

**MINUTES OF THE FIFTY FOURTH MEETING OF AHDB POTATOES
HELD AT STONELEIGH PARK
ON 4th AUGUST 2015, COMMENCING AT 8.30AM**

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

IN ATTENDANCE: Dr Rob Clayton, AHDB Potatoes Director, Dr Mike Storey, Head of R&D, Dr Philip Burgess, Head of KT & Comms, Nick White, Head of Marketing, Mrs Rita Hall, Secretary, Giles Blatchford, Head of Farm Economics AHDB MI.

Note: confidential information in italics

15/39 AGENDA ITEM 1 – WELCOME, Mrs Fell welcomed everyone to the meeting. She reiterated the forward looking tone set at the previous meeting and confirmed that following the recent change plans implemented by AHDB, that the Potato Sector Board were very much in the driving seat of delivering for Potato Levy Payers. She congratulated Dr Clayton on his new role as Strategy Director for Potatoes and was confident that his wealth of experience and expertise would ensure that the Potato Sector Strategy was delivered.

15/40 AGENDA ITEM 2 – APOLOGIES

Apologies had been received from Anthony Carrol, Alistair Melrose, Ed Lindley and Phil Huggon and from the staff; Adrian Cunnington, Head of Sutton Bridge. Mr Lindley had communicated to Mrs Fell that he was considering stepping down from the Board due to increased business commitments. **(Mr Lindley subsequently tendered his resignation from the Board later that day).**

15/41 AGENDA ITEM 3 – REGISTER OF MEMBERS INTERESTS

There were no declaration of interest.

15/42 AGENDA ITEM 4 – MINUTES OF THE LAST BOARD MEETING HELD ON 3 JUNE 2015 (PCLM/15/03)

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

15/43 AGENDA ITEM 5 – MATTERS ARISING AHDBPT22

15/33 – short summary of committee change discussions and proposals –

Initial discussions had taken place with all committees with similar themes emerging. Business could be achieved more efficiently by introducing options around conference call and e-decisions where appropriate in between scheduled meetings. Workshop style meetings and collective meetings across sector and across functions within sector should be considered. The Director introduced a draft document that summarised the likely timing of future AHDB, Sector Board and other key meetings. For the sector board, this entailed a reduction to 4 meetings per year taking place in early to mid-January, mid to late May, early July (before 10th) and end of October plus a sector board conference. This would be finessed, allowing space for planning of committee business to ensure that key recommendations from industry

could be fed in to the overall planning cycle. **This would be sent to committee chairs and final changes to the committee cycle agreed by conference call.**

15/34 Next Generation Contacts to Board members

These were included in the pack and it was agreed that a geographical approach to interaction between board member and next generation members be adopted.

Review of Potato Weekly context – does it reflect the market?

Mr Blatchford from the MI team confirmed that previous comments had been noted and a renewed approach was in progress.

Contact with Chefs/Food service for education pillar 3 –

Mr White reported that research was developing on the best way to engage 16+students and website design scheduled for September this would then engender a decision regarding contact with chefs and the food service.

GYOP website response times –

These were now being monitored to ensure optimum delivery.

Dialogue with AHDB – Pork on retailer engagement –

Mr White advised that contact had been made with the pork team but a response was still awaited. Trade development was ongoing with meeting arrangements being actively pursued with organisation such as Nisa, Aldi and Tesco with best practice processes being applied at all stages of the process.

Stock take banners/stickers

A fresh stock of banners had been commissioned and sufficient stocks of posters and stickers were available.

15/35 BP2015 update on seminars and dinner – this item would be included in paper AHDBT23

15/37 update on pursuit of DD options for levy payments – this item would be covered by Mr Perry AHDB financial controller later in the meeting.

Mr Chelley raised a query with regard to the AHDB Comms Plan and requested clarification of priorities following the recent sector board conference. The director advised that a full list of stakeholders would be given opportunity to comment on priorities for AHDB derived from the sector board conference. Meanwhile a Scottish programme of activity was under development and that AHDB board member, George Lyon had been tasked with coordinating activity. He had already met with Scottish staff including Mr Burns and Dr Burgess and plans were being developed to include a presence at Potatoes in Practice.

15/44 AGENDA ITEM 6 – CHAIRMAN'S UPDATE (Verbal)

Mrs Fell confirmed that restructuring of the senior AHDB team was well underway with some posts filled (Dr Clayton, Strategy Director for Potatoes, Nick Allen, Market Development Director, Bill Parker, R&D&KE Director Crops, Chris Goodwin would remain as Chief Finance officer and Rebecca Geraghty had been appointed Chief Officer responsible for HR) and others advertised. Response to adverts had been positive with over 170 applications from both internal and external candidates. The director was asked about his new role and he advised that he saw challenges but huge opportunities. He anticipated that development of new tools, like the CRM system would assist in managing issues within a matrix structure.

Mr Hewitt sought to understand the impact of change on staff morale and urged rapid progress in relation to the restructuring plans. Board members were made aware of the Stoneleigh “ideas board” and welcomed the transparent nature in which staff concerns were being dealt with. Mrs Fell commented that all staff were being kept apprised of decisions as they were being made by the AHDB CEO. It had also been recognised that previous under-resourcing in HR had led to a historic vacuum in staff awareness of some issues and this had been accounted for in the new plan for AHDB. Board members acknowledged that this would take time to embed and recognised the need for balance between speed of change and time required for changes to embed properly. Mr Taylor commented that he was supportive of adopting the right processes and would welcome appropriate mechanisms being adopted for staff views to be heard. **The chair confirmed that staff communications were in hand and she would discuss board members’ views with Ms. Geraghty**

Following the rebranding launched at cereals, Mrs Fell emphasised the importance of clear consistent messages from Board members and staff at BP2015 which would be the potato sector’s largest event post restructuring.

The Chair thanked those board members who had recently attended the sector board conference, outputs would be included in the strategy afternoon session.

Recent KT days such as the Hereford storage event and the East Midlands potato day had gone very well, professionally executed. The new SPot farm had been a huge success. She thanked Mr Daw in particular for the extraordinary amount of time and enthusiasm he had afforded the initiative. Formal thanks also for Dr Burgess for origination of the concept and Ms Goodwin for all her hard work with the project.

The Chair commented that she was keen to retain the “potato family” within AHDB and would like to propose an annual away day for staff involved in potato sector work to visit some aspect of the potato world. Over time this should include the breadth of opportunities within the potato chain. Mr Hewitt was keen to assist in any way he could. It was also agreed that a pre Harrogate supper be an ideal opportunity to engage with staff. **If the Board had any ideas or opportunities to enable these events to take place, she requested they contact Mrs Hall.**

There continued to be an outstanding conversation around greening and consumers Mrs Fell would continue dialogue with the Director and FPSA.

A small number of outstanding levy collection issues had been noted by board members. Typically, these had arisen from disputes where late payment had prevented levy payers taking advantage of early-payment discounts. Dr Clayton argued that in each case strict but sympathetic rules had been adopted. He would share the rules with appropriate board members.

There remained delays in sign-off of marketing spend by Government, however the EU campaign had received sign off as it was outside of the process and the broader issue would be discussed by the AHDB Board in September.

Following a serious accident involving a member of staff at the entrance to the park plans had been drawn up to improve traffic flow by the landlord. It was noted that the landlord had been slow to respond to repeated requests from AHDB for improvements, despite the risk having been highlighted. The Chair confirmed she was pushing for speed of implementation and recorded how relieved she was that the staff member had only received minor injuries and was now fit and well.

Peter Kendall had reported profound cuts within Defra. She requested that any creep on costs within AHDB resulting from these changes be reported.

Peter Kendall had now been appointed to the board of Red Tractor and Ms King to the ownership board.

A land base college had been set up by Lantra and others with AHDB having a seat on the governing body to develop a suite of qualifications.

15/45 AGENDA ITEM 7 – BP2015 UPDATE ON SEMINARS AND DINNER (ID) AHDBPT23

Dr Burgess updated on the status of the forthcoming BP event and requested the Board let Mrs Hall know their accommodation and dinner requirements.

