

Authorised



**MINUTES OF THE THIRTY- NINTH MEETING OF POTATO
COUNCIL
HELD AT STONELEIGH PARK
ON 30TH JANUARY COMMENCING AT 9.00 AM**



Board Members
Attending

Growers, Tony Bambridge, Tim Papworth, Duncan Worth, Graham Nichols, Alistair Melrose, Rob Doig, Anthony Carroll and Dan Hewitt
Processor representative Dave Chelley, Nick Tapp
Independent members Ms Zoë Henderson, Fiona Fell.

Staff Attending

Allan Stevenson, PCL Sector Chair, Dr Rob Clayton, PCL Director, Dr Mike Storey, Head of R&D, Mr Adrian Cunnington, Head of SBCSR, Mr Robert Burns, Head of Seed & Export, Dr Sharon Hall, Head of Communications and Ms Caroline Evans, Head of Marketing and Corporate Affairs, Mrs Rita Hall

13/01 CHAIRMAN'S WELCOME

ACTIONS

The Chairman welcomed everyone to the meeting and formally extended the congratulations of the whole Board to Dr Mike Storey who had recently been awarded The Potato Industry Award in recognition of his achievements in the Potato Industry. The Chair also commended the enthusiasm of Mr Robin Cropper, Potato Ambassador, who had joined the Board for dinner the previous evening.

13/02 APOLOGIES FOR ABSENCE

There were no Apologies of absence.

13/03 DECLARATIONS OF INTERESTS

There were no declarations of interest.

**13/04 MINUTES OF THE MEETING OF THE BOARD HELD ON 14 November 2012
(PCLM/12/06)**

The Minutes of the Board meeting held on 14th November, which had been circulated, were approved and signed as a true record, with the clarification that references to funding of AFS activity were not generic and were in relation to the provision of agreed partnership services which would be assessed in the same manner as other commercial service provisions. RH

13/05 MATTERS ARISING (PCLP/13/01)

Dr Clayton reported that all action points had either been completed or were included as agenda items for this meeting.

12/70 Committee Terms of Reference and Rosters

The Director advised that a dedicated paper had been prepared in this respect for discussion by the Board later in the meeting to discuss the gaps emerging and the action sought.

12/80 Adjust MSC minutes

This item had been addressed by the amendment to the minutes as discussed previously.

Mr Papworth's role with AFS

Mr Papworth's first meeting was not scheduled until the summer of this year after which he will report back to the Board with clarity of the role.

TP

12/82 Tonnage Levy

The Director reported that he had undertaken discussions with the AHDB Finance Director who was pursuing an analysis which would be reported on later in the meeting.

12/83 Plans for Potato Summit

It was advised that work on the summit had been commissioned from EFPF and that Mr Stuart Thomson would be joining the meeting to update the Board on progress to date.

12/85 Terms of Reference for nematode group

As had been previously reported, the Independent Chairman of the group, Mr Barrie Florendine had confirmed a willingness to fulfil this role, he had now visited the three nematicide product approval holders (Certis, DuPont and Syngenta) and had also made contact with the industry bodies, NFU, FPSA and PPA to seek the appropriate engagement and the Terms of Reference will go to the first full meeting for approval.

12/88 MI Proposals to circulate

The Director had circulated proposals relating to margin analysis in the potato sector. The Board decided that any decisions on possible funding of these proposals should be recommended by the Market Information committee before being brought back to the board.

NT

13/06 AHDB: REPORT FROM CHAIRMAN

The Chairman had attended the AHDB Board meeting the previous day and updated on a number of issues:

The Chairman reported that tapered funding arrangements with AFS that had been agreed in previous years would shortly come to an end. Thereafter, AHDB sectors would make their own agreements with AFS based on measurable services. This had already been addressed within Potato Council (see 13/04).

The Chairman advised that the new Defra representative Mr Tim Mordan had attended the AHDB Board, he was responsible for Internal Communications and in charge of the recruitment programme for the new AHDB Board Member and subsequent Chair of PCL.

He also reported that the new Health and Safety programme had been afforded a

high profile on the AHDB agenda. AHDB had a considerable footprint across the country encompassing abattoirs and external workers as well as internal staff and contractors. The programme had highlighted risks and was a concern to the Board. It had therefore re-emphasised the leadership role of the sector management teams and the importance of adopting a safety culture. **The Sector Directors would address with their teams.** The Director advised that the issue was repeated on every formal SET meeting agenda and also confirmed that meaningful reporting data was being used to monitor the situation.

Director

The recent meat contamination issue was recognised as a key concern in the food chain and the relevant sectors were working closely with DEFRA, trade organisations and AFS regarding appropriate action and responses.

Responses had been received from the consultation on the AHDB Corporate Plan. A number of changes to the draft would now take place to either clarify specific enquiries or strengthen KPIs. The possibility of moving to a three-year planning cycle had also been discussed and the CEO would develop proposals in this regard.

The Chair advised a paper summarising potential changes to AHDB's Statutory Instrument had been presented and whilst some areas being pursued (e.g. statutory register of levy payers) would provide greater potential for AHDB to work effectively with its levy payers, changes were likely to be small.

Mr Ken Boyns the MI Director had presented at the AHDB Board encompassing development of MI services, staff recruitment and general progression and the Chair commended Mr Boyns for an impressive presentation.

The AHDB financial performance had been discussed and the Chair advised that overall a surplus ahead of budget together with sufficient reserves across the whole organisation had been achieved.

The first year baseline for a staff survey had now been completed, discussed and the results disseminated to staff at the staff annual conference. Individual sector confidentiality had been maintained and the Senior Executive Team had identified areas to work on collectively and other areas where a divisional plan of action was required. The Chairman commended the PCL executive for turning out largely positive results and noted that teams had already started to discuss areas of improvement specific to the sector.

Mr Bambridge raised the question of the role of the Sector Boards commenting that perhaps with a new change of Chair, it was the appropriate time to re-evaluate this issue. He suggested that as the role of Board members might drift over time, an informal consultation with staff, and mapping of board activities and performance against the Board's role as defined in historic delegation agreements might provide refreshing perspectives that could be developed by the new Chair. The Director would identify the relevant documents to stimulate debate at the next meeting.

Director

The new building being developed by LaSalle for occupation by AHDB had been discussed and it was advised that work would commence in the next 6 weeks with occupation of the building expected in the summer of 2014.

The triennial review was scheduled for autumn of 2013 and the Board were in

discussion with regard to preparation for this project.

13/07 POTATO SUMMIT

The Chairman welcomed Mr Stuart Thomson of EFFF to the meeting. Mr Thomson had a wealth of experience within the supply chain and would brief the Board on the summit agenda. It was reported that following an initial brief with the PCL Chair, Director and Messrs Tapp and Worth it had been agreed to appoint EFFF to assist in the facilitation of the event. A date of the 7th March had been confirmed, a venue booked in Westminster and speakers, and the event date emailed to possible participants.

Mr Thomson tabled a summary of the event that featured three key presentations which in combination would inform participants of the status of the potato sector and capture the positive attributes of successful supply chains from outside of the sector. Thereafter, participants would have the opportunity to learn from a panel representing different interests in the potato sector before evaluating key priorities through workshops. Mr Thomson emphasised that the key to the event was to establish the right participation both from the audience and the speakers to achieve the maximum potential from the day. He advised that the main aims covered were clarity of over supply and under supply, critical issues such as the 2012 challenges for the industry, to identify the issues, the impact and to seek commitment from all participants to work together to resolve issues. An independent Chair had been sought for objectivity and Anna Hill from Farming Today had agreed to undertake the role. Mr Thomson was ready to commence telephone calls to possible participants and a long-list had been drawn up constituting retailers, packers, processors, food service, trade associations, growers and representatives from DEFRA and Scottish Government. The Board agreed that the event should be pursued in spite of its short timeline and Mr Thomson was encouraged to work with the Director to ensure that those invited were genuinely commercial decision-makers wherever possible, particularly targeting a strong contingent from retail that was considered vital to the success of the event.

Director

The Director would circulate the event briefing document and Board members were invited to make recommendations over the following 24hrs. Mr Thomson had already received confirmation from some possible participants and further calls to establish a set of key drivers for discussion at the event would follow.

Mr Thomson was thanked for his contribution before leaving the meeting.

13/08 FINANCE REPORT (PCLP/13/02)

The Chairman welcomed Mr Chris Perry from the AHDB finance team to update on the management accounts.

Mr Perry advised that income was below forecast (mostly within PCL and HGCA) and this resulted in a forecast income £700,000 below budget. He noted that some activities within Divisions (e.g. World Potato Congress) has compensated for this shortfall to some degree above budget. However, commercial services income within MLCSL was 63k below budget with consultancy staff having transferred to EBLEX impacting on expenditure. Direct expenditure was lower than forecast for the time of year and a surplus of £1,241m was anticipated for the full year, at variance from the budget by £1,116M. The R&D function across the whole of AHDB was in

danger of a major underspend with the exception of PCL who were the least culpable in this area. Support expenditure was £117k over budget with sector specific administration 4% lower than that of 2011/12.

With regard to PCL specifically, Mrs Fell requested that the type face be increased for ease of reading. Mr Perry reported that an £11k retained surplus for the year was expected. With regard to levy collection it was reported that at the end of December 2012, debtor balances outstanding from October billing stood at £641K (Buyers 86k and Growers 555k) which was similar to the position at this time in 2012. It was advised that the levy team were extremely proactive and that their activity was helping to keep levy collection in line with the previous year.

Fin Controller

The Chairman requested a full cost analysis be undertaken to establish support costs for the administration of recovery versus the amount recovered to be brought back to the next Board.

Director

Dr Hall commented that her team were now picking up genuinely distressing calls from some levy payers who felt unable to pay their invoices. The Director would work with the levy collection team to identify organisations like the Arthur Rank Centre and Farm Crisis Network, who were the experts in dealing with distressing calls to enable her to put a relevant protocol in place for handling difficult calls.

Director

13/09 TONNAGE LEVY AND CENTRAL COSTS (PCLP/13/03)

The Director reported that in conjunction with Mr Goodwin, AHDB FD and levy and legal staff a potential future shift to a tonnage levy was feasible but a number of points of concern had come to light within these discussions.

Operating costs were unlikely to be reduced as detailed information from planting returns would still be required. The impact on cash flow and reserves position were also a concern and any shift to a tonnage levy would require careful execution to maintain adequate cash-flow. The board agreed that each of these issues could realistically be addressed satisfactorily and **Mr Goodwin would provide a more detailed specification for any change at the March 2013 Board meeting.**

FD

As a precautionary measure, reference to a potential tonnage levy had now been made in developing the new AHDB Standing Instruction and this would include a separate consultation with industry.

13/10 COMMITTEE SUCCESSION (PCLP/13/04)

(PCLP/13/04)

The Director had provided a review of committee Terms of Reference along with the current Committee memberships; this review highlighted a number of areas where Committees might be under-represented by Board members in future along with some proposals for committee member extension.

On reflection, the Chairman advised that making decisions too soon (prior to the appointment of three new Board members scheduled for March 2013) would be inappropriate and that the Board should concentrate at this stage on the immediate proposals included in the paper. The recommendations that were supported by the Board were:-

- Alistair Melrose to take the Chair of the Seed and Export Committee

- Extended tenures for Paul Coleman, David Nelson, Simon Bowen and Mark Taylor on the Research and Knowledge Transfer Committee

A number of other recommendations were made but would require more discussion prior to the next meeting. These included:-

- Seeking nominations from the Seed and Export Committee for seats on the RKT Committee and Sutton Bridge Advisory Group.
- Moving Dan Hewitt to either the MI Committee or Sutton Bridge Advisory Group.
- Agreeing succession for the Chairman of Sutton Bridge Advisory Group.

Papers would be re-issued once roles for new Board members had been established.

Director

13/11 RESPONSES TO CORPORATE PLAN (PCLP/13/05)

The Director reported that the responses to the Corporate Plan had been discussed with the management team, the Chair and Guy Attenborough, Communications Director AHDB. The responses were largely positive but that they all warranted a response to address certain issues. Two respondents (DEFRA and NFU) had referred to the limited text associated with CIPC in both the AHDB Corporate Plan and Potato Council's draft business plan. The Director would work with the Head of SBCSR to ensure text was more explicit. Additionally, a KPI relating to Grow Your Own Potatoes would be clarified to emphasise that it was planned to deliver this work with a lower cost-base than had been the case previously.

Director

The FPSA had once again recorded their support for the plan and congratulated staff on their achievement but had noted a concern about the strength of voice achieved by AHDB. This was being considered by AHDB.

The Director would make amendments to the plan and circulate a clean draft to Board members. Additionally he would write to other respondents and clarify a number of points relating to the plan.

Director

The Chairman asked whether preparations for the industry summit had caused the Director to reflect on the direction of the business plan and the Director confirmed that the summit would compliment delivery of the plan that featured industry profitability and sustainability as key outcomes.

13/12 PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (PCLP/13/06)

The Director asked that the operational update be taken as read with the following discussion points highlighted:

Communications

Dr Hall reported a recent change in her communication model. She had now ceased using external agencies to deliver numerous technical PR activities and Jim Davies, currently working with AHDB MI would move into the new role of Communications Manager with effect from 18th February. Mr Davies would retain a 10% involvement within MI which would benefit all concerned. Sophie Lock would also join the communications team and her expertise in event management and written

communication would be used to strengthen the team. The Seed and Export function would remain her largest customer and Mr Burns, Head of Seed and Export confirmed that the move was a positive step.

Dr Hall then updated the Board on the ring rot situation in collaboration with Mr Burns. It was reported that Mr Richard McIntosh had been appointed dedicated lead at FERA on this issue. Two diagnostic tests had now been undertaken on suspect stocks from East Anglia and results of a third biological test were awaited. The team had sought clarification from FERA on a number of issues and had revisited Safe Haven web pages to ensure these were current. Members of the board sought more information regarding the farm affected but were advised that there was little Potato Council could do to contact the farms unless officially notified by FERA or voluntarily notified by the grower in question.

Dr Hall went on to discuss how a lessons learnt publication from outbreak in 2003 were being used to prepare for further communication. She was asked to provide a written briefing to board members after the meeting. Dr Hall

Dr Hall further advised that planning was underway for BP2013 and exhibitor websites were now live and exploration of working with colleges to encourage students into the industry was one of many new initiatives that would feature at the event.

With regard to the plant health roadmap encompassing the previously discussed 5 pillars of activities, survey work with industry and developing hypotheses from grower focus groups would hopefully result in an industry forum later this year.

With regard to the skills agenda, AHDB with Tess Howe as its lead had been successful in securing RDPE funding with PCL taking an active role in determining cross sector requirements. £2.2million of RDPE funding had been secured across AHDB and Dr Hall drew the Board's attention to a range of activities that were being pursued. These included on-line training in health and safety, precision farming tools, and nematode stewardship programmes. The Board noted that 30% industry funding was required to trigger the release of funding and Dr. Hall believed that this was achievable. Dr. Hall also asked the Board to recognise that whilst RDPE funds were eligible in England and Wales, further activity was being developed in Scotland and PCL were seeking to develop activities for two monitor farms working in conjunction with HGCA.

