

**MINUTES OF THE FIFTY SIXTH MEETING OF AHDB POTATOES
HELD AT STONELEIGH PARK
ON 13th JANUARY 2016, COMMENCING AT 8.30AM**

PRESENT: **Chair:** Fiona Fell **Growers:** Mark Taylor, Bruce Kerr, Dan Hewitt, Anthony Carroll, Bill Quan, James Daw **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), Nick Allen AHDB Marketing Development Director (part), Dr Rob Clayton, AHDB Potatoes Director, Dr Phil Burgess, Head of KT (part), Mrs Rita Hall, Secretary

Note: confidential information in italics

16/01 AGENDA ITEM 1 – WELCOME, Mrs Fell welcomed everyone to the first meeting of the New Year. Both Tom Hind and Nick Allen would join later in the meeting.

16/02 AGENDA ITEM 2 – APOLOGIES, There were no apologies

16/03 AGENDA ITEM 3 – REGISTER OF MEMBERS INTERESTS

Mr Dan Hewitt had left the employ of Nelson County Potatoes and Alistair Melrose was now in the employ of Wm Fraser Ltd/Saltire Seed, the register would be amended accordingly.

16/04 AGENDA ITEM 4 – MINUTES OF THE LAST BOARD MEETING HELD ON 14th OCTOBER 2015 (PCLM/15/05)

The minutes of the last meeting were approved by the Board and were signed as a true record of the meeting by the Chair, **with the exception of the word “she” changed to “Chair” under item 15/63.**

16/05 AGENDA ITEM 5 – MATTERS ARISING AHDBPT01

The Chair advised that a skill strategy has been presented and adopted at the AHDB Board but plans had only been agreed for the first year as the cost apportionment needed further refinement to reflect sector weighting. **Action; conference call to be organised with Tess Howe Chair and Director.** This would include any input from Board members as requested previously.

The Direct Debit option was being developed by the levy team. The Chair requested assurance that this would be adopted over the spring, the Director confirmed that it would.

Committee collaboration had focussed on the innovation strand of the R&I strategy. Further cross-committee work was being planned around benchmarking and export development.

It was agreed that a forthcoming study tour would look at competition from imports and export opportunities learning from European practices.

Sector Board conference invitation and draft agenda had been sent, the event would include an update on AHDBs activity review.

16/06 AGENDA ITEM 6 – CHAIRMAN’S UPDATE (Verbal)

She extended her thanks to the Board members for their invaluable contribution to another successful BP event. Bringing together NFU and NFUS representatives with Board members, and with Next Generation/PhD participants, had been very worthwhile.

She had held meetings with Mark Southern, Head of Agriculture for Barclays and Professor Edwards from Newcastle University, (partners in the CHAPs Innovation Centre that included Sutton Bridge). She had attended CUPGRA, AHDB Potatoes committee meetings and been invited to observe the AHDB-Horticulture board meeting. She had met with the Head of levy collection to see how interactions with levy payers might be more empathetic.

Slides were presented highlighting the different roles of AHDB, Sector Boards and Executive. Feedback, relating to the duplication of AHDB and Sector Board roles along with sector board interaction with staff was noted for further consideration by AHDB’s leadership team. Further differentiation on budget setting and monitoring was sought.

(Tom Hind joined the meeting)

Action: to invite Ms Geraghty to the next Board to update.

The Board requested the provision of a one page information sheet from the Director to assist a consistent response to challenge.

16/07 AGENDA ITEM 7 – DIRECTOR’S UPDATE (Verbal)

Feedback from a potato-levy payer’s satisfaction survey had been received. Key metrics relating to levy payer awareness and satisfaction were equivalent to 2014/15 figures. **The Board requested the full results be circulated when available.**

The Director had taken part in the recent Activity Review supporting some to the meetings, potato representation had been modest (**numbers that attended requested**). Further details would feature at AHDB’s Sector Board Conference.

Networking opportunities taken advantage of at CUPGRA with AHDB potato products mentioned by all four of the debaters, positive recognition of the sector.

The Director was sponsoring a Nuffield scholar, Rufus Pilgrim who would explore supply chain models around the globe. Rufus had visited AHDB to make connections with key staff in MI and discuss international networking opportunities.

The Director had participated in workshops to develop Scotland’s new plant health strategy. He had accompanied the Next Generation Group to Westminster (Parliament and NFU).

He was participating in a Waste Round Table event in conjunction with BRC and NFU.

16/08 AGENDA ITEM 8 – AHDB POTATOES FINANCE REPORT INCLUDING LEVY COLLECTION UPDATE (A) AHDBPT02

With regard to the AHDB position – Some of the previously raised concerns on slow-down of expenditure through restructure had not materialised.

With regard to Potatoes – there were no exceptional deviations from previous forecasts. Tonnage levy was up slightly but DEFRA’s requirement for (paid for) MI data had been reduced and would cease in future years. There was an expectation that AHDB-Potatoes would close the year c£200K below budget. Sutton Bridge December figures would reflect

some deterioration in the bottom line as a result of slower-than-anticipated commissioning of levy funded work. **Actions: Board members sought clarity on how central costs were represented and would be in future particularly in regard of head-count.**

16/09 AGENDA ITEM 9 – ISSUES AFFECTING TONNAGE LEVY (IA) AHDBPT03

The paper considered pros (levy payer relationships, ease of data collections etc.) and cons (fairness in relation to crop size and price, loss of connectivity with growers etc.) of any future switch to a tonnage based levy collection system. After discussion the board agreed that any positives were outweighed by negatives and current approaches were best retained. The paper would be reused when future changes to AHDB's SI were discussed.

16/10 AGENDA ITEM 10 – FEEDBACK ON BUSINESS PLAN (IA) (Verbal)

Consultation on the draft 2016-19 closed on the day of the board meeting at 5pm. Available feedback (from BPTA, FPSA, NFU, NFUS and PPA) was presented to the board and views were welcomed and noted. In particular, PPA were commended for their thoughtful, detailed and constructive response.

Board members debated the various challenges presented and focussed in particular on requests to review core strategies and how best to deploy resources against a productivity agenda that would help businesses fight back against European Imports.

With regard to refreshing core strategies, board members agreed that it was timely for AHDB as a whole to move towards a zero-based strategic review.

Members then considered activities in turn making decisions on which might be built up further to support a productivity agenda – productivity related R&D, cost of production benchmarking, international comparisons and strategic potato farms. And which might be reduced as less impactful or not market-failure– innovation related research, some MI products, and chip strategy. They also reflected on activities that might be further strengthened, e.g. Communications, now that restructuring within AHDB was being realised. **Action: The strategy director would brief functional staff on these changes, agree short-term changes to the plan with AHDB functions and circulate an updated draft for consideration. A mini workshop to be planned for late Feb to begin develop a “clean slate” approach to strategy.**

16/11 AGENDA ITEM 11 – MARKETING AND TRADE DEVELOPMENT OVERVIEW (IA)

Mr Allen presented an outline of the new work-streams required to deliver the trade development function. Potatoes contributed approximately £1.8m into the function covering exports, home market development (including education) and supply chain with offices in Scotland Belgium and France. He would undertake a review of both admin. staff and agency use to drive efficiencies, commenting that the recruitment of a digital director would enhance savings and efficiencies for in-house creative work and rationalisation of websites.

(Mr Kerr left the meeting commenting that consideration must be given under the produce protect promote banner with regard to the farm and industry value gap, as Growers needed to be profitable to reinvest and to continue in potato production).

Mr Allen was challenged on where he thought synergies could be identified within trade development. Examples included export and education. Issues management would work across several teams and the new Chief Officer, Christine Watts would have an overview. The Chair thanked Mr Allen for attending.

16/12 AGENDA ITEM 12 - PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (IA) AHDBPT31

The Director requested the Board take the contents as read, highlighting specific issues on behalf of the senior team:

KT and Communications

Funding for the Scot SPot farm initiative had been approved. Plans for an east of England site were under development. Both would complement the second year of work in Staffordshire.

Market Intelligence

The Weekly Average Price survey had been reviewed following a challenge with regard to competition law and given a “low risk” score.

Comments regarding the quality of data in the Fertiliser report had been fed back to Giles Blatchford in MI.

Research & Development to

Soils and water – Dr Storey had been working through tenders along with colleagues, 5 bids were being reviewed before communicating the outcome.

The potential for Innovation (consumer focussed) R&D had now been reviewed through committees and plans for a small project, most likely on micro-nutrients were being developed.

Marketing and Corporate Affairs

A debate arose from the marketing strategy committee whether the sector represented the whole industry. Nick White had proposed new language that would assist with broader representation. This was supported by the board.

Action: Nick White to find better supporting images and reflect the changes in future editions of team potato and operational report e.g. by presenting processed consumption data in the same way as fresh.

New committee members were discussed and it was agreed that insights to increase knowledge in some areas could be gained by engaging relevant people without requiring appointment as committee members.

Communications following fish and chip nutritional work would be developing at the end of January. Board members noted risks associated with this project and asked that it be managed carefully.

Seed and Export.

Egypt –a change in size specification had resulted in a -6% drop in tonnes traded. Further meetings with SASA were anticipated to resolve the issue.

Sutton Bridge

Committee business – with one member retiring from the industry and another resigning from the committee due to other commitments, a review was now required.

Action: Strategy Director to organise a conference call to review.

To accelerate publication of research papers, additional resources had been identified and working arrangements altered. Demonstration of robust scaling of CIPC residue results was the priority.

Appalling weather conditions had resulted in a water ingress over the labs, the implications were being investigated. An exceptional capital spend may be needed.

Capital project - the CHAPS project was presenting a degree of uncertainty. Steve Tones, strategy director for Horticulture had updated the current status with CHAPS and Agritech strategy but it was a moving feast. Capital submission had been incorporated into the CHAPS programme, this had subsequently been approved as a centre of innovation, a governance process was in place and next steps could continue. A further outstanding issue had occurred in that part 1 of the capital project had to clear funding in the current year, this presented risks for Mr Cunnington but he had put a tender together for contractors with exit clauses. Risks

needed to sit with AHDB. The Chair requested that Mr Cunningham be allowed to concentrate on his specific science skill set and for provision and resource to be afforded to him to assist at this time to allow him to focus on the delivery of Sutton Bridge services.

16/13 AGENDA ITEM 13 – BP2015 REVIEW

Dr Burgess delivered a review of the recent BP2015 and sought views on commitment towards an event in 2017 which was to be negotiated soon. Exit survey showed that event exhibitors were committed to participating in 2017 their preference being Harrogate in late November. The Board agreed to continue to commit to host an industry dinner. The AHDB presence would now be negotiated for both the exhibition and dinner with the event's commercial organiser. The Chair requested that the positioning of this event as a "flagship" AHDB Potatoes event be retained.

16/14 AGENDA ITEM 14 – ANY OTHER BUSINESS

A conference call would be arranged to allow final sign-off of business plan content and an **informal catch up meeting be organised in Peterborough on the 15th March**. Committee chairs were also encouraged to set the 2016 dates.

With regard to 2017, Feb, late April, July, early Oct were agreed and both the Director and Mrs Hall would investigate actual dates and circulate suggestions.

DATE OF NEXT MEETING: 24th May at Stoneleigh (day meeting)

INFORMATION PAPERS: AHDB Potato Dates for 2016, Market Dynamics Report AHDBPT05

MINUTES BETWEEN BOARDS: SBCSR 29th October 2015, R&KT 4th November 2015, Marketing Strategy 25th November 2015. MI 26th November 2015 (tabled).

Signed:

Dated: