

**MINUTES OF THE FIFTY FIFTH MEETING OF AHDB POTATOES
HELD AT STONELEIGH PARK
ON 14th OCTOBER 2015, COMMENCING AT 8.30AM**

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

IN ATTENDANCE: Tim Mordan, Defra AHDB Sponsor, Gary Taylor, Chair AHDB Horticulture, Rebecca Geraghty, Chief HR Officer (part), Bill Parker, R&D and KE Crops Director (part), Tom Hind AHDB Chief Strategy Officer, (part), Chris Perry, Financial Controller, (part), Mr Steve Wellbeloved, CEMS, (part), Mrs Sophie Lock, Communications Officer, (part), Dr Rob Clayton, AHDB Potatoes Director, Dr Mike Storey, Head of R&D, Nick White, Head of Marketing, Giles Blatchford, Head of Farm Economics AHDB MI. Adrian Cunnington, Head of Sutton Bridge, Mrs Rita Hall, Secretary

Note: confidential information in italics

15/50 AGENDA ITEM 1 – WELCOME, Mrs Fell welcomed everyone to the meeting. She introduced Mr Hind, who had recently been appointed to the role of Chief Strategy Officer for AHDB, and Mr Taylor, Chair of AHDB Horticulture.

15/51 AGENDA ITEM 2 – APOLOGIES

The Chair advised that due to challenges of weather, apologies had been received from Bill Quan, James Daw and Alistair Melrose, and from staff, Dr Philip Burgess Head of KT & Comms.

15/52 AGENDA ITEM 3 – REGISTER OF MEMBERS INTERESTS

There were no declaration of interest.

15/53 AGENDA ITEM 4 – MINUTES OF THE LAST BOARD MEETING HELD ON 4th AUGUST 2015 (PCLM/15/04)

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

15/54 AGENDA ITEM 5 – MATTERS ARISING AHDBPT27

All actions had been achieved or included as agenda items.

15/55 AGENDA ITEM 6 – CHAIRMAN'S UPDATE (Verbal)

The key points discussed at the AHDB Board meeting were updated as follows:

Agritech Bids – the process remained slow. Steve Tones, Strategy Director would follow up by reviewing AHDB's level of involvement and financial commitment.

Delay in marketing spend sign off – Potatoes had been unaffected. Powers of approval for marketing programmes had recently been transferred from Cabinet to DEFRA.

Meryl Ward Chair of AHDB Pork sector requested feedback from sectors relating to the skills agenda. **Action: members to inform the Director of future skills needs in the potato sector.**

Ms King AHDB CEO had commented that more emphasis should be placed on communicating clearly AHDB's purpose and areas of success. A review of MI would shortly take place.

The Chair had attended a well organised and successful PIP and wished to congratulate the staff for their efforts. She had also attended a Covent Garden Market Authority stakeholder gathering, commenting that 40% of food eaten outside of the home in London passed through the market. It had proven to be an excellent opportunity to find synergy on topics such as education.

15/56 AGENDA ITEM 7 – HR AND STRUCTURES PRESENTATION GIVEN BY REBECCA GERAGHTY, CHIEF HR OFFICER (I)

Mrs Geraghty and Dr Bill Parker, Technical Director for Crops joined the meeting. There had been concerns about the level of HR provision raised at the previous Board. Ms Geraghty summarised recent activities that sought to include more staff in AHDB's development. These included representative staff forums. She went on to share the initial shape of a new single HR strategy that covered Reward and Recognition, Engagement, Inclusion and Wellbeing, Talent Management. Board members were particularly pleased to learn of plans to value roles based on specialist expertise as well as management experience and noted that this issue featured in Dr Parker's thoughts about how the Crops Technical team would operate.

She clarified the need for a temporary Change management officer to assist with the change programme, triennial review and response to DEFRA's spending review.

Mr Huggon responding to a request for his own update on the change management input he had undertaken. He felt that a new dynamism was being embedded across AHDB but that a wholesale change in mind-set would take time. He suggested that the HR strategy should be revisited early in 2016 to provide the Board with confidence that the strategy was being delivered.

Ms Geraghty was thanked for her attendance and offered the opportunity to enter into further dialogue with Messrs Chelley and Taylor (M).

The Chair welcomed Mr Mordan, AHDB Defra representative who had just joined the meeting.

15/57 AGENDA ITEM 8 – AHDB POTATOES FINANCE REPORT INCLUDING LEVY COLLECTION UPDATE (A) AHDBPT28

Mr Perry was welcomed to the meeting. Emphasis across AHDB was on monitoring expenditure to ensure that restructure had not slowed down any critical activity.

For AHDB potatoes, the Director informed the board that the impact of the reduced planted-area had now been calculated and that a shortfall in revenue of £417K was anticipated. This was offset to some degree by some known accruals, a change in speed of R&D commissioning, cessation of some small projects (deemed to have low impact on levy payers) and a revision to AHDB reserves policy. He expected to end the year c£200K short of target. The Chair congratulated Mr Cunnington for attracting additional external income into the organisation.

This triggered a broader conversation about whether levy rate increases were appropriate and the Board agreed to continue to drive efficiencies and not consider an increase.

15/58 AGENDA ITEM 9 – DIRECT DEBIT OPTIONS (IA) AHDBPT29

Introduction of direct debit payments for field levy had been considered by the Potato Council Board four years previously and at the time it was agreed that AHDB's cash profile was not sufficient to allow progress. Since then the situation had been reappraised and considered at the most recent AHDB Board who had agreed that the issue be taken forward by the AHDB Potatoes Board. The paper (AHDBPT29) outlined likely benefits of a switch to DD e.g. flexibility for growers, against likely exposure and start-up costs for AHDB. The paper also clarified necessary steps in terms of systems development and these included adequate consultation and notification period for growers. The Board agreed that the DD option should now be pursued and the levy team should write to growers to ascertain likely levels of interest. The final system design would be adapted to suit likely uptake and mandates would be issued along with planting returns in 2016. **The Director would also prepare a paper on pros and cons of a potential switch to tonnage based levy for consideration at the next meeting.**

15/59 AGENDA ITEM 10 – BUSINESS PLAN (IA) AHDBPT32

A draft business plan for 2016/17 had been circulated which proposed a number of changes to activity including expansion of the strategic potato farm network, provision of new tools to support export and market development and extension of education activity into colleges. The style of the plan had been modified to improve consistency between AHDB's sectors and make the plan more meaningful to a levy paying audience. Board members debated the plan placing emphasis on objectives and KPIs. Board members were invited to provide further comments by email to allow a further draft to be produced. With regard to budget, the Board recommended a new baseline of £5.5M levy p.a. be used in planning. This was £400K less than previous plans and the Director and executive were encouraged to exploit structural changes at AHDB and devise ways of delivering "more for less". **The Director would incorporate changes and recommendations and circulate a second draft.**

15/60 AGENDA ITEM 11 – UPDATE ON COMMITTEES CONFERENCE CALL (IA)

Committees would be scheduled for optimum timings to link to the board meeting of which four were planned annually. Sector board members would also meet at AHDB's sector-board conference.

The chairs had agreed that:-

Numbers of committees and members should be maintained to maximise interaction with industry during the period of restructure. Meetings should be reinvigorated and include as-read reports, delivery of new information, a workshop element and strategic discussion. This would improve the experience both for members and for participating staff. To speed up operations some decisions could be made by email. These would be limited to single decisions and clear, unambiguous records kept. Working groups would be set tasks and these would be clearly briefed and reported. Committee ToRs would be adapted in March 2016. The use of cross sector groups was discussed but it was considered too soon for functional directors to make a meaningful contribution to this process. Several cross-functional opportunities had emerged and the **Director would pursue these to see how existing committee schedules might accommodate some cross-committee working.**

15/61 AGENDA ITEM 12 – BP2015 UPDATE ON SEMINARS AND DINNER (ID) AHDBPT30

Mr Wellbeloved was welcomed to the meeting and informed the Board of the refreshed nuances surrounding BP2015 which had changed from the previous event, with a whole supply chain involvement. There had been a 12.5% increase in exhibitors.

She requested that awareness of the event be raised with colleges, students, young farmers and any other groups that would benefit. The catering college completion was mentioned with the main dinner course being prepared by the winning student in conjunction with the venue. It was suggested that the EU campaign character Bud be in evidence around the event. The Chair thanked Mr Wellbeloved for his dedication to the success of the event.

15/62 AGENDA ITEM 13 - PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (IA) AHDBPT31

The Director requested the Board take the contents as read, the senior team commenting on key items only:

KT and Communications

In Dr Burgess's absence the Director advised that the SPot farm was coming into harvest and a debrief would take place with Mr Daw with regard to the resource and energy required during the project. This would inform future phases of the project The Board requested that he be thanked for his contribution to the project.

Market Intelligence

A leaflet had been prepared and was available to view, for use at BP entitled "What can MI do for you? "

Research & Development

Dr Storey advised that the Agritech bids had been covered within the agenda, but reiterated the delays experienced within the process particularly the delay in the access of funds. Mr Mordan had expressed a willingness to assist in the process to enable better progress to be made if he could.

He had attended a CIPC stewardship meeting with no MRL exceedances being reported. Feedback from approval holder's and ECP had agreed to continue authorisation for coming seasons. Challenges in evidence and requests to provide additional data to support recommendations understanding storage changes were progressing.

Dr Storey sought approval for two projects which had been through the R&KT committee process, one in relation to tuber respiration at a cost of £16,000. The other processing storage, cost £47,703. One member of the committee raised issues about costs, but following debate were satisfied that both projects did represent value for money. A member of the Board asked if the project included the crisping sector. Dr Storey advised he would check and report back. **Both were approved.**

Dr Storey advised that he had attended a seeing is believing meeting organised by Business in the Community with a focus on sustainable water use and role of agriculture. Feedback would be into Defra's Water management policy.

Mr Carroll requested an update on ED's and Dr Storey advised that EFSA have recently published the results of ED assessments from 2014 to date. Of the 41 actives assessed, 24 seem to be in low risk, 2 need further study (incl thiabendazole) leaving 15 of serious concern – the most prominent being lambda-cyhalothrin.

Marketing and Corporate Affairs

Mr White advised that there would be an extension of the education programme targeting 16yr+ students which would commence in April next year. Mr White was thanked for his work within EU campaign which had been received positively by industry.

Seed and Export

Mr Burns updated on the Egyptian market highlighting a change of legislation affecting the size of seed tubers reduced to 55mm from 60mm. He had had conversation with John Ellicott from SASA and future advice for growers was in preparation.

Sutton Bridge

Mr Cunnington updated on the recruitment situation and advised that an admin assistant would be starting the following week, the appointment of an operation manager was imminent but that he was struggling to recruit the right calibre of research technicians.

Alerts within the operational tables now showed for:

Storage – unlikely to achieve bookings for Store check.

Risks – difficult to set up new benchmarking groups until new package available.

Voice – due to a change of activity expenditure.

15/63 AGENDA ITEM 14 – ANY OTHER BUSINESS

A Grower Board member was required and it was intended to use the Harrogate event to establish any interested parties with possible interviews planned for December to hopefully be recruited in post for the New Year.

The Chair asked Mr Mordan if he would like to update the Board on current Defra initiatives. He advised that a new Food and Farming 25 year plan would be launched shortly. Regional events were planned and an industry launch would take place this winter.

He indicated that the spending review would involve departmental cuts resulting in a need for alternative ways of working to enable industry to help themselves.

The GREAT campaign was also mentioned, in relation to the export market.

The Chair expressed her thanks to Mr Mordan for taking the time to attend the meeting and for him to engage with the sector board.

The Director again advised that arrangement for the sector board conference had been part of his remit and he would appreciate the Board emailing their thoughts particularly with regard to content and attendance.

Board members to email ideas to the director

The Chair also expressed her thanks to Mr Gary Taylor for his attendance.

DATE OF NEXT MEETING: 13th January at Stoneleigh with a dinner and overnight at Wroxall and an 8.30 am start.

INFORMATION PAPERS: AHDB Potato Dates for 2015, Market Dynamics Report AHDBPT33

MINUTES BETWEEN BOARDS: None during the period

Signed:

Dated: