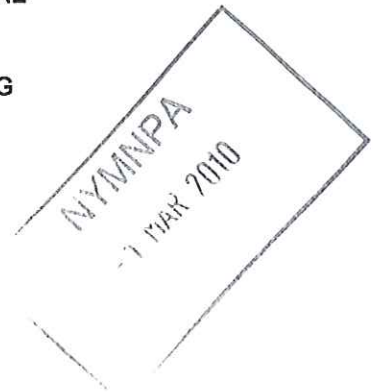


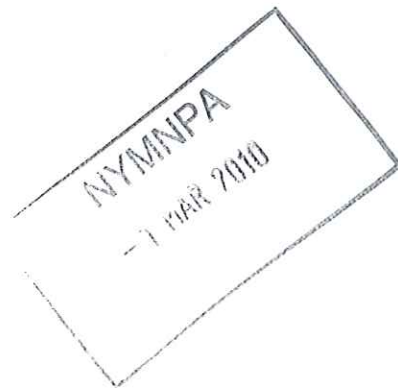
AGRICULTURAL JUSTIFICATION APPRAISAL
FOR
AN AGRICULTURAL WORKERS DWELLING
AT
GRANGE FARM, STAINTONDALE



Prepared on behalf of:

J E & M P Else
Grange Farm
Staintondale
Scarborough
YO13 0EN

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1.0 QUALIFICATIONS AND INSTRUCTION

Qualifications

I am Simon Britton, I am a member of the British Institute of Agricultural Consultants (BIAC). I am a Director of Savills (L&P) Ltd, based in York. Prior to joining Savills in 2008 I was a partner in Andersons Northern, Farm Business Consultants for 8 years, following a career path which has included four years heading the Consultancy Department at Oswald Lister and Haigh, a firm of Chartered Surveyors and Valuers which operate from Harrogate, North Yorkshire. My work comprises of agricultural and business consultancy in all its aspects, including planning applications and appeals/tribunals, working with individual clients and local authorities. As a member of BIAC, I am bound by their guidelines in all aspects of my professional conduct. I have also been accepted by Business Link, Defra and other similar bodies to deliver the Government funded Farm Business Advice Service at both basic and advanced levels. I am also SFEDI Accredited.

I am therefore qualified by experience and membership of BIAC to prepare this report.

Instruction

Savills (L&P) Ltd have been asked to prepare an Agricultural Justification Appraisal for an additional workers dwelling at Grange Farm, Staintondale; with a view to outlining the proposals and assessing the physical and financial justification, as set out in Annex A of Planning Policy Statement 7.

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- 1 MAR 2010

2.0 BUSINESS BACKGROUND

J E & M P Else operate a large organic dairy unit milking an average of 360 cows per annum at Grange Farm, Staintondale, farming a total of 937 acres in and around Staintondale. A location plan is attached at Appendix 1.

The farming business has been established at Grange Farm for over 20 years, when the Else family relocated to the area in order to build a productive dairy enterprise, starting with 120 cows and building up to current numbers.

Mathew Else farms in partnership with his mother, and prior to 2003, farmed in a three-member partnership with his late father. Mathew lives on the farm with his wife Thelma and their three young children.

Mathew attended Bishop Burton College from 1991 – 1994 and attained a National Diploma in Agriculture. Since then, he has attained further certification in the following areas:

- Artificial Insemination Certificate
- Embryo Transplant Certificate
- Foot Trimming
- Transport of Livestock Licence
- PA1 / PA2



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3.0 GRANGE FARM DAIRY HERD

The main farming enterprise at Grange Farm is the organic dairy herd; although some of the land is used to grow combinable crops, these crops are used for fodder and bedding for the dairy herd rather than sold away from the farm.

The Grange Farm herd averages 360 dairy cows, calving in two batches – spring and autumn. Total livestock numbers vary during the year as a result of this batch calving, with as many as 650 head of livestock being on the farm at any one time.

Grange Farm is certified organic by the Soil Association and therefore the milk it produces, together with all silage and crops grown on the farm for consumption by the herd, are grown in accordance with strict standards. In order to support the dairy herd Grange Farm cuts approximately 300 acres of silage each year, meeting the herd's entire requirement. However despite the 440 tones of cereals and straw grown on the farm, 600 bales of straw and 100 tones of cereals are purchased each year. This results in a labour intensive, though financially efficient, farming system.

At present Grange Farm is staffed as follows:

- Mathew Else – managing partner, herdsman,
- Mrs Thelma Else – book-keeping, record keeping, assists with calving
- 2 x full time farmworkers working 6 days per week – unskilled labour
- 1 x farmworker – 3 days per week
- 1 x relief milker – 2 milkings per week

Mathew Else is the sole provider of the necessary expertise and experience to ensure the proper functioning of the herd. Whilst the remaining members of staff are competent and capable within their roles, they are not sufficiently skilled to deputise for Mathew Else for more than a short period of time.

This lack of skilled expertise presents real problems for the partnership going forwards. Having built a successful and profitable herd by increasing numbers steadily over time, a critical mass has been reached. Herd numbers are such that following the death of Mathew's father, there is a clear need for an additional member of full time staff, of experience and skill sufficient not only to deputise for Mathew during holiday or sickness,

but also to ensure that the herd continues to function to the best of its ability. At present should circumstances conspire against the partnership, the lack of skilled cover could result in economic loss, but more importantly, animal welfare concerns.

The two full time farmworkers are a Polish couple, this does present some difficulty as both of them obviously take their annual leave at the same time. This presents Mathew with a problem as it leaves him effectively on his own. Over the last 5 years, Mathew has been advertising for a herd manager/person to assist him on the farm on a more permanent basis. The table below sets out the adverts that have been placed and the responses obtained. A copy of one of the adverts is attached at Appendix 5.

Date	Advertisement Placed	Job Title	Response
Early 04	Scarborough Evening News	Part time help	Good – but only wanted specific days and no experience of dairy farming
22/04/06	Internet 4xtrahands	Herdsperson	Unsuccessful
01/06/06	67 cow contract workers	Herdsperson	Supplied four workers all well below standard from 3 days – 2 months
01/11/06	Word of mouth	Herdsperson	Australian worker of good standard stayed to Feb 08 but caravan was a problem, wanted to work on an organic farm
13/03/08	Internet Land Force	Herdsperson	Ok response but not the right calibre of candidate due to no house offered on site
01/06/08	Yorkshire Post Farmers Weekly Farmers Guardian	Herdsperson	Tony Evans of Andersons produced short list of 2. The best one declined the job saying it was too remote for his children and lack of house also a problem.
01/07/08	Tony Evans, Andersons	Herd Manager	Supplied herd person sacked after 1 month
19/08/08	Internet Land Force	Herdsperson	Employed Polish couple, unskilled workers but motivated and still here today

It has become blatantly clear that in order to attract a professional herd manager to assist Mathew, the availability of a permanent dwelling on site is a must. A person attracted to this elevated position of responsibility would normally be a mature person with a family.

Existing Permanent Accommodation

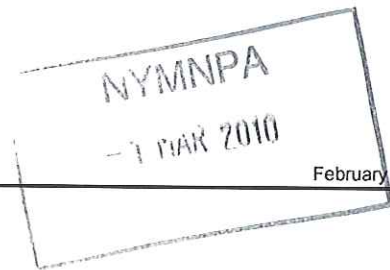
The existing residential accommodation within earshot of the buildings at Grange Farm is as follows:

- o House occupied by Mrs J Else.

- Mrs Else is 65 years old and has lived in the property for 20 years. Her age obviously prevents her from playing an active role in the physical aspects of dairy farming, and from making the kind of emergency response necessary.
- House occupied by Matthew Else and family
 - This house is sited at the outer limit of what would be reasonable earshot from the farm and is occupied fulltime by Matthew Else and his family.
- House in third party ownership entirely unconnected to J E & M P Else
 - Again it is beyond my remit to comment in detail, but I understand that the property was separated from the farm approximately 22 years ago and has never been for sale since. Therefore as this house is not owned by the partnership or by the Else family it cannot be utilised as a dwelling for an employee of the partnership.

Therefore I proceed on the assumption that a new dwelling is required, as no existing dwellings can be utilised and there are no traditional buildings suitable for conversion.

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PHYSICAL JUSTIFICATION

Annex A of Planning Policy Statement 7; Sustainable Development in Rural Areas, states "When nature and demands concerned make it essential for one or more people engaged in the enterprise to live at, or very close to the site of their work. Whether this is essential in any particular case will depend on the needs of the enterprise concerned."

A new permanent dwelling should only be allowed to support existing agricultural activity on well established agricultural units, providing;

1. That there is a clearly established existing functional need.
2. The need relates to a full time worker.
3. The functional need could not be fulfilled by another existing dwelling on the unit or any other existing accommodation.

A functional test is necessary to establish whether it is essential for the proper functioning of the enterprise for one or more workers to be readily available at most times. Such a requirement might arise, for example, if workers are needed to be on hand day and night;

1. In case animals or agricultural processes require essential care at short notice;
2. To deal quickly with emergencies that could otherwise cost serious loss of crops or products.

In order for us to assess the functional need for a stockman to be on the site at Grange Farm, we first need to understand the dairy system.

Milk production relies on the continued production of calves in order to ensure the cow continues to supply milk. Having calved the cow can be milked, even after the calf is weaned, the calf, depending on its gender and breeding, is either reared on; these calves are replacements for their mothers in time, or are sold on to a beef production unit.

Grange Farm operates a batch calving system, calving twice a year, meaning that one half of the herd calves in a twelve week window starting 1st March, the other half in a twelve week window starting 15th September. During these twelve weeks, cows will calve

continuously throughout the period, with as many as 18 calves arriving per twenty four hour period in the busier weeks towards the start of the window. An example annual timeline for Grange Farm is attached at Appendix 3, this illustrates the complexity of the system.

To achieve this calving pattern the cows must all be artificially inseminated (AI) in a time period such that the calves are due within that window.

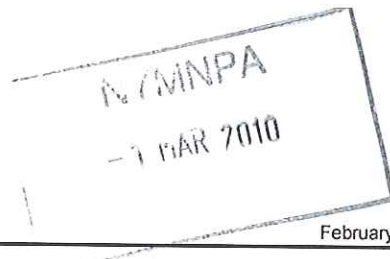
Heat detection and Insemination

The bovine gestation period averages 278-283 days (9 months). Therefore most herds aim for a 365 day calving interval, meaning that the cow has one calf per year, producing milk for approximately 305 days of that year. To achieve this pattern, the next calf must be conceived 81-86 days after calving. In the twice- yearly batch calving system this time falls within a twelve-week window nine months prior to the twelve-week calving season. For example, based on average standard cycles, for a cow to calve 15th September (at the start of the autumn window), it must be served by the bull or Artificially Inseminated on 9th December in the previous year.

Since the bovine cycle is 21 days, this essentially gives only 4 opportunities within the 12 week window for a cow to conceive. Failure to conceive in that batch results in the interval between calving being 18 months rather than 12. Given the average dairy cow remains in the herd 6 years from the first calving, failure to serve the cow at the right time each year could result in that cow having only 4 calves rather than 6. Since this results in not only the loss of income from the sale of two calves, but also 9,000 litres of milk. Replicate this across the herd and the consequences of untimely service can be financially disastrous.

Conventionally managed herds are able to use hormone treatments in order to induce heat ("oestrus"), or to synchronise the first heat in a group of heifers, so as to maximise the chances of conception and to obtain a tighter calving pattern. However this use is forbidden to Organic herds such as Grange Farm and therefore the natural cycles of cows within the herd must be monitored carefully.

Thus, detecting heat so as to allow timely service or AI is crucial. Cows display tell-tale signs of approaching heat, but these signs are subtle and must be read by a skilled observer. In some cows these can be as limited as the animal simply appearing unsettled and restless – so familiarity with the herd is necessary. In most circumstances cows display



the tell-tale signs of oestrus for a period of between 4-18 hour. In the order of 60% of all heats occur between 6.00pm and 6.00am, but this is not rigidly the case. Since the cow must be served within the oestrus period in order to conceive on that cycle, and ideally 12 hours after onset, missing the first signs of heat has severe consequences. Therefore, in order to ensure a high conception rate, it is essential for the herd to be observed at regular intervals throughout the day and night, for at least 30 minutes at a time.

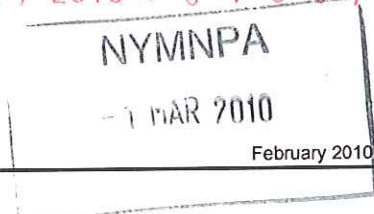
Calving

The bovine gestation period is between 278-283 days, against a normal cycle length of between 18 and 24 days. Thus whilst the use of AI allows accurate recording of insemination date and thus the most accurate prediction of calving date possible, the natural variations in cycle length and gestation period combine to give an uneven calving distribution throughout the 12 week window. The majority of calves are born at night, though the number born during the day is by no means insignificant.

Unfortunately, a significant number of calvings require human intervention of some description. Should a calf present wrongly and the problems go undetected, the worst case scenario is the death of both cow and calf. With in the region of 18 calvings in a twenty four hour period in the busiest times in the calving window, it is impossible for one person to calve alone for a variety of reasons. Leaving aside the obvious such as rest breaks and several cows calving at once, there are also instances where mother and calf require simultaneous attention, or a difficult birth will require two people in attendance.

Aside from the actual calving, the newborns must be tagged (for identification purposes in accordance with EU regulations), the cows and calves must be fed, cleaned, checked and bedded up amongst many other tasks. Whilst unskilled labour can be used for some tasks, several skilled people must be present, or at least available, for the majority of busy calving periods.

In addition to the above, heat detection for the other half of the herd begins towards the end of the calving interval for those currently calving. Again, since this requires regular observation by a skilled individual, it is necessary to have those skills on hand, as discussed above.



Emergency care

In addition to the known requirements for antisocial hours during the heat detection, service and calving intervals, an on-site presence is required at all times in order to respond to veterinary or other emergencies.

These can arise without warning at any time of the day or night and include:

- o Escape of animals
- o Fire
- o Storm resulting in damage to property sufficient to endanger the livestock
- o Veterinary emergencies – bloat, milk fever and becoming cast

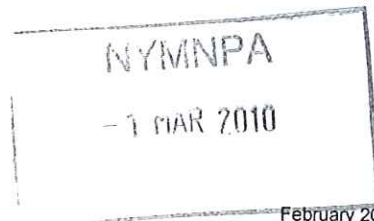
Should any of these occur in the course of the working day normal staffing patterns would allow recognition of the emergency and thus the appropriate response. However, outside of working hours, in order to be alerted to problems in sufficient time to be able to take the necessary action, at least one stockman must be within earshot of the cattle during the night.

Staffing

Given the size of the Grange Farm herd and the considerations above, in order to ensure the continued success of the Grange Farm herd, a skilled herdsman/dairy manager is required, in addition to Mathew Else.

The Standard Man Days calculation set out below uses industry standard data to calculate the staffing requirements of Grange Farm on the basis of 'standard man days':

Hours per animal per year - over 140 head.		
	<u>Hrs</u>	<u>Days</u>
Direct Labour (milking, bedding etc)	27	
Field Work (silage, fert, etc.)	9	
Total	36	
Standard Man Day Equivalent:		4.50
Additional 15% for general overheads		0.68
Total:		5.18
For a herd of 365 cows		1888.88
275 notional SMD		<u>275.00</u>
Number of men needed for 365 dairy cows:		6.87



Current levels of staffing at Grange Farm are 3 fulltime and 3 part time members of staff

The position available for an experienced herdsman has been advertised at intervals during the six years since the death of Mathew's father. Whilst the advertisements have generated a good level of interest, the suitable candidates were deterred by the lack of accommodation available.

The need for a skilled person has been illustrated above. This has also illustrated the anti-social hours this person must work (this is common to the industry as a whole, not just to Grange Farm). Appendix 4 gives an example of a typical day during the winter AI period, showing the number of tasks which must be accomplished, a proportion of the work being carried out outside of daylight hours.

The intermittent nature of the work and the anti-social hours involved are such that it is customary for there to be accommodation provided with the job. For unskilled workers required only to work fixed hours at unskilled tasks this accommodation may be at a distance from the farm. For a manager/herdsman, this is simply not feasible. Not only are the hours such that to require travel to and from the farm would be unfair, the need to be able to respond instantly to emergency requires the worker to be housed within earshot of the cattle buildings. The proposed location of the new permanent dwelling is shown in the site plan at Appendix 2.

As the level of skill and experience required of this employee cannot be obtained without industry experience, suitable candidates are likely to have a family and/or other dependents. As a result, such candidates expect the accommodation to reflect this circumstance. The provision of a static caravan or similar does not give a sufficient standard of accommodation to attract the desired candidates and their families.

This has been borne out by the comments of the job applicants; the most suitable have renounced their interest on learning that no house was available as part of the employment package, leaving only insufficiently experienced candidates available. Since employing such a candidate would defeat the object of recruiting a manager, the position remains available.

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The Functional Test

PPS7 states that a functional test is necessary to establish whether it is essential for the proper functioning of the enterprise for one or more workers to be readily available at most times. I am of the opinion that the nature and demands of the work associated with the dairy herd at Grange Farm, makes it essential for two skilled and experienced people engaged in the enterprise to live on site. The primary reasons for this are as follows:-

1. A skilled manager is required in order to assist Mathew Else with the herd. It is not possible for a herd of this size to be monitored and cared for by only one highly skilled herdsman; a minimum of two is required. Since it is industry custom to provide accommodation as part of the employment package, to successfully attract a suitable candidate a house must be provided.
2. The need for the candidate to occupy a property on the farm stems from the following factors:
 - a) Heat detection is fundamental to a successful milk production. 60% of all heats occur between 6.00pm and 6.00am and the herd must be monitored at intervals for half an hour at a time in order to recognise the onset of heat. It is not practical or acceptable for a herdsman to have to travel even a short distance to the farm to do this at intervals during the night.
 - b) During the busiest times in calving season up to 18 cows calve per day, the majority doing so at night. Since all calvings must be monitored in case intervention is required or a vet must be summoned, it is necessary for at least one skilled person to be available (and unencumbered by concerns such as children asleep in bed) in order to respond, in addition to whoever is already watching the herd in that period.
 - c) In the event of a veterinary or other emergency a rapid response can be the difference between survival or death of the animal involved. A skilled person must live near enough to the farm to hear the commotion associated with such problems, as well as to be able to respond rapidly once the alarm is raised. Whilst Mathew Else does live on the farm, in times when he is unavailable it is not acceptable or practical for his wife

and young children to share their home with a member of staff on a temporary basis. Similarly, the family home cannot be made available to staff during a family holiday.

- d) Normal good husbandry practice in line with the cattle – Code of Recommendations For The Welfare of Livestock – Defra 2003.
- e) No other dwelling in the proximity is suitable or available.

For these reasons it is considered essential for the proper functioning of the enterprise for the farm infrastructure to be such that there is the ability for two skilled stockmen to be readily available for the majority of any 24 hour period.



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- 1 MAR 2010

5.0 FINANCIAL JUSTIFICATION

Annex A of Planning Policy Statement 7; Sustainable Development in Rural Areas, states:
“new permanent dwellings should only be allowed to support existing agricultural activities on well established agricultural units, providing:

(iii) The unit and the agricultural activity concerned have been established for at least three years, have been profitable for at least one of them, are currently financially sound and have a clear prospect of remaining so: ”

Historic Business Performance

The farming business has been established at Grange Farm for over 20 years. In support of this, I have enclosed in Appendix 6 a summary accounts analysis from 2004 through to 2009.

Between 2006-2009 the business has steadily increased its turnover and generated profits in all four years. Once drawings have been deducted from the combined profit and depreciation figure, the business has produced cash surpluses. The closing net worth has also increased steadily with a significant jump between 2006 and 2007. This can be attributed to the inclusion of the farm, as an asset, within the partnership.

I can confirm that the business has been established for at least three years and has been profitable throughout this period.

Current & Future Business Performance

In consultation with the partners, I have produced an annual farm budget year ending 31st March 2011, a copy of which is enclosed at Appendix 7.

The business is clearly based on a sound financial footing, and according to the budgets that have been constructed, it has a clear prospect of remaining so.

The estimated build cost for the proposed manager's dwelling could be in the region of £100,000. In Appendix 8 I have included an amortisation calculator which predicts the annual cost of borrowing these funds. The calculator shows that a total yearly payment

including interest and capital will be in the region of £7,732. This figure can be easily accommodated by the existing farm business, which is confirmed by the significant cash surplus generated in the attached budget.

The Financial Test

J E & M P Else is a substantial and complex dairy business. In my opinion, the business is based on a sound financial footing, it is profitable and has a clear prospect of remaining so, even with the proposed additional funding requirement for the manager's dwelling.



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- 7 MAR 2010

6.0 CONCLUSION

A new permanent dwelling is allowable under Planning Policy Statement 7 where that dwelling is to support an existing agricultural activity on a well-established agricultural unit which has a clear prospect of remaining in profit, provided that there is a clearly established functional need, the need relates to a full time worker and the need cannot be filled by another existing dwelling.

It has been demonstrated in this report that the dairy business at Grange Farm is well-established and profitable. It is clear that following the death of Matthew Else's father, the business cannot continue to prosper without the full-time services of an experienced worker.

Given the anti-social hours required of such a worker and the nationwide custom of the provision of a dwelling to such workers, it is necessary for that worker to be housed on-farm in order for the worker to be able to carry out his duties correctly. Without such a worker, Matthew Else is effectively unable to leave the farm for more than short periods during the day and subsequently has not been able to take a holiday for a number of years.

I have clearly established that there is a functional need for more than one full-time worker to be present on the farm for the larger part of any twenty four hour period. This is due to the complex and time-critical nature of the dairy farming system (see Appendix 3). Mr & Mrs Else have tried to recruit such a worker for many years now and have not succeeded due to the inability to provide a dwelling on-farm. No such dwelling is available as Mr Else & Mrs Else must reside in one of the farm's two dwellings, the other being occupied by Mr Else's mother who remains a partner in the farm business.

J E & M P Else is a substantial and complex dairy business. In my opinion, the business is based on a sound financial footing, it is profitable and has a clear prospect of remaining so, even with the proposed additional funding requirement for the manager's dwelling.

It is my opinion that there is a clear need for a new permanent dwelling at Grange Farm as the business more than meets the criteria required for both the functional and financial tests as set out in Planning Policy Statement 7 Annex A. Without this new permanent dwelling the business will suffer further, as Matthew Else cannot continue to be the sole manager of the dairy herd.

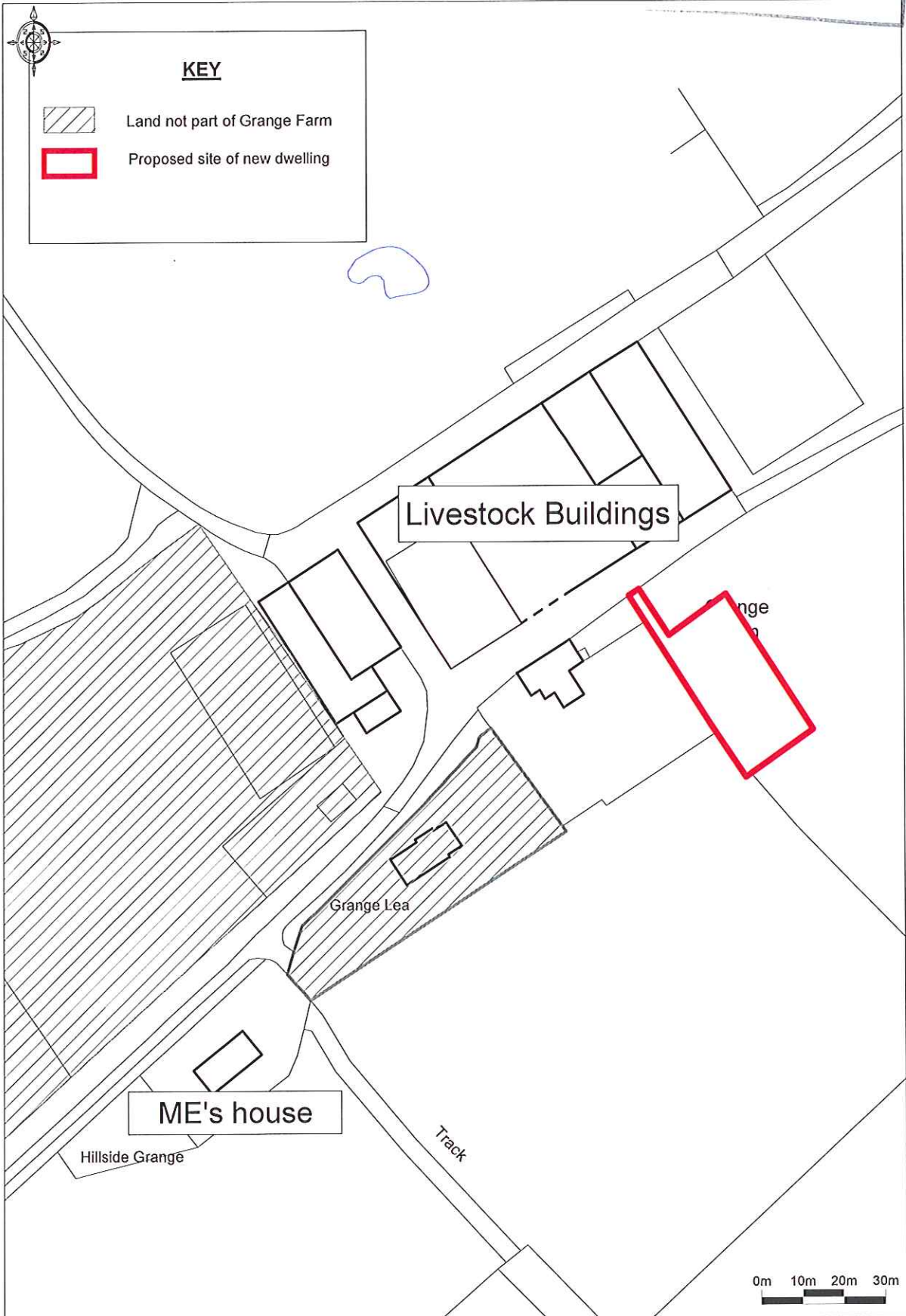
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APPENDIX I



LOCATION PLAN

NYMNP
- 1 MAR 2010

Grange Farm



KEY

-  Land not part of Grange Farm
-  Proposed site of new dwelling

ME's house

Livestock Buildings

Grange Lea

Hillside Grange

Track

0m 10m 20m 30m

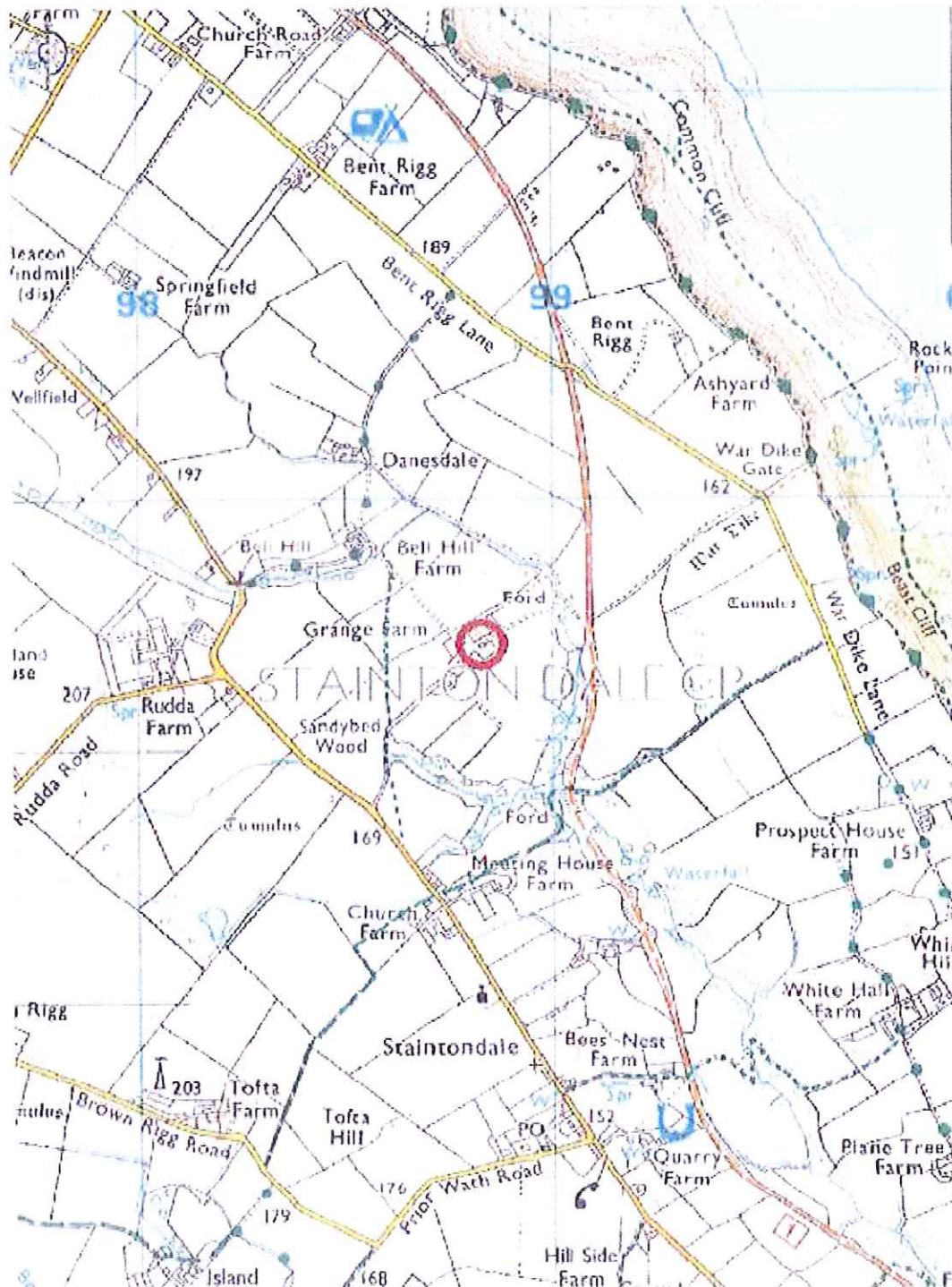
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APPENDIX 3

ANNUAL TIMELINE

APR 2010
1 MAR 2010

Location of Grange Farm

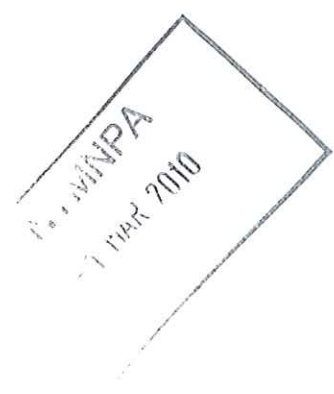


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APPENDIX 2

SITE PLAN

NYMNP
- 1 MAR 2010



Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Milking											
				Heat Detection A	Heat Detection A					Heat Detection B	
Service/AI B					Service/AI A						
		Calving A							Calving B		
					Silaging						
							Harvest				

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APPENDIX 4

TYPICAL DAY DURING WINTER AI PERIOD

NYMNP
- 1 MAR 2010



Mathew Else
An Average Day in December

9th December – 4th March
 Winter AI Period

5am	<ul style="list-style-type: none"> • Milking • Foam teat dip / dry wipe • Fore milking • Post spray • Push silage up for cows • Look at cows bulling • Scraping up lime cubicles • Move cow groups in and out of sheds to be milked (can be up to 4 different groups of milk cows) • AI cows • Start to feed cows
8am	<ul style="list-style-type: none"> • Breakfast and office work – phone calls etc
9am	<ul style="list-style-type: none"> • Feed calves • Finish feeding milk cows, dry cows, yearling heifers, in calf heifers • Finish scraping up heifers, dry cows • Bed up straw yards (daily) • Bed up cubicles as required (if required)
11am	<ul style="list-style-type: none"> • Heat detection • Tractor work • Maintenance • Building work • Routine cow/vet work, foot training, PD calf dehorning, etc
1pm	<ul style="list-style-type: none"> • Heat detection • Push up silage • Lunch
2pm	As per 11am
3:30pm	<ul style="list-style-type: none"> • Milking • AI cows • Scrape up • More cows in and out of sheds for milking
6-7pm	<ul style="list-style-type: none"> • Push up silage • Heat detection
8-9pm	<ul style="list-style-type: none"> • Paperwork
9-10pm	<ul style="list-style-type: none"> • Heat detection (30 mins) • Push up silage

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APPENDIX 5

EXAMPLE COPY ADVERT

L. CMNPA
1 MAR 2010



HERD MANAGER

300 Cows

An opportunity is available to work with others in a successful business in beautiful North Yorkshire

Benefits include:

- Very competitive salary
- An opportunity for active business decision making

Facilities on farm include a 30-60 parlour and modern farm infrastructure.

The successful candidate will need:

- High standards of stockmanship
- Good communication skills
- Energy and keenness for a great future in the dairy industry

For further information on the position please contact:

Tony Evans

Tel: 07970 731643

tevas@theandersoncentre.co.uk

