

WRITTEN EXAMINATION

PAPER 1

8th NOVEMBER 2001

9.00am – 10.30am

Time Allowed - 1½ Hours

Instructions to Candidates:

1. Complete the Green Examination Information Sheet by stating your examination reference number (not your name) together with the area in which you are practising and the local Association of which you are a member. Attach the green sheet to the top of your answer pad.
2. Write your reference number (not your name) on each page. Number each page in the top right hand corner.
3. Write on one side of the paper only, leaving the margin on the left hand side.
4. Start each answer on a separate sheet and place your answers in numerical order.
5. Time has been allowed for you to read through the Question Paper **AND PLAN** your answers.
6. You should attempt to answer both questions.
7. All questions carry equal marks: 20 each.
8. Questions are framed so as to minimise the need to make assumptions but state clearly any that you do make and the reasons for them.
9. Where appropriate, you will be expected to state the relevant Act, Statutory Instrument or case upon which you have based your answers.
10. You may use imperial or metric measurements in your answers. Please indicate which units you are using.
11. The presentation and clarity of your answers is important.

QUESTION 1

You act for the owner of a 500-hectare traditional mixed arable and grassland farm of which 200 hectares is eligible for Arable Area Payments. The farm does not have Less Favoured Area status.

The livestock enterprises include:

- A 215-cow single suckler herd with all the progeny, 100 steers and 100 heifers, finished on the farm.
- A 250 ewe flock with finished lambs sold in the spring.

There is sufficient quota for both suckler cows and ewes.

100 hectares of neighbouring parkland is hired annually and is included in the IACS return as Forage Area.

The overall stocking rate of the livestock enterprises is less than 1.6 livestock units per hectare.

The arable cropping is:

- 100 hectares of Winter Wheat
- 50 hectares of Winter Barley
- 20 hectares of Beans
- 10 hectares of Linseed
- 20 hectares of Set-Aside

1. Stating any assumptions, calculate the total Arable Area Aid and Livestock Premia Payments that your client can anticipate for his arable and livestock enterprises this year.

Show your workings on enterprise-by-enterprise basis.

2. Explain the method and time scale for making applications for payments and anticipated dates for their receipt.

QUESTION 2

You have been asked by an old established client of your firm, who has plans to expand his dairy herd from 200 to 250 cows, to provide a formal valuation for his bank of the farm which he owns and is let to the family farming partnership.

The farm includes:

- The farmhouse which is used for a bed and breakfast business;
- Three cottages, two of which are occupied by farm workers and the third let on an Assured Shorthold Tenancy;
- A substantial range of traditional buildings including two which are let informally to non-agricultural tenants; and
- An elderly range of dairy buildings together with 1,000,000 litres of milk quota.

Extending to 325 hectares, the farm has

- 190 hectares of land eligible for Arable Area Payments,
- 50 hectares of permanent pasture,
- 50 hectares of rotational grass leys which are grown on land also eligible for Arable Area Payments,
- 20 hectares entered into the Countryside Stewardship Scheme as overwintered stubbles;
- 13 hectares of woodland; and
- 2 hectares that is a reinstated inert material tip.

Several footpaths and a bridleway cross the farm.

Provide the headings for the valuation report with brief notes under each heading indicating the essential information needed and any research that you consider necessary to complete the valuation.