The electronic registration had now gone live, tickets for dinner remained an opportunity. Speaker details would be announced after sponsorship plans had been finalised. A small amount of Exhibitor space was also still available. Dinner sales stood at 600 tickets ahead of last year and past the breakeven of 550. This year a sales drive on tickets could be implemented due to increased potential capacity. Dr Burgess felt comfortable that a target of 700 was achievable. Any revenue achieved above the break-even position would be ploughed back in to the event to finance activities.

A competition had been devised in conjunction with the local catering college, the potato dish from the winning student would be included on the dinner menu. The winning dish to be judged by the Harrogate catering team. The student would be credited on the actual menu and work in the kitchen.

A discussion was thrown open to board members for ideas around reception and awards roles, their own role at dinner as potential hosts for invited guests. Suggestions for guests they would like included such as government ministers, NFUS etc. Networking opportunities after dinner were discussed and it was **requested that the bar remain open until late to facilitate these discussions. A comprehensive list of guests, broken down into table format was also requested. Board to email Dr Burgess direct with suggestions.**

Initial plans for the functional presence and location of AHDB staff at the event were shared. These would be published on the event website in due course.

15/46 AGENDA ITEM 8 - PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS AHDBPT24

The senior team commented on highlights from the previous two months –current business plan key items:

KT and Communications

Dr Burgess wished to formally thank both James Daw and Hannah Goodwin for their input and commitment to the SPot farm project which was gathering momentum. It was agreed that for the model to be replicated and accessibility was an important factor. The staff had attended as part of a staff day event together with Mrs Farrell, AHDB Head of levy payer comms who had reported back very positive feedback.

The Next Generation programme was also progressing well and plans for interaction with the fresh supply chain, Sutton Bridge and the board via a dinner for outgoing to meet at Harrogate were being pursued.

The corporate website changes were progressing well and Dr Burgess asked for feedback from any board members visiting the site. Four AHDB sectors had now moved over to the new CRM system. Testing had now been completed by the levy team allowing AHDB Potatoes to continue the work stream.

Market Intelligence

Mr Blatchford recognised that reports needed to be communicated quicker to eradicate the time lag between collection of information and published details and a revamp of reports generally was in progress. The Consumer category report had been redesigned with more graphic and visual work in progress.

A discrepancy in the most recent retail market data provided by Kantar WorldPanel had resulted in significant issues resulting in a lack of information for the AHDB Potatoes website. The MI team were currently working with them to resolve the issue and understand why they had revised the data stream. Mr Blatchford would report back to the board when he fully understood the issues. Mr Blatchford responded to a question regarding the actual Defra contract income and he responded with a value of £37,000.

Research & Development

Dr Storey reported that both Mrs Fell and he had met with Dr Dave Bench, CRD Director, to discuss the Sutton Bridge capability and storage trials. Extrapolation of research results to commercial stores had been discussed. A number of actions were identified and a visit to Sutton Bridge and commercial stores had been suggested, however it was clear that CRD weren't able to commit to visit. Videos and technical presentation work would be sourced to provide added information. In conclusion it had been a challenging but positive meeting.

Agri-Tech update – Interviews had been held for the ATS Innovation Centres including CHAPS which included a capital element for Sutton Bridge developments. Three of the four bids had gone into the final. Interest in two of the three bids had been expressed. The bid called CORE BBRO sugar beet had been unsuccessful. However an invite to a meeting to discuss elements to feed into the successful bids to be held on the 17th August had been received. Next steps; CHAPS going forward, CORE and separately LEPS meetings with BBRO would take place.

Marketing and Corporate Affairs

Mr White's report was predominantly the EU Campaign research overview. A conference call had taken place with members of the Board and Marketing Strategy committee to achieve a decision regarding the tone of the campaign. A number of concerns had been raised and this had led to a third round of consumer research to allay any outstanding concerns. A balance had been struck between introducing an engaging character and strap line for the campaign and board members supported the proposed tone of the campaign. Mrs Fell and Mrs Henderson would continue to be involved providing an additional sense check as the campaign developed.

The Chair thanked Mr White for undertaking the extra piece of research which had addressed the risk of alienating certain audiences. The Chair added that she was mindful of the additional sensitivity of using public money to fund an eye catching campaign. She emphasised that the board must be fully supportive and committed to the proposed concept. Measurement of success and regionalisation of the character were discussed. Funding for the latter however, at this stage was not an option, although aligning regional activity would be facilitated. It was concluded that vigilance of policing of the campaign to avoid any issues around the tone, was a necessity. With regard to measurement he felt that it would deliver the health messages, KPI overview of potato consumption would be supported by Kantar data. Website and technology streams would be monitored. A partnership approach with Mumsnet and Slimming World who already endorse and support potato based recipes would be pursued.

Next steps were to continue creative development and launch in October.
The Board fully endorsed Mr White to pursue the campaign.

Seed and Export

Mr Burns reported that work for the target market of India was ongoing with good traction with government. Both he and Triona Davie from the Scottish Government would be visiting in September to improve relations and pursue the unique selling point discussions around health and Safe Haven. A report would be brought back to the board on their return on the potential 5m tonne seed requirement and interest in British seed.

Dialogue had taken place with the Rowett Institute of Health and Nutrition about their Barriers to Change Project (using potato sector as a model) and how best to recruit participating growers. He also confirmed that an explanatory note differentiating between growers and buyers and an explanation regarding new seed grades would be compiled for inclusion in the next tuber talk and website pages.

Sutton Bridge

In Mr Cunningham's absence, the director reported that the update had been covered in the R&D and KT reports, however a Sutton Bridge committee meeting had recently taken place where the year-end financial position had raised concerns. They did not feel satisfied that appropriate levels of control and management were being implemented. A subsequent meeting with finance had taken place to review the situation. The main concerns were centred around time sheet management, full cost recovery, forecasting and utilities management. Steps were being taken to improve these.

Following recent lack of resource issues at Sutton Bridge, Mr Cunningham was reminded that there was no block if staff were needed they could be recruited on a business case. The commitment from AHDB to the Sutton Bridge model was also discussed with a strengthening of communications streams and a will to pursue opportunities together with a commitment to capital expenditure being required.

15/47 AGENDA ITEM 9 – AHDB POTATOES FINANCE REPORT INCLUDING LEVY COLLECTION UPDATE (A) AHDBPT25

The Chair welcomed Mr Perry to the meeting who reported that the June year to date AHDB management accounts recorded a total deficit of £486k, which was £46k different from the planned £533k deficit. However, there were a couple of significant variances within this relating to levy revenue and marketing expenditure.

There was a query raised regarding expenditure in MI which Mr Perry would look into and report back but possibly related to the Potato Data Centre software provider.

In relation to AHDB Potatoes, there was a shortfall expected in potato levy, with current estimates being in the region of £400k, with levy from both growers and buyers being reduced. The current forecast for AHDB Potatoes showing a year-end reserves policy of £1.83m, which was about £50k above target.

DD Options

An action for the FABS team to develop ideas around direct debit options had been recorded in the previous meeting. Mr Perry commented that papers had still to be prepared and that these might be based around two options. The first would entail a single payment in late November in line with schedules in the current SI. The second would entail more payments (e.g. four throughout the year). His initial view was that although it might be more appealing to levy payers it would not align to the SI and would result in changes to cash-flow for AHDB and would render the early-payments discount inoperable. These issues, along with any likely start-up costs and increased risk of bad-debt for the move would be included in a paper to be

circulated prior to the next meeting if initiation in November was to be achieved. Mrs Fell noted that DD for payment of potato levy was an AHDB Board agenda item for September, and stated that the Potato Sector Board wished to see progress on whether or not DD could be offered to levy payers this November. This was strongly endorsed by Board members. **Mr Perry to research options and feasibility; to be circulated prior to next Board meeting.**

15/48 AGENDA ITEM 10 – STRATEGY PRESENTATIONS

In preparation for development of a refreshed strategy for 2016 onwards, staff presented short summaries of potential changes to their functions. These had been created in response to new drivers, opportunities and threats potentially affecting the sector and priorities agreed by the sector board for potatoes and by the sector board conference where examples of cross-sector collaboration had been agreed. Highlights of the functional presentations, endorsed by the board for further development were:-

R&D Independent research supporting innovative crop production and storage, delivering improved business opportunities and preparing the industry for future challenges

Delivery of R&I strategy, cross sector engagement on thematic issues like water and soils, prioritised development of storage R&D agenda.

KT Providing the best available evidence, skills, knowledge and confidence to implement change.

Delivery of activity already underway - to include soil and water cross sector / blight and pcn sector specific / health and safety cross sector together with RB209 and benchmarking. Explore possibility of expanding SPot concept, seeking additional funding e.g. in Scotland. Continued developing of e-comms tools.

MI Independent timely evidence.

To focus on independent timely evidence, to embrace innovative trends on the consumer side taking on board the international competition (by developing import/export opportunities data and joining international benchmarking activity) and KT on how to use data.

Seed and export Sustainable and profitable exports supported by diverse market opportunity, robust technical information and effective dialogue with importing countries.

To continue working in partnership with Government potentially adding ware opportunities alongside seed export where market knowledge was available.

Evidence explored in the import export dashboard threats and opportunities and the AHDB potatoes operation commercial aspect in this area. A board member requested sight of the world map of supply and demand for beef which Mr Burns said he would provide.

Marketing Strategy Deliver added value to the potato industry by focussing consumer spend in areas that complement marketing investment from potato businesses.

Support on the corporate affairs and issues management.

Concentrate on the 4 pillars messaging on health. One Voice being a driver for change with emphasis on education.

To overhaul the events vehicle and provide B2B with chip show owners, Chip Week having now been dropped from a consumer facing event in favour of a collaborative event with Seafish highlighting better nutritional messaging. This event was discussed with regard to traction but Mr White advised that until the event was further down the line this element could not be measured.

Sutton Bridge

In Mr Cunningham's absence the board agreed that the strategy required more attention. With work around the skills gap and recruitment being undertaken.

A more positive approach to opportunities with a strap line around a vision for the European Storage Centre of excellence was suggested.

In summary Mrs Fell commented that the Business Plan and Strategy needed to be succinct and compelling documents for the board to sign up to. The strategy emphasis was to declutter and remain focused to retain a clear approach to deliver added value to the levy payer. **The Director and Chair to develop the AHDB Potatoes Strategy.**

15/49 AGENDA ITEM 11 – ANY OTHER BUSINESS

Mr Quan suggested that as the harvesting period was imminent that it was a good idea if the health and safety video had been viewed by levy payers and the process recorded. It was advised that this process was progressing.

Ms Henderson expressed her disappointment that a Harper Adams replacement student-which had previously been an annual process had been discontinued as part of the restructure unless vacancies were business critical there had been a hold on recruitment, she felt it was a missed opportunity to engage the next generation with AHDB and urged the director to implement restoration of the process.

The recent visit to China involving the existing secretariat role for the International Potato Group and attendance at the World Potato Congress was discussed. The director advised on proposals to put IPG onto a firmer footing. This would entail funding the secretariat (2 days per year for each country participating) and meeting every 18 months. This proposal was supported by the board.

A protocol of field grown seed had been discussed and he advised that although the commercial gain from such a protocol was unknown, it was an important time to demonstrate a willingness to do business with China. He would contact the necessary authorities to expedite the project.

The Chair expressed her thanks to Mrs Hall for facilitating the trip.

Following her earlier comments with regard to Mr Lindley she confirmed that she would speak to all members with regard to their own Board tenure plans in due course.

DATE OF NEXT MEETING: 14th October 2015 at Stoneleigh with a dinner and overnight at Wroxall and an 8.30 am start.

INFORMATION PAPERS: AHDB Potato Dates for 2015, Organogram

TABLED PAPERS: Market Dynamics Report AHDBPT26

MINUTES BETWEEN BOARDS: PTSE 11 June/ PTRKT 18 June / PTSBCSR 2 July / PTMI 9 July

Signed:

Dated: