



PCLM AGENDA ITEM 3

PAPER PCLM/15/02
AUTHORISED

MINUTES OF THE FIFTY SECOND MEETING OF POTATO COUNCIL HELD AT STONELEIGH PARK ON 8th April 2015, COMMENCING AT 8.30AM

PRESENT: Chair: Fiona Fell **Growers:** James Daw, Bill Quan, Mark Taylor, Alistair Melrose, **Independent members:** Zoë Henderson, **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, Dr Philip Burgess, Head of KT & Comms, Nick White, Head of Marketing, Mrs Rita Hall, Secretary, Giles Blatchford, Head of Farm Economics AHDB MI. Peter Kendall, Chairman of AHDB and Jane King, CEO AHDB

Note: confidential information in italics

15/13 AGENDA ITEM 1 – WELCOME, Mrs Fell welcomed everyone to the meeting and in particular Peter Kendall, AHDB Chairman and Jane King, AHDB CEO

15/14 AGENDA ITEM 2 – APOLOGIES AND DECLARATIONS

Apologies had been received from Dan Hewitt, Phil Huggon, Ed Lindley, and Anthony Carroll. There were no new declarations of interest.

15/15 AGENDA ITEM 3 – MINUTES OF THE LAST BOARD MEETING HELD ON 11th February 2015 (PCLM/15/01)

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

15/16 AGENDA ITEM 4 – MATTERS ARISING (PCLP/15/01)

15/04 – New Export Market development – commercial information

Mr Burns provided the board with criteria and information used with potential suppliers when opening up new overseas markets.

15/05 – delivery of “State of the Nation” press release – the Director reported that 36 pieces of press coverage had been recorded, 35 of which were positive with one report creating conflict between fresh and processing sectors. Issues management processes were reviewed as a consequence and staff training undertaken. Outcomes have been shared with trade associations as part of a corporate affairs review.

15/08 – branding feedback – comments in relation to the new branding process had now been fed back to Anna Farrell at AHDB.

Mrs Hall had included the key MI contacts on the organogram as requested.

Mr White has now updated and recirculated the MSC minutes.

15/09 – A Business Plan Update is included on the agenda item (PCLP/15/11) where continued revision would be discussed.

15/10 – The criteria for payment plans were included within the finance and levy collection update paper (PCLP/15/10).

15/17 AGENDA ITEM 5 – CHAIRMAN’S UPDATE (Verbal)

Mrs Fell reported that during dinner a robust discussion with the Board and the Director had taken place and highlighted several key points of note -

Visions for Potato Council; vibrant potato capacity in UK; working with levy money to underpin and address the whole industry. Changing the language used, to stop perpetuating the rigid distinction between fresh and processed, instead developing words around frozen, chilled, prepared and packed, to better reflect the opportunities in the market. All present were asked to reflect on these themes for further discussion at the next Board meeting.

She advised that the levy increase had not been ratified by ministers, and there was disappointment within the Board. Primarily there was a feeling that members had worked hard to argue a strong case with key stakeholders and the decision would undermine their role in any future negotiations. Clear communications about the nature of the decision were now required and the Director would use existing PCL channels for this. Mr Kendall shared his thoughts on how the communications process might be enhanced and conceded that the political dimensions of the decision had perhaps been underplayed. The Board observed that during consultation, representation had been stronger for trade associations where lines of responsibility were clearer whereas more disparate groups, like growers had been harder to engage. Growers were not entirely represented by NFU or NFUS and new ways to reach growers should be explored. **The Director would explore better ways of consulting with growers and an opportunity for joint meeting between Board members and the NFU potato forum would be set up to enhance relationships. Mrs Fell asked if a bespoke message could be circulated via Tubertalk to explain to levy payers the decision taken by Ministers and this was agreed.**

The issue was again raised regarding both branding and the AHDB press release regarding the ministerial decision over the levy increase, that better communication be adopted from AHDB to the PCL Board to inform and alleviate the feeling of the Board not being valued for its input.

With regard to the rebranding Mr Kendall reminded the Board that the strategy had been adopted and supported by sector Boards. It was necessary to move forward as one organisation. He quoted the lack of synchronisation of shared calendars at Sector Chair level, 6 individual heads of comms and R&D all presenting on the same platform, this had to be addressed to ensure a more professional representation of the organisation.

Mrs Fell returned to her report and the discussion the previous evening. A refocus on key activities, being more impactful, responsive, utilising the time given by sub-committee members more effectively and a de-cluttering of the whole strategy was required. Current priorities are seen as the refurbishment and development of SBCSR within the opportunities of the Agritech funding stream and the utilisation of EU money for the benefit of the whole potato industry. **She requested that the Board support the Director to develop a new approach in the year ahead.**

She had undertaken meetings with the PPA and the FPSA in order to listen to the views of their members and respond accordingly. It was again reiterated by Board members that

growers did not have a strong enough voice and suggested communication via a meeting with grower ambassadors and NFU forum members. Mr Kendall again urged caution, noting that each group had a slightly different purpose and remit and as such PCL would need to operate within its existing boundaries as laid out in the SI. **The Director was asked to pursue suggestions around an informal meeting at Stoneleigh.**

She highlighted that the PPA had requested a more joined up approach to Corporate Affairs with greater processing emphasis. Changes to the Business Plan were underway and were being matched with a change in emphasis on the PCL website. Meanwhile, FPSA members had expressed a desire to be more involved in The EU marketing project should the bid be successful. Nick White would pursue this engagement.

A joint NFUS and PCL meeting had taken place with Scottish growers. The balance between R&D and marketing had been explained and disappointment expressed as there appeared to be no short term solutions to the fresh sector consumption challenge. Follow up meetings were imperative to continue dialogue and respond and listen to their concerns and to advise of new activities where appropriate.

Mr Chelley raised the issue of the lack of succession planning especially at SBCSR and the risk that depleted resource would result in lack of delivery. Ms King advised that there was an organisational wide people issue and this was under review. She also confirmed that whilst an internal review of the whole organisation was taking place it was only prudent to adopt a recruitment hold however if a business critical vacancy arose supported by a business case, it would receive due consideration. It was also confirmed that the restrictions concerning sign off for all recruitment by Defra had been relaxed and now rested with the accounting officer.

15/18 AGENDA ITEM 6 – DISCUSSION WITH PETER KENDALL AND JANE KING

Ms King introduced herself and gave a brief history of her previous role as Editor of the FW group. She had commenced with AHDB in February 2015 and had spent her initial few months, listening and appraising herself of the organisation and its staff. Her brief had been to improve efficiency within the organisation and her initial observations were that the 6 sectors produced excellent work but that complacency, duplication and poor practices were also in evidence. In many cases there appeared to be more focus on outputs than on outcomes. As the organisation was under increasing scrutiny from levy payers it was essential to derive more relevance and be better organised. She advised that she and the AHDB Chair had recently visited similar organisations in both Ireland and Denmark and that much better integration had been in evidence although still having their own unique challenges but sharing best practice and much more performance-driven. At the April AHDB board new ideas from both the SET and the staff would be discussed to demonstrate better accountability, due diligence and better value for money across the organisation as a whole. She confirmed that sector board levy would be ring-fenced together with the Board and sector specific skills but advised that SET required reconfiguration, the people strategy needed attention especially the skill set and advised that PCL would definitely benefit from other sector skill sets and the levy as a whole would benefit from review. Mr Chelley again raised the succession planning issues, evaluation of salary and Ms King confirmed that she was aware these areas needed attention, the HR function was not sophisticated enough for an organisation the size of AHDB and initiatives like talent programmes and more sustainability were required. She felt the organisation was a fair employer for salaries but that better benefits would also be looked at to establish AHDB as an employer of choice. Ms King advised that either she or Mr Kendall would visit the next board to update the PCL Board on the strategies being adopted and that Mrs Fell would communicate in the interim period on progress in this area in order that PCL would be afforded the opportunity to comment.

Mr Kendall, in addressing the Board acknowledged the volatility issues being faced in the sector and urged the Board to focus on longer term strategic challenges and opportunities like apprenticeships, jobs, export markets and exploiting Agritech. Burgeoning populations globally should provide new opportunities and Board members agreed that against a backdrop of record lows in consumption, concentrating on the potential for growth was paramount and ensuring GB producers remained competitive would be essential.

Mr Kerr was keen to highlight the Boards credibility and role as foot soldiers that were accountable to farmers and that there should be better communication to follow the AHDB joined up initiatives. He also suggested that AHDB information should be used by government departments to aid accurate nutritional messaging.

Dr Burgess advised that following the Scottish meeting, both he and Rob Burns had undertaken some follow up levy payer meetings and further advised that they did not require Comms but face to face contact with PCL and noted that PCL levy payers could recite to the penny the levy paid and most were both dual levy payers to both PCL and HGCA and could not recite the same information about wheat levy, highlighting the very unique and different relationship within the different sectors. Mr Cunnington added that cost of storage should also be communicated and not underestimated in the bigger picture. **The Chair requested that specific follow up meetings be organised by the Director.**

Mrs Fell thanked both Mr Kendall and Ms King for attending the meeting.

15/19 AGENDA ITEM 7 – BENCHMARKING PROPOSALS

Dr Burgess and Mr Blatchford compared and contrasted different benchmarking systems available across AHDB and recommended that a combined crops and potato benchmarking tool be developed by using BPM. It would be well received by levy payers with multiple crop types, leading ultimately to a whole farm benchmarking approach. This would allow more efficient use of AHDB staff in training, running meetings and validating data and better aggregation of data for strategic use. **The Board supported the proposal providing legal ownership of data could be clarified.** A request was made to explore whether information stored in commonly used farm management packages could be migrated across into the bench marking software.

15/20 AGENDA ITEM 8 – SHORT PRESENTATION OUR INVOLVEMENT WITH AGRITECH

Dr Storey was invited to present an updated review of PCL involvement with the Agritech strategy and reported that there were two main funding streams, the Catalyst programme and the Innovation Centres. Bids for Innovation Centres had been developed through AHDB engagement with research/industry consortia. Potatoes were a partner in the bid for Crop Optimisation and Resource Efficiency (CORE) with BBRO. AHDB a partner in the Crop Health and Protection (CHAP) bid led by FERA. Both of these bids included a capital component for Sutton Bridge CSR, underpinning the importance of the SBCSR operation. Through AHDB there was also engagement relevant to the potato sector with the Agri-Engineering and Precision Innovation Centre (Agri-EPIcentre) (Harper Adams, Cranfield and SRUC) and the Agri-Soil Innovation Centre (ASIC) led by Cranfield University. The AIMS (big data) engagement was being led by Ken Boyns head of AHDB MI but clarity of output from this centre was required before progressing. The industry had been successful in bidding for Catalyst funds to support specific research projects. In response to a question regarding the value of the projects, he confirmed a total of £6.1m funding and a grant element of £3.9m.

15/21 AGENDA ITEM 9 – PCL FINANCE REPORT INCLUDING LEVY COLLECTION UPDATE (A) (PCLP/15/10)

With regard to AHDB, the Director advised that the target set for a surplus of +/- 2% budget for the year end remained a challenge with some divisions commissioning work late into March. At year end PCL were £300k short on levy as forecast previously but the team were making considerable cost reductions to counteract this and a break-even position was likely for the full year. Mrs Fell congratulated the Director and his team for the prudent approach and resulting forecast status. Potato Council levy collection costs currently sit within sector specific costs, and as a second line of costs, she asked whether better clarity could be achieved by combining these two values in one expression of the cost of levy collection. She expressed concern that as levy income declined the percentage of income spent on central and sector specific support cost would increase, and she asked the Director to look critically at these costs.

With regard to the levy collection, Mrs Spencer had at the request of the Board, illustrated the comprehensive process of levy payer contact prior to legal action in hardship cases. The Director reminded the Board that there were SI parameters that had to be adhered to and also an increasing area found through the helicopter surveillance indicating higher levy leakage than in previous years. **The cost of collection versus the additional levy collected would be investigated and reported back.**

15/22 AGENDA ITEM 10 – BUSINESS PLAN UPDATE (A) (PCLP/15/11)

The Director confirmed that amendments had been made to the plan following consultation meetings and improvements sought by key stakeholders had been incorporated into the draft. Mr Chelley agreed that the Plan was more appropriately balanced and following a scheduled meeting in the next week with the Director General of the PPA and Snacma that the Plan could be further enhanced. The Board addressed the discussed attention span of the reader and suggested that a clear vision statement be included at the start of the Plan which summarised the way forward for PCL, including the intention to treat the sector as a whole with less distinction between sub-sectors of the industry. The Director was asked to compile such a vision statement and email to the Board for their comments. He was also requested to amend the expenditure and resource table on page 1 to reflect a more balanced split across the sector and to modify comments relating to support and communication costs. This would then allow the plan to be completed and signed off. **The Director would send an amended version to the Board w/c 20 April.**

The Chair noted that the forecast revenue remained optimistic within the plan but acknowledged that there remained uncertainty over planting area for 2015. The executive would address this through contingency planning and commit to some activities later in the season once more was known about revenue.

15/23 AGENDA ITEM 11 - PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (PCLP/15/12)

KT and Communications

Dr Burgess reported on the field plans for the strategic potato demonstration farm hosted by James Daw were now agreed with NIAB-CUF taking a lead role. These would provide an integrated KT delivery platform open days were in preparation. He invited any groups that the Board may feel beneficial to call him and he would prepare a calendar of visits.

He further reported that the Young Entrants scheme was oversubscribed and would start soon with an introduction to AHDB and the potato sector.

A successful study tour had been undertaken in NW Europe providing valuable data on production costs along with European insights into the use of CIPC, machinery sharing, land values, rotation of crop, markets and contracts.

Also results from a recent mineral oil project to control aphids were being communicated within KT messaging encompassing advice to seed growers. He also drew attention to the current calendar of events which would be available on the web site.

Dr Burgess also highlighted that he was representing AHDB on an overarching steering group of WRAP “Tackling on Farm Food Losses”. He was supported by a view from the Board that concluded that the methodology was seriously flawed, with no clear objectives or understanding of production related issues. He would communicate these concerns with WRAP.

Market Intelligence

Mr Blatchford reported that recent restructuring within the MI process had been extremely positive with changes to the strategic input team output progressing well as a reallocation of resource which is giving much greater horizon scanning cross sector.

Mrs Fell recorded her satisfaction that the MI function was working more closely with both Marketing and KT and that good collaboration was in evidence. A new Strategic Insight publication was reviewed and recommended. **The Board requested sight of other sector publications that would help raise awareness of options for PCL.**

Research & Development

Dr Storey reported that following endorsement of the new R&I strategy, the programme of possible activity had been communicated via Tubertalk and Potato Review. The strategy document was also available online.

Tenders were reviewed by RKT Committee and support was recommended for:

- Commissioning of the content for a **PCN management guide**
- A preliminary evaluation of methodology to **assess varietal tolerance to PCN**, subject to clarification of breeders’ financial contributions for varietal assessment.
- Desk study to exploit existing models to quantify the impact of **sampling** intensity on the accuracy of quantification of PCN density.
- Continuation of monitoring of the frequency of **pyrethroid resistance** in the grain aphid *Sitobion avenae*.

The costs were to be finalised with contractors and will be agreed with the RKT committee.

- A report from **UK Water Research and Innovation Partnership** on the links between water, food and the environment had recently been published. AHDB contributed through participation in the report on farming and the availability of water (PDF 2.13Mb) and development of recommendations.

He also reported on the EU marketing bid and suggested where the consumer aspects of R&I might be brought in to compliment the campaign.

Dr Storey asked the board to note a HDC event attracting new researchers on smart technology at the 8th September at the ICC.

Marketing

Mr White reported that total fresh volume growth over the latest 12 weeks of +2.0% was a positive shift but likely influenced by Christmas promotional patterns.

With regard to One Voice Communication, he reported that voting for a new message amongst levy payers was progressing well. The “winning” poster would be made available to the market and in the form of car stickers and field banners. With regard to education, a pilot project was now in place to see how the scheme might be extended into school catering. A further poster competition was drawing to a close and would make the link between potatoes and sport.

Mr White reported that he and Dr Storey were working in conjunction with SeaFish on the nutritional profile of fish and chips in comparison with other fast foods.

He reported on the outcomes of the recent Chip Week review. Nearly 1000 shops had participated and excellent coverage had this year been achieved on the Lorraine and Wright Stuff TV shows and had produced the highest return on investment for the last 10 years but influencing consumers had not moved. The timing of Chip Week in February was lost in a saturation of other initiatives producing a consumer overload; he had concluded that it was time to pull away from Chip Week to a new initiative for a skills-based support of fish and chip shops and the NFFF had been engaged in harnessing partners for such an initiative. He would test his views with the Marketing Strategy Committee.

The corporate affairs strategy also required a refocus, following stakeholder engagement with the business plan which had highlighted the need for a new conversation around the whole potato industry nutrition and sub strategies around water, soils, and pesticides to ensure a vibrant future of the industry. An evidence based short document should be prepared for use in this arena.

With regard to Issues Management, plans were now in place to ensure this was appropriately resourced along with the new corporate affairs strategy. Ms Henderson urged the team to capitalise on the HR offer to have business critical roles identified and filled. The Director would work with Mr White on this issue.

Seed & Export

Mr Burns was delighted to report that Russian officials from RKN had visited Scotland to sample seed stocks destined for Russia. Stocks had been approved and would be exported.

SBCSR

Mr Cunnington reported that Mr Jina had now left the business and that a reallocation of his workload internally had taken place with the use of temporary staff if required. Mr Chelley urged caution with this approach and recommended a structured succession plan be considered. The Director confirmed that he was awaiting the outcome of the organisational review before embarking on this action. Mr Cunnington also wished to highlight the Sprout Suppressant 2020 event in York on the 16th April and an on farm storage day in Shropshire on 24th June. **The management team were asked to clarify which KPI's had been met in future operational updates.**

15/24 AGENDA ITEM 12 – SHORT PRESENTATION EU BID STATUS (IDA)

Mr White was invited to present the updated status on the EU co financed bid. He advised that official confirmation of the successful outcome of the bid would be confirmed on 21st April, it would be a 3 year campaign with a match funding opportunity of a maximum of €600k in each year.

He summarised the brief was to essentially halt the decline in the consumption of fresh potatoes with a target audience of 22-44 year old mothers, with a core evidence of 25-34 year old women. The strategy was to connect with consumers on a rational and emotional level to influence behaviour and improve levels of consumption.

Mr White had consulted with MSC members prior to the meeting and two key points of debate had emerged. The first was that the requirement to carry an “enjoy it’s from Europe” (EIFE) logo on campaign materials was still a concern as it may mis-inform consumers and the second was that to achieve benefit for all potatoes, opportunities should be explored to ensure a “whole industry” message could be covered by the campaign. With regard to the first, Mr White explained how the EIFE issue was limited to campaign materials rather than potato packaging which would be determined commercially and for the second, he anticipated that there was sufficient flex within the campaign to achieve whole industry messaging. Mr Taylor asked that Mr White explore the leveraging possibilities of engaging the industry with additional funds to enhance the work. This would require careful management to allow continued funding-compliance and Mr White would engage with a family of potato purchasing and retail businesses to grow the project. A number of Board members had seen recent campaign coverage from Australia and Mr White was asked to share details of this. **Board member approved progress of the project.** Mrs Fell highlighted the enthusiasm of Bord Bia who had been essential in being co-partners, their EU bid expertise had been helpful and as levy was not available they had had to secure funds from Irish farmers.

15/25 AGENDA ITEM 13 – ANY OTHER BUSINESS

In view of the comments made at the beginning of the meeting with regard to rewiring within the organisation, **The Director was asked to explore plans to update the Board on the outcomes of the AHDB board after the 21st April.**

Mr Redpath extended an invitation to the AGM of Scottish Society of Crop Research to be held at JHI on the 20th May, which the Director confirmed would be attended by a member of his team.

DATE OF NEXT MEETING: 3rd June 2015 at Stoneleigh with a pre-dinner and overnight accommodation being arranged, together with an early start.

INFORMATION PAPERS: PCL Dates for 2015, Organogram,

TABLED PAPERS: Market Dynamics Report (PCLP/15/13)
MI Terms of Reference

MINUTES BETWEEN BOARDS: R&KT 19th Feb and SBCSR 12th March

Signed:

Dated: