



**ULSTER
FARMERS'
UNION**

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10 October 2012

Land and Property Services
Boaz House
15 Scarffes Entry
Dergmoney Lower
Omagh
BT78 1JE

Dear Land and Property Services,

I am writing to you on behalf of one of our members;

Irrelevant information redacted by the RHI Inquiry

Personal information redacted by the RHI Inquiry

The Ulster Farmers' Union would like to support Irrelevant information redacted by the RHI Inquiry position that his willow growing and processing operation is "agricultural" and should be treated as so in terms of ratings policy.

It is worth noting the view taken by HMRC on Short Rotation Coppice for Inheritance Tax purposes. It is defined under the heading IHTM24063 - Agricultural purposes: short rotation coppice. I have quoted the relevant detail below;

"In relation to transfers of value or other events occurring on or after 6 April 1995, the cultivation of short rotation coppice is regarded as an agricultural purpose ([IHTM24060](#)). Land on which it is cultivated is regarded as agricultural land, and buildings used in connection with its cultivation are regarded as farm buildings.

For this purpose, 'short rotation coppice' means;

- a perennial crop of tree species planted at high density
- the stems of which are harvested above ground level at intervals of less than ten years.

One use for such a product is to produce renewable fuel for biomass fed power stations. Willow or poplar cuttings are planted on farmland and, after the first year, are harvested every three years or so. The cuttings are made into chips that are used as fuel”.

In additional support, the UFU wishes to point out that without drying, willow cannot be stored, and is therefore an integral part of the Willow processing. The resulting end-product is wood chip and in many instances this is used for bedding of farm livestock.

A counter argument is sometimes raised that the woodchip can be used for fuel. The UFU would like to point out that under a 100 years ago here in Northern Ireland, grain was grown for horses who would then transport goods from the farms to markets, what is the difference between and growing energy crops today? When horse-drawn haulage was the norm, 1/3 of land was used to produce feed for horses, considerably more than the quantity of ground utilised for energy crops today.

The UFU are asking that you take these facts into consideration and consider this facility to be rated as agricultural.

If you have any queries please do not hesitate to contact me.

Yours sincerely,

Chris Osborne
UFU Senior Policy Officer