

**SUMMARY OF 70<sup>TH</sup> AHDB POTATO BOARD  
HELD ON 19<sup>TH</sup> MARCH 2019**

**DEAFBLIND CONFERENCE CENTRE, CYGNET ROAD, PETERBOROUGH, PE7 8FD**

## **CLOSED SESSION**

**PRESENT:** Sophie Churchill (Chair), Jim Cargill (Observer), Phillip Huggon, Alison Levett (Observer), Dan Metherringham, Jonathan Papworth (JPa), Bill Quan, Alistair Redpath, Will Shakeshaft, Andrew Skea, Mark Taylor, Michael Welham.

**APOLOGIES:** Reuben Collins

**IN ATTENDANCE:** Michael Archer (by skype, item C5), Ken Boyns (by skype, item C6), Rob Clayton, Sue Cleaver (minutes), Tom Hind, Tim Isaac, Jane King, Richard Laverick (by skype, item C5), Jimmy Phillips (JPh)

### **WELCOME AND APOLOGIES FOR ABSENCE, AND DECLARATIONS OF BUSINESS INTERESTS**

The Chair, Sophie Churchill, opened the meeting at 8:30 am and welcomed those in attendance. Apologies were received from Reuben Collins.

Mark Taylor declared a potential conflict as chairman of the Fresh Potatoes Supplier Association (FPSA). It was agreed that he would step out of the meeting if any potential conflicts arose. The Chair confirmed that an agreement had been made between MT and AHDB about handling the conflict of interest.

### **MINUTES FROM THE MEETING HELD ON 22<sup>ND</sup> JANUARY 2019**

The minutes from the meeting held on 22<sup>nd</sup> January 2019 were accepted as a true record and signed by the Chair.

### **MATTERS ARISING FROM THE MEETING HELD ON 22<sup>ND</sup> JANUARY 2019**

Matters arising from the previous meeting were summarised. The operational report had been subject to an internal audit process and improvements would be implemented following the recommendations. These would be seen in the May report. In addition the Board would receive a yearly summary/annual report at the May meeting. The structure of the report was considered, and the desire for clarity, consistency and accuracy was agreed.

### **CHAIR'S REPORT**



Round the table introductions took place. The Chair updated the Board on her latest activity, and also highlighted the background considerations and questions taking place in the industry that should be examined to make sure that AHDB is truly relevant in the future.

The format of the Open Board was clarified.

It had been a challenging year for the industry, and there were further challenges to come, for example regarding water, CIPC, and Brexit. The Board highlighted the importance that AHDB provide the best possible value for money for levy payers, although it was acknowledged that this may mean different things for different people. The results from the Defra Request for Views were still outstanding.

## **SUPPORT COSTS**

Ken Boyns joined the meeting via skype. KB presented on support costs vs net income for AHDB and by sector.

The figures showed that the Potato sector spent less on support costs than pre AHDB. In addition there were more requirements on support services than in the past. These included the need to professionalise in areas such as procurement, potato levy collection, and HR systems, and also the need to react to change in regulations and environment, such as GDPR and cyber security, that were necessary for compliance and risk management. There had been greater work for the support team delivering and managing changes such as LIP, VAT, MLC SL, Sutton Bridge and Brexit contingency planning. KB reiterated that AHDB were committed to continuous improvement and increased efficiency, and there would be no complacency in this area.

The Board were vocal in the need to continuously monitor and challenge support costs. The Potato sector was the smallest sector in terms of levy income, and as a result the percentage of support costs compared to levy was the biggest proportion of all sectors. BQ was a member of the Finance and Hypothecation Committee and had been presented with comparisons between other similar sized organisations. The benchmark data against similar sort of organisations showed AHDB percentages were broadly in the correct place. KB agreed to share these figures with the Board.

There was a discussion of the difficulty of direct comparison to the years when there were extra one-off costs due to the move from Oxford to Stoneleigh, and these may show an artificial improvement. The Chair supported using a shorter range of years for comparison.

## **CEO UPDATE**

The Chair welcomed Jane King, AHDB CEO, to the meeting.

The Defra Request for Views was a government consultation set up autumn 2018. The results from Defra had been delayed due to Brexit no-deal contingency planning. The results would provide an analysis of views received and be followed by ongoing discussion about recommendations and what actions need to be taken for the future. It was agreed that whilst the delay is not surprising, it is disappointing and does not help AHDB in its reputation with levy payers, even if it is not AHDB's responsibility.

Robert Goodwill had been appointed as the new Minister of State for Agriculture, Fisheries and Food. AHDB were keen to develop a relationship with Robert and he had already had a phone conversation with the Chair of AHDB, Peter Kendall.

JK talked about the need for AHDB to continue to move forward with levy payer engagement and participation. JK posed the question, how can AHDB have a really significant step change in terms



of growers and farmers getting involved, whether that be accessing market intelligence data, or attending a farm event. Of the 14,000 attendances in the course of the year involved in monitor or strategic farm programme from all sectors, the feedback was phenomenal. However, the consideration was how to target the non-attending levy payers, and get more people engaged and interacting. The new AHDB website was easier to use and more mobile friendly, and there was potential, for example, to create more dialogue with social media. ADHB would need to be imaginative and experimental to see an increase in awareness and engagement. As well as digital interactions, JK would also like to see AHDB open more doors with groups of farmers visiting to see what goes on and the wealth of expertise on offer.

The Food and Drink Sector Council were working on a key piece of work looking at industrial strategy and productivity. Peter Kendall was Chair of the Agricultural and Productivity Working Group which had various working groups feeding in to it. The end result would be to come out with a clear action plan to propose to government to mobilise industry, to increase productivity, and to create a less fractured landscape.

The Board reflected on the issues raised by JK including the importance of levy payer engagement, AHDB attendance at various industry meetings that had taken place recently, the importance of a united industry, and learnings that could be taken from highly productive countries. Jane was thanked for her contribution to the meeting.

## **FINANCE AND LEVY**

RC presented the Finance paper and levy report. The modest underspend (relative to budget) was highlighted, which would offset lower revenue in terms of levy. The February forecast was close to budget for the financial year.

The level of response from all Sector Boards to the survey on the format of future management accounts was not clear enough to give a strong steer. Helen Walker would attend a future board meeting to establish more clearly what was required. PH noted that the Management report should work for the Executive Team and Leadership Function and flow through to the Boards, who would then act to scrutinise the reports. It was agreed that whatever the format of the reports they should be used by the Boards for accountability.

The Chair summarised that there was a clean year end, and that the variance to plan was good and commended the team for this result.

## **OPERATIONAL REPORT**

RC updated the Board on areas of activity including improving business performance by looking at comparisons with overseas activities; R&D work focussing on increasing productivity including the latest progress developing a pesticide gap analysis; KE farm excellence platform getting better engagement with the new KEMs now in place (1131 visits over the last 12 months); the potato influencer programme including nutrition work and reflection piece on five a day; work with export community and overseas customers; and thoughts around AHDB's MI offer.

A further KE and Communications update was included in the agenda item O4.



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## **OPEN SESSION**

**PRESENT:** Sophie Churchill (Chair), Jim Cargill (Observer), Phillip Huggon, Alison Levett (Observer), Dan Metheringham, Jonathan Papworth (JPa), Bill Quan, Alistair Redpath, Will Shakeshaft, Andrew Skea, Mark Taylor, Michael Welham [As above re new members]

**APOLOGIES:** Reuben Collins

**VISITORS:** David Fountain, Robert Heywood, David Hoyles, David Newling, Peter Pask, Tim Rooke, Richard Spendelow, James Truscott, Oliver Wadsworth

**IN ATTENDANCE:** Rob Clayton, Sue Cleaver (minutes), Amber Cottingham, Tom Hind, Tim Isaac, Jane King, Richard Laverick, Jimmy Phillips (JPh), David Wilson

### **AGENDA ITEM O1 - WELCOME**

The Chair opened the afternoon session of the meeting and welcomed all those in attendance. A round the table introduction and a summary of the points covered in the morning's session took place.

