

To: David Mark[David.Mark@moypark.com]
From: Christopher Osborne
Sent: Thur 3/31/2016 12:48:32 PM
Importance: Normal
Subject: Fwd: Sean and Anne McNaughton - RHI
MAIL_RECEIVED: Thur 3/31/2016 12:48:13 PM

David. In addition I have emailed Chris Stewart Deputy Permanent Secretary. C

Sent from my iPhone

Begin forwarded message:

From: "PAISLEY, Ian" <ian.paisley.mp@parliament.uk>
Date: 31 March 2016 at 12:39:36 BST
To: Christopher Osborne <christopher@ufuhq.com>
Subject: **Re: Sean and Anne McNaughton - RHI**

Thanks chris. Appreciate this situation is very difficult. I have had a further meeting with the department and hope to get a response soon. Ian

Sent from my iPhone

On 30 Mar 2016, at 08:16, Christopher Osborne <christopher@ufuhq.com> wrote:

Good morning Ian,

Thank you for taking the time to meet with the McNaughtons and ourselves on 24 March.

The Ballymena industrial base has been decimated over the last number of years, with the loss of industrial capacity at Gallagher JTI and Michelin. Yet Moy Park and its facility in Ballymena remains as the leading industrial employers in the region along with Wright Bus and Dale Farm. Moy Park not only employs a sizeable factory based workforce in Ballymena and the associated hatcheries but is supplied by c300 farm families employing an estimated 700 farm family members, the majority of whom are Ulster Farmers Union members.

The Renewable Heat Incentive program has transformed the viability and sustainability of these farms and the sudden suspension to this scheme announced last month has left many in the industry in a precarious position, both in the short and long term.

In the short term, the sudden closure along with short notice periods, have put the registration process under pressure. As we have seen with the McNaughton case, a small rural family-based business has been entangled in a complex administration maze, compounded by the hurried IT system interfaces (with limited self-checking functionality) and all the issues rural families face with poor internet connectivity.

The potential loss to a poultry producer in terms of unrealised income and redundant capital spend is estimated to be in the region of £700,000. Whilst this is only an illustrative example, this scenario could be applied to the McNaughton case and highlights the impact on their business and explains the stress they are under.

In the long term, our farmers are going to end up at a competitive disadvantage. In GB, the RHI program is expanding and now we have a major difference opening up between farmers in Northern Ireland and those in GB. An RHI is about to be launched in the Republic of Ireland. NI poultry farmers, such as the McNaughtons, are finding it difficult to develop their businesses to compete on global markets. Poultry production in NI is detached from our primary markets on account of our geographical location, and for this reason, our feed costs are higher than our competitors. It is via on-farm energy/heat efficiency and due to entrepreneurial endeavour of our farmers that we have been able to handle these issues.

If the Poultry industry in NI is impaired due to this significant lack of support for NI versus GB the obvious outcome is a move away from Poultry production from the region.

The problem facing the McNaughtons is putting severe stress on this farming family. They made a decision to access the Renewable Heat Incentive to give their poultry and wider farm business a chance of not just meeting competitive challenges, but to allow their sons the chance to inherit a business which would permit them to come home to farm. Innovative and forward thinking farmers such as the McNaughtons should not be incommensurately penalised for the faults of others. This error will put their farm business at risk and in light of the current pressures being faced by our sector, any potential casualties need to be avoided, especially one which has occurred through no fault of their own.

If you have any queries do not hesitate to contact me on

Personal information
redacted by the RHI
Inquiry

Chris Osborne

UFU Senior Policy Officer

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