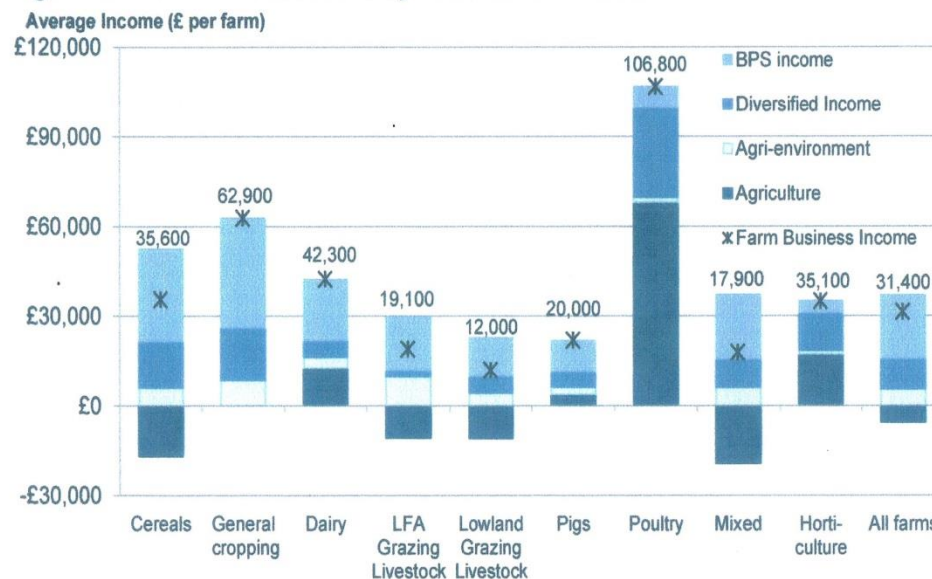


### LBK SECTOR PERFORMANCE CHART FROM NATIONAL FARMERS UNION FOR 2016

Note; bottom category pertains to non dairy units in the Less favoured Areas – as Little Blakeley Is situated – there is little subsidy available to this farm and thus diversification is required: eg: niche marketing of produce and container storage

On average, dairy, pig, specialist poultry and horticulture farms generated a positive return from farming activities in 2015/16 whilst on general cropping farms they broke even. On LFA grazing livestock farms income from agri-environmental activities is particularly important, contributing just under £10,000 per farm to the average Farm Business Income. These activities are of less significance for the other farm types, particularly the intensive livestock and horticulture sectors.

**Figure 3: Farm Business Income by Cost Centre<sup>1</sup> 2015/16**



<sup>1</sup> Data represent averages across all farms in the sample including those that do not have any income within some of the cost centres. The resulting Farm Business Income is shown by the star and in text at the top of each column.

### LBK DEFRA SECTOR PERFORMANCE CHART FOR 2015/16

Note: LFA grazing livestock is the sector pertaining – the lower band shows no actual net income from farming. Income is largely derived from BSP (the top band), diversified income (the narrow band below BSP and agri environment schemes (the pale band above the break even line).

In the case of Little Blakeley and as before stated, the upper bands are replaced by expanded diversification, without which the farm business is not sustainable.

Brexit: poses a whole new set of issues for the upland farming sector as the BPS is set to finish in 2020

R Ford 04 2017