Mrs Fell asked that the Board both congratulate and acknowledge the achievement of Dr Hall in securing the funding for the work she planned to undertake.

R&D

Dr Storey updated the Board on two new reports of CIPC MRL exceedences and one fosthiazate exceedence. These related to an Estima and Maris Piper crop. The former situation was under investigation by the CIPC Stewardship Group so that lessons could be incorporated into the stewardship programme. He reported that the issue appeared to relate to initial applications through the crop and Mr Cunnington advised that attention to detail with individual store uniformity was paramount with regard to temperature levels etc.

Dr Storey advised that Cambridge University Farm were now part of NIAB and that

the relationship was a positive step for all concerned providing security and depth for the research team.

Dr Storey also sought the Board endorsement of five studentship projects. A considerable amount of work had been undertaken to arrive at the 5 proposals encompassing projects on PCN populations, modelling late blight, senescent sweetening and association mapping to starch and GI with control of dormancy. The cost to PCL for each of the projects would be £67,650 each over three years. It was proposed to run with the initial 4 for the time being. **The Board agreed to the proposition noting that the Chairman had abstained from the discussion due to a possible conflict of interest.**

Dr Storey also advised that AHDB had developed a tender to procure a farm based environmental impact calculator and it had been agreed subject to ratification to offer a contract to the consortium, led by ADAS. The project cost would amount to £200k over two years with participation from the livestock sector and HGCA and HDC contribution. This work would benefit PCL through further development of the Cool Farm Tool and a commitment of £15k over 2 years was sought from the Board. **This was given.**

The Chairman commented that in his opinion this was an excellent project to accentuate the virtues of working cross sector with all sectors contributing.

Dr Storey asked that the rest of his report be taken as read but highlighted the importance of securing Potato Council involvement with the Horticulture Innovation Platform, an initiative designed to establish innovation in the sector and support transformational research.

Marketing

Ms Evans would incorporate her report into her paper on Corporate Affairs further into the agenda, but wanted the Board to be aware that marketing were activity engaging with the skills agenda and a student placement from Harper Adams was being undertaken.

Seed and Export

Mr Burns reported on an extremely successful Seed Industry Event with record attendance of 192 delegates, the spread of these delegates being across Government, research, growers, merchants, breeders, supply chain, packers, processors and media. The plenary sessions were extremely well attended and given 7.57/9 scoring equating to a very good ranking. The dinner was also an excellent networking event and the event was delivered well under budget.

Mr Burns also gave an update on the export season which he felt met with expectation. Great Britain had supplied 41,000 tonnes of seed to Egypt by December making GB the No 1 supplier to Egypt. A small quantity of seed had been rejected but both Mr Burns and personnel from SASA had visited inspectors in Egypt and relations continued to be positive.

Sutton Bridge

Mr Cunnington reported on a very successful business reception and storage day with an attendance of over 200 levy payers and industry personnel. Positive press coverage had been achieved for the event.

He also reported on fridge plant breakdowns within the new research stores. These had not disrupted commercial trails, but nonetheless a robust challenge of the fitting company was required and remedial action at the fitting company's cost was recommended at the best outcome.

External research income for SBCSR remained on target and the break even forecast for Sutton Bridge was expected. Further work streams for 13/14 were in the discussion stage and interest remained positive for the time of year.

Further Mr Cunnington confirmed that a proposed Technology Strategy Board project on machine vision would go ahead with SBCSR acting as a sub contractor to Ishida Corporation who are in receipt of TSB support. The project would yield £37K additional income for SBCSR.

MI

The Director reported that attempts had been made to collect import data much more quickly than was provided by HMRC as it was felt that this information was highly relevant this year. However, it had not been possible to achieve full support for this initiative across the industry so PCL would remain reliant on the provision of data from HMRC. He also confirmed that a stocks estimate was due for publication but that a change in data recording (to exclude stocks already purchased) was now