

**To:** Tom McKeown[Tom.McKeown@moypark.com]; Willy Patton[Willy.Patton@moypark.com]; John Harrison[John.Harrison@moypark.com]  
**Cc:** Brian Gibson[Brian.Gibson@moypark.com]; Barry Towe (Barry.Towe@moypark.com)[Barry.Towe@moypark.com]; Simon Oborn[Simon.Oborn@moypark.com]  
**From:** David Mark  
**Sent:** Mon 10/26/2015 12:07:58 PM  
**Importance:** Normal  
**Subject:** RE: Wood Pellets  
**MAIL\_RECEIVED:** Mon 10/26/2015 12:07:00 PM

Can we summarise as follows and propose so that we can discuss at Wednesday night's meeting? Willy and I have discussed and this is my version of his proposal – the key issue is the heat uplift I have proposed 20% he had 15% - for discussion

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Wood Pellet Procurement and Flesh Price changes

All based on Standard Birds – HWF etc will be pro rata

Current Gas Allowance for Standard Birds

127.54L (LPG) per thousand

The conversion factor of L gas to kWh is 7.09 therefore

$127.54 * 7.09 = 904.26\text{kWh}$  per thousand

The thermal content of Wood Pellets is quoted in the specification as 4800 kWh per tonne – DARD and OFGEM quote 80% thermal efficiency

$4800 * 80\% = 4080\text{kWh}$  per tonne

$904.26\text{ kWh per thousand} / 4080\text{ kWh per Tonne pellets} = 222\text{kg Pellets per thou}$

We have achieved improved performance due to improved ventilation, reduction of CO in the bird area and increases heat.

We can't get the "true" heat required as Growers are driven to maximise the heat utilised to earn RHI

However we have some data from GB – were MP purchases heat at a discounted cost but strives to maximise and control the heat used – on the best farms they are showing a 330kg fuel usage per thou.(48% uplift)

We are proposing an 20% uplift to allow 266kg per Thousand.

Wood Pellet Procurement

We ran an procurement competition for Wood Pellets and achieved a cost saving from £175 per tonne to £153 per tonne(12.5%)

(Based on a 45 day credit and product invoiced through Moy Park and on to crop accounts as per LPG)

Current Gas allowance of 127.54L @ £0.3718 = £47.42 per thou

Proposed Pellet Price £153 Tonne at proposed allowance 266kg = £40.70 per thousand

Saving per thou £6.72 (14%)

Based on 1.9M birds = £12.77K per week = £664K per annum

If agreed for November = £102k in 2015.

Can we get this approach agreed or revised and agreed and through the committees ahead of the Ballymena AGM on Wednesday

David

**From:** David Mark [mailto:  
Personal information redacted by the RHI Inquiry

**Sent:** 23 October 2015 16:27  
**To:** Willy Patton; David Mark  
**Subject:** Re: pellet

What about 20% increase and use £153 cuts the savings to £664k - but if GB is correct at 330kg that's 48% extra heat so 20% well discounted!

Look if nothing else the saving covers a bit of my salary for next year!!!!

If we get it November its £110,000 for 2015 everything helps

David

On Fri, 23 Oct 2015 at 14:42 Willy Patton <Willy.Patton@moypark.com> wrote:

David

Based on standard birds

$127.54 \times 7.09 \text{ kw} = 904.26$

I T of pellet produces 4080 kw divided by 904.26 = 4.51 times

1000 kgs divided by 4.51 = 222 kgs = 127.54 Lts gas

Q. what is the premium to give the extra heat to maintain the performance.

Let's take 15% = 255 kgs

@ £152/T = £38.76 per 1000

Currently £47.42/1000

A reduction of £8.66/1000 on 1.9 M birds = £16.5 K per week = £856 K p.a.

The flesh price would be reduced accordingly to cover what we should be getting in gas rebate which has been eroded

Happy to discuss where we pitch the premium and implementation as soon as possible

Regards

Willy



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