

**MINUTES OF THE FIFTY SEVENTH MEETING OF AHDB POTATOES
HELD AT STONELEIGH PARK
ON 24TH MAY 2016, COMMENCING AT 8.30AM**

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

IN ATTENDANCE: Tom Hind AHDB Chief Strategy Officer (part), Rebecca Geraghty AHDB Chief HR Officer, (part) Christine Watts, AHDB Chief Comms and Marketing Development Officer (part), David Swales, AHDB Head of Strategic Insight (part) Dr Rob Clayton, AHDB Potatoes Director, Mrs Rita Hall, Strategy PA.

Note: confidential information in italics

16/15 AGENDA ITEM 1 – WELCOME, Mrs Fell welcomed everyone to the meeting in particular Mr Reuben Collins to his inaugural board meeting and invited him to update the board on his profile.

Following on from a detailed conversation the evening before, the director was asked to reprise the situation regarding Sutton Bridge. The Board approval was confirmed in respect of additional costs (fees, a hardstanding, refurbishment and depreciation) relating to the three phases of the capital project. A fortnightly management group meeting to oversee project progress had been organised. This would ensure that costs and delivery of the project are tightly monitored. The Board requested this group continue until further notice and that plans for promotion of enhanced facilities also be reported into board. The director also advised that Richard Laverick, AHDB Chief Technical Officer sat on the board of directors for CHAP and was responsible for developing the service level agreement. It was noted that it was important that the site should remain residue free. It was also recognised that there needed to be promotion of the new and refurbished facilities at Sutton Bridge. The Board highlighted the need for staff retention and succession planning. This was agreed to be raised with Ms Geraghty. **The board agreed to the additional costs and requested the Director advise Mr Cunnington immediately by telephone. The board requested an update at the next meeting and the director suggested a possible visit or board being held at Sutton Bridge in the autumn.**

16/16 AGENDA ITEM 2 – APOLOGIES, There were no apologies.

16/17 AGENDA ITEM 3 – REGISTER OF MEMBERS INTERESTS AHDBPT08

Following the circulation of a request for an update on members' interests, a paper would be circulated at Board for signature. Mr Kerr advised the Board of a new venture which effectively involved Mr Hewitt working together within the Anglian Growers association. If the board felt that this proved to be a potential conflict the Chair requested that they contact her directly. A late amendment to Ms Henderson's entry had also been noted and changed on the circulated signed copy.

16/18 AGENDA ITEM 4 – MINUTES OF THE LAST BOARD MEETING HELD ON 13th JANUARY 2016 (PTM/16/06)

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

16/19 AGENDA ITEM 5 – MATTERS ARISING AHDBPT09

5 16/05 Skills Strategy, the Chair requested the assistance from the board to participate in a conference call to discuss how the potato sector might derive benefit from the AHDB Skills Strategy resource. **Messrs Taylor and Quan offered their assistance.**

6 16/06 Business plan summary had gone out with planting returns, a further more succinct version was in preparation for inclusion in tuber talk, with a dashboard for the industry.

As requested by the Board, the Director had circulated a summary of staff changes within the restructure.

7 16/07 Levy payer satisfaction figures – **a confidential document summary would be circulated by the director.**

8 16/08 Central costs allocation – the Chair advised that a draft paper had been prepared for the AHDB board.

The Board asked if the functional working was reflected in the P&L, Mr Hind advised that hypothecation had been applied details of which would be shared in July along with an update of efficiency plans.

12 16/12 Marketing and Corporate affairs – Ms Henderson had agreed to take the lead on fish and chip nutritional work, which she was confident was being developed to communicate information to the trade but was still awaiting the analysis from the research project.

14 16/14 The Chair thanked her board members for participating in the EO meeting on the 15th March in Peterborough in order to approve the revised business plan.

A question arose regarding the quality of data produced in a recent fertiliser report and whether the sector benefited from the report. It was agreed that it was useful for a wider AHDB audience and that we were responsible for a proportion of the cost. Commercial sensitivity was discussed as was seed costs having a much bigger impact. Mr Hind confirmed we had a responsibility to provide independent data **but it was agreed the Director would speak with MI.**

16/20 AGENDA ITEM 6 – HR STRATEGY UPDATE PRESENTATION

Ms Geraghty advised that since attending a previous meeting of the board, the new HR strategy had been signed off at the AHDB November board, the pillars of which were; reward and recognition, talent, engagement wellbeing, management and staff development.

Subsequently she had embarked on the restructure, understanding how staff were managed and developed. Functional working to eliminate duplication, recognising talent, consistency of job titles and rewriting job role profiles all of which had been published with bands for transparency. Adopting an employee forum including regional comms and an extensive management training programme. The PDR appraisals were imminent and this would provide a sense check on how this restructure had been received by the staff.

She highlighted the changes and relevant vacancies in sector. The Chair requested that an agreed set of words be developed to give greater understanding of staff roles to the external audience, especially Growers, where there were new titles. Ms Geraghty also confirmed that

developing career pathways for the expert, senior or lead expert was priority and advised that she had recently appointed a member of staff focusing on skills and successions planning. It was agreed that a contact sheet for key contacts for the potato sector and photographs would be useful, simplifying who the levy payer could contact for a specific query. **The Director to follow up on a 1:1 with Ms Geraghty to continue the conversation and feedback to board.**

16/21 AGENDA ITEM 7 – CHAIRMAN’S UPDATE (Verbal)

The Chair advised that during the interim period she had attended two AHDB Board meetings, had visited Fruit Logistica in Berlin in February which had delivered much more than expected. The AHDB legal team had been working with NFU and Red Tractor to support the Defra campaign to celebrate the best of food and drink in Britain and had agreed that state aid rules allowed us to support promotional activities where origin was secondary to the quality message and had agreed that “Celebrating the best of food and drink in Britain” was an acceptable phrase to use.

She had been actively supporting the AHDB strategy development undertaking numerous conversations with senior teams. She had begun long term strategy discussions with potato sector Stakeholders and Committee members.

She congratulated the team’s activities during a period of internal change, including developing three SPot farms, developing cross sector research on soils, and she commended Jim Davies on recent issues management.

She highlighted the Seed industry event to be held in the autumn.

She had received direct comments from levy payers relating to levy enforcement for abandoned crops along with timing, usefulness and quality of MI data. These were discussed by the Board.

16/22 AGENDA ITEM 8 – DIRECTOR’S UPDATE (Verbal)

The director advised that he was involved in a ways of working project which had not yet been signed off. The main purpose of the project was to ensure high visibility potato related activity and issues within new structures. **He would build a schedule for members to meet relevant staff throughout the year.**

16/23 AGENDA ITEM 9 – INVESTMENT AND IMPACT PRESENTATION

The Chair welcomed David Swales head of strategic insight, to give a brief overview of the new tools designed to instil confident decision making and financial stewardship within operations, starting with a sound business case, proper resourcing and measurement of impact. These would assist rather than replace the director and board’s decision making capacity. Mr Taylor asked that congratulations be forward to the MI team, the initiative would give so much more information before signing off spend. The board were keen to see the process in action and the **director agreed to drive benchmarking activity through the process as an early example.**

16/24 AGENDA ITEM 10 – AHDB POTATOES FINANCE REPORT INCLUDING LEVY COLLECTION UPDATE (A) AHDBPT10

The board noted that FY16/17 budgets were in line with those presented in March and would be reported against in future meetings. The director reported that FY15/16 had ended close to budget and c£250K better than mid-year forecasts. Contributing factors included higher than anticipated tonnage returns, high commercial revenues at SBCSR along with match funding for projects from EU and Scottish Government. Direct expenditure increased largely in line with revenue except for some trade expenditure. The Chair commented that it was a good result in difficult circumstances. She also reported that central support costs had gone down to just over 10% which indicated a good direction of travel. **She requested that the wording in the finance report reflect more functional transparency and clarity to enable easier interpretation.**

With regard to Sutton Bridge, deterioration against budget in final 3 months of the year, had occurred for two years in a row, losing close to £100k. An understanding of this has been gained which will allow tighter control in future.

New planting returns documents had been issued and from a small sample returned so far c 14% had opted for new Direct Debit services. The finance team were assessing the impact this would have on cash-flow and operational change.

16/25 AGENDA ITEM 11 – AHDB POTATOES OPERATIONAL UPDATE AND COMMITTEE BUSINESS (IA) AHDBPT11

The director advised that the operational update had changed format to accommodate functional reporting criteria. It reflected amended KPI's already discussed in the business plan. This was the first published view of the report and he sought the board's advices with regard to granularity and the reporting text against the KPI's. Highlights as follows:

Under R&D - soil programme commissioned; Agronomy and storage tender written

Sutton Bridge – £90k below the break even in FY15/16. CAPEX/OPEX for 16/17 re-profiled.

KE– 3 SPot farm sites established, 2 attracting match funding.

Water survey – interim results available in July.

Storage KE – figures baseline measuring going forward low usage, high usefulness and awareness.

Benchmarking –beta model testing underway prior to summer roll-out

Store auditing – maintenance strategy adopted

Plant health & stewardship –Mike Storey leading integrating with new teams, discussions with voluntary initiative coordinating different stewardship groups together.

Blight reviewed and revamped, partnerships involved AHDB, Met Office, ADAS and 101 digital team working on the project.

International comparisons – scoping international benchmarking group; getting better handle on Belgium, Netherlands and France with far better data. Caution around budget as subscription of crops required.

Upskilling the industry – Next Gen relaunch on the 20th May; criteria for participation; a YouTube exercise, to ensure IT skill set. Initial discussions with Tess Howe ongoing on how, when and if, participation was required in the skills programme.

Market opportunities –first wave of EU-co-funded project evaluated, positive shifts in understanding more with potatoes consumers willing to try new recipes, recognising health attributes, and repeat purchase. Kantar year on year analysis. Retailer (ASDA) support for second wave linking in with new crop.

OneVoice campaign collateral prepared to support 2nd wave of market activity.

Chip shop support; launched micro site for chip shop skills, divestiture of website explored.

Education; GYOP running short of KPI with regard to numbers of participants. Child care providers now dropped from activity replaced with more kits for school **CYOP** metrics still to be established.

Higher education cook prep serve – 4 catering colleges involved in pilot prior to autumn roll-out.

Export – first tranche of opportunities related information published through Potato Weekly.

Mission – exchange planned with Kenya and Egypt

Press issues – impact on blood pressure and obesity stories were managed.

Corp affairs – AHDB hosted industry and stakeholder meeting to consider future for diquat. AHDB providing evidence in support of stakeholder lobbying activity.

Waste – the director had been asked to co-Chair a comms group involving Wrap, NFU, BRC and FPC. Transparent messaging being the objective. Methodology group focusing on primary producers messaging with an integrated whole supply chain approach. Case studies of best practice being assembled

Committee nominations ratified:
Sutton Bridge – Graeme Byers, Mark Means
Marketing Strategy – John Boutwood
Seed and Export – Philip Duggleby, Kate Ralston

Comments from chairs and members in relation to committees -

Seed and Export Russian trade growers hoped to export however inspectors failed to visit. Better communication and clarification to be established with government. Alistair Melrose advised that a meeting with SASA to discuss the lack of consultation with either AHDB or industry had been organised for 21st June and he would revert to the board.

Marketing Strategy Ms Henderson raised the issue of a competition from the sweet potato. The technical team were about to commission a review of potato nutritional research. However it was recognised that positive activity was more effective than defence. Mr Carroll asked about engagement with chefs charities and offered to share details.

R&KE - funding desktop study globally to research health – proactive stories and messages coordination with comms and marketing team communicating information to industry concentrating on consumer positive proactive approach. Importance of local publications noted.

16/26 AGENDA ITEM 12 – NEXT STEPS FOR STRATEGY (I) AHDBPT12

Having delivered key strategic and tactical themes originating with AHDBs levy payer survey the director indicated that further background to strategy planning would follow in relation to:-

- Mega-trends in Lifestyle and Consumer Insight: how future consumers may behave and how their purchasing decisions will be informed.
- Mega-trends in Agricultural productivity and farming economy: how UK compares globally.
- Analysis of key policy and regulatory drivers.
- A summary of the key findings from AHDB's Activity review
- Sector-specific competitor analysis: in our case, where we stand in relation to Fr, B and NL.

These, along with insights derived from small levy payer meetings would ensure board members were sufficiently informed to participate in July's strategy session.

Board members were encouraged to share plans for small levy payer meetings with the director who would assist in delivery where possible.

Mr Chelley commented that the DG of the PPA would be inviting the director to join a meeting of strategic thinkers to keep momentum following their communication on the business plan which would include Mr Hind. A focus on industry driven, whole supply chain involvement being a priority Mr Daw would investigate interest from his grower groups. Selection of audience was key, confronting the challenges, the current status of the potato industry, and where we could make the biggest impact was paramount. Mr Kerr suggested targeting the county shows.

16/27 AGENDA ITEM 13 – COMMS AND MARKETING

The Chair welcomed Mrs Watts to the meeting. She gave the board a brief synopsis of her background most recently having been engaged with issues and crisis management in the

NHS and as levy payer had a vested interest in getting the most effective communication streams in operation.

She advised that on reviewing existing structures, there were opportunities to achieve better value for money by creating new teams covering marketing, export, issues management, PR, events, education and digital. Restructure was nearing completion within the function. There were a number of vacancies still to fill and some staff had moved into new roles. Using education as an example, she demonstrated how new teams would not only perform better but would have to capacity to rationalise websites like GYOP, CYOP etc. reducing costs, allowing co-ordinated updates and targeting students better. She envisaged efficiencies of £185k net by coordinating digital alone when applied across AHDB as a whole and suggested similar principles would be applied across export, event management etc. and that these examples would be converted into positive levy payer messages after presentation to the AHDB Board.

Responding to immediate interest in how the restructure would affect potato-specific roles, she described how Nick White would retain oversight of the Potato marketing interest until vacancies were filled. Further, she demonstrated how a new senior communications role in Scotland would deliver some of the activity previously undertaken by Robert Burns who had extended his responsibility to cover crops exports.

Whilst board members were encouraged by the progress achieved, they were concerned that the focus of communication of the restructure had been mostly internal up until now. The Chair repeated the request made earlier in the meeting that changes be accompanied by easy to understand messages for levy payers and contact sheets covering key staff. Mrs Watts was thanked for her time and insight into the function. **Director to follow up.**

16/28 AGENDA ITEM 14 – SATISFACTION SURVEY REPRISÉ

Following on from the discussion at dinner, other observations were, understanding the scale of relationship with agronomists, understanding different types of agronomist, top group of agronomists, working with them better. AHDB delivery to add value. Consideration of regional hubs. Clarity the primary objective of strategy, making a difference on the farm, delivering benefit on farm and in the supply chain. Action to have look at dissatisfaction scores distribution. Age of the respondent's makeup of the group individual v company.

16/29 AGENDA ITEM 15 – ANY OTHER BUSINESS

The board found the presentations given by the AHDB chief officers and David Swales both useful and encouraging. The director would devise a schedule for meeting other staff. Sector board conference 29th November.

Mrs Hall to update the contact details to the board.

The board to advise the director of any meetings they have organised in regard to strategy.

DATE OF NEXT MEETING: 6TH July at Stoneleigh strategy sessions the Director to communicate timings. Come back to him with any meetings arranged.

INFORMATION PAPERS: AHDB Potato Dates for 2016, Market Dynamics Report AHDBPT13

MINUTES BETWEEN BOARDS: R&KT 10th February 2016, MI 10th March 2016, S&E 10th March 2016, SBCSR 17th March 2016, Marketing Strategy 4th May 2016

Signed:

Dated: