

# LIVESTOCK MARKET FEASIBILITY STUDY

## Final Report September 2018

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RURAL COMMUNITIES

VALE of GLAMORGAN  
  
BRO MORGANNWG





# Contents

## *Executive Summary*

<b>1. Introduction</b>	<b>2</b>
<b>2. Study Background</b>	<b>3</b>
<b>3. Agricultural Industry Trends</b>	<b>4</b>
<b>4. Consultation &amp; Engagement</b>	<b>10</b>
<b>5. Future Potential – An Overview</b>	<b>21</b>
<b>6. Market Options Tested</b>	<b>22</b>
<b>7. Capital Costs &amp; Funding</b>	<b>23</b>
<b>8. Operational Business Plan</b>	<b>27</b>
<b>9. Commercial Viability &amp; Governance</b>	<b>31</b>
<b>10. Potential Site Options</b>	<b>34</b>
<b>11. Conclusions &amp; Recommendations</b>	<b>36</b>

## **Appendices**

- A. Project Steering Group Members**
- B. Livestock Markets & Rural Enterprise Case Studies**
- C. On-Line Survey Questionnaire**
- D. Stakeholders Consultees & Conversations**
- E. Site Layout Options**
- F. Capital Cost Sources & References**

## BACKGROUND & CONTEXT

This report has been prepared by *per Consulting* on behalf of Creative Rural Communities, the Vale of Glamorgan Council's rural regeneration initiative, to ascertain the needs of local farmers and to determine whether a viable multi-purpose livestock market is needed in the area.

An extensive programme of consultation and engagement has been completed to inform the study findings and conclusions. Some 95 individual conversations have been held with farmers, producers, Council Members and officers, Welsh Government officials, educational establishments, farming unions, rural organisations and local business. A further 120 people responded to the on-line survey.

Specific desk-research was also conducted on other livestock market and agri-business centres and a variety of case study examples are presented in the appendices to the main report.

## KEY FINDINGS

There was overwhelming support for the continued need for traditional livestock auctions locally with strong support for the need to provide for mixed livestock sales and the re-introduction of cattle sales alongside sheep as well as other specialist sales.

Whilst the number of livestock markets has declined in recent years, they still provide for 50% of livestock sales across the UK. Indeed, many of those consulted believe markets play an important role in setting a fair and transparent price. All consultees recognised the need to attract more buyers locally to encourage competition; requiring strong drive and ambition from the market operators.

With understandable concerns over the future uncertainty for sheep production post-Brexit, all stakeholders felt strongly that a new facility should not be a 'like for like' replacement and should be used for more than one day per week. Other multiple uses need to be factored into the construction and operation of a new site. Revenue from the livestock sales could be supplemented by holding other sales and activities such as machinery and vehicle sales, antique furniture and fine art sales, poultry and general equipment sales, horticultural sales, equine sales, car boot sales and farmers markets etc.

A new market facility could also help farmers to diversify and add value to their products through provision of shared facilities such as meat cutting and access to cold storage; helping them to build direct sales to consumers.

Importantly, any new facility needs to be developed before the existing market closes or risk losing the relationship with farmers who will be forced to find new outlets for their stock. Furthermore, good access from the strategic road network is vital to draw livestock and buyers from a larger catchment.

If no livestock market was to be provided locally, producers would incur additional costs and face longer journey times in transporting animals and increased time away from the farm, a particular issue for some small producers who also maintain other part-time work as well. Furthermore, as farmers disperse across a potential range of alternative locations, the local social networks, potential for informal support and familiarity with each other will undoubtedly be eroded leading to further isolation and wider social challenges within the rural and farming community.

## COMMERCIAL VIABILITY

A range of alternative Market Options have been examined and tested through the study including a simple replacement sheep market, an expanded facility re-introducing store cattle sales, a multi-function auction centre and a potential Agri-Business Park. Indicative design layouts informed the land-take requirement of each option and has been used as the basis for estimating capital construction and fit-out costs.

New market development costs (excluding land purchase) range from £645,000 (Option 1) to £2.7 m (Option 4).

Public sector grant funding may be possible through the European Rural Development Programme 2014-2020 under the Food Business Investment Scheme (FBIS). Support under the scheme is available to SME's for up to 40% of the total investment cost regardless of location within Wales with a maximum grant threshold of £5m. A simple replacement market for sheep-only (Option 1) is unlikely to gain funding support as it fails to add-value to the wider farming community.

All options are shown to be operationally viable (once constructed); although fail to generate sufficient profit to cover any debt repayment to address the capital construction costs. This means alternative funding options will need to be investigated further, depending on the governance/delivery model to be followed and which could either attract further public investment and/or private equity to be sunk into the project on a long-term basis. Further consideration should also be given to a partnership solution including potential farmers' co-operative and/or investment through local crowd-funding.

## CONCLUSIONS & RECOMMENDATIONS

A **multi-function auction centre** (Option 3) is recommended as the preferred option to take forward in light of the findings from this initial feasibility study. This should comprise:

- Mixed livestock sales – sheep and store cattle together with occasional specialist sales.
- A flexible auction room to accommodate wide range of other auctions/sales from farm machinery to household goods and antiques.
- Mini-business centre supporting rural business and food production.
- Potential to expand into wider rural business park.

Such a development will meet the needs of farmers and other stakeholders in the region. The development of a more ambitious concept will also help stimulate wider market interest, providing a high-quality market facility which will prove attractive to producers and buyers who may respond better to the growth potential. A multi-function auction centre also provides greater variety of income opportunities, supporting diversification and future resilience to counter any reduction in sheep production or other changes in a post-Brexit trading environment; thereby meeting the critical needs of Welsh Government in supporting rural business in the future.

The preferred option still shows a £1m capital funding gap to be resolved. It is, therefore, also recommended that one or more Local Authorities continue to drive the concept further forward with potential support from Welsh Government and perhaps in partnership with potential landowners to develop a more detailed, site specific design proposal and business case. This will help refine the identified funding gap and provide a stronger basis to open discussions on future governance, including exploration for the potential for a local farmers co-operative and/or funding support.

# 1. Introduction

This report has been commissioned by Creative Rural Communities, the Vale of Glamorgan Council's rural regeneration initiative, to ascertain the needs of local farmers and to determine whether a viable multi-purpose livestock market is needed in the area.

The study has been conducted by *per Consulting*, a rural economic development consultancy based in Llantwit Major working in association with **Aled Rhys Jones** a freelance rural business consultant. Indicative site layout options have been prepared by Gareth Davies Project Services to inform the scale and scope of potential development.

The project was overseen by a client Steering Group comprising representatives from Creative Rural Communities (including local farmers and farming representatives), officers from the Vale of Glamorgan Council, the Portfolio Holder for Regeneration & Planning as well as a representative from the existing livestock market auctioneers (Appendix A). The study conclusions and recommendations were also presented to the Creative Rural Communities Local Action Group in July 2018.

An extensive programme of consultation and engagement has been completed to inform the study findings and conclusions. Some 95 individual conversations have been held with farmers, producers, Council Members and officers, Welsh Government officials, educational establishments, farming unions, rural organisations and local business. A bilingual, on-line survey was also hosted by the consultant team and publicised widely through the steering group representatives, social-media and press engagement receiving 120 individual responses. The open and informative engagement process has ensured robust coverage of all the key stakeholders to inform the report findings and recommendations on the way forward.

The rest of this report is structured as follows:

**Section 2** – provides further Background to the study and the client's key Aims & Objectives.

**Section 3** – sets out critical context to livestock market and animal productions trends, including consideration of the future implications post-Brexit.

**Section 4** – reviews the findings from the Consultation & Engagement process including the key points emerging from the survey and key themes arising from the stakeholder insights.

**Sections 5 & 6** – examines the future potential for a livestock market, identifying a range of options for consideration.

**Section 7** – presents the capital cost estimates for construction and reviews potential funding sources.

**Section 8** – provides the Operational Business Plan for each option, examining the viability over three years

**Section 9** – reflects on the overall commercial viability of the development options and governance options for management and delivery.

**Section 10** – considers potential site options for locating a new livestock market.

**Section 11** - draws together the report findings and sets out the overall Conclusions & Recommendations on the way forward.

## 2. Study Background

There has been a livestock market in Cowbridge for nearly 800 years with the current town centre site operating since 1968. Cattle sales at the existing market did not start up again following the Foot and Mouth epidemic in 2001. The weekly sheep market, however, is reasonably well supported and currently manages around 20,000 head per annum drawing in trade from a wide area embracing the Vale, Bridgend, Neath and Rhondda Cynon Taff areas.

The Vale of Glamorgan Council own the freehold interest of the existing site with the market being run by joint auctioneers from Watts & Morgan and Hebert R Thomas in Cowbridge on a licensed basis. Proposals for the redevelopment of the site have been discussed over a number of years and, as a result, the market has suffered from lack of maintenance. Although still functional, the facilities are limited, access is constrained coming off the main High Street and the parking areas are poorly laid out mostly to gravel. This is in contrast to many new developments established elsewhere in the region in recent years (See Appendix B for Case Study examples).

The Council has proposed a new vision for regenerating the existing livestock market site for the benefit of Cowbridge town centre to include improved public parking. As a result, the existing livestock market operation is likely to be required to vacate the site within the next two to three years.

### 2.1 Study Aims & Objectives

The primary aim of the study, therefore, has been to identify the needs of local farmers to inform the scale and scope of a potential replacement livestock market in the future. Furthermore, based on the insight of farmers and other stakeholders, to present a viable multipurpose solution that identifies users and sources of finance.

Critical to the analysis, is the requirement to reach a definitive conclusion on whether a market facility is viable and/or needed and what it might look like to meet the needs of local farmers and to be financially sustainable in the future. In order to determine the conclusions, the study brief explicitly required the following key components to be fully addressed:

- Extensive engagement and consultation with farmers and stakeholders from across the region.
- Provide estimated costs for building and running a new facility.
- Consider opportunities for wider support facilities, including local slaughtering options.
- Identify sources of finance and modes of funding and delivery.
- Set out suitable mode of operation and governance
- Provide a three-year cash flow showing how the facility could operate profitably (or not).
- Consider potential site options and implications for delivery.

Before addressing the specific local needs identified through the study consultation and engagement (Section 4) we first set out some wider industry trends in respect of animal production and livestock market sales as context.

## 3. Agricultural Industry Trends

### 3.1 Livestock Markets

Livestock markets have played a leading role in the development of agriculture and the trading of live animals for centuries. The earliest record can be found in the Domesday Book of 1086, but it was not until the mid-19<sup>th</sup> century where the auction system began with auctioneers taking bids from buyers. These livestock auctions would often take place at locations where people came together to buy and sell the essentials of everyday life, where the term 'market town' originates. Whilst some livestock auctions still retain their traditional town centre locations, pressures on space, access and competing commercial interests for the land has seen many livestock markets move to edge of town sites or to larger agri-business parks.

According to the Livestock Auctioneers Association (LAA), 93% of farmers use auction markets to buy and sell livestock. To mark the 200<sup>th</sup> anniversary of the LAA, they commissioned a research project in 2017 to demonstrate the importance of the livestock auction mart industry. Conducted at the Royal Welsh Show and the South West Dairy Show, over 200 respondents highlighted the convenience, ability to sell in suitable batches, the guarantee of prompt and confirmed payment and the professional support and advice of the auctioneer as key factors for choosing the auction ring rather than other routes to market.

In addition, the survey highlighted the important social and networking aspect of the auction market system. With significant lone working within farming, the social importance of livestock markets cannot be understated.

Whilst livestock markets are clearly important for the structure of the farming sector, there has been a trend of rationalisation of sites over the past 50 years or so and a rise in direct contracts with supermarkets and abattoirs. Nevertheless, the current split of live-weight (through markets) and deadweight sales of finished stock (through abattoirs) is approximately 50/50, a rate that seems to be sustained in a steady balance of market activity.

Even so, figures produced by the LAA demonstrate that number of livestock markets operating in England in Wales fell from 677 in 1963 to 259 in 1990. The impact of disease; most notably Foot & Mouth in 2001, has accelerated this trend where more farmers were forced to sell direct to slaughter and many older smaller markets required significant investment to satisfy modern biosecurity standards.

However, this reduction in the number of markets has also been accompanied by large investments in new centres such as Carmarthen, Welshpool, Monmouth and others, with much improved access links and facilities. The emergence of 'agri-business centres' has also been a feature with sites such as Sedgemoor Auction Centre which opened in 2008 becoming a hub for rural business. (See Appendix B for further information on Case Study Examples)

At present, there are 26 auction markets for finished stock in Wales (down from 28 in 2013) and their average throughputs are shown in Figure 1 below.

**Figure 1: Auction markets by size of finished stock throughput in Wales, 2016**

GB Livestock Units*	Number of markets	Total marketings (GBU)	Average throughput (GBU)	Share of throughput (%)
1-5,000	11	32,002	2,909	9.2
5,001-10,000	4	28,971	7,243	8.3
10,001-15,000	5	63,793	12,759	18.4
15,001-30,000	2	33,602	16,801	9.7
30,001 and over	4	188,804	47,201	54.4
<b>Total</b>	<b>26</b>	<b>347,172</b>	<b>13,353</b>	<b>100.0</b>

\* GB Livestock Unit = 1 cattle beast = 5 sheep = 2 pigs

Source: AHDB, LAA

The current throughput of the market in Cowbridge would be between 1-5,000 GB Livestock Units and together with 10 other markets of similar size in Wales, they have a 9.2% share of total throughput. Interestingly, the majority of finished stock sales (54.4%) are sold through only 4 livestock markets in Wales which have an average throughput of 47,201 GB Livestock Units. These would be larger regional auction centres such as Welshpool.

### 3.2 Livestock Farming – Key Issues

Farming and the wider agricultural industry is facing a period of accelerated change. As Brexit unfolds, the industry will need to respond to major financial challenges with the move from direct payments to environmental payments and possible larger changes in trading relationships. Together with the introduction of technology in agriculture, this will drive a process of innovation and change with options for farming businesses including a focus on efficient commodity production, a move to higher value production and new uses of land and property.

Whilst much of the detail of Brexit is yet to be finalised as negotiations with the European Union remain ongoing, it is clear that farming is facing the prospect of a continued challenging commercial environment. As such, farmers are being urged to review their business structures in readiness for this change.

For Wales, with the vast majority of land use dedicated to grassland pasture, agriculture is heavily focused on livestock production. Whilst farmers are expected to diversify and create additional income streams or add value to produce where possible, livestock farming will remain a key component of Welsh agriculture given its climate and topography. In some areas, there will be limited alternatives to livestock farming and having strong domestic and export markets for these products will be vital.

Results of the most recent agricultural survey shows that sheep numbers have reached almost 10 million in Wales, amounting to about a third of the British flock. This upward trend has been driven predominantly by a relatively buoyant market as a result of rising exports. The rise in exports is partly explained by the weak pound, with a third of all lamb production going to EU countries. This highlights the potential vulnerability of the sheep sector to a hard Brexit.

According to figures produced by the Department for Environment, Food & Rural Affairs (DEFRA), the average farm income in Wales for grazing livestock (cattle and sheep) in less favoured areas (LFA) (which is approximately 80% of Welsh land) was £27,500 for 2016/2017. This was an increase of £5,600 from the previous year and was the highest in five years. This is attributed to improved market prices resulting from a weak pound which also led to an increase of approximately 17% in the value of the Basic Payment, due to a more beneficial exchange rate between the euro and the pound.

Looking ahead at the future of support payments, the Cabinet Secretary for Energy, Planning & Rural Affairs, Lesley Griffiths, has set out a timetable for the future of the Basic Payment Scheme (BPS) in Wales. By 2025, the BPS will be phased out and replaced by new schemes which seeks to place greater emphasis on environmental protection and enhancement following the principles of 'public money for public goods'.

The Welsh Government has recently launched a public consultation in July 2018 on future agricultural policy and has published its paper entitled "[Brexit and our land: securing the future of Welsh farming](#)". It proposes two new schemes to replace the BPS, Glastir and other parts of the Rural Development Programme.

The proposed programme will consist of two new schemes:

- an Economic Resilience Scheme offering targeted investment for farmers to increase competitiveness and improve productivity
- and a Public Goods Scheme to provide an income stream for land managers delivering public goods from the land.

Delivery of public goods will help address challenges such as climate change mitigation, habitat loss, poor air and water quality. Whilst these schemes would be open to all land managers (not just those currently receiving support under the Common Agricultural Policy), people will need to do things differently in future in return for support. Responses to the consultation are invited by 30<sup>th</sup> October 2018.

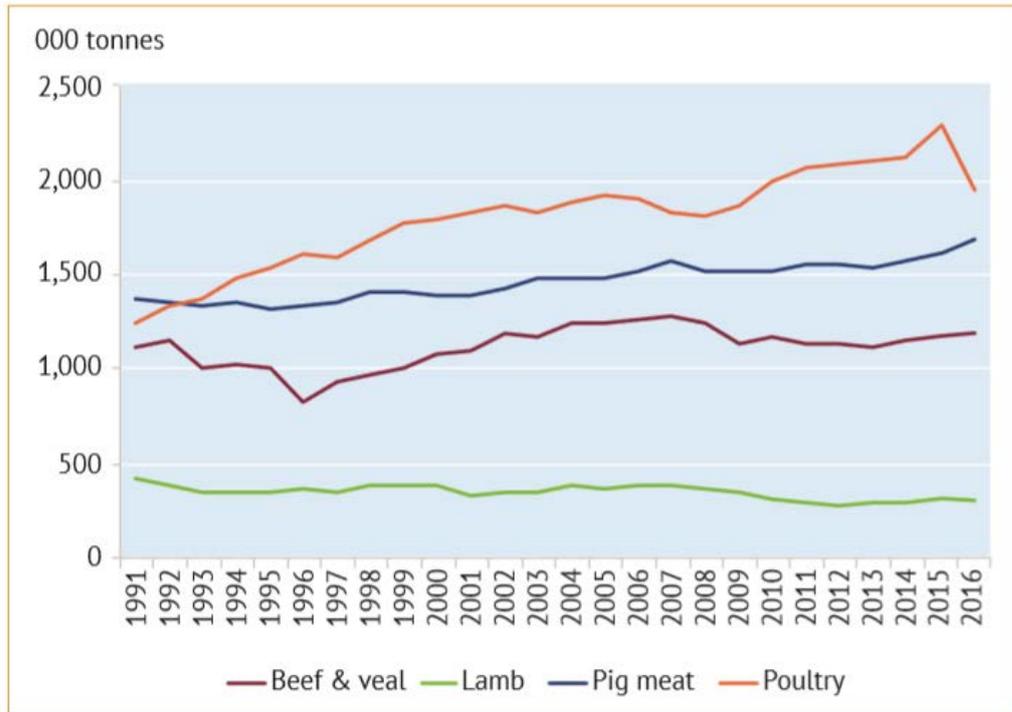
### 3.3 The Red Meat Sector – Key Facts

Red meat is one of the largest agricultural sectors in Wales and represents approximately 42% of total agricultural production by value (approximately £677 million). According to the Welsh Government's statistical release on agricultural output, cattle has the largest share providing approximately 25% of total Welsh agricultural value with sheep at 17% and pigs at 0.34%.

In the first and second quarter of 2018, prices in the red meat sector have been strong. In particular, finished lamb prices have been very high with the GB average for April at 570.4 pence per kg (deadweight), an increase of 38.3% on 2017. Prime cattle prices have averaged 362.4 pence per kg (deadweight) in April, which is a 4.1% increase on 2017. Prices, however, can be volatile and producers are being urged to prioritise cost management in order to maximise returns.

In addition to the uncertainties surrounding the future structure of support payments and the UK's trading relationship with the EU, the domestic consumption of lamb is under pressure. Figure 2 below shows the changes in UK meat consumption between 1991 and 2016.

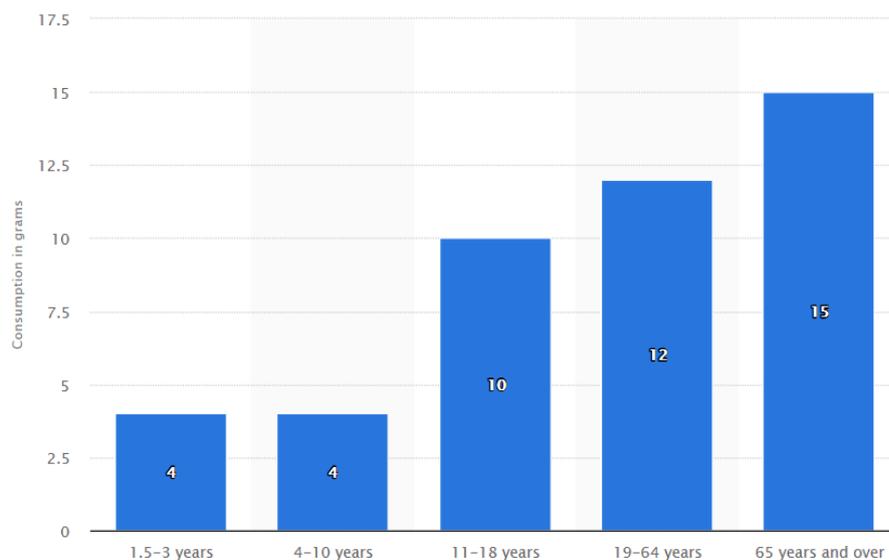
**Figure 2: Changes in total UK meat consumption**



Source: AHDB

Whilst beef, pig meat and poultry have seen a general upward trend in consumption over the past 25 years, lamb has experienced a steady decline. The average consumption for lamb and mutton in the UK is only 5kg per person per year, compared with 18.2kg for beef and 25.1kg for pig meat.

**Figure 3: Quantity of lamb and dishes consumed per day in the UK from 2008 to 2012, by age (in grams)**



Source: Statista

This shows that the largest consumer group of lamb by age is 65 years and over. With the changing public taste for lamb in the UK, reliance on export markets is vital for the sheep sector. In 2016, the UK exported 27% of its lamb and mutton production, with 95.8% of exports to the EU market.

For Welsh red meat, the EU is its biggest market with approximately 90% of Welsh beef and lamb exports destined for EU Member States. According to the 2017 'Little book of Meat Facts' produced by Hybu Cig Cymru (HCC), the UK is almost 92% self-sufficient in lamb production. Therefore, if lamb exports were to decline, there would be significant over supply in the UK with limited scope to increase its share in the domestic market. Beef, however, appears more resilient as the UK is only 76.3% self-sufficient. Nevertheless, maintaining access to the EU single market after Brexit has been described as 'critical' by HCC.

### 3.4 Red Meat Processing in Wales

According to data produced by HCC in 2017, there were 20 abattoirs in Wales, of which all 20 slaughtered sheep, 17 slaughtered cattle and 12 slaughtered pigs. HCC also assessed capacity in the Welsh red meat slaughtering industry in 2016 which indicated that abattoir numbers were in decline. Three abattoirs stopped operating between 2014 and 2016. Of those remaining and in use, none were operating to full capacity. Cattle facilities were reported to be operating 17% under their maximum capacity, sheep was 41-72% under capacity and pigs 32% under capacity.

Despite this spare capacity, there is strong interest within the Vale of Glamorgan to increase local slaughtering and processing facilities. With the predicted pressures on farm businesses post-Brexit, more producers are seeking opportunities to add value through selling meat direct to consumer and/or other outlets. Slaughtering in Wales is dominated by a handful of large companies who primarily service large supermarket retailers, wholesale and export markets. The remaining smaller abattoirs service independent retailers, food service and wholesale and provide a very important (and sometimes undervalued) support for farmers for the direct sale of meat.

However, there are concerns over the long-term viability of small to medium sized abattoirs. Since 1990, Wales has lost 42 abattoirs due to a number of factors including the increased regulation and investment required to comply with stringent hygiene requirements. HCC's assessment on capacity concluded that the red meat slaughtering industry has an underlying problem of fluctuating and at times low profitability, which has led to a trend of fewer abattoirs operating, both within Wales and across GB as a whole.

HCC also highlighted livestock supply as a major challenge for processors. With increasing pressure to secure consistent volume and quality of supply, large slaughtering companies prefer to buy direct from farm and only use livestock markets as a back-up. Whilst, at present, the split of live-weight and deadweight sales of finished stock are approximately 50/50, the increasing competition for market share amongst retailers could see more direct contracts between supermarkets and producers emerge as a means of securing livestock supply for the future.

However, HCC maintain that livestock markets are a key link in the beef and sheep supply chain, acting as outlets for both breeding livestock and for animals moving to slaughter. Importantly, they offer producers the choice of alternative selling opportunities and the competition for livestock purchasing has a direct impact on farm-gate prices.

### 3.5 Local Livestock Numbers

According to the latest agricultural survey, Wales has a national flock of 9,810,000 sheep and national herd of 1,134,000 cattle, which represents an increase of 3.2% and 1.4% on 2015 respectively. An analysis of local sheep and cattle numbers within the Vale of Glamorgan and surrounding counties are shown in Figures 4 and 5 below.

**Figure 4: Sheep numbers by region**

Area	Total Sheep Numbers	% Change From 2006-16	Cumulative Sheep Stock	Cowbridge Share 19,800 pa sales
Vale of Glamorgan	62,700	+10%	62,700	32%
Bridgend	68,300	+4%	131,000	15%
RCT South	63,700	-11%	194,700	10%
Neath	80,300	-17%	275,000	7%
Swansea	86,700	+4%	361,700	6%

Source: Welsh Government: Agricultural small area statistics, 2017

**Figure 5: Beef cattle numbers by region**

Area	Total Beef Cattle Numbers	% Change From 2006-16	Cumulative Beef Cattle Stock
Vale of Glamorgan	15,100	-13%	15,100
Bridgend	5,400	-18%	20,500
RCT South	4,600	-4%	25,100
Neath	5,500	-35%	30,600
Swansea	12,700	-9%	43,300

Source: Welsh Government: Agricultural small area statistics, 2017

Cattle numbers have declined across all regions whereas sheep numbers are a mixed picture, but the total sheep within the Vale of Glamorgan has increased by 10% from 2006 to 2016. Considering the sheep numbers across all regions, the sales realised through the existing Cowbridge livestock market has a market share of approximately 6%.

Assuming the split of live-weight and deadweight sales is 50/50, the actual market share of 'live' sales would be approaching 12%. This represents a real opportunity to increase market share and encourage more farmers to sell locally instead of travelling further to other markets. The same opportunity exists to re-establish a store cattle market, targeting local cattle which move on to other holdings for finishing.

## 4. Consultation & Engagement

A primary objective of the feasibility study was to reach out to local farmers, producers and other rural stakeholders to gain maximum insight and understanding of local needs and expectations for the potential development of a new livestock market and business facility. The project team achieved strong coverage through personal engagement and dialogue with individuals and groups as well as managing a bilingual electronic survey. The full details of consultation responses are set out below.

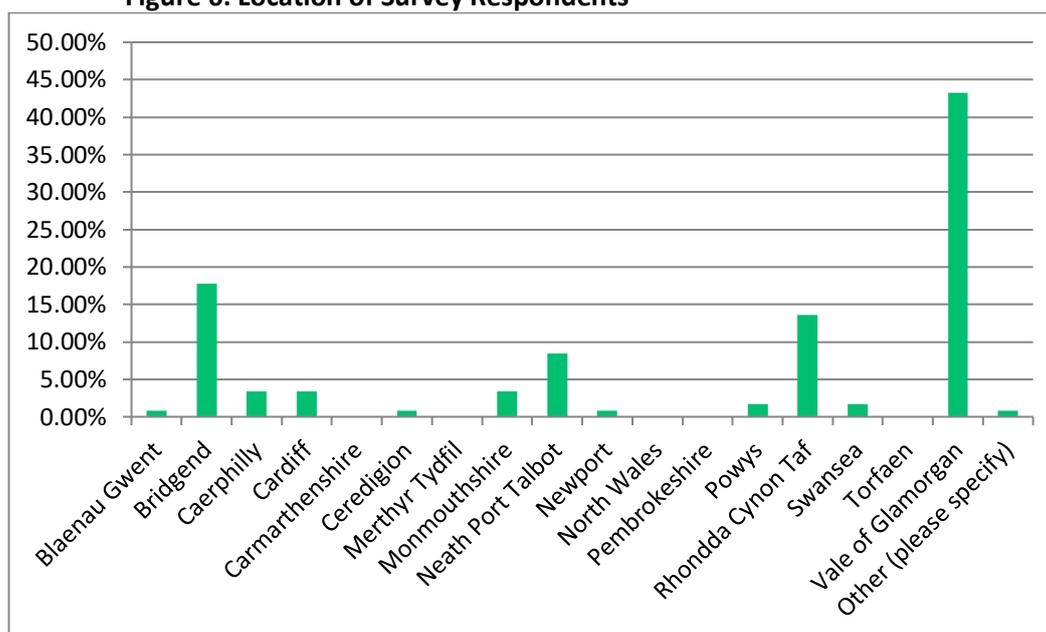
### 4.1 On-Line Survey – Key Points

A bilingual survey was set up using the Survey Monkey on-line tool and ran from the 15<sup>th</sup> April to the end of June 2018. The questionnaire used for the survey is set out in Appendix C. A total of 120 survey responses were received which is considered to be a high response rate for a survey of this nature. Some of the key points arising from the survey are set out below.

#### 4.1.1 Survey Coverage

Survey respondents were captured from a wide geographical area with most respondents situated in either Vale of Glamorgan (43%), Bridgend (18%) or Rhondda Cynon Taff (14%) corresponding with the core area currently served by the existing livestock market.

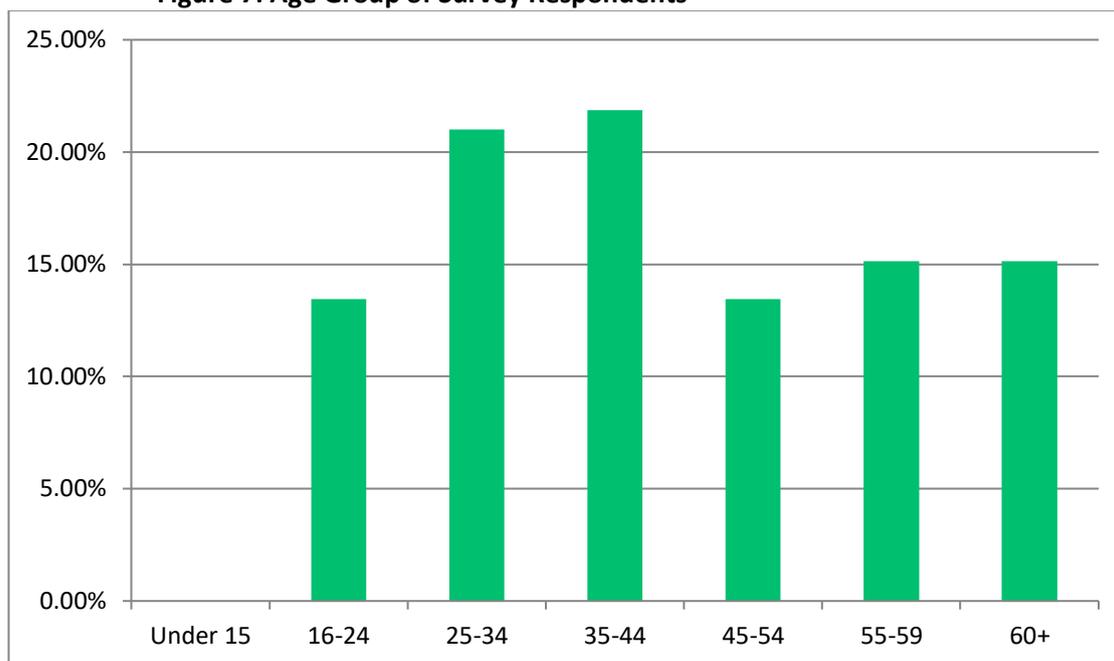
**Figure 6: Location of Survey Respondents**



Source: PER Consulting Survey 2018

There was also a broad age representation from survey respondents with the majority aged between 25-44 as highlighted in the chart below. This again gives confidence to the robustness of the survey responses reflecting the future needs of younger farmers from a business perspective.

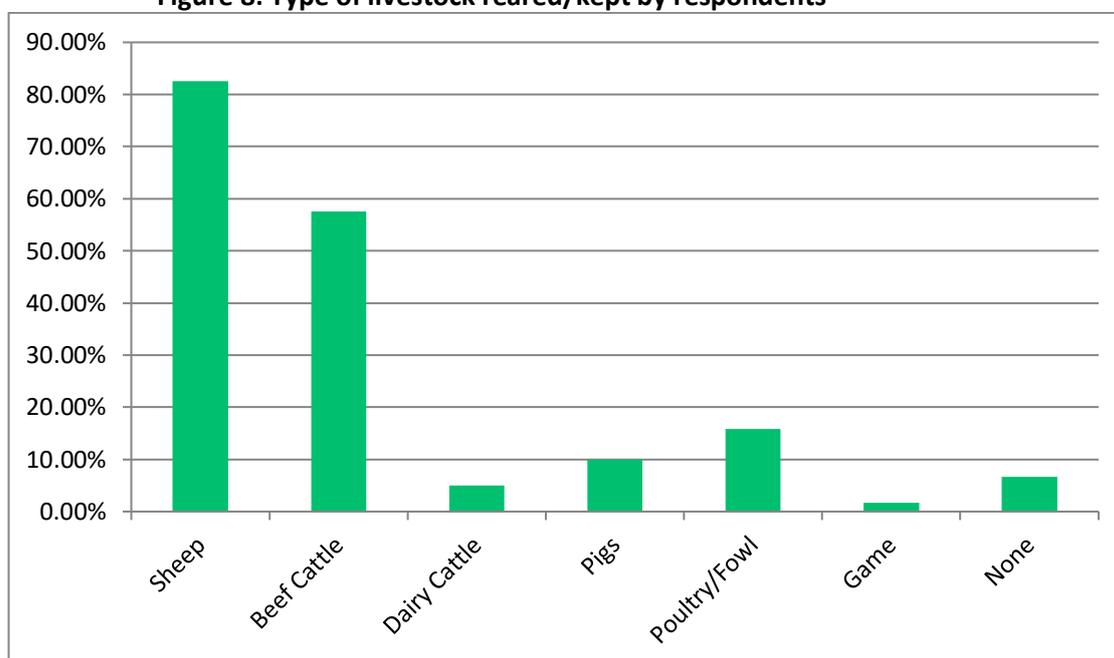
**Figure 7: Age Group of Survey Respondents**



Source: PER Consulting Survey 2018

The vast majority of survey respondents also rear livestock, reinforcing the relevance of their views to the future needs of livestock production and sales. Only 7% of respondents had no livestock but had other operational or business interests in the rural community.

**Figure 8: Type of livestock reared/kept by respondents**



Source: PER Consulting Survey 2018

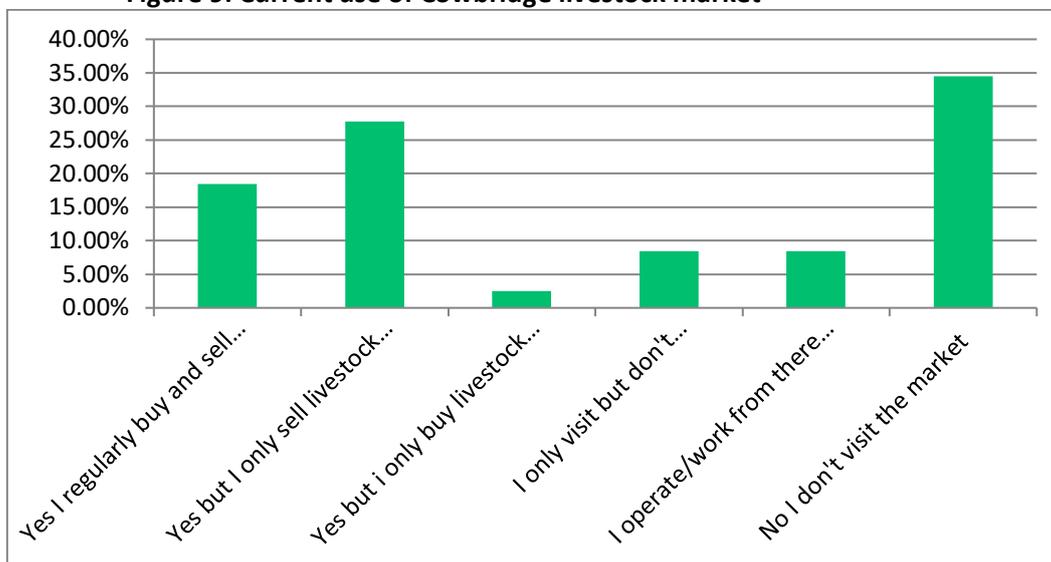
(Note figures represent more than 100% as some respondents keep more than one type of livestock)

Furthermore, the overall livestock numbers represented by the respondents demonstrate significant levels of animal holdings with respondents holding nearly 40,000 sheep, over 8,000 Beef Cattle, 3,500 Dairy Cattle almost 200 Pigs and 2,300 poultry/fowl.

### 4.1.2 Market Usage

Some 65% of all respondents indicated they currently visit the existing livestock market in Cowbridge, 28% just to sell their livestock and a further 19% to both buy and sell livestock through the market.

**Figure 9: Current use of Cowbridge livestock market**



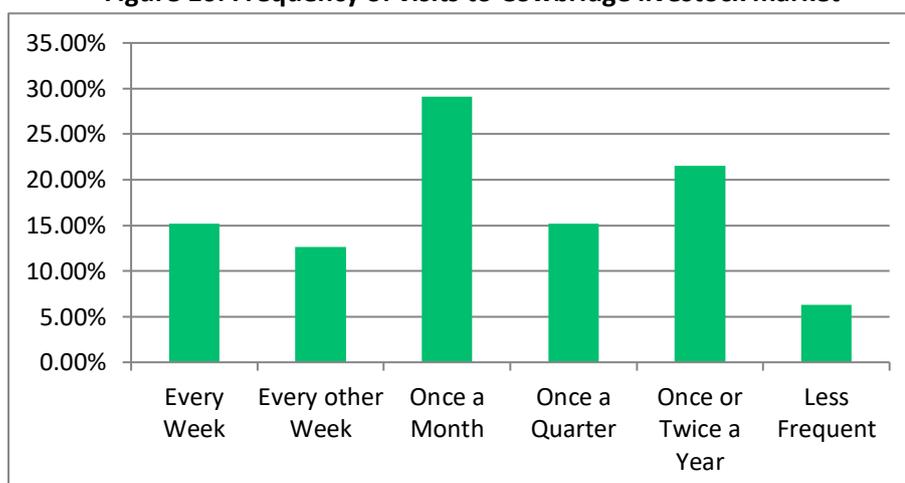
Source: PER Consulting Survey 2018

Of those not using the existing Cowbridge market, many of the reasons why include:

- Market doesn't trade in cattle/pigs/cows
- Not enough buyers and/or sellers
- Better prices elsewhere
- Poor facilities
- Other markets nearer/better
- Deal directly with abattoir

Of those that do use the existing Cowbridge market, most attend once a month (29%) with a further 27% attending either weekly or fortnightly.

**Figure 10: Frequency of visits to Cowbridge livestock market**



Source: PER Consulting Survey 2018

### 4.1.3 Use of Other Markets

Respondents were asked what other markets they regularly use to either sell or purchase livestock. Raglan market is by far the most popular alternative market with Hereford and Carmarthen some distance further behind as highlighted in the table below. Sedgemoor market featured more favourably to Purchase livestock (12% of respondents) compared with only 9% indicating they visited to sell livestock.

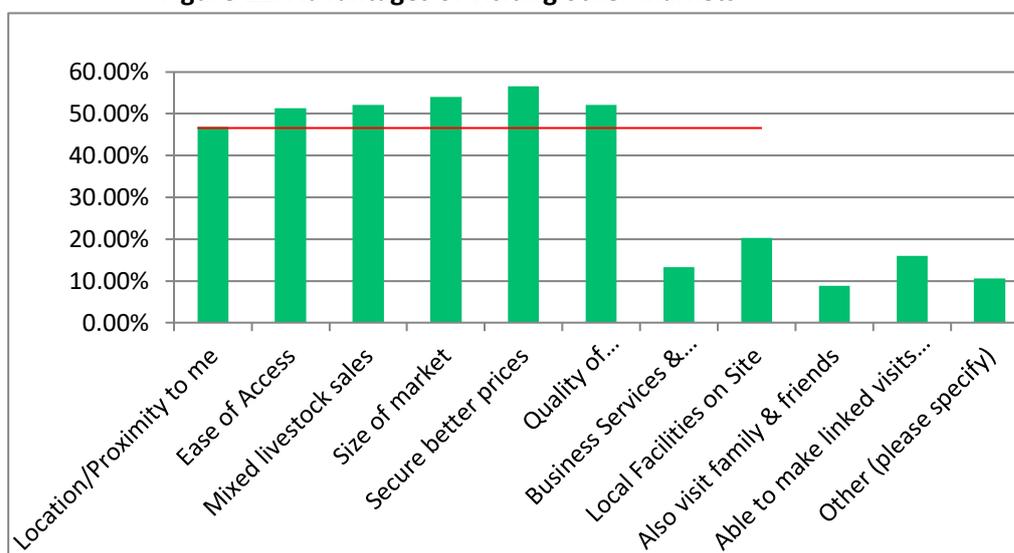
**Figure 11: Other Markets Visited**

Market Location	To Sell	To Purchase
Raglan	47%	39%
Hereford	10%	9%
Carmarthen	9%	12%
Sedgemoor	6%	10%
Brecon	5%	7%
Penderyn Blackmill Sennybridge	5%	5%

Source: PER Consulting Survey 2018

The markets at Raglan, Hereford, Carmarthen and Sedgemoor are all relatively new developments and much larger than the existing market at Cowbridge. They all offer mixed livestock sales and a range of specialist auction sales as well. The other markets are all much smaller/informal facilities. Sennybridge and Brecon handle mixed livestock sales whilst Penderyn and Blackmill are sheep only centres.

**Figure 12: Advantages of visiting other markets**



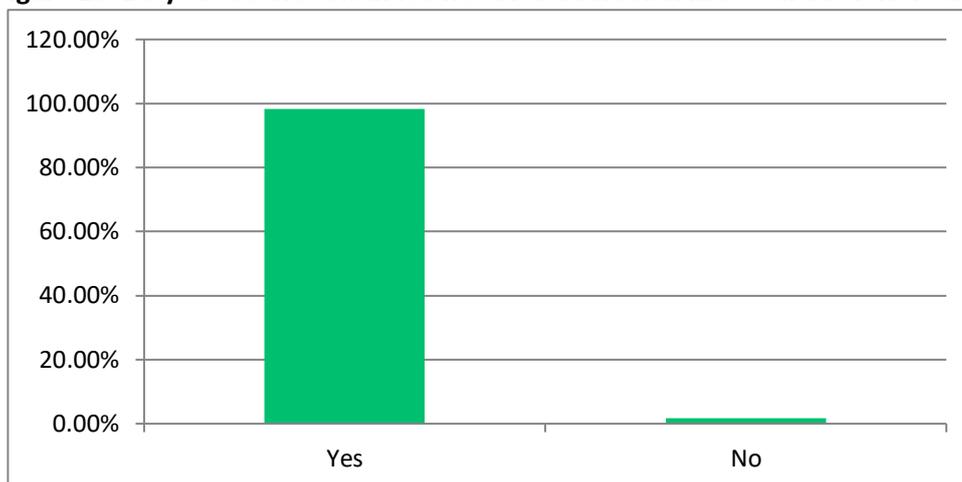
Source: PER Consulting Survey 2018

In terms of the reasons for using these other markets, the most dominant reason was “to secure better prices” (57%), followed by “size of market” (54%), the “quality of livestock available” (52%), “mixed livestock sales” (52%) and “ease of access” (51%). All these features were rated more highly than simply location or proximity to the farmers (47%). (Note respondents were asked to identify all factors that applied and encouraged to indicate more than one response).

#### 4.1.4 Need for replacement Market

There was overwhelming support for the continued need for traditional livestock auctions locally with some 98% of all survey respondents being in favour. This is a significant response when considering the majority of respondents also keep livestock in the area and represent a broad age-range embracing many young farmers who will have an increasing say in the future of their businesses.

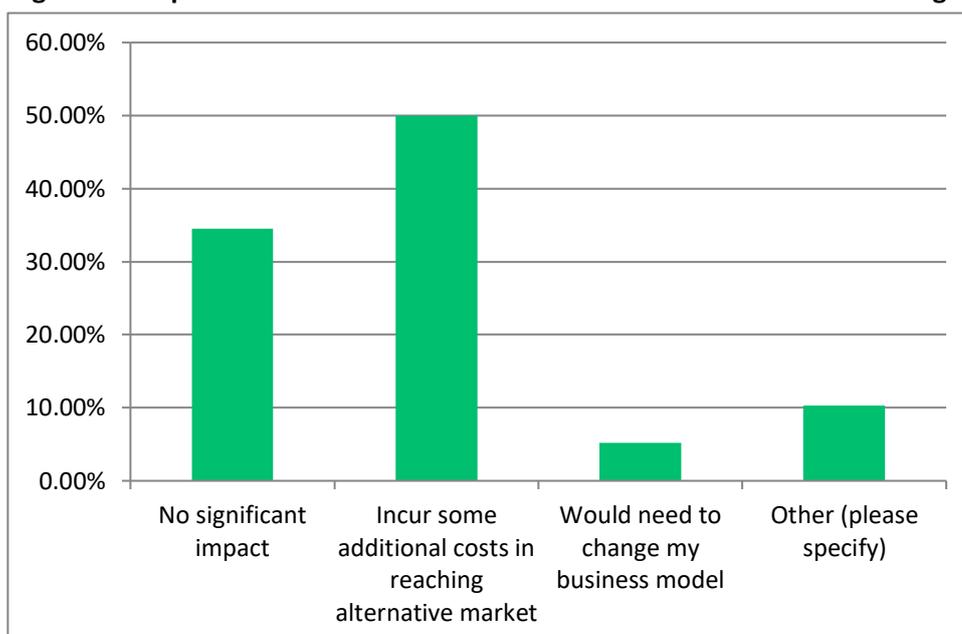
**Figure 13: Do you see the continued need for traditional livestock auctions locally?**



Source: PER Consulting Survey 2018

Indeed, some 50% of respondents envisaged additional costs in reaching an alternative market if there was no replacement market locally and a further 10% raised concerns over issues such as changing their operating model (potentially switching to deadweight sales), scaling back expansion plans, reducing livestock holding, delaying new business proposals. However, some 35% of respondents felt there would be no significant impact on their business either due to them already travelling to other markets, already trading directly with abattoirs and/or supermarkets or operating in non-livestock activities.

**Figure 14: Impact on business if now livestock market in the Vale of Glamorgan**

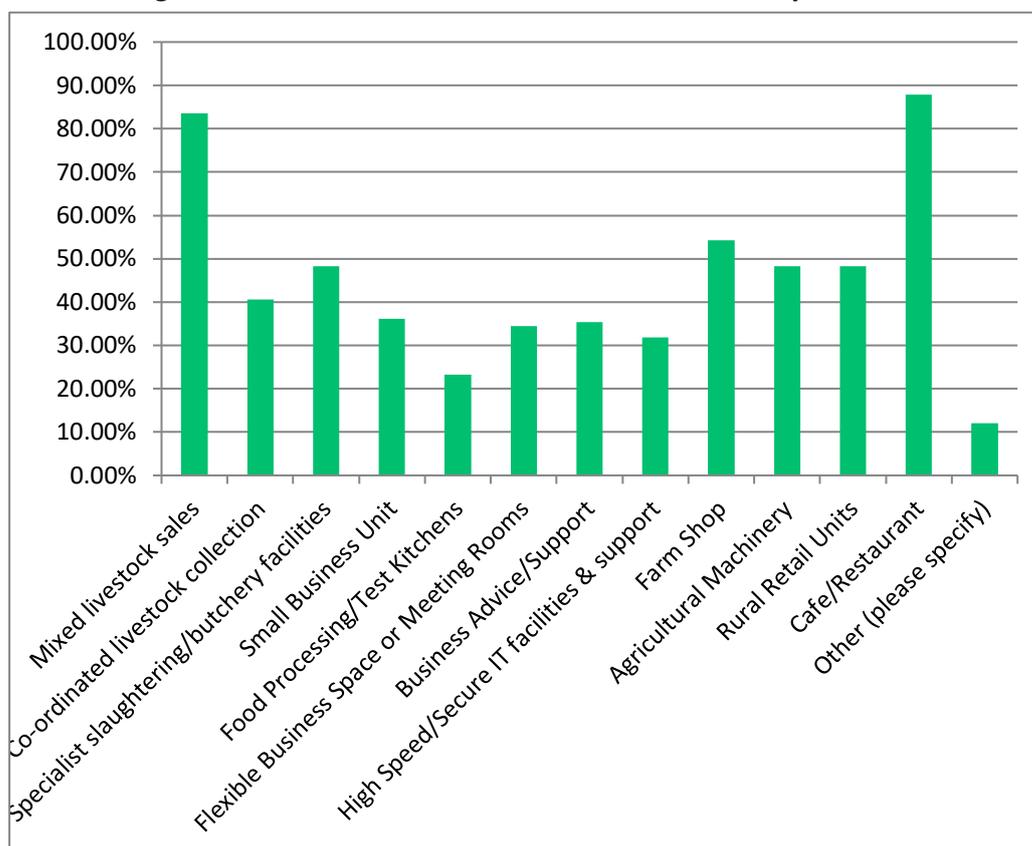


Source: PER Consulting Survey 2018

#### 4.1.5 Additional Services in a New Market

When asked what other facilities would be of benefit in a new market facility, there was overwhelming strong support for the need to provide for mixed livestock sales and the re-introduction of cattle sales alongside sheep as well as other specialist sales (84%), although a café/restaurant facility was the most popular benefit requested from a new facility (87%).

**Figure 15: Additional functions in a new market facility**



Source: PER Consulting Survey 2018

There was notable support for a Farm Shop (54%) and other retail outlets (48%) as well as Agricultural Machinery (48%). Specialist slaughtering and/or butchery facilities were also highly desirable (48%) and the potential for co-ordinated livestock collections (41%).

Interest was also shown in potential for small business units (36%) as well as flexible meeting space and business advice or support (35%) as well as IT facilities and support (31%). The potential for food processing and test kitchens associated with the livestock market was supported by 23% of respondents.

#### 4.2 The Farmers' Perspective – Individual Views

In addition to the survey, a total of 53 farmers and smallholders were spoken to through market day conversations and individual interviews. The majority of which concluded that the current site was not fit for purpose. Poor access makes it difficult for large agricultural and transport vehicles to manoeuvre with reports of occasional traffic congestion on market days. The consensus of opinion was that relocating the market to an out of town location with improved access and facilities would be the most sensible solution. Very few farmers believed that relocating the market would have a detrimental impact on the town centre.

In discussing relocation options, many stressed the point that a new market must be fully constructed and operational before the existing one is closed. An interim period with no livestock auction in the area would be hugely detrimental to the prospects of a new market. Once farmers are forced to seek other routes to market, it would be very difficult to re-establish a regular auction mart. The forced closure of all livestock markets during the Foot & Mouth crisis of 2001 being a prime example. The delay in re-opening the Cowbridge market and decision to stop all cattle sales following Foot & Mouth is believed to have had a significant negative impact on the market.

Many farmers highlighted their concern over the lack of buyers at Cowbridge and a perceived lack of competition amongst them. Without enough buyers and healthy competition in the bidding for animals, farmers are not encouraged to bring their stock to market. The opposite is also true – without enough livestock numbers attending the market, it is difficult to attract the larger buyers.

Fundamentally, farmers behaviour is driven by price. As one interviewee said: “whilst the convenience of a local market is valuable, price is more important”. Several farmers in the Vale and surrounding areas would regularly travel the extra distance to sell in markets, such as Raglan, where the trade is considered to be generally stronger. However, some comments were made that Raglan market was reaching capacity with limited expansion options.

One farmer who sought different routes to market, notably deadweight sales, questioned the future of livestock markets altogether and believed more direct contracts with supermarkets will take over in the future (as discussed in more detail in the next section). However, many still believed that markets play an important role in setting a fair, open and transparent price. Some were sceptical of the supermarkets’ motives to shorten the supply chain as it could put downward pressure on farmgate prices.

As highlighted in the survey, farmers and smallholders still see a need for a traditional livestock auction in the Vale of Glamorgan. However, they want to see drive and ambition from the market operators.

Auctioneers are the key anchor to the success of any market and a more proactive approach would need to be adopted to reinvigorate the market. Some thought a new single entity should be created similar to Welshpool Livestock Sales Ltd, which is jointly owned by Morris Marshall & Pool and Norman Lloyd. Others felt a new market should be tendered out to other potential auctioneers.

All farmers agreed that any new site must be multifunctional and offer more variety of sales in order to make it viable. Sales could include poultry, rare breeds, pedigree livestock, tractors and machinery, antiques and furniture and horticulture etc. Many would also support the return of fortnightly/monthly store cattle sales and urged that versatility is built into the design of any new market through dual-use penning etc. Furthermore, a new complex could include business units for agricultural suppliers, merchants and advisors.

In discussing what other service provisions a new market site could offer, several commented on the need for a small to medium sized abattoir. With growing interest in marketing and selling produce direct to consumer or the foodservice sector, farmers want more local slaughtering and processing facilities. There were some mixed views over its potential viability and this is discussed in more detail in the next section.

Finally, farmers felt strongly that markets serve an important social function. A weekly auction market is still a good way of networking and updating their knowledge in what has become a fast-changing industry and increasingly ‘lonely’ profession.

### 4.3 Stakeholder Insights – Key Themes

A total of 42 interviews were undertaken with a range of local, regional and national stakeholders. A full list is included within the Appendix C. Below is a summary of the key themes which emerged from the conversations.

#### 4.3.1 Importance of Livestock Markets

Most stakeholders stressed the importance of livestock auction markets to the supply chain as they provide an open, transparent and competitive means of selling. As mentioned in section 3.1, a survey conducted by the LAA confirmed that 93% of farmers use auction markets to buy and sell livestock. Despite the trend of rationalisation of markets over the past 50 years, the throughput of animals is still strong. According to the LAA, approximately 10 million sheep and 1.36 million cattle are sold through markets in England and Wales in 2017 at a combined value of over £1.7 billion.

#### 4.3.2 Live-weight v Deadweight Sales

According to HCC, the split of finished stock sales between live-weight and deadweight is approximately 50/50. Whilst this split has remained relatively constant over the past few years, some stakeholders highlighted the increased competition from deadweight sales as a potential threat to livestock markets. The figures reported in 4.3.1 demonstrate that livestock markets have been more resilient than expected, but pressure from the major retailers to shorten supply chains may influence the split going forward.

By reducing the length of the supply chain, the major supermarkets claim they can achieve better traceability and animal welfare. Others believe it is a way for supermarkets to remove cost from the system. In reality, auction markets must have data capture systems to comply with the national cattle database and EID systems for sheep in order to demonstrate full traceability of the animals. In addition, all markets must maintain high standards of animal welfare and the perception that a direct deadweight route is better for welfare might be misleading. Animals sold deadweight to abattoirs are often taken to a collection centres first where they can be sorted and transported by larger livestock hauliers, which is no different to markets.

From the various stakeholder conversations, it was apparent that processors were becoming nervous about future supply of finished stock and some believed they would become more aggressive in sourcing animals direct from farms through their procurement officers. However, all stakeholders maintained that livestock markets are a key link in the beef and sheep supply chain, acting as outlets for both breeding livestock and for animals moving to slaughter. Importantly, they offer producers the choice of alternative selling opportunities and provide greater price transparency than the deadweight system.

One stakeholder highlighted that the main difference between selling live-weight and selling deadweight was that the auction markets work for the farmer (i.e. the greater the price, the greater the commission) whereas the larger abattoirs/processors are working for the retailer who want to source at the cheapest price possible. Whilst there can be some conflicting objectives within the supply chain, it was felt strongly that healthy competition for livestock purchasing can only have a positive impact on farm-gate prices.

### 4.3.3 Challenges and Threats

In addition to the challenge of maintaining a market share for finished stock and facing competition from deadweight sales, markets must contend with a number of other challenges including disease control, declining number of buyers, regulation and, indirectly, changing consumer trends.

Many stakeholders highlighted the impact of the Foot & Mouth crisis on auction markets, where they were forced to close for an entire year due to the ban on the transportation of livestock. This led to tighter controls and regulation on animal movements such as the six-day standstill, where no animal movements must take place from any holding where one or more animals have been moved onto the holding in a six-day period. Further concern was expressed by some over movement restrictions imposed as a part of the Bovine TB eradication programme. Both pre and post-movement testing can (and do) have an impact on the number of cattle sold through markets.

With regards to the sheep industry, some highlighted the challenges surrounding the declining lamb consumption within the UK. As discussed in section 3.3, there has been a steady decline in lamb consumption over the last 25 years with the average consumption for lamb and mutton in the UK at 5kg per person per year, compared with 18.2kg for beef and 25.1kg for pig meat. This was of particular concern within the context of Brexit should the export trade with Europe become more challenging and with a weak domestic market for lamb to take any surplus supply.

### 4.3.4 Implications of Brexit

Brexit presents the biggest change to agricultural support and trade in a generation. There is understandable concern by many stakeholders on its potential impact on the sheep sector, given that sheep farming has a significant share of agricultural activity within Wales and its reliance on exports to Europe. In the Welsh Government's consultation paper "Brexit and our land: securing the future of Welsh farming", it presents three different trade scenarios following the UK's exit from the European Union (EU):

- Scenario 1 – A bespoke and comprehensive Free Trade Agreement with the EU
- Scenario 2 – Exit under World Trade Organisation (WTO) rules as a Most favoured Nation
- Scenario 3 – Unilateral trade liberalisation

Scenario 1 is the closest to the existing relationship where the projections show very little change in the price, output and production value of sheep and a slight increase in the price of beef. However, both scenarios 2 and 3 are potentially very damaging for the future production and sale of sheep.

The Welsh Government's projections show that the WTO default position (scenario 2) would lead to approximately 30% decrease in sheep prices, a 10% fall in production and a 40% reduction in output value.

Beef, however, performs better with approximately 15% increase in price, a 10% increase in production and a 30% increase in output value.

All the commodity sectors face significant negative impacts under the trade liberalisation position. Whilst these three scenarios are only illustrative, they highlight the potential impacts on UK producers depending on the terms upon which the UK exists the EU. These issues have been addressed in the detailed sensitivity testing on the financial viability of future options later in this report.

In addition to trade, the future of support is a concern for the industry given that the Basic Payment Scheme (BPS) is often the difference between profit and loss for many farming businesses across Wales. The Welsh Government is currently consulting on its proposals to create two new schemes; an Economic Resilience Scheme and a Public Goods Scheme to replace BPS as outlined earlier in Section 3.2.

These will have very different objectives and will address some of the shortcomings of the Common Agricultural Policy, which is considered by the Welsh Government to have not been targeted enough and has not improved farm productivity. However, future funding of these schemes is unclear. While the UK Government has made high-level guarantees to protect farm funding to 2022, there is no clarity thereafter or how it will be allocated between the devolved administrations.

#### 4.3.5 Adding Value

In light of the uncertainties surrounding Brexit, some farmers and producers are seeking ways to diversify and add value to their products. The disadvantage of the conventional supply chain is that farmers normally take the price on the day, whether selling live-weight or deadweight. Adding value and selling direct to consumers enables producers to have more control over pricing.

Success in adding value is a mixed picture, according to some industry stakeholders. It can often be difficult to achieve carcass balance in sales, making sure the breeding and finishing are timed to meet sales and there is access to good slaughtering and cutting facilities. Those who do it well are also very successful with their marketing and attention to detail. This requires new and developed skills. Whilst selling boxed meat direct to the consumer will never become an industry-wide solution, it does offer some producers an opportunity to target niche markets.

According to many stakeholders, there is a growing number of farmers interested in direct sales, but the cost of infrastructure is prohibitive. Therefore, it was suggested that a new market auction centre could offer a shared cutting facility which producers could hire on a daily/hourly basis. In addition, an area for the cold storage of carcasses would be useful.

Reference was also made to the work of Food Centres in Horeb and Caernarfon and the Zero2Five Food Information Centre at Cardiff Metropolitan University. These offer advice, technical assistance and training to food business start-ups, together with incubator units offering food processing units to help businesses increase production.

Many thought there would be an opportunity to create some form of food hub alongside a new market site, but there were questions asked about its financial sustainability given that the existing ones rely on grant funding, particularly from the Rural Development Programme. Further investigations would be required into what business model could work and whether other partners would be willing to support such a project.

#### 4.3.6 Slaughtering Facilities

A theme which emerged from the survey and supported by interviews with farmers was the need for a small to medium sized abattoir in the Vale. While there is spare capacity within the network of larger slaughterhouses within Wales, as discussed in section 3.4, farmers believed there was inadequate capacity within the smaller abattoirs, which provide a very important and fundamentally different service compared to the larger processors. They service local independent retailers, the food service industry as well as supporting farmers for the direct sale of meat.

However, several stakeholders highlighted the difficulty in making a new small to medium sized abattoir commercially viable. There has been a trend of closures in recent years driven by the high burden of regulation and very low and often negative profitability of the sector. Those units which are still operating tend to be well-established family-run businesses which have kept a close eye on cost control. Furthermore, with existing facilities at Maesteg, Gower, Caerphilly and Cross Hands, some stakeholders asked whether it would be wise to establish a new one if it were to put others out of business. It would require a separate study into capacities and an analysis of demand. On balance most stakeholders believed there would be greater demand for cutting and storage facilities, instead of slaughtering.

#### 4.3.7 Multiple Uses

Most thriving auction markets include other business activities to secure additional income. All stakeholders felt strongly that a new facility should not be a 'like for like' replacement and should be used for more than one day per week. Other multiple uses need to be factored into the construction and operation of a new site. Revenue from the livestock sales could be supplemented by holding other sales and activities such as machinery and vehicle sales, antique furniture and fine art sales, poultry and general equipment sales, horticultural sales, equine sales, car boot sales and farmers markets etc.

Some believed that there would be strong interest in more agricultural-based lifestyle sales aimed at smallholders and lifestyle buyers living in the Vale who are interested in rural life. For example, sales of rare breeds have proved successful in recent years.

There also appeared to be a demand for training facilities and venues to host large open meetings. Conversations with Glamorgan YFC and Farming Connect revealed the lack of suitable facilities in the Vale and Pencoed College expressed interest in being able to "reach-out" to farmers in a more effective way. As outlined in some of the Case Studies set out in Appendix B, market sites across the country have diversified into agri-business parks offering conference facilities, function rooms, wedding venues as well as generating additional revenue through rents from café operators, agricultural merchants and professional service providers.

Other suggestions included establishing a wool collection centre, recycling centre, trailer test centre, pop-up trade stands for businesses during market days, a collection point for the 'click and collect' service offered by the Food Assembly, a park and ride service if located outside Cowbridge, a hairdresser and offering access to online/IT support.

The key message from stakeholders being the more activities, businesses and services offered on site, the more thriving and successful the venture would become.

#### 4.3.8 Location

Getting the right location for a new livestock auction centre was considered critical. If a more regional presence is desired, stakeholders felt a location closer to the M4 would be essential in order to draw livestock and buyers from a larger catchment.

#### 4.3.9 Social Gathering

With increased mechanisation on farms, labour forces have reduced which has made farming a lonelier profession. Long periods of lone working can lead to mental health problems and farming has the highest suicide rate of any occupation. Markets, therefore, are an important social gathering for farmers and a place to share ideas and to update their knowledge.

## 5. Future Potential – an Overview

Reflecting on the widespread consultation and stakeholder engagement as set out in Section 4 and the market analysis detailed in Section 3, there is clear indication of realistic potential and strong support from farmers and other producers for a livestock market to continue in the local area. Key messages arising from the research include:

- Need for new facility to be established before the existing one closes.
- Need to include wide range of activities to widen the market appeal and income potential.
- Need to cater for mixed livestock to meet local needs and provide resilience for the future.
- Need to demonstrate “added value” to farmers to attract public sector funding.
- Need to be more ambitious than just a like for like replacement of sheep market.
- Need to be more proactive to attract quality stock and greater interest from buyers.
- Need good and easy access from strategic road network with range of additional facilities.

Clearly if no livestock market was to be provided locally, producers would most likely incur additional costs and face longer journey times in transporting animals and increased time away from the farm, a particular issue for some small producers who also maintain other part-time work as well.

Figure 7 below highlights the significant regional gap in the area with the nearest alternative major markets of Carmarthen and Raglan being around 60-minute drive-time from Cowbridge and Hereford and Sedgemoor around 90 minutes or more.

Furthermore, as farmers disperse across a potential range of alternative locations, the local social networks, potential for informal support and familiarity with each other will undoubtedly be eroded leading to further isolation and wider social challenges within the rural and farming community.

**Figure 16: Livestock Market Locations**



Source: Gareth Davies Project Services July 2018

## 6. Market Options Tested

To inform the future viability and recommendations on the way forward a range of alternative Market Options have been examined and tested as summarised below:

**Option 1 Replacement** – This examines the capital and revenue cost implications of replacing the existing sheep only market on a similar scale providing for up to 20,000 sales per annum.

**Option 2 Expansion** – This examines the capital and revenue cost implication of building a larger livestock market facility capable of accommodating sales of up to 40,000 sheep and re-introducing store cattle sales of up to 4,000 head per annum.

**Option 3 Multi-Function Auction Centre** – This examines the capital and revenue cost implications of creating a more flexible market capable of handling the same mixed livestock operation as Option 2 as well as a wider range of other sales such as machinery, furniture and occasional specialist livestock.

**Option 4 Agri-Park** – This includes provision for small business units, cold-store and butchery facilities to be included within the market site in addition to the auction sales in Option 3.

For each option, careful consideration has been given to the space required for animal pens in accordance with good practice and animal husbandry procedures. This includes provision for animal loading/un-loading, separation of sheep and cattle pens and the provision of specialist sales ring to handle cattle whilst maintaining animal welfare and health and safety precautions. Consideration has also been given to appropriate bio-security measures ensuring site safety and ease of movement within the site and suitable levels of parking allowing for cars, trailers, lorries and articulated lorries.

Site management facilities have also been included such as lorry washing, toilets, stock-handler changing facilities, administrative offices and inclusion of a café/kitchen in Options 2-4.

**Figure 17: Market Options Summarised**

	Option 1 Replacement	Option 2 Expansion	Option 3 Multi-Function	Option 4 Agri-Park
Sheep Sales	Up to 20,000 pa	Up to 40,000 pa	Up to 40,000 pa	Up to 40,000 pa
Cattle Sales	0	Up to 4,000 pa	Up to 4,000 pa	Up to 4,000 pa
Sheep Pens Capacity	600	1,000	1,000	1,000
Cattle Pens Capacity	0	200	200	200
Auction Room Area			515m <sup>2</sup>	515m <sup>2</sup>
Admin Office	90m <sup>2</sup>	225m <sup>2</sup>	225m <sup>2</sup>	255m <sup>2</sup>
Café		75m <sup>2</sup>	75m <sup>2</sup>	75m <sup>2</sup>
Business Use				770m <sup>2</sup> ++
Site Area Required	0.75ha	1.0ha	1.0ha	1.5ha++

Source: PER Consulting/Gareth Davies Project Services July 2018

The broad layouts for Options 1 and 2 are illustrated in Appendix E. The layout of Option 3 is the same as Option 2 other than the full enclosure of the open yard to accommodate the enclosed Auction Room space with demountable sheep pens. The Option 4 illustration shows an alternative configuration which tested a larger sales area to hold up to 2,000 sheep which has been discounted due to uncertainty over market capacity. The illustration, however, includes a layout for accommodating small business units and cold-store facility on site.

## 7. Capital Costs & Funding

This section reviews the overall development costs of each option identified in Section 6 including the assumptions made and examines the potential sources of funding that may be available to contribute towards the capital costs.

### 7.1 Construction Costs - Overview

The cost estimates to construct each option under consideration is detailed in Figure 18 below. This shows costs ranging from £645,400 for the basic replacement solution - Option 1, through £1.3m for Option 2, £1.75m for Option 3 and £2.7m for Option 4.

**Figure 18: Market Options – Construction Costs**

	Option 1 Replacement	Option 2 Expansion	Option 3 Multi-Function	Option 4 Agri-Park
Concrete Base	£298,000	£400,000	£400,000	£600,000
Sheep & Cattle Barn	£28,300	£96,400	£96,400	£96,400
Secure Barn	-	-	£303,900	£303,900
Admin/Café Space	£70,200	£234,000	£234,000	£257,400
Site Works 15%	£59,500	£109,600	£155,100	£188,600
Drainage	£15,000	£15,000	£15,000	£15,000
Contingency 10%	£47,100	£85,500	£120,400	£146,100
Fees 10%	£51,800	£94,000	£132,500	£160,800
<b>TOTAL BUILD COSTS</b>	<b>£569,900</b>	<b>£1,034,500</b>	<b>£1,457,300</b>	<b>£1,768,200</b>
Sheep Pens	£61,300	£102,200	£102,200	£102,200
Cattle Pens/Ring	-	£109,500	£109,500	£109,500
Weigh Bridge	£14,200	£31,200	£31,200	£31,200
Café Fit Out		£50,000	£50,000	£50,000
Cold Store Installation				£50,000
Meat Cutting Unit				£24,000
Business Units				£576,000
<b>TOTAL COSTS</b>	<b>£645,400</b>	<b>£1,327,400</b>	<b>£1,750,200</b>	<b>£2,711,100</b>

Source: Project Team July 2018

The costs exclude any allowance for land acquisitions which will vary depending on location and arrangements with the land owner. Ideally, the aim would be to secure land at or around agricultural values which could be in the range of £10,000 - £15,000 per acre, rather than commercial land values which could rise from £100,000 plus per acre. Depending on location, there could be potential for the landowner to provide land on a nominal or pepper-corn rental basis as a gesture towards supporting the new livestock market. This will, of course, depend on individual circumstances which is why no specific figure has been included at this stage of the feasibility study.

## 7.2 Construction Cost Assumptions

Careful consideration has been given to the build-costs for each option drawing on general market evidence and input from specialist contractors as referenced in Appendix F. The main assumptions used to determine the capital cost estimates are highlighted below.

### General Site Works

A general allowance of 15% against all construction costs has been applied to allow for groundworks and site preparation assuming no abnormal ground conditions are encountered.

### Concrete Base

The whole market site is assumed to be laid to reinforced concrete for ease of washing and to support vehicle movements. An allowance of £40 per square metre has been applied to each site area.

### Main Barn

Cattle pens are assumed to be fully covered by an agricultural barn using steel frame construction with only 50% of the sheep pens being covered and the rest on external hard-standing. An allowance of £100 per square metre has been used for the barn construction.

### Secure Auction Space

For Option 3 and 4, the external sheep pens are enclosed within a more substantial and secure agricultural building providing the required space for other auction activities. An allowance of £590 per square metre has been applied based on BCIS Median Costs for Agricultural Storage (Q2 2018).

### Admin & Café Construction

A basic office construction using block work and minimal internal finishing has been assumed. An allowance of £780 per square metre has been applied based on BCIS estimates (Q2 2018).

### Site Drainage

Provision has been included for a Reed-Bed drainage and filtration system to meet the needs of planning and environmental policies for Sustainable Drainage and site management. An allowance for 100m<sup>2</sup> Reed-Bed system has been applied. A 100m<sup>3</sup> slurry tank is also included for solid animal waste ensuring efficient use of the reed-bed system. A general allowance has also been included for site landscaping. Total provision c£15,000.

### Site Services

No specific allowance has been made for provision of utility services to the site (gas, water, electric) as these are more site-specific matters. For now, it is assumed services would be available to the edge of site and connections allowed for within the 15% site works provision.

### Contingency Allowance

A 10% contingency allowance has been applied to all costs to address any changes to design or unknown cost implications.

### Planning & Design Fees

A generous 10% allowance has been included for all professional fees including design and planning application costs.

### Fixtures & Fittings

Specific costs have been identified for provision of animal pens and include provision for Cattle Sales Ring and Weigh Bridge. An allowance of £50,000 has been included for the café fit-out including the kitchen area.

### **Small Business Units**

Small business units are assumed to be developed in the form of wood cabins to blend with the agricultural feel of the site. All units are fully fitted internally to include kitchen/toilets, electrics, plasterboard linings and insulation. A cost allowance of £800 per square metre has been applied.

### **Cold Store and Cutting Room**

Specialist facilities can be provided on site using modular cabins fully fitted out internally and dropped into place for connection to services. A 12x2.8 metre cold store is estimated to cost £50,000 and a 5x3 metre cutting unit has been included at a cost of £24,000.

## **7.3 Potential Grant Funding**

Consideration has been given to the potential availability of public sector grant funding to support the capital construction of a new livestock market facility. The most likely source of funding is through the Welsh Government Rural Communities – Rural Development Programme 2014-2020 (RDP). The programme is funded through the European Union's European Agricultural Fund for Rural Development (EAFRD) and the Welsh Government. All projects funded by the Programme must align with one or more of the following priorities:

1. fostering knowledge transfer and innovation in agriculture, forestry, and rural areas.
2. enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests.
3. promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture.
4. restoring, preserving and enhancing ecosystems related to agriculture and forestry.
5. promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors.
6. promoting social inclusion, poverty reduction and economic development in rural areas.

The proposed new multi-function livestock market and potential business hub is considered able to meet Objectives 2,3 and 6 from the above list.

Under the RDP, the Food Business Investment Scheme (FBIS) appears to be the most appropriate mechanism for funding. This scheme is open to private and public limited companies (SME's and Large Enterprises) as well as sole traders, voluntary organisations, farms business and new start-ups. It is designed to help primary producers of agricultural products to add value to their outputs and the market trading is considered appropriate to realising this objective whilst promoting the food chain and supporting animal welfare.

Support under the scheme is available to SME's for up to 40% of the total investment cost regardless of location within Wales. Large Enterprises can only receive 20% of investment. The maximum grant threshold is £5m in any individual scheme. These rates apply equally within the Vale of Glamorgan under the RDP as in those areas designated as Tier 1 in West Wales & Valleys which more typically receive higher intervention rates.

Eligible costs under the scheme include the all tangible assets such as land, buildings, machinery and equipment as well as some aspects of computer software and professional fees. Land costs must not exceed 10% of the total eligible project costs.

Informal discussions with the Welsh Government indicated in-principle support for potential funding, subject to further review of detailed proposals. A further window for funding applications is expected to open in the Autumn of 2018 with projects now being supported through to 2020.

However, Welsh Government raised concerns over the realistic eligibility of a basic replacement sheep market facility given the uncertainty over future European trading and effects on sheep production in Wales and the rest of the UK. Any proposal must, therefore, demonstrate significant added value to farm production and resilience in a post-Brexit trading environment. In this context, Table 19 below shows the implications for each market option of eligible grant funding and the remaining funding gap to cover the full capital construction costs.

**Figure 19: Capital Funding**

	Option 1 Replacement	Option 2 Expansion	Option 3 Multi-Function	Option 4 Agri-Park
<b>Total Capital Costs</b>	£645,400	£1,327,400	£1,750,200	£2,711,100
<b>FBIS Grant 40%</b>	-	£531,000	£700,100	£1,084,400
<b>Funding Gap to find</b>	<b>£645,400</b>	<b>£796,400</b>	<b>£1,050,100</b>	<b>£1,626,700</b>

Source: Project Team July 2018

Without grant funding, Option 1 would require the full cost to be met by project promoters. Assuming 40% Grant intervention in each of the other options, the funding gap to find ranges from around £800k in Option 2, £1.0m in Option 3 and up to £1.6m in Option 4.

Further public funding may be possible depending on the implications for State Aids and the Governance/Operating arrangements to be determined (See Section 9 for options). Otherwise, private investment will be required to cover the remaining 60% of costs either through equity investment or debt repayment depending on the operational viability of the market facility as explored further in Section 8 which follows.

## 8. Operational Business Plan

Detailed income and expenditure projections have been prepared on each option. In producing the projections, reference has been made to the existing market's sales revenue and associated costs, together with the assumptions listed below.

### 8.1 Income Projections & Assumptions

#### Sheep Price Per Head - £65.96

This figure is a weighted average price per head for all sheep sales, having assumed a 70/30 split of lamb and cull ewe sales respectively. The assumed average live-weight for lambs is 40kg which has been multiplied by the 2017 average price for lambs of £1.82 per Kg, as reported by HCC. The 2017 HCC average price for cull ewes is £50 per head.

#### Cattle Price Per Head – £632.73

This figure is a weighted average price per head for all cattle sales, having assumed a 5/45/45/5 split of calf, steer, heifer and cull cow sales respectively. Calf prices have been assumed at an average of £100 per head. Steers and heifers are assumed to have an average weight of 350Kg which has been multiplied by the 2017 HCC average price of £1.86/Kg (steers) and £1.93/Kg (heifers). Cull cows are assumed to have an average weight of 550Kg which has been multiplied by the 2017 HCC average price of £1.12/Kg.

#### Throughput of Animals

The existing throughput of sheep at Cowbridge Market is approximately 20,000 per annum. With the security of a longer-term asset and improved facilities, the existing market operators are confident they could increase the number of sheep sales to 35,000 per annum over three years. This is within a new facility which is capable of reaching a maximum 40,000 sales as currently designed within the option appraisals.

In re-introducing cattle sales, the existing market operators believe they could achieve 480 sales in year one (40 per month) building up to 1,440 in year three (120 per month).

**Commission** – based on current market rate of 3.5%

#### Commission from other sales

In dialogue with the existing market operators, the estimated commission from a monthly sale of poultry, machinery, equipment and sundry items is assumed to be £12,000 in year one, £20,000 in year two and £30,000 in year three.

#### Rental Income

A nominal market rent of around £86 per square metre (£8 psf) for the café facility, £54 per square metre (£5 psf) for office/business space and £33 per square metre (£3 psf) for the specialist cold store/cutting facilities has been allowed for in the income forecasts. These are based on general assumptions for similar local situations rather than prime market values.

## 8.2 Expenditure Assumptions

All expenditure assumptions have been tested against actual operating costs of the existing market and shared with the operators for verification. The expenditure includes all direct costs including staffing (drovers), annual licence fee for the market database software, building insurance, public liability insurance, bad debt insurance, business rates, utilities (water and electricity etc.), Red Tractor Assurance registration, general maintenance and waste disposal, miscellaneous printing costs and a contingency of 3% of income. Each expenditure item is adjusted as necessary over three years as the sales throughput increases etc.

**Staff Costs/Droivers** – the national living wage of £7.83 has been applied.

**Business Rates** – in calculating the rateable value a rate of £3psf has been applied to industrial covered space and £2psf for yard space. The rateable value has then been multiplied by the non-domestic rates multiplier of 0.514.

The expenditure does not include an allowance for a management fee for the market operators, an annual rent or debt repayment. This will depend on the funding and governance model as a further draw on the current operating surplus identified within each option.

## 8.3 Three-Year Cashflow Projections

**Figure 20: Option 1 – Replacement**

	Year 1	Year 2	Year 3
Sheep Sales	20,000	20,000	20,000
Total Income	£46,172	£46,172	£46,172
Expenditure	(£30,687)	(£31,058)	(£31,441)
<b>Operating Surplus</b>	<b>£15,485</b>	<b>£15,114</b>	<b>£14,731</b>

Source: Project Team July 2018

This option shows a reducing operating surplus year-on-year, assuming that sheep numbers remain at their current market level, prices remain static, but costs increase.

**Figure 21: Option 2 – Expansion**

	Year 1	Year 2	Year 3
Sheep Sales	20,000	27,500	35,000
Cattle Sales	480	960	1,440
Rental Income (Café)	£6,500	£6,500	£6,500
Total Income	£63,302	£91,246	£119,190
Expenditure	(£49,654)	(£52,362)	(£55,072)
<b>Operating Surplus</b>	<b>£13,648</b>	<b>£38,884</b>	<b>£64,118</b>

Source: Project Team July 2018

Option 2 above shows an increasing operating surplus over three years, assuming a 75% growth in sheep sales (from 20,000 in year 1 to 35,000 in year 3) and the re-introduction of cattle sales (building up from 480 in year 1 to 1,440 in year 3).

The income is also supported by a café rental of £6,500 per annum. With increased sales, the expenditure also increases to reflect greater staff costs (drovers), greater insurance premiums due to increased sales turnover and more maintenance and waste disposal etc. The biggest difference, however, between the cost base of options 1 and 2 is the liability for business rates. The rateable value increases significantly with more covered space to incorporate the cattle pens and sales ring etc. However, operationally, it produces an indicative pre-tax surplus of £64,118 by year 3.

**Figure 22: Option 3 Multi-Function Auction Centre**

	Year 1	Year 2	Year 3
Sheep Sales	20,000	27,500	35,000
Cattle Sales	480	960	1,440
Other Sales Income	£12,000	£20,000	£30,000
Rental Income (Café)	£6,500	£6,500	£6,500
<b>Total Income</b>	<b>£75,302</b>	<b>£111,246</b>	<b>£149,190</b>
Expenditure	(£60,575)	(£64,038)	(£67,563)
<b>Operating Surplus</b>	<b>£14,727</b>	<b>£47,208</b>	<b>£81,627</b>

Source: Project Team July 2018

Option 3 assumes the same livestock sales income and rental income included in option 2, but also incorporates commission income from other diversified sales (from £12,000 in year 1 to £30,000 in year 3). This model carries more cost than option 2 with greater staffing (drovers) required and the relative increases in insurance premiums, business rates, utilities, maintenance, waste disposal, maintenance and a contingency of 3% of income. As the combined revenue builds-up over three years, it produces a pre-tax indicative surplus of £81,627.

**Figure 23: Option 4 Agri-Park**

	Year 1	Year 2	Year 3
Sheep Sales	20,000	27,500	35,000
Cattle Sales	480	960	1,440
Other Sales Income	£12,000	£20,000	£30,000
Rental Income	£46,850	£46,850	£46,850
<b>Total Income</b>	<b>£115,652</b>	<b>£151,596</b>	<b>£189,540</b>
Expenditure	(£61,785)	(£65,249)	(£68,774)
<b>Operating Surplus</b>	<b>£53,866</b>	<b>£86,347</b>	<b>£120,767</b>

Source: Project Team July 2018

Finally, option 4 introduces rental income from a variety of business units, estimated at £46,850 per annum. With limited increases in annual running costs, the operating surplus by year 3 reaches £120,767.

A comparison of the year three positions of all options is included below and adjusted for corporation tax at 19% of the operating surplus achieved in each option.

**Figure 24: Comparison of Options** (Yr 3 Positions)

	Option 1	Option 2	Option 3	Option 4
Total Income	£46,172	£119,190	£149,190	£189,540
Expenditure	(£31,441)	(£55,072)	(£67,563)	(£68,774)
Operating Surplus	£14,731	£64,118	£81,627	£120,767
Corporation Tax @19%	(£2,799)	(£12,182)	(£15,509)	(£22,946)
Net Profit after Tax	£11,932	£51,936	£66,118	£97,821

Source: Project Team July 2018

The figures above show all four options to be capable of meeting the general running costs involved in each approach and generate a net profit after tax.

## 8.4 Sensitivity Analysis

Livestock prices are notoriously volatile and difficult to predict. Therefore, a sensitivity analysis has been undertaken to show the impact of a 10%, 20% and 30% reduction in livestock prices on the operating surplus. In addition, as the sheep sector is particularly vulnerable to any changes in the trading relationship with Europe, a fourth sensitivity test has been added below. This follows the “WTO Default” scenario as described in the Welsh Government’s consultation paper “Brexit and our land: securing the future of Welsh agriculture” whereby it shows an approximate 30% decrease in sheep prices and a 10% fall in production. This is assumed to be the closest to a ‘no deal’ outcome from the EU negotiations.

**Figure 25: Sensitivity Tests**

	Option 1	Option 2	Option 3	Option 4
Yr 3 Operating Surplus	£14,731	£64,118	£81,627	£120,767
Impact of 10% drop in prices	£10,114	£52,849	£70,358	£101,813
Impact of 20% drop in prices	£5,497	£41,580	£59,089	£82,859
Impact of 30% drop in prices	£879	£30,311	£47,820	£63,905
Impact of WTO Default*	-£2,353	-£3,661	£20,348	£59,487

Source: Project Team July 2018

Note\*: Sheep throughput at 18,000 (10% decrease on current levels) and sheep prices reduced by 30%. No change to cattle volume or price.

Options 1 and 2 are affected most by a fall in livestock prices with both producing negative surpluses under the ‘WTO Default’ position which is the worst-case scenario with a no-deal Brexit. Options 3 and 4 are more resilient to a fall in sheep numbers and prices, although the operating surpluses are more limited in their ability to service a management fee or debt repayment. Therefore, the more diversified sales and ‘non-livestock’ sources of income achieved, the stronger the business model.

## 9. Commercial Viability & Governance

This section reflects on the implications of the Operational Business Plan set out in Section 8 and overall commercial viability in terms of addressing the capital construction costs set out in Section 7. Consideration is also given to the different delivery approaches and on-going governance of a new livestock market.

### 9.1 Commercial Viability

The Operational Business Plan demonstrates how each Option is able to cover the operating overheads and costs and generate a net surplus after tax (see Figure 24 above). The table below highlights the potential annual debt repayment cost assuming a commercial mortgage is required to cover the capital funding gap after FBIS Grant investment at 40% intervention as detailed in Section 7.

**Figure 26: Implication of Capital Debt Repayment on Profitability**

	Option 1 Replacement	Option 2 Expansion	Option 3 Multi-Function	Option 4 Agri-Park
Total Capital Costs	£645,400	£1,327,400	£1,750,200	£2,711,100
FBIS Grant 40%	-	£531,000	£700,100	£1,084,400
Funding Gap to find	<b>£645,400</b>	<b>£796,400</b>	<b>£1,050,100</b>	<b>£1,626,700</b>
Debt Repayment Cost 30 years @6%	<b>£43,200</b>	<b>£57,600</b>	<b>£72,000</b>	<b>£115,100</b>
Compared to Net Profit after Tax	<b>£11,900</b>	<b>£51,900</b>	<b>£66,100</b>	<b>£97,800</b>

Source: Project Team July 2018

The table shows the annual cost of debt ranges from £43,200 to £115,100 across the four options which exceeds the net profit realised from each option after allowance for Corporation Tax.

Whilst the market options can be seen to be operationally viable (once constructed) there is insufficient profit generated to cover the capital funding gap, as currently identified, on a fully commercial repayment basis. This means alternative funding options will need to be investigated further, depending on the governance/delivery model to be followed and which could either attract further public investment and/or private equity to be sunk into the project on a long-term basis.

### 9.1 Governance Options

A variety of different governance and delivery options have been considered, as highlighted in Figure 27 below. These range from Local Authority driven, Auctioneer led, a local Farmer Co-operative model or a Developer led solution. Each approach has its merits and drawbacks but have been successful in delivering many of the case study examples illustrated in Appendix B.

**Figure 27: Market Governance & Delivery Approaches**

Ownership	Benefits	Issues
Local Government Led	<b>e.g. Monmouthshire Model</b> Strong Delivery Focus Public Funding Confidence Low-Cost Loans/Funding Potential Tender Market Operations Draw Rental Income	Not core business
Auctioneer Led	<b>e.g. Frome Market</b> Existing Auctioneers form new JV Partnership Other Auctioneers could consider new market Private Sector/Market Driven	Capital Investment Required Cost of private debt May be less ambitious – minimise risk
Farmer Co-Operative	<b>e.g. Welshpool Model</b> Stimulate local ownership & support Tender Market Operations Draw Rental Income	Complex to organise Time delays in mobilising May not recover equity
Developer Led	<b>e.g. Sedgemoor Model</b> Commercially Driven Market supports wider development Rental agreement with auctioneers	No established local interest Commercial development unlikely to subsidise market

Source: Project Team July 2018

### 9.1.1 Local Government Led

There are numerous examples of relocated livestock markets delivered by Local Authorities across the country. Many of these have been motivated by the need to regenerate existing locally owned, town centre sites and have benefited from significant capital receipts being generated from the redevelopment – especially where major retail development has replaced the former market sites.

The existing Cowbridge site is in the ownership of the Vale of Glamorgan Council and is required for redevelopment to support the wider town centre. Previous attempts at marketing the site does not appear to have been successful in generating major commercial interest or creating a substantial residual land value. The latest proposals include the need to provide additional public car parking. Consideration of the redevelopment options for the existing site remain outside the scope of this feasibility study but the indication is that there is unlikely to be a major capital contribution arising from the existing site.

Nevertheless, there could be considerable benefit of a Local Authority leading on the re-provision of a new market facility with the potential to attract further public funding (avoiding State Aid issues for the private sector) and/or providing access to low cost loan facilities. Should a Council or Councils take the lead in developing the new market, retaining ownership of the facility, the market operations could then be openly tendered attracting a wider range of specialist auctioneer interest who might take a leasehold interest with a rental payment to the Council.

### 9.1.2 Auctioneer Led

Alternatively, the existing auctioneers (or another group of auctioneers) could potentially come forward with a business plan for the re-provision of the livestock market. This would have the advantage of being wholly private sector driven. Whilst the existing market operation has to date been managed on an informal partnership basis between the two incumbent firms, a more formal joint venture/partnership arrangement is likely to be necessary to present a stable structure to attract any public sector grant funding and to formalise the management and governance of an enlarged facility.

The auctioneers would need to make provision for any equity investment and/or commercial loan facilities which, as demonstrated in this feasibility study, may not be covered by the projected surplus profit generated from the new market. Unless the capital funding gap can be resolved it is unlikely the new market would prove commercially attractive for a private sector led development solution.

### 9.1.3 Farmer Co-Operative

There are numerous examples of farmer co-operatives and/or joint ventures supporting new livestock markets and other farming businesses. It was considered premature to raise the issue of a potential co-operative through the consultation discussions in the absence of a clear proposition for a new market facility. Nevertheless, anecdotally, there has been some indication of potential interest and/or consideration of other forms of financial support through equity or bond investments for example.

Establishing a farmer co-operative could take some time to resolve which could delay the potential to secure public funding through the FBIS Grant, given that the final window for funding applications could be opened in Autumn 2018.

However, a crowd-funding platform could be adopted to explore the potential interest in raising contributions towards the capital funding required. Further specialist financial and legal advice will be needed to properly structure the call for funds in this way and the implications for different forms of shareholding involved and to resolve the security of equity invested and any dividend expectations.

### 9.1.4 Developer Led

Some of the larger multi-function auction centres have been established through wider development proposals, such as the Sedgemoor Auction Centre at J24 of the M5. The market site includes larger office facilities for rural business and is surrounded by a larger business park benefitting from motorway access and associated development land values. Whilst this feasibility study demonstrates the added value of developing a multi-function centre, the scale of operation will be much smaller than some of the regional centres identified through the comparative research. It is feasible that a new market may well stimulate further demand from other businesses seeking to be associated with the market operation and its attraction to farmers. However, these are unlikely to be of a scale to cross-subsidise the market development.

No specific developer interest has been identified to date through the consultation exercise or any other discussions in the local area. That is not to say that some interest could arise through the promotion of a specific scheme – either with direct input to the market or through development stimulated alongside the new market facility.

### 9.1.5 Partnership Solution

Given the implications of the capital funding gap identified in this study's analysis, the most appropriate governance solution is likely to be some form of partnership arrangement which seeks to blend further investment models combining public, private and possible farmer investment.

## 10. Potential Site Options

A number of sites have been considered as potential locations for a new livestock market through the course of this feasibility study. These have arisen through informal conversations rather than through a comprehensive, formal trawl for site proposals and, therefore, other potential sites may also emerge as development options are refined further.

Given the constraints on capital funding and financial delivery identified in this study, it will be important to keep the cost of any land acquisitions to the minimum focusing on sites with agricultural values rather than mainstream commercial sites. The opportunity may also exist for a site to be offered on long lease interest at a peppercorn rental through a supportive farmer or land owner in the region; although this has yet to be formally tested or explored.

The initial sites identified are listed in Figure 28 below together with information on site size (where known), reflection on the potential benefits of the site location and potential issues or constraints in terms of delivery.

**Figure 28: Possible site locations**

Ownership	Site Area	Benefits	Issues
Penllyn Estate	0.7ha	Close to Cowbridge A48 Access Business links around the market Potential park & ride for the Town	Limited size Only suit Option 1 Potential Planning Risks
Llandow	18ha	Scope for all Options Access to A48 will improve Links to Cowbridge	Isolated location Poor access to wider region
Wenvoe	4ha	Proximity to M4	Commercial Values Expected Potential congestion
M4 Junction 34	Unknown	Council ownership Strong access Vale Location	Time constraints whilst new road explored
Five Mile Lane	Unknown	Central Vale location	Private Land Commercial Values Poor regional links
Mary Church	Unknown		Private Land Commercial Values
Pencoed	2-6 ha	Good links to M4 Proximity to Pencoed College Partnership with Bridgend Council	Outside the Vale Site issues in flood plain to resolve Uncertain values

Source: Project Team July 2018

The first site considered at Penllyn Estate has the advantage of proximity to Cowbridge but following detailed examination the site area that could be made available is more limited than expected and would only accommodate Option 1 – the replacement sheep only market which is a less favoured solution.

Further land identified at Llandow could accommodate any development option but may prove less attractive a location to continue to draw from the wider region and fails to meet the stated needs of farmers in terms of accessibility.

The Vale of Glamorgan Council own land near Junction 34 of the M4 which could meet the needs of farmers, providing good access and visibility. However, the Council is currently exploring options for a new M4-Airport link road associated with the junction which will take some time to resolve. As a result, it is unclear what, if any land, would be available for development or how any development proposals would relate to the road proposals. As such, there is no realistic opportunity to deliver a site within the required timescales for the market development.

Other sites in private ownership have also been discounted due to the uncertain availability and likely expectations of commercial land values which would prove unaffordable given the constraints on capital costs and funding already identified in the study.

Finally, a number of sites were identified around Pencoed, close to J35 of the M4. The sites are either in the ownership of Bridgend Council, Welsh Government or Bridgend College with the advantage of good motorway access and potential links to the Pencoed Agricultural Training Campus. These sites have considerable potential to accommodate the range of options for the new livestock market to meet the needs of local farmers and other partners and could help establish a stronger regional presence. Further discussions with land owners and neighbouring Local Authorities will be required to test each site in further detail and examine the implications for planning and infrastructure services.

## 11. Conclusions & Recommendations

The key findings and the recommended way forward to progress the project, building on this initial feasibility study, are set out below.

### 11.1 Key Findings

This feasibility study has achieved the primary aims and objectives, engaging successfully with farmers and stakeholders to understand the needs of the rural community. There has been overwhelmingly strong support for a replacement livestock market serving local farmers. Provision of a range of facilities were also identified as important in shaping the format and location of a new market; ideally creating a regional centre with good access from the M4.

Failure to provide a replacement livestock market will have significant social, financial and animal welfare impacts. Farmers would have to travel greater distances to alternative markets, face increased travel and time costs and put further pressure on the capacity of alternative market locations.

The study has tested a range of livestock market options. Each option has been shown to be operationally viable, in that overheads and running costs can be met from projected sales income and generate a residual profit. No option, however, is sufficiently profitable to address the capital construction costs even after allowing for 40% grant support from the Food Business Investment Scheme.

This is not particularly surprising and further work will be needed to refine the estimated development costs based on a more specific design concept and related to particular site/location. Alternative funding sources should also be explored further, including the potential for farmers to invest directly and the potential for additional public funding support involving more detailed discussions with Welsh Government and other potential partners.

### 11.1 Recommended Way Forward

A **multi-function auction centre** is recommended as the preferred option to take forward in light of the findings from this initial feasibility study. This should comprise:

- Mixed livestock sales – sheep and store cattle together with occasional specialist sales.
- A flexible auction room to accommodate wide range of other auctions/sales from farm machinery to household goods and antiques.
- Mini-business centre supporting rural business and food production.
- Potential to expand into wider rural business park.

Such a development will meet the needs of farmers and other stakeholders in the region. The development of a more ambitious concept will also help stimulate wider market interest, providing a high-quality market facility which will prove attractive to producers and buyers who may respond better to the growth potential. A multi-function auction centre also provides greater variety of income opportunities, supporting diversification and future resilience to counter any reduction in sheep production or other changes in a post-Brexit trading environment; thereby meeting the critical needs of Welsh Government in supporting rural business in the future.

The preferred option still shows a £1m capital funding gap to be resolved. It is, therefore, also recommended that one or more Local Authorities continue to drive the concept further forward with potential support from Welsh Government and perhaps in partnership with potential landowners to develop a more detailed, site specific design proposal and business case. This will help refine the identified funding gap and provide a stronger basis to open discussions on future governance, including exploration for the potential for a local farmers co-operative and/or funding support.

## Appendices

- A. Project Steering Group Members**
- B. Livestock Markets & Rural Enterprise Case Studies**
- C. On-Line Survey Questionnaire**
- D. Stakeholders Consultees & Conversations**
- E. Site Layout Options**
- F. Capital Cost Sources & References**



## Appendix A

### Project Steering Group Members

Councillor Jonathan Bird, Cabinet Member for Regeneration & Planning Vale of Glamorgan Council.

Marcus Goldsworthy, Head of Regeneration & Planning, Vale of Glamorgan Council.

Phil Chappell, Team Leader Economic Development, Vale of Glamorgan Council.

Andrew Thomas, Glamorgan Marts.

Rachel Saunders, FUW.

David Harris, VMCE.

Abi Reader, Creative Rural Communities LAG Member & Farmer.

Polly Davies, Creative Rural Communities LAG Member & Farmer.



## Appendix B

### Livestock Markets & Rural Enterprise Case Studies

## Vale of Glamorgan Livestock Market – Feasibility Study Exemplar Markets and Agri-Food Enterprise – Case Studies

This paper presents background information on a range of exemplar projects in terms of new livestock markets and wider rural business/enterprise centres as context for consideration of the potential for a new livestock market in the Vale of Glamorgan. Information has been drawn from general internet research and general experience of the consultant team. Further investigations and engagement with operators, including potential for site visits will be discussed with the client team at the end of May.

### Food Enterprise Zones

Government support for 17 Food Enterprise Zones across England was endorsed in Summer 2015 with DEFRA seeking to raise rural business opportunities through the creation of Local Development Orders to simplify the local planning regimes. Grant funding of up to £50,000 each was provided to support planning work although no further financial incentives were made available for business, in contrast to the Government's wider programme of Enterprise Zones where business rates and/or enhanced capital allowances were provided.

The full list of FEZ's covered:

- Somerset – Royal Bath & West Showground
- North Somerset – Junction 21 @Weston Super Mare
- South Downs
- Cornwall (2 FEZs)
- Cumbria
- Lincolnshire (3 FEZs)
- Worcestershire
- Leicestershire
- Cheshire
- West Sussex
- Central Bedfordshire
- Suffolk – Gipping Valley and Orwell
- Greater Norwich
- North Yorkshire – Ryedale including site of new Malton Livestock Market

### Bath & West Food Enterprise Zone & LDO

The LDO for the Bath & West Food Enterprise Zone was approved in-principle by Mendip District Council in September 2015 and formally adopted following minor revisions in April 2018. The LDO covers an 8.3 ha (20 acre) site within a wider development area totalling 40 Ha (100 acres) with an approved Regeneration Masterplan setting the wider potential.

The approved LDO provides planning consent for development of up to 27,000 sqm of new business space within land-use categories B1, B2 and B8.

In addition, Mendip District Council (MDC) has designated the site an Enterprise Area with eligible businesses being entitled to 3 years relief on business rates subject to the *deminimus* level of £55,000 per annum to avoid State Aid constraints. This relief is funded by MDC and not recoverable from Government.

Latest proposals include plans for a 6,000 sqm micro-brewery and visitor centre for the craft brewer Wild Beer Company which has raised £1.8 million through Crowdfunding and is expected to be on site in late Summer 2018.

## Bath & West Rural Enterprise Centre

Following a £500k refurbishment of the Royal Bath & West Agricultural Society's own offices, a new Rural Enterprise Centre has been established adjacent to the Food Enterprise Zone.



The Centre provides:

- 87sqm of commercial office space
- 100-person conference/meeting venue
- Informal hot-desk space from £15 a day
- 33sqm commercial training and test kitchen (planned for future)
- Ultrafast 100Mb fibre broadband

The Centre is intended to be a valuable facility in supporting the development of agricultural businesses, land-based skills training and micro food and drink companies.

Office space is available on easy in/easy out terms with a license fee of £118 per sqm (£11 psf) inclusive of all utilities and rates but excluding telephone. Hot-desk space is available on a daily or monthly basis.

Plans also exist to provide a Development Kitchen for small Food & Drink businesses to use for product development, small-scale manufacturing, training and catering opportunities. It aims to help businesses thrive and grow and be more productive without the need to invest in purpose-built premises, at a time when the business doesn't warrant such investment.

## The Food Works SW – North Somerset FEZ

The 10-acre site that has been identified for the LDO forms part of a 35 acre employment site within Weston Business Quarter, which also forms part of Junction 21 Enterprise Area (J21EA) for commercial development. North Somerset already has a strong food and drink sector, but it is anticipated that the creation of the LDO will create a significant opportunity to attract and develop a cluster of food and drink businesses due to its excellent accessibility to the motorway network, Bristol Port and Airport. The site is proposed to be developed in three phases as follow:

*Phase one – home to The Food Works<sup>SW</sup> Food and Drink Innovation Centre,*

*Phase two – vital grow-on space with units of 3000 – 5000 sq ft*

*Phase three – further plots for development*

Separate planning permission was granted for The Food Works<sup>SW</sup> in July 2017 with construction due to start on site May 2018 and an anticipated opening in January 2019.

The plan is to create a vibrant new centre of excellence for nurturing local food and drink business, with state of the art facilities, technical support and expert advice to get business bubbling. Connecting local producers to collaborate, innovate, identify new markets and create jobs within the sector.

## Vale of Glamorgan Livestock Market – Feasibility Study Exemplar Markets and Agri-Food Enterprise – Case Studies

The centre will be comprised of

- Eight 1000 sq/ft and four 1500 sq/ft purpose-built food-grade business units to lease that are both affordable and flexible.
- Four Product Development rooms to enable businesses of any size to scale up production, introduce new lines, produce short runs and pilot improvements.
- Practical hands-on technical support to enable food businesses to grow and succeed within highly complex supply-chains.
- Learning and collaboration opportunities as well as creating business development prospects.
- A ‘one stop shop’ so that businesses can draw on support and expertise at a local, regional and national level.

## Norton Barton Artisan Food Village – Cornwall FEZ

Already home to a number of local food producers, the Norton Baron Artisan Food Village secured its Local Development Order in July 2016 which creates a planning framework for the development of the site over the next 20 years. Investment Grants have been secured from the EAFRD Growth Programme by three business on this site which has led to the expansion or “scale up” of Popti Bakery and Cornish Charcuterie and the creation of a new business, the Cornish Distilling Company. In addition ,improvements to the road access have been made and connectivity to superfast broadband is also being investigated.



## Trewithen Dairy – Cornwall FEZ

Trewithen Dairy near Lostwithiel was the other site selected to be a FEZ for Cornwall. Business need, however, overtook the LDO process and recent expansions on the site have been subject to normal planning applications. Now that these planning applications have been successful and the construction work is underway the owners of the site and Cornwall Council are reconvening to discuss whether an LDO structure on the site is still required. If it is progress towards an LDO will begin again later in 2018.

The Cornwall Agri-food Council, LEP and Cornwall Council are also working with other sites, identified through the original expression of interest process to see if they can be progressed as all partners see the focus created by Food Enterprise Zone status and the possible use of LDO's as being a useful way of encouraging clustering and accelerating growth and productivity.

## Farm491- Cirencester Agri-Innovation

Farm491 is a space for innovators to grow their businesses by applying technology to growing environments. Farm491 provides high-spec facilities created to foster entrepreneurship, ideas generation, and collaboration – it includes 491 hectares of farmland for research and testing.

Farm491 is offering start up space on-site at the [Royal Agricultural University's](#) main campus in Cirencester and at the farm-based workshops at Harnhill: affordable



and flexible working environments where agritech innovators can run and grow their businesses.

Farm491 members have access to the business support and a knowledge network that includes farmers, investors and expert advisers, as well as open access to farming data. Members can test, refine and grow their propositions. This pioneering new initiative will create a vibrant incubation environment with the potential to influence and benefit the wider agritech and food production industries.

The plan is to assist over 55 new agritech companies and help them create over 200 new jobs over the next 5 years.

## Harnhill Agri-Workshops Completed

Five new workshops have been developed by the Royal Agricultural College within the Farm491 concept offering a choice of space to conduct their business within professional office space, contemporary meeting areas, functional workshops or managed farming systems – these workshops scale to suit small businesses and upward.



Suitable for everything from undertaking testing to manufacturing, some of our residents can potentially form a vast field laboratory if their needs extend so far. Several projects are already being undertaken on the topic of reduced cultivation and improvements in soil organic matter and fertility by growing a number of alternative crop species.

## Food Centre Wales

Horeb Business Park, Llandysul

Established in 1996 as a dedicated food technology centre by Ceredigion County Council. A new 880 m<sup>2</sup> R&D building was added in 2001 and provides fully equipped process areas and manufacturing facilities available for commercial hire. It is also used as a “launch pad” for new and innovative ideas.



Four high Food Grade Incubator Units were developed in 2005 (156 m<sup>2</sup> each).

### Services Provided on site include:

- **Product Development:** including taste panels, labeling and packaging advice.
- **Product Assessment:** including shelf life testing
- **Factory design and equipment sourcing:** including advice on finishes, product flows, process equipment design and sourcing
- **Hire of Technical Facilities:** can be used to manufacture a wide range of products including dairy, meat, confectionary, vegetable and bakery. There is chilled and frozen storage space available. The building is certified by the Soil Association.
- **Process development and manufacturing:** including advice on implementation of new processes, scaling up or automation of existing processes and advice on process control etc.
- **Quality management systems and auditing:** including advice on organic certification, total quality management, HACCP plans and BRC accreditation.
- **Conference facilities:** Including purpose built seminar room for conferences, seating up to 20 people for workshops and seminars or 40 people for theatre style presentations.

Supporting the centre Director are 3 Food technologists, a meat technician and 2 administrators.

[www.foodcentrewales.org.uk](http://www.foodcentrewales.org.uk)

## Shropshire Food Enterprise Centre

Battlefield Enterprise Park, Shrewsbury

Owned by Shropshire Council - a state of the art facility built to house twelve start-up or growing food production businesses and a conference suite, café and foyer area for informal business meetings.

There are twelve production units that are available to let for a period of up to six years; eight are 1500 square feet and four are 3000 square feet. All are built and equipped to the latest industry standards containing a large production area, walk in cold room and dry store with separate office, toilet and changing room facilities; each unit has its own allocated parking.

## The Development Kitchen at the Shropshire Food Enterprise Centre

Fitted to a high specification, the Development Kitchen is a multi-functional space for demonstrations, product launches, focus groups, recipe development as well as weekend hire as a production kitchen. Meeting high-level industry standards, it is a valuable resource for developing and promoting products and businesses to the trade, media and consumers.

<http://www.shropshirefoodcentre.co.uk>

## The Ludlow Food Centre

Launched in 2007, Ludlow Food Centre strives to offer the best fresh, local, seasonal and handmade food. Set in the Earl of Plymouth's Oakly Park Estate in Bromfield, on the outskirts of Ludlow, all the beef, lamb and rare breed Gloucester Old Spot pork comes from the Estate. The Food Centre has a unique layout that includes 8 production kitchens, spacious food hall and gift



department. Adjacent to the Centre is the Ludlow Kitchen, The Clive Restaurant with Rooms, Bromfield Village Shop and Post Office. The Centre employs over 120 people including artisan producers, butchers, chefs, retail and operational staff.

Unlike many farm shops, more than half the produce sold is produced on site. The production kitchens produce bread, cheese, meat, jams pickles chutnelys and readymade meals

## Leeming Bar Food Enterprise Centre [www.leemingfoodcentre.co.uk](http://www.leemingfoodcentre.co.uk)

Located adjacent to the A1(M) in Hambleton, North Yorkshire, the **Food Enterprise Centre** acts as an incubator for up-and coming food businesses, providing high specification food grade units. In addition, the Council can sign post tenants to business support and technical advice via the Environmental Health section.

Hambleton District Council has developed the £3 million site, with funding from Yorkshire Forward and the European Regional Development Fund.

The Food Enterprise Centre offers 2,062 sq m (22,200 sq ft) of lettable space split between 11 individual units ranging in size from 112 sq m (1,200 sq ft) to 279 sq m (3,000 sq ft). All units have been fitted with a food grade shell that can be easily adapted to meet the individual requirements of specific tenants.

The standard specification includes:

- Hygienic production areas with food grade insulated PIR wall and ceiling panels, food grade coving and knee operated hand basins.
- Food grade resin floor with stainless steel drainage points.
- Food grade internal doors.
- Food grade lighting and power points.
- Changing area with knee operated hand basins.
- Carpeted and heated office areas with vision panels into the production area.
- Room ventilation system providing positive pressure air changes.
- Built in cold stores down to -5°C (units 7-12 only).
- Goods in/out areas with electrically operated overhead doors and room for racking.
- 3 phase electricity.
- Grease interceptors.
- Dedicated parking.

## The Ruse and Son Abattoir – Long Melford Suffolk

Ruse & Son provide a full slaughter & butchery service to small holders, stock keepers and farmers within a radius of 20 to 30 miles covering Suffolk & North Essex.

This local Suffolk abattoir is valuable as it allows us not only to slaughter the majority of our meat on site but also enables us to know that the animals are treated as kindly and humanely as possible, from the moment they walk on to our premises, right to the very end. We believe the environment of a small abattoir is more conducive to the animals well-being than larger alternatives. In fact, we featured in the well renowned **Jamie Oliver's** documentary "Jamie Saves Our Bacon" detailing how we treat animals humanely.

Our customers tell us exactly how they want their livestock butchered and others leave it up to us to satisfy their requirement. We use detailed diagrams to educate and give peace of mind as to what our customers can expect from the finished product, whether it be sausages, bacon or joints.

Alongside as providing a service where customers can take their own meat away, we also slaughter livestock from local farmers that is served in our butcher's shop. All work in the abattoir is of course regulated by the Meat and Hygiene Service and the Hallmark Veterinary Group.

## Crymych Market – North Pembrokeshire

A new sheep market was constructed by the Market Hall Company (a consortia of local farmers) for North Pembrokeshire and opened in September 2011 at an estimated build cost of £750,000.

The Company owned the original site which was reported as being sold to PCC for £600,000 and redeveloped for new care home in the town centre.

Situated on a 2 acre site with access of the main A478 and next to an industrial estate, the scheme provides some 605 sqm of new floorspace plus external hard standing yards.

Harries, Planning Design Management project managed the scheme and Kurys Construction LLP were main contractor.

The works comprise a large steel frame building, site office, public toilets, 100,000 litre underground clean water and slurry tanks, car park and drive through wheel wash, sheep pens in grid formation and large area of concrete yards. The building design incorporates rainwater harvesting which provides water for washing down vehicles and the market facility itself.

Original fortnightly sale of sheep and goats typically accommodated 1,000 lambs. The new scheme has double the size receiving 2,200 lambs and includes auction and collection pens, covered area office and stores. Still only fortnightly market of Store Lambs, Cull Ewes and Breeding Sheep.

Auctioneers JJ Morris continue to operate the market and also run Cardigan Mart (Weekly Market on Mondays), Whitland Market (Weekly on Tuesdays for both cattle and sheep) and Fortnightly on Saturdays for Store Cattle, Cows/Calves and Barrens.



## Sedgemoor Auction Centre



One of the largest livestock markets in the country was developed in 2008 following the closure of local markets in Bridgwater, Taunton, Highbridge and Devon. Situated adjacent to Junction 24 of the M5 the site embraces a variety of services and facilities including the Auction Centre, Events Venue, Truck Stop and adjacent business park. Construction costs are reported at £6 million



The livestock market is managed by Greenslade, Taylor & Hunt and draws stock from a wide regional market area with two regular livestock sales on Monday and Saturday and additional specialist sales on Thursdays. Orange Markets trading TB affected cattle are also held monthly on Wednesday.

The site can accommodate up to 250 dairy cows; 1,100 store cattle; 500 calves; 5,000 lambs or 4,000 ewes together with facilities for pigs and poultry. There are three sales rings equipped with electronic display boards linked to the market office to provide efficient processing of transactions.

A weekly Indoor Farmers Market is also held on Saturdays, as well as a general market every Sunday and occasional Sunday Car Boot Sales. There are also quarterly sales of agricultural machinery and regular sales of horses and ponies.



A farmers' health clinic operates at the site with a nurse available to provide routine checks such as blood pressure, blood-sugar testing and general advice including support for mental health issues. The on-site restaurant specialises in locally sourced, home-made food supporting local producers providing snacks, sandwiches and cooked meals as well as hospitality menus for on-site conferences and meetings.

<http://junction24ltd.co.uk/sedgemoor-auction-centre>

## Monmouthshire Livestock Market (Raglan)



The new £5 million Monmouthshire Livestock Market was opened in December 2013 at its site at Bryngwyn, near Raglan. It replaced the markets at Abergavenny, Monmouth and Newport.

The 27-acre site includes:

- A main 3,689 square meter building and support building to house the sale ring
- Offices
- 396 pens
- Toilets
- Café
- Parking for almost 160 vehicles

### Background

Abergavenny Market was run for many years by the 3 separate local firms of J. Straker, Chadwick & Sons, Montague Harris & Co and Rennies trading independently within the same premises.

Abergavenny Market Auctioneers Limited (AMAL) was launched after the Foot & Mouth Crisis in 2001 when on the re-opening of the market the 3 firms merged their market interests, being joined soon afterwards by much of the trade from Monmouth following the closure of that market in 2003.

AMAL became Abergavenny & Newport Market Auctioneers Limited (ANMAL) in 2010 following the closure of Newport Market. ANMAL was a consortium, wholly owned by the 3 partner firms of J. Straker, Chadwick & Sons, Montague Harris & Co and Newland Rennie Wilkins. The combined company with a pooling of resources, ran ANMAL from the Abergavenny premises between 2010-2013.

During this time and for several years before, the Company has been fully involved with Monmouthshire County Council in its development of a new state of the art replacement market at Bryngwyn, Near Raglan. The New Site at Bryngwyn, held its first sale on Tuesday 17th December 2013 as Monmouthshire Livestock Market, a consortium owned by J. Straker, Chadwick & Sons and Newland Rennie.

Website - <http://www.monmouthshiremarket.com/>

## Welshpool Livestock Sales



The £13 million Welshpool Livestock Sales opened in November 2009 at its new site on the outskirts of the town.

The 16-acre site includes:

- A 3.25-acre livestock building,
- Capacity for 1,200 cattle and 15,000 sheep.
- Offices
- Restaurant capable of serving over 200 diners
- Conference room for 150 people

### Background

A charter granted in the 13th century first gave Welshpool the right to hold a weekly market on a Monday and in 1863 the Smithfield Livestock Market was established, spending well over a century at its old home on Mill Lane in the centre of the town.

In 2008, work on its redevelopment began a mile away from its original base on a 16 acre site on the outskirts of the town and in November 2009 the new multi-million pound Livestock Marketing Centre now being home to Welshpool Livestock Sales was completed and opened. Transforming the future of trading, the livestock building extends to 3.25 acres and is capable of holding in excess of 1,200 cattle and 15,000 sheep.

Long established as the main auction outlet for livestock in Mid Wales and the Borders and still being reputed the largest Prime Lamb market in Western Europe. Welshpool Livestock Sales has a dedicated team based at the Centre dealing with the sales and purchases of both pedigree and commercial livestock on behalf of its very extensive client base.

Conducting weekly Monday sales of prime lambs, prime cattle, cull ewes, cull cows, plus store lambs and breeding ewes. With fortnightly sales of dairy cattle, cows and calves and store cattle the market attracts buyers from all over the country, annually selling in excess of 500,000 sheep and 10,000 cattle.

Website - <http://www.welshpoolsmithfield.co.uk/>

## Frome Livestock Market



The market moved from the historic town centre site to new premises at Standerwick in 1990. Part of the Standerwicj Agricultural Business Park created by Cooper & Tanner, the market was initially owned and operated by Premier Livestock Auctions, a family run private company. In 2013, the business transferred to Frome Livestock Auctioneers Limited, a new company formed by members of Cooper & Tanner and Symonds & Sampson auctioneers.

Markets are held every Wednesday for fat cattle, cull cows, calves, dairy cows and both fat and store sheep. Friday markets concentrate on store cattle. Frome is recognised as one of the largest store cattle markets in the country, with nearly 130,000 head of stock passing through annually. 50,000 of which were store cattle.

In addition to livestock, the market site handles Furniture and Household Sales every Wednesday in the auction rooms on site together with a weekly Farmers Market providing local produce. A Car-Boot Sale is also held every Sunday throughout the year. Exhibitions/Events and small business meetings can be accommodated in the Standerwick Centre together with an on-site restaurant

<http://www.fromelivestock.com>

## Melton Mowbray Market

With its strapline “*more than just a market*”, Melton Mowbray Market opened its new state of the art building in March 2018. It is known as the largest town centre livestock market in the country.

The multi-purpose venue includes:

- Conference facilities which can seat up to 800 people
- Banqueting suite for 450 people (for weddings, functions and celebrations)
- Fully licensed market tavern

Regular markets are held for livestock sales, equine sales, poultry sales, machinery auctions, farmers markets, antiques fairs and car boot sales.

The future of the Market was secured with the Council’s help, which recognised its importance to the town and the region with a £5.5m investment in a new cattle building which included a contribution of £3.5m from the Leicester and Leicestershire Enterprise Partnership (LLEP).

### Background

Melton Mowbray Market has been in existence for 1,000 years, predating the Domesday Book. The main market has been held on a Tuesday since at least 1324 when it was granted a charter by King Edward II.

Melton Mowbray Market is operated by Gillstream Markets Ltd and has a diverse business, running many other markets and events throughout the week including the region’s largest Fur & Feather market, a farmers, antiques and general market as well as a thriving car boot on Sundays / Bank holiday Mondays and regular Saturday horse sales.

The award-winning Market Tavern and Banqueting Suite holds weddings, conferences and other events. The livestock market alone serves over 2,500 farming customers annually, with 350,000 visitors coming through the site annually.

Website - <http://meltonmowbraymarket.co.uk/>

## Hereford Livestock Market



In 2011, Hereford Livestock Market moved to its new £7 million home at Stretton Sugwas, on the outskirts of the city centre, to make way for the £90 million regeneration around Edgar Street.

Hereford Livestock Market is the third largest livestock Market in the United Kingdom and for 155 years, was situated in the cattle market, Hereford.

It has now entered a new era and has recently been relocated to a new site. This new site now facilitates excellent access routes, parking and communication facilities with superb penning facilities. The whole penning area is now undercover.

The market has a throughput of in excess of 240,000 animals each year, from Herefordshire and its 5 neighbouring counties. It now boasts 111 cattle pens, 802 sheep pens, 2 sale rings one each for sheep and cattle, 2 sets of scales, capable of holding up to 60 sheep, a cattle weighbridge and a total of 29 unloading bays, with this type of capacity and facilities on offer, Sale Days will be much better equipped to accommodate livestock, vendor and purchaser. The new 16-acre custom-built site is more than double the size of the previous site. Richard Hyde, director of Hereford Market Auctioneers, said sales were up and the new market was attracting more visitors.

"We've brought people back who haven't been to Hereford for 20 years because of the congestion and parking and difficulty getting in and out," he said.

Mr Hyde said there had a "phenomenal" increase in the number of cows sold through the market, seeing a 59% increase and about 22% increase in sheep numbers.

"The state of the-art marketing in the 21st Century should be - ease of access, ease of parking. It's customer friendly and it's animal friendly". He said in contrast, the city centre site "was a nightmare on busy days".

The cost of the move was funded by Herefordshire Council.

Website - <http://herefordmarket.co.uk/>

## Carmarthen Livestock Centre



The existing Carmarthen Livestock Centre was built in 2000, following a £74 million retail park development at the former cattle market site in Carmarthen town centre.

The state-of-the-art facilities, costing c£6 million, provides ample parking together with permanent penning for cattle, sheep and pigs. The site extends to approximately 10 acres which adjoins the former United Counties Showground and benefits from excellent road infrastructure links off the A40.

The market is operated by BJP Marts which have weekly sales of dairy cattle, youngstock, bulls and calves together with weekly sales of store cattle, barren cows and sheep.

The building includes a mart office, business units occupied by agricultural supply/service companies and a café. The café is often used for meetings, seminars, evening functions and charity events.

Situated alongside the market is a Rural Business Development Centre which is operated by Carmarthenshire County Council's Environment & Economic Development Department. Established to become a centre of excellence for business development within Carmarthenshire, the project was part of a wider integrated business development strategy complementing a number of other initiatives under the European Regional Development Fund (ERDF).



## York Auction Centre

York Auction Centre is described as Yorkshire’s leading multi-purpose auction centre.

The Centre holds regular sales of:

- Livestock
- Tractors and machinery
- 4x4 vehicles and cars
- Horses and tack
- Household furniture and effects
- Antiques and collectables
- Horticulture and groundcare
- Rare breeds
- Fur and feather

In addition, the Centre has a Sunday market (car boot sale), monthly farmers’ market, overnight lorry park and function venue. Functions include weddings, parties, celebrations, conferences, meetings, training days, demonstrations and shows.

The site offers extensive parking for over 600 cars, as well as a lorry park, full catering facilities and licensed bar. The market hall can accommodate up to 250 guests for parties, dinners and other functions.

The Yorkshire Agricultural Machinery Show is also held on the site in February of each year. First held in 2014, the event now attracts over 100 trade exhibitors showcasing the latest machinery and equipment for agriculture, horticulture, ground care and forestry.

Website – [www.ylc.co.uk](http://www.ylc.co.uk) and [www.yams.uk.com](http://www.yams.uk.com)

## Junction 36 Rural Auction Centre (Crooklands, Cumbria)



In 2013 the J36 Rural Auction Centre opened to the public, providing a state of the art 21st century livestock auction mart facility for South Lakeland with agri-related businesses all located on the site providing a one-stop-shop for the farming community. But this site is not just an auction mart; the extensive undercover penning area can be used for any number of different events and exhibitions, a café open 5 days per week, a function suite, seminar, conference, and training room, ample free parking, free Wi-Fi and access to the M6 and A65/A590 corridor.

Livestock sales are every Tuesday and alternate Thursdays with special sales as advertised on the North West Auctions website. Antique and fine art sales are held monthly plus a number of special events throughout the year.

In summary, the 13.5-acre site has:

- An excellent Location – one minute from junction 36 of the M6 motorway
- The largest livestock auction serving South Lakeland, North Lancashire and North Yorkshire
- An Agricultural Business Centre with over 20 agricultural businesses and related services on site
- A regular local farmers market
- Antique and fine art salesroom
- Luxury café
- Seminar and function room suitable for up to 275 delegates
- Conference and training room suitable for 2 to 55 people
- One of the largest undercover exhibition spaces in the North West



Websites - [www.junction36.com](http://www.junction36.com) and [www.nwauctions.co.uk](http://www.nwauctions.co.uk)

## Borderway Mart, Carlisle



Harrison & Hetherington's farmstock business dates back to 1870 with its Borderway Mart at Carlisle now one of the largest and leading livestock sale centres in the UK.

Sale categories include livestock (pedigree and commercial), machinery, smallholder animals, rare breeds, antique auction rooms and horticulture.

### Exhibition Hall

In 2011 the new £1.1 million Borderway Exhibition Hall was opened offering 900 square meters of exhibition space for trade fairs and public shows. The Hall can be sub divided to provide a versatile exhibition space, conference and/or seminar facility and training centre.

#### Key Points:

- Hall size equals 900m<sup>2</sup>
- Viewing Balcony
- Roller shutter doors providing easy access to the Hall
- Portable seating gallery to seat a minimum of 200 persons
- In-built PA system with loop induction link
- Parking for up to 1,500 vehicles

Website- [www.harrisonandhetherington.co.uk/](http://www.harrisonandhetherington.co.uk/)

## New Livestock Auction Market - United Auctions Stirling



Ogilvie undertook the design and construction of a new £11 million Auction Market Facility comprising the following:

- A steel portal framed penna building with sheeted roof and blockwork and cedar cladding to walls, with an integral steel framed, traditionally built, 2 storey office facility
- The new auction market building with a total floor area of approximately 13,500m<sup>2</sup> over livestock penna and sales areas, 3 sales rings, an exhibition hall and viewing gallery, conference facilities, a 100-seat farmer's restaurant, office and hospitality facility.
- Externally car and lorry parking.
- 18 fenced field paddocks
- Dirty water effluent run off collection, treatment and pumped discharge of 2000m.
- A new roundabout and access road.
- Associated surface and foul water drainage
- Public utility services connections.
- Ground water and river water collection facilities.
- Hard and soft landscaping.

## Appendix C

### On-Line Survey Questionnaire

The Vale of Glamorgan Council has appointed PER Consulting Ltd, a local business with expertise in rural development, to carry out a feasibility study into the potential for a new livestock market/rural hub facility in the Vale of Glamorgan.

This short survey is intended to inform the study, providing specific insight to the needs of local farmers, smallholders and other rural businesses. In responding to the survey, you will help us identify the type of facility and range of services that may be required to create a viable, multi-purpose livestock market/rural hub in the area.

The survey should take no more than 10 minutes to complete. If you prefer to undertake the survey in Welsh, please [click here](#) to be redirected.

Your privacy is important to us. We will only collect general information about you to help categorise and collate survey responses. We will only use your information for the purpose of the survey and all personal information will be deleted on completion of the study. Survey responses will only be presented in aggregate form and no individual will be identifiable from our analysis and reporting.

Should you wish to engage further with the study then please leave a message for our team at the end of the survey or email us directly at [keith@perconsulting.co.uk](mailto:keith@perconsulting.co.uk)

We thank you for your support and engagement in the study.

### Q1 Every

*Please tick all that apply*

- Sheep
- Beef Cattle
- Dairy Cattle
- Pigs
- Poultry/Fowl
- Game
- None

### Q2 How many head of each livestock do you currently have?

Please provide details or enter none

### Q3 If you don't currently have livestock what is your link with markets?

- Haulier
- Meat/Food Processer
- Retailer
- Caterer
- Rural Advisor/Professional
- Other
- N/A

If Other – please detail:

**Q4 Do you currently use the existing Cowbridge Livestock Market?**

- Yes, I regularly buy and sell livestock there
- Yes but I only sell livestock there
- Yes but I only buy livestock there
- I only visit but don't buy/sell any livestock
- I operate/work from there when required
- No I don't visit the market

**Q5 If NO, why not? Or enter n/a in box below**

**Q6 If NO, what would encourage you to use a new facility? Or enter n/a in box below**

**Q7 If YES, how often do you use the market?**

- Once a Week
- Every Other Week
- Once a Month
- Once a Quarter
- Once or Twice a Year
- Less Frequent
- Not Applicable

**Q8 What would help you make use of the market more often? Please make suggestion or enter none in the box below**

**Q9 What other markets do you attend regularly to PURCHASE livestock?  
Please enter all markets you visit or enter none if not applicable**

**Q10 What other markets do you attend regularly to SELL livestock?  
Please enter all markets you visit or enter none if not applicable**

**Q11 What other markets do you attend regularly for other NETWORKING?  
Please enter all markets you visit or enter none if not applicable**

**Q12 What are the advantages of visiting these markets?**

- Location/Proximity to me
- Ease of Access
- Mixed livestock sales
- Size of market
- Secure better prices
- Quality of livestock/produce available
- Business services & Advice
- Local Facilities on site
- Visit Family & Friends
- Able to make linked visits – shopping or business
- Other

**Q13 What would the impact on your business be if there were no livestock market in the Vale of Glamorgan?**

- No significant impact
- Incur some additional costs in reaching alternative market
- Would need to change my business model
- Other – please detail below

**Q14 Do you see the continued need for traditional livestock auctions locally?**

- Yes
- No

**Q15 What other models of livestock trading do you think could be considered?**

**Q16 Where would you most likely travel to if there was no market in the Vale?**

**Q17 What additional functions would you like to see in a new market facility?**

*(please tick all that apply)*

- Mixed livestock sales
- Co-ordinated livestock collection
- Specialist slaughtering/butchery facility
- Small Business Units
- Food Processing/Test Kitchens
- Business Advice/Support
- Flexible Business Space
- High-Speed/Secure IT facilities/support
- Farm Shop
- Rural retail units
- Café/Restaurant
- Other

**Q18 How might a new multi-purpose market impact your business?**

**Q19 Which County/District are you based?**

- Blaenau Gwent
- Bridgend
- Caerphilly
- Cardiff
- Carmarthenshire
- Ceredigion
- Merthyr Tydfil
- Monmouthshire
- Neath Port Talbot
- Newport
- North Wales
- Pembrokeshire
- Powys
- Rhondda Cynon Taf

Swansea  
Torfaen  
Vale of Glamorgan  
Outside Wales – please detail

**Q20 Please indicate which broad age group you are in?**

Under 15  
16-24  
25-34  
35-44  
45-54  
55 -59  
60+

**Q21 If you would like to be contacted directly to provide further information related to the study or to be kept informed about the progress please provide contact details below.**

**Thank you for participating**

The study is due to complete by the end of August and further information will be published on the Creative Rural Communities web site at the time.

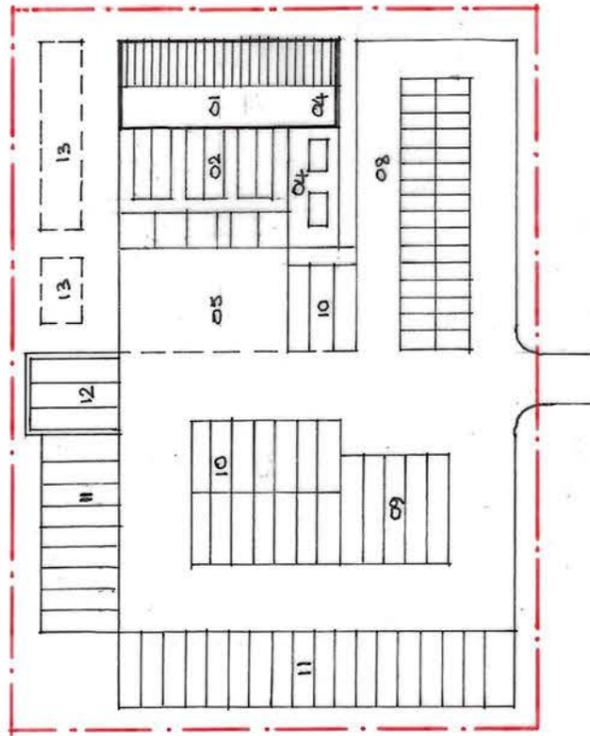
# Appendix D

## Stakeholders Consulted

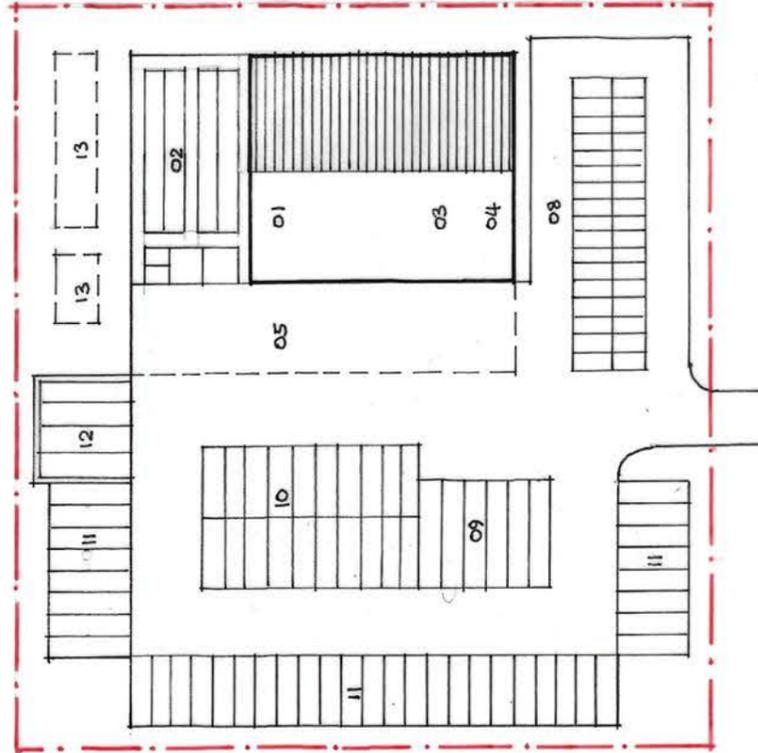
Agora  
Bridgend College  
Bridgend County Borough Council  
Butchers / Retailers  
Buyers / Hauliers  
Central Association of Agricultural Valuers (CAAV)  
Country Landowners Association (CLA)  
Creative Rural Communities  
Farmers  
Farmers Union of Wales (FUW)  
Farming Connect  
Glamorgan Farmers Club  
Glamorgan YFC  
Herbert R Thomas  
Hybu Cig Cymru  
Livestock Auctioneers Association (LAA)  
Menter a Busnes  
Monmouthshire County Council  
National Farmers Union (NFU) Cymru  
NFU Mutual  
Penllyn Estate Farm  
South Wales & Monmouthshire CAAV  
South Wales Local Action Groups – Regional Contacts  
Vale of Glamorgan County Council  
Vale of Glamorgan Farmers Market  
Vale of Glamorgan Grassland Society  
Vale Smallholders Network  
Watts & Morgan  
Welsh Government  
Wenvoe Farm Management Discussion Group

# Appendix E

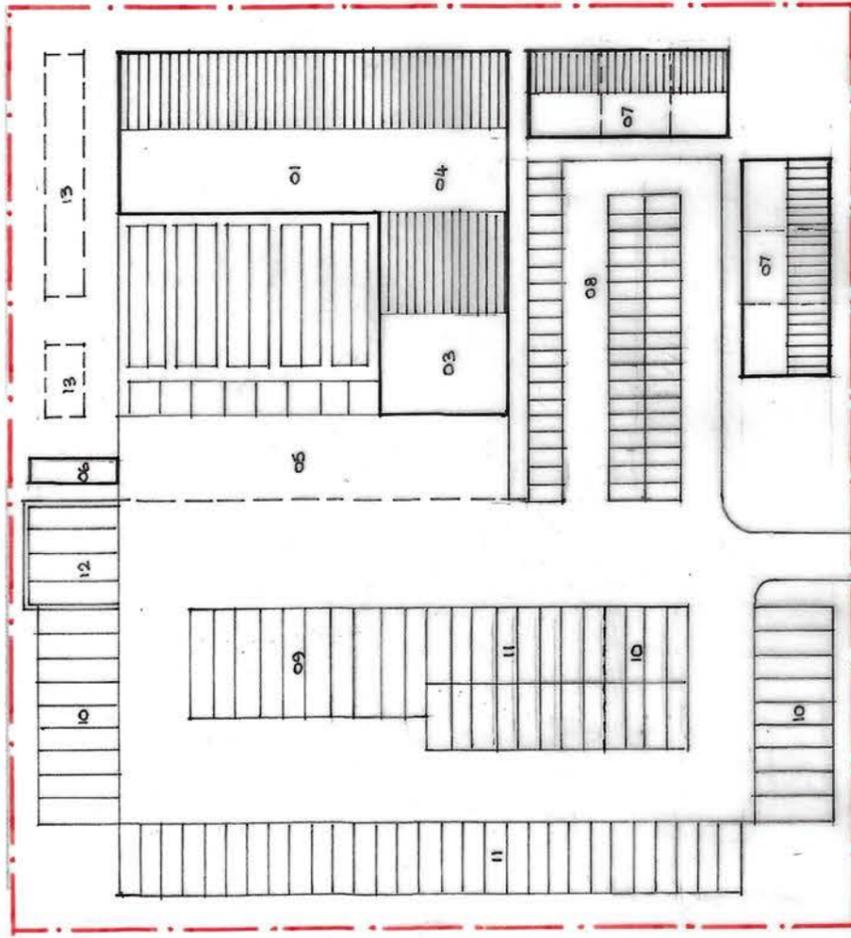
## Site Layout Options



Option 1 – 600 Sheep only – 0.745ha (1.84acres)



Option 2 – 1,000 Sheep + 200 Cattle – 0.99ha (2.46acres)



Option 4 - Indicative location for Business Units/Cold Store - 1.52ha (3.76 acres)

- Option 1**
- 600 sheep
- 5 articulated lorries
- 17 rigid lorries
- 27 car/trailers
- 32 cars
- 3 bay vehicle wash
  
- Option 2**
- 1,000 sheep
- 200 cattle
- 6 articulated lorries
- 20 rigid lorries
- 39 car/trailers
- 34 cars
- 4 bay vehicle wash
  
- Option 4**
- 1,000 sheep
- 200 cattle
- 10 articulated lorries
- 24 rigid lorries
- 45 car/trailers
- 56 cars
- 4 bay vehicle wash
- Cold Store/Food Prep
- 6 no. 120sq.m business units

**Key**

- 01 Covered Sheep Pens
- 02 Open Sheep Pens
- 03 Covered Cattle Pens
- 04 Support Services
- 05 Loading/Unloading Area
- 06 Cold Store/Food Prep Building
- 07 Business Units
- 08 Car Park
- 09 Articulated Lorry Parking
- 10 Rigid Lorry Parking
- 11 Trailer Parking
- 12 Vehicle Wash Area
- 13 Slurry Tank + Reed Bed Drainage

**Cowbridge Livestock Market Study**

**Site Study Options**

Scale: 1:1000 @ A3

Dwg. 204/103

Date: 06/07/2018

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Architecture + Project Consultancy  
www.garethdaviesprojectservices.co.uk

# Appendix F

## Capital Cost Sources & References

**Worman Construction Ltd** – specialist Agricultural & Equestrian Structure  
Beachley House, Beach Road, St. Brides, Newport NP10 8SH

Tel: [01633 681710](tel:01633681710)

Email: [worman.constructionltd@btinternet.com](mailto:worman.constructionltd@btinternet.com)

Web Site: <http://wormanconstruction.co.uk>

**Carver & Beese Groundworks & Building Contractors Ltd**

Contact Andrew Beese

Mob: 07875 701463

Email: [andrew@carverbeese.co.uk](mailto:andrew@carverbeese.co.uk)

Web Site: <http://www.carverbeese.co.uk>

**Yes – Reedbeds Ltd – Reedbed Design & Build**

Contact: Melvyn Rutter

Tel: 0113 252 4786

Email: [Melvyn.rutter@btinternet.com](mailto:Melvyn.rutter@btinternet.com)

Web Site: <https://www.yes-reedbeds.co.uk>

**Ashdown Construction Group – Timber Frame/Wood Cabins**

Unit 32, Vale Business Park, Llandow, Vale of Glamorgan CF71 7PF

Tel: 01446 772800

Email: [info@ashdown-group.com](mailto:info@ashdown-group.com)

Web Site: <https://ashdown-group.com>

**Fisher Modular Construction Ltd – Cold Store & Butchery Units**

Heath House Farm, Garton, Hull, East Yorkshire HU11 4QB

Tel: 01964 529512

Web Site: [www.fisheruk.co.uk](http://www.fisheruk.co.uk)

**CRS Cold Storage UK**

Hill Farm, Flitwick Road, Maulden, Bedfordshire MK45 2BJ

Tel: 0800 085 2298

Web Site: <https://www.crs.ie/cold-storage/services.html>

**IAE – livestock handling equipment**

Mossfield Road, Adderley Green, Longton, Stoke-on-Trent, Staffs ST3 5BW

Contact Lee Scragg Project Manager

Tel: 01782 339320

Web Site: <https://iae.co.uk/company/>

**D Brash & Sons Ltd**

Weighing Solutions Division Units 3 A&B Muirhall Road LARBERT FK5 4RF

Tel: 01324 878569

Web Site: <http://www.weighingsolutions.co.uk>

