



Agriculture & Horticulture
DEVELOPMENT BOARD



**PCLM AGENDA ITEM 2
PAPER PCLM/14/06
AUTHORISED**

**MINUTES OF THE FIFTIETH MEETING OF POTATO COUNCIL
HELD AT STONELEIGH PARK
ON 3rd DECEMBER 2014, COMMENCING AT 8.30AM**

PRESENT: **Chair:** Fiona Fell **Growers:** James Daw, Dan Hewitt, Bruce Kerr, Bill Quan, Mark Taylor **Independent members:** Zoë Henderson, Phil Huggon **Seed Merchants:** Alistair Redpath **Processor representative,** Dave Chelley

IN ATTENDANCE: Dr Rob Clayton, PCL Director, Dr Mike Storey, Head of R&D, Adrian Cunnington, Head of SBCSR, Rob Burns Head of Seed and Export, Dr Philip Burgess, Head of KT & Comms, Nick White, Head of Marketing, Mrs Rita Hall, Secretary, Michael Archer, Head of Market Specialists AHDB MI. Mr Chris Perry, AHDB Financial Controller, part only. Mrs Anna Farrell, AHDB Head of Levy Payer Comms, part only.

Note: confidential information in italics

14/58 AGENDA ITEM 1 – WELCOME, APOLOGIES AND DECLARATIONS

The Chair welcomed the Board to the first meeting in the new AHDB building and expressed how pleased she was that everyone was finally moved in to one building, it had taken a long time to achieve and there were still a few snagging issues but the environment provided a professional platform for the entire staff.

Apologies had been received from Anthony Carroll, Alistair Melrose and Ed Lindley. There were no declarations of interest.

14/59 AGENDA ITEM 2 – MINUTES OF THE LAST BOARD MEETING HELD ON 1st October 2014 (PCLM/14/05)

The minutes of the last meeting were approved by the Board and were signed as a true record of the meeting by the Chair.

14/60 AGENDA ITEM 3 – MATTERS ARISING (PCLP/14/31)

14/32 – County shows. A review of usage of the promotional vehicle was presented to MSC. It was envisaged that broader cross-sector collaborations would be picked up following a recent internal audit of trade development across AHDB. .

14/41 – Skills update. Further prospects for developing the skills agenda would be explored under KT strategy later in the agenda.

14/42 – Potato Cyst Nematode – situation and legislation in Scotland and rest of GB.

EU PCN directive was introduced in 2010, throughout GB but with differences in implementation north and south of the border.

Rob Burns reported that doubling of soil sampling had taken place, however discrepancies had emerged due to the process of the sampling, in Scotland resulting in differences between England and Scotland. This had affected the rate of scheduling e.g. in Angus.

Dr Storey updated that the Agchem companies were now cohesively working together with industry stakeholders under the SPMI banner. The R&KT committee had also proposed development of a tender for soil sampling for PCN. This would be worked up.

The Chair asked Dr Burgess to ensure that the discrepancies between England and Scotland were picked up in relevant communications.

Mr Redpath commented that he was aware of industry suggestions to develop two-tier approaches to seed production and target lower tiers to sites already infested.

The Chair requested that Dr Clayton contact SASA to articulate concerns and limitations of the current situation.

14/50 – relationship with Seafish. Meetings have now been held at Chairman, Director and departmental level with potential areas of collaboration identified. Mr White advised that following his meeting that whilst full partnerships during promotion weeks were unlikely, there were opportunities for partnership working particularly around a nutritional profile of fish and chips.

14/51 – positive messaging for levy payers.

Press release outlining PCL role in current market situation, fronted by the Chairman was picked up by most trade journals particularly in on-line versions. Further plans for positive communication feature in our business plan comms. plan and Nick White would be presenting ideas on how to simplify overall PCL messages under item PCL/14/63.

14/52 – future event dates had been circulated by email.

Benchmarking messages – draft promotional material for Arable Benchmark was under production with changes to messages incorporated. Dr Burgess also advised that Mr Bradshaw was currently visiting levy payers delivering these messages and had reported 60 new registrations, he had currently visited 35 growers and was receiving a positive feedback.

Benefit statements for RD proposals – were now included in the operational update.

Trade body dialogue – systems were now in place to capture dialogue from trade bodies.

14/53 – presentations from JHI had been circulated

14/55 - update on business plan development.

Board member comments and contributions were incorporated into the plan. The plan was “pre-launched” at SIE. A verbal update on reaction would be provided in the meeting under the Chairman’s update.

14/61 AGENDA ITEM 4 – CHAIRMAN’S UPDATE (Verbal) Mrs Fell reported that she had attended various meetings recently including her first AHDB REMCO meeting and advised that Mr Huggon was also on the AHDB Audit committee and assured the Board that PCL were well represented at AHDB level. She had also attended both the Marketing Strategy and R&KT meetings. The last AHDB Board meeting had been Tom Taylor’s final meeting as CEO and interviews were currently taking place for his replacement. Mick Sloyan, Director of EBLEX was Interim Chief Executive. Mrs Fell would report back to the Board when an appointment had been announced.

A presentation on Branding had been given at the AHDB Board by Mrs Farrell, the new Head of levy payer comms and the Chair had invited her to present to the PCL Board at the meeting.

A process for the emergency use of reserves had been discussed by the AHDB Board, initiated by the threat of a viral disease of pigs. If this occurred BPEX would mount a communication campaign to the industry, which would, in the short term need to be underpinned by the use of AHDB reserves. This concept was agreed.

EU Branding, and the requirement to carry an “Enjoy it’s from Europe” message in new funded activity had also been discussed. Ms Henderson expressed caution on over reaction, the EU money would be of huge benefit, there may be a negative reaction from farmers to the logo, but consumers would not be so affected. In order to access the EU funding it would be necessary to work within set boundaries.

Although Mr Melrose was absent from the meeting he had requested the Chair mention that the recent SIE had been well executed and well attended. Thanks should go to the team involved in hosting the event.

Mrs Fell had also attended the Yorkshire Highland Seed Growers AGM. They were keen to exchange dialogue with PCL with regard to the current challenges that the potato industry and Potato Council needed to address. She advised that they supply 50% of the seed grown in England and Wales and were increasing by 100 acres a year. **She requested that both Mr Burns and Dr Burgess engage with them to continue dialogue.**

The business plan consultation was discussed and the importance of a coordinated and positive response when challenged. The Chair encouraged all to read the plan carefully, take note of the 6 key messages at the front of the plan, to expect to be challenged, to be confident in the response given, and to steer any challenging queries to the Director. Given the current severe difficulties in the fresh sector it was important to capture as much feedback as possible so that staff could respond appropriately.

A question arose around the mechanism of designated board members conversations with industry stakeholders and it was advised that trade associations such as the PPA etc. were used to delivering a written response and these were imperative for setting the mood for reporting back into Defra, however, following face to face conversations, if notes were taken an email to confirm what was said would be appropriate for reporting back. **The Board were also asked to advise of any changes in the current contact list. The Director advised that he was happy to circulate best practice example from the last consultation.**

The Chair requested the Director task Mr Davies with a piece of press campaign work, with a series of Board member-led press releases to increase knowledge of Potato Council’s work, and the current challenges that the industry faces.

14/62 AGENDA ITEM 5 – PCL FINANCE REPORT INCLUDING LEVY COLLECTION UPDATE (PCLP/14/33) Mr Perry reported on the AHDB_full year forecast and advised that currently AHDB were maintaining a forecast in line with corporate plan, being a small surplus overall. Some quite large variances in individual sectors coming back to an overall total quite close to plan were being experienced.

PCL- The main headline for the PCL management accounts was the revision downwards of c£300K in Levy income, and its knock on effects. The reduction was partially offset by reductions across 4 areas of direct expenditure, totalling c£80k with further savings to be clarified. A revised reserves target had been agreed by AHDB board and notified previously and the Director now anticipated that PCL would be close to target (+/-c£50K) by year end.

SBCSR – Mr Perry asked the board to note that a project, using Agresso to fine tune cost-drivers was creating unusual variances relating to staff costs. A resolution was anticipated by

the end of the financial year which would allow SBCSR to understand staff costs in more detail. Meanwhile, external income was now showing at £375k, which was slightly lower than the Corporate Plan, but is £59k above last year. The deficit for SB was now showing at £32k, compared to a deficit of £51k last year.

Levy – As this was the key month for levy collection, Mr Perry took the opportunity to provide up to the minute figures. The board noted that debt levels and submission of returns were both in better shape than the previous year.

Ms Henderson asked why % support costs appeared to be creeping upwards. Mr Perry responded that this was in part expected as it related to a proportion of revenue (which was now reduced) and advised that he was working on new formulae for sector cost sharing for the next financial year. **The Director was asked to be closely involved in this process.**

14/63 AGENDA ITEM 6 – REVIEW OF MEDIA TRAINING AND ACTIONS ARISING (Verbal) The Director advised that a second tranche of media training had been undertaken. On debriefing the training so far, the need for all staff and board members to work to an agreed set of simple, evidence based positive messages had been acknowledged. Mr White was then invited to demonstrate a simple crib-sheet that captured key industry statistics along with simple messages under produce, promote and protect. Subject to further sense-checking and stronger links to the evidence base the board were content to see the crib sheet rolled out further. This would set in motion a quarterly review cycle ensuring messages were refreshed and kept apace with functional requirements. **Board members should provide further feedback to Mr White by email.**

Mr White continued his presentation proposing a re-launch of the One Voice campaign. He felt that the campaign had been initially well received but had lost momentum. He proposed that rather than run the campaign in isolation where it would compete against existing Potato Council products, it be embedded at sub-level across the family of publications e.g. Tubertalk and Team Potato. The Board supported this proposal and a member of the Marketing Team would be tasked with working across other functions to drive the project.

In response to a question concerning the corporate affairs function within PCL, the director advised that a post within Potato Council remained vacant and discussions were underway but that he anticipated a likely cross-over with AHDB corporate roles that required further understanding before advertising the role.

14/64 AGENDA ITEM 8 - PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (PCLP/14/34) including annex a SBCSR

The Director pointed out that to coordinate with a report given to AHDB main Board, the red, amber and green warnings now reflected KPI risks.

KT and Communications - As Dr Burgess was reporting on KT strategy later in the agenda, he asked the board to take his paper as read subject to one correction. He also advised that some individual BASIS training would be rolled out amongst his team to those members that he felt would benefit and go on to engage with the industry. BASIS training was quite robust in time and content and this would be taken into consideration when appointing the individuals concerned.

Research & Development – Dr Storey reported that a new Potato Council Research and Innovation Strategy (2015-2020) had been supported by the RKT committee. A few final revisions would be made and the strategy would be brought in front of the board at their next meeting.

InnateTM. A Genetically Engineered potato developed over the past 14 years by Simplot was deregulated in US on 7 November 2014. The GE potato utilizes genes transferred from other potato species and Innate Russet Burbank has been modified to have reduced bruise and lower acrylamide levels.

The RKT Committee met on 19th November and recommend support for three **Potato Council Fellowships** as part of the RKT strategy to develop individuals over 3 years who would make contribution in key areas where there is are recognised skills gaps:. The individuals concerned were: **Jon Pickup** (SASA). **Development of a succession potato nematologist** (Cost £111k; 3yrs) who would work at SASA involved with nematology and diagnostics, EU and UK legislation and the biosecurity implications for the potato industry. The experience gained by the nematologist would help industry address the £55m pa control costs that are incurred by GB growers. **Richard Coglan** (NRI Greenwich). **Sustaining expertise in post-harvest physiology**. (Cost £150k; 3yrs). The fellowship would integrate with NRI and SBCSR. The work will develop skills in nutrition and storage quality especially at low temperature. Also Blackheart, which was an increasing concern for the fresh sector. **David Firman** (NIAB-CUF). **Potato agronomy - maintaining capability to improve tuber quality attributes**. (£149k; 3yrs). This will develop a potato scientist with strong agronomy skills and understanding of field trials.

Three **PhD Studentships** were also recommended for support for the 2015/16 **Development of Quality Control Framework for accurate Computational Fluid Dynamics modelling of crop storage environments**, Dr Tomas Norton, Harper Adams University. Joint application with HDC and HGCA.

This project would develop a quality framework for a range of crop storage systems together with improving airflows in potato stores.

Identification of avirulence genes in *Globodera pallida* as tools for assessing durability of resistance, Dr John Jones, The James Hutton Institute.

The project would improve of understanding of resistance to *G. pallida*, which is integral to its control and also identify avirulence genes that have been introgressed from *S. verneii* and *S. andigena*.

Utilising the patchy distribution of slugs to optimise targeting of control: Improved sustainability through precision application, Dr Keith Walters, Harper Adams University, Joint application with HDC and HGCA In potatoes, if there was a 3% reduction in crop loss due to better control of slugs in field and reduced grading losses this would be equivalent to a reduction of c£240k in the c£8m p.a. losses estimated to be caused by slug damage to GB potato crops.

The level of financial support for each studentship was £68,577 (over three years) and where appropriate co-funding would be with other AHDB divisions.

Regarding how quickly Levy payers might benefit from fellowship and student activity, Dr Storey confirmed that industry experts were sufficiently embedded in the projects to allow rapid KT and adoption of findings. **The Board endorsed the RKT Committee decisions.**

Endocrine Disruptor Report on the potential impact of the loss of PPP's to potato sector has been completed and data incorporated into the AHDB report. Concern was raised that the possible impact of the risk of loss of some or all of the pesticides listed as a value to the industry of £55.6 m in lost yield. It was also discussed that EU were more likely to respond to a high frequency of consultees rather than fewer more comprehensive responses submitted by trade associations. **The Chair requested that a banner be placed on the PCL website so that businesses could use the data to formulate their own responses.** AHDB would respond to the EU consultation and requested the **Director check that this was in hand.**

Innovation Centre for Fresh and Prepared Produce. An Expression of Interest (Eoi) was submitted by a HIP/AHDB/Campden/BGA and the research centres, James Hutton Institute, East Malling Research and Warwick University. The Eoi includes proposals for capital investment at SBCSR and for a KT hub within AHDB. The c20 Eoi's will be evaluated by BIS and successful consortia will be invited to develop full bids with the expectation that outcomes will be announced in during the second half of 2015.

Marketing - Mr White highlighted that the decline in volume of fresh sector sales continued to slow with to 4.3% year-on-year (w/e 12th October) and actually registered growth of +0.6% for a year-on-year 12 week comparison. Average price paid though was down 18.8% for the last 12 weeks, while shoppers are continuing to trade up within the category, moving from whites and economy lines.

Agreement at the Marketing Strategy Committee was reached to adjust marketing spend, removing the previously planned spend on small, low potential, bursts of spring activity so that more focus could be given to the main areas of work and a thorough review of the Love Potatoes website be undertaken.

The Board agreed to this course of action.

Mr White also advised that should the EU money be forthcoming, some of the spend would be allocated to health and education, where he felt that the impact could be far more beneficial and indeed give the potato the PR makeover it deserved.

Seed & Export – Mr Burns reported on a highly successful inward mission from Cuba which resulted in agreement to re-open this market with revised plant health conditions. Cuban officials were very impressed with our industry and support services provided by Government in both certification and maintaining high health status and agreements were signed and markets opened. Concern was expressed that to support the opening of the market, relevant contact details be explored and made available to facilitate the market, including embassy contacts and contacts within the industry. **Mr Burns would develop a set of instructions for interested seed businesses.**

Indonesian authorities requested an outward mission to discuss pre-shipment inspections. RB travelled out to Jakarta with Triona Davey from SASA and met with authorities over two days. Indonesian Government officials can no longer be funded by private sector to travel to GB to inspect seed prior to export due to new anti-corruption laws. Discussions were around pest risk analysis for GB seed exports to Indonesia and how pest free place of production status could be assured for a number of pests and diseases.

2 additional committee members were sought and had been discussed at committee. It was proposed to invite Sandy McGowan who works for Grampian growers and Grant Cuthill who works for Higgins group in Morayshire.

The Board agreed this action together with the appointment of Mr Dan Hewitt as the board representative on the committee.

SBCSR – Mr Cunnington had attended an AgriTech Innovation Centre meeting in London on 4 September. An outline for capital support at SBCSR has been submitted as part of the HIP Fresh & Prepared Produce Innovation Centre proposal through Steve Tones (AHDB co-ordinator) and Mike Storey.

A visit by East Malling Research (a member of HIP) to SBCSR was hosted on 21 October following on from our visit there on 8 May. Visitors included Peter Gregory, Director of EMR and Gerard Bishop, Emma Skipper and Richard Colgan from the EMR research teams. A

document outlining capability at the two sites has been drafted for use as part of any second stage Innovation Centre proposal.

A visit by Peter Kendall on the 27 November had taken place. It had highlighted positive potential and had been an opportunity to discuss the reinvestment plans.

With regard to the Research programme; the SBCSR trials programme for 2014/15 has now been fully loaded into store.

A new member of staff was due to start, Ruby Bye an MSc student who had been working in Holland. She would be engaged as an internship and would be taken on in a full capacity once her studentship was complete.

Mr Cunnington advised that Andrew Burgess of Produce World had expressed an interest to join the committee and would be having a meeting with Mr Cunnington to explore the possibility. If successful he would bring both potato and field veg experience to the role. It was also advised that Ian Crute had retired as AHDB chief scientist but been appointed to the main AHDB Board. It was not yet clear whether he would continue as a member of the SBCSR Advisory Committee.

Mr Cunnington drew the board's attention to a review of the new store check service. included in the board pack and reported that 33 audits had been undertaken in 2014 with 6 additional stores audited for PCL. The feedback had been relatively positive, however, delays in receiving reports had been an issue. The Board discussed whether the correct expectation was set for the service as some store managers might expect more of a "gold standard" consultancy whereas others might expect more post-audit advice. Further the existing KPI (to have audited 150 stores) was challenged under the current financial climate. After discussion, the board agreed it was positive to set an ambitious target but that expectations should be moderated by noting increased risks.

Market Intelligence – Michael Archer updated the board on two items. The first related to recently adjusted productions figures which were now confirmed. He advised that a concerted effort had been put into capturing outstanding grower panel forms so that the position could be updated.

Grower Panel payments to participants was also discussed and the committee recommended that c400 participants be limited to submitting data on one field each. This would allow maintained accuracy of figures produced and potentially reduce costs by c£35K. In addition, the option of using industry sources of yield information to supplement the Grower Panel data will be explored. The recommendation was supported by the Board and the Chair took the opportunity of thanking Mr Kerr for standing in as Chair at the previous meeting.

The Chair also advised that she intended to organise a conference call with the MI committee members, Mr Hewitt and Mr Kerr to discuss the terms of reference of the committee and the way forward and she would bring this back to the Board.

It was advised that Mr Huggon had been invited as an independent member to Chair the committee going forward. The Board approved this appointment.

14/65 AGENDA ITEM 9 – CHANGES TO COMMITTEE TERMS OF REFERENCE

To alleviate unnecessary costs of board member attendance at committee meetings the parameters around the quorum and constitution requirements have been amended to be consistent across all committees. The constitution will be 3 board members, one appointed by PCL to be Committee Chair + PCL Chair ex officio. The quorum will be 2 Board members one of which may be the Chair of Potato Council. **This item will be brought back**

to Board in the spring for update and coordination of committee succession plans, together with a refreshing of the language contained in the terms.

14/66 AGENDA ITEM 7 – AHDB HEAD OF LEVY PAYER COMMUNICATIONS VERBAL UPDATE OF HER ROLE AND EMERGING AHDB PLANS Mrs Farrell joined the meeting and introduced herself highlighting her background in journalism, PR and considerable experience within other sectors. Her remit within her new role was to achieve cohesion across sectors and drive added value through working together on such things as coordination of press releases. Example projects included roll out of a single CRM across AHDB as well as better coordination of attendance at key events across agriculture. A key project that was in chain was to explore and activate better consistent branding across AHDB. The AHDB Board had requested that this be pursued following presentations at their meeting which in turn had been triggered by discussions at a prior sector board conference. A number of mock-ups were presented. Members of the board expressed concern that the project appeared to be progressing hastily and cautioned that full account of customer views on brand equity and recognition should be taken and existing expertise from within sectors should be utilised to full effect. The Board agreed a statement and requested that the **Director share it with AHDB Chairman and interim CEO.**

14/67 AGENDA ITEM 10 – STRATEGIC THEME KT

Dr Burgess was asked to present his KT strategy and was seeking focus on activities that would deliver the greatest benefits to levy payers over a 3-5 year timescale and would be driven by customer needs and innovation. He started by advising that the comms and KT team would shortly be up to full strength. He had taken the opportunity to adopt better structures within the team and this would entail Jim Davies taking the lead on communications and he himself taking the lead on knowledge transfer and business improvement. His strategy had been framed around produce, promote and protect and was designed to fit the pipeline in line with the new research and innovation strategy. In making this link he had prioritised activities relating to seed rates, water management, common scab, mineral oils, cultivations and PCN behind which bigger campaigns (damage reduction, CIPC, PCN) would continue. He also proposed to reshape the way some levy payer meetings were delivered to make them more attractive to delegates. A schedule for meetings already existed and these were developing well. He also proposed the development of a new format for field events that would utilise industry champions who would provide a platform on which new technologies could be demonstrated. Rather than tied to a single event, these sites would become available for visits from various groups, including agronomists, students and new entrants at different points in the year.

Turning to skills, Dr Burgess confirmed that the team continued to make best use of opportunities created through RDPE funding and these currently included initiation of farmer training in the North West and a European study tour to understand costs of production. Proposals had been developed to start a new comprehensive course for new entrants and this was supported by NFU.

With regard to the website, Dr Burgess felt that there was far too much clutter and outdated material and a complete refresh to deliver messages concisely was required together with the exploration of apps and tablet use.

Dr Burgess also highlighted the ongoing positive work with campaigns and stewardship with damage awareness, CIPC stewardship and soil and pest management initiative.

The Board were asked to comment and agree the initiatives highlighted. They agreed the direction of travel providing that sufficient attention was given to storage KT needs.

Dr Burgess was encouraged to talk to the Board about his strategy on an ongoing basis with regard to the direction of the pipeline work.

14/68 AGENDA ITEM 11 - ANY OTHER BUSINESS

Mrs Fell wished to thank those Board members who had assisted with Mr White's induction. If any of the Board were happy not to receive a paper copy of the pack would they kindly let Mrs Hall know.

The interval between the last two meetings of 2015 were too close and it was agreed to cancel the November one.as Board members would be attending BP2015 in that month.

Mrs Fell would organise a committee chair conference call during December 2015

DATE OF NEXT MEETING: 11th February 2014 at Stoneleigh this meeting to be Board only with a 10.30am start and no pre dinner. However if accommodation is required due to travel commitments, please advise Mrs Hall who will organise accordingly.

INFORMATION PAPERS: PCL Dates for 2015, Organogram, One Voice Presentation

TABLED PAPERS: Market Dynamics Report.

MINUTES BETWEEN BOARDS: Marketing Information Minutes 20th November (tabled) Marketing Strategy 12th November (included), R&KT 19th November (tabled), SBCSR 11th November (included).

Signed:

Dated: