COM-104746

To: Brian Gibson[Brian.Gibson@moypark.com]

From: David Mark

Sent: Mon 12/16/2013 2:01:11 PM

Importance: Normal

Subject: Draft Notice to all Existing Growers - thoughts MAIL_RECEIVED: Mon 12/16/2013 2:01:11 PM

Notice to all Existing Growers.docx

COM-104747

To: Tom McKeown[Tom.McKeown@moypark.com]

From: David Mark

Sent: Mon 12/16/2013 5:01:29 PM

Importance: Normal

Subject: FW: Draft Notice to all Existing Growers - thoughts

MAIL_RECEIVED: Mon 12/16/2013 5:01:29 PM

Notice to all Existing Growers.docx

Just starting to draft a possible communication to existing growers as instructed by David Gibson - lets discuss David

From: David Mark

Sent: Monday, December 16, 2013 2:01 PM

To: Brian Gibson

Subject: Draft Notice to all Existing Growers - thoughts

DRAFT Notice to all Existing Growers

Moy Park Plan To Grow

Many of you joined us for the 2 recent events in Armagh and Ballymena were we introduced the exciting Moy Park "Plan to Grow" program.

It was great to have so much support from our existing grower base and special thanks to Graham, Sinton, Brendan & Lesley for their presentations. These were big occasions and it was a daunting task to present to such a large group.

Thanks also to those farmers that have hosted site visits for new growers – getting new people on to farm and benefitting from the insights and experience of current growers is vital.

Back in July we launched the New Build program to existing growers with the 95%AHP support package. We have had a good response from growers and we are working through these applications.

Some growers may be unable to expand further for a variety of reasons but there is still investment opportunity for them and we just wanted to highlight these:

<u>Windows</u> – the market is changing and increasingly product from non-windowed housing has limited demand. Moy Park will support the up grading of older houses with windows with an AHP of 140% and an on-going premium for product of £7.89per thousand at 38kg and £10 for 30kg.

<u>Biomass Heating and the Government Renewable Heating Incentive</u> – this program pays an incentive for heating using renewables rather than oil based fuels (in our case mainly LPG)

Moy Park will support existing growers to install indirect Hot Water Heating to replace Brooders with a support package of 100% AHP for approved costs on any existing Windowed House.

The grower can then add a biomass boiler to this system and avail of the RHI payment - which is guaranteed inflation linked for 20 years on the basis of heat generated.

Individual farms will differ but as an illustration:

Hot Water Heating £25K @ 100% AHP Annual Income £2.5K

Biomass Bioler and controls £30K returning RHI £12K

Expenditure £55K borrowed and re paid over 10 years £7k per annum

Return £14K per annum Net Income before Tax £7k

<u>Photo Voltaic (PV) Energy Generation and Renewable Obligation Certificates (ROC's)</u>— this is another opportunity for Growers. This time the government incentive is by way of ROC's and we have 2 recommended suppliers who will talk you through this opportunity (see reverse for details). The pay

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back for this investment is slightly more modest and depends on scale and individual site characteristics but for illustration:

A 25KW installation costing £25k giving an annual payback of £5K per year made up of ROC payments and free daytime electricity

<u>Free Range</u> - There is an opportunity to increase capacity and improve efficiency by re configuring older houses removing the central passage and bringing this space into the house. We have a wide variation in house design and build so each house will present different issues in conversion. Interested growers can discuss with the Agri Projects team and we will review with house builders to get a firm conversion cost. Consideration on range capacity and possible IPPC limits will also need to be considered. However for suitable sites Moy park will support with a 140% AHP and this along with increased capacity will be available to fund the development.

Recommended PV Suppliers

Solmatrix Unit 5 Blaris Industrial Estate Lisburn Co. Antrim BT27 5QB N. Ireland

Tel: 028 9260 1449 Email: sales@solmatix.com

KES Electrical
Unit 5 Drumquin Enterprise Centre,
Castlederg Road,
Drumquin,
Co. Tyrone,
N. Ireland,
BT78 4PH

Tel: 028 8283 1022 Email:<u>info@kesltd.net</u>