### **AGENDA ITEM O2 – EAPR UPDATE**

RC gave an update on the 2019 European Association for Potato Research (EAPR) conference that had taken place in Norwich. There had been a lot of useful information shared – 16 hours of presentations will be available online. RC highlighted some of the topics that had been discussed at the conference, including how we handle the need for better sealed stores, CIPC developments and temporary Maximum Residue Levels (MRLs), MH developments and the impact for the livestock sectors, mint oil, DMN, orange oil and 3-decen-2-one, dormancy, and the potential for acrylamide development when reduced temperatures are part of a storage strategy.

### **AGENDA ITEM O3 – BUDGET**

RC presented the budget plan. RC reiterated the particular focus areas that the Board had agreed at last meeting - Integrated Pest Management (IPM), including storage, benchmarking, influencer work and Brexit.

RC presented a list of projects that were in the proposal to pause or stop as a result of the activity review exercise.

**The Board approved the proposal to stop the listed activities as recommended by the activity review exercise.**



RC shared the 2019/20 budget with the areas and amounts that would be funded in the plan including research, KE & events, Export development, market development, levy payer comms and digital.

The Board discussed export development. There was a query regarding the AHDB website re growing seed exports that mentions Ethiopia. It was not thought that this was a viable opportunity.

#### **AGENDA ITEM 04 – NEW STRATEGY**

The new AHDB strategy will begin in April 2020 and work had already begun with industry being approached and consulted. There were three key areas to consider – predicting what the operating environment will look like in 5 years' time, defining what the key developments will be needed for businesses to succeed in such an environment, and identifying the key steps AHDB needed to take to be of optimum value.

RC presented the results of the internal PESTLE analysis that had already begun. (Political, Economic, Social, Technical, Legal, Environmental) and invited all present to check for gaps and see if all the big issues were listed out.

There was a robust discussion which highlighted the following issues:

- **Labour and skills:** where will labour be coming from, how will businesses access labour, skills, invitation to farm
- **Pesticides:** retention of current pesticides, good use of new pesticides, training and the environment, bio-pesticides, IPM, lack of chemicals and replacement of chemicals that are lost.
- **Salt (or other) taxes**
- **Variety developments**
- **Risk and debt**
- **Opportunities/threats from the rise in other crops.** (e.g. spring barley competing for land)
- **Consumer trends/changing tastes/change in customer profile/ demographic changes**
- **Lack of farm income support**
- **Water**
- **Storage must be handled correctly**
- **Understanding margin erosion, and how that impacts businesses**
- **All underpinned by innovation and variety and development**
- **More proactive and clear vision on nematocides**
- **Starch/paper market – potential for waste potatoes in a starch industry**
- **Cost of production, marketing opportunities – managing growers' risk by more education on contracts and free buy.**
- **Availability of PCN-free land for seed potatoes.**

It was agreed that AHDB may not be the appropriate body to lead on taking forward all the strategic issues but it was important to list them and decide AHDB's role.



JK updated the Board with work taking place by the skills leadership group (chaired by Helen Woolley, former Director General of CLA), who were looking to implement a new skills strategy for Agriculture and Horticulture, transforming the industry's approach and mind-set around skills development. They had looked at industries like construction, which had reinvented itself attracting bright new talent, setting out clearer career pathways, and upskilling with continuing professional development. There was a desire for a professionalising agenda – more employer led (rather than education led), promoting agriculture as a dynamic industry and attracting new talent.

Questions had been sent out to all key stakeholder organisations, and this was just the beginning of the process, which would carry on throughout the summer.

The Board and visitors discussed the balance between AHDB money spent on research, and money spent on marketing potatoes, and whether the balance was correct. There were differing opinions as to how much money would need to be spent to make a real difference. At the moment approximately 10% of income was going in to market development (including advocacy, nutrition and food panel work). There were different marketing approaches that could be used, for example the recent model used by the AHDB-Dairy had been very successful. The influencer idea was popular, counteracting the anti-carb messaging, and the Food Advisory Panel was important in having positive messages to promote on a planned basis and to challenge back where there was misleading information about potatoes. The Board and visitors challenged AHDB to push harder.

#### **AGENDA ITEM 04 – KE AND LEVY PAYER ENGAGEMENT**

Tim Isaac and Jimmy Phillips presented an update on the latest developments in KE covering the KE team, the Farm Excellence platform, upcoming events, engagement and how reach could be extended. The aim was that every levy payer should be seen face to face, either at events or in person, within 2 years.

The Board noted the increase in knowledge exchange activity and particularly face to face engagement and the success of SPot Farms in the last year. It was hoped that linking with other farms within the Farm Excellence platform would further increase impact.

The Chair closed the decision making session of the board, and opened up the Q&A session.

#### **AGENDA ITEM 05 – Q&A SESSION**

Points raised in the Q&A session included:

- Importance of variety screening.
- Any funding for Tobacco Rattle Virus? There is a PhD student that will be looking at this.
- Webinars are not accessible if broad-band is an issue, however they do give people options if they can't attend meetings, and are very cost effective.
- Importance of making events useful – regional relevance, tying in with other functions e.g. Cereals, Beef and Lamb, MI.
- Issues surrounding time-consuming Red Tractor audits: JK confirmed she would feed back the concerns raised to Red Tractor. MT declared an interest as Chair of the FPSA. The scheme needs to be appropriate, realistic, and to work effectively.
- What was AHDB's attitude to Social Media? Jimmy Phillips (JPh) outlined how AHDB's twitter accounts were used. JK confirmed that it was an essential tool, particular with a



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view to shining a light on the work that we do and to help deliver content and maintain openness. JPh noted that the “More than a bit on the side” campaign had 30k followers on Instagram, 28k followers on twitter, 2.5 million Facebook likes and 3.5 million views of recipe videos on you tube.

#### **AGENDA ITEM 06 – THE BIG PICTURE**

JK gave an update on the Defra Request for Views, which had opened up a consultation with all industry last autumn, encouraging individual farmers and growers, and other stakeholder organisations to give their opinion about the AHDB as it is now, how people felt about the levy, and going forward, where effort should be directed. Due to Brexit, the team that would have done the analysis at Defra had been waylaid and the results had not yet been released. There is still an awareness at AHDB of some of the feedback as JK has been told directly by farmers and key stakeholders. The views are quite polarised with a range of opinions on the levy, where the money should be spent, and what the top priorities should be. The next step will be when the Government releases the summary, and then this will go forward to recommendations for the future of the organisation.

JK gave an update on the Food and Drink Sector Council and the developments taking place looking at the industry as a whole, with a desire to become better organised and less fragmented, with much more alignment between research and development and knowledge exchange.

#### **AGENDA ITEM 07 – Q&A SESSION**

Points raised in the Q&A session included:

- **Farmbench** – if there are any shifts to timescales these must be shared with participating businesses. This was noted.
- **Health and Safety** – working in agriculture was now more dangerous than working in construction. The need for education and improvement in health and safety standards was highlighted.

TH gave a Brexit update report. Much of AHDB’s work in the course of the last 3 or 4 months had been helping industry prepare for a No-Deal scenario. This included work in awareness raising, signposting where to find information on the website, (e.g. on imports, exports, plant variety rights etc.), analysis of tariff impacts, business support (for example in terms of trade disruption), and exports (for example not just in terms of plant health certification but also whether to trade with vital third countries).

There was a discussion of the impact of the different scenarios, and the tariffs set for a No Deal Brexit.

#### **AGENDA ITEM 08 - AOB**

The Chair thanked everyone for their attendance, and closed the meeting at 3pm.

Signed.....Dated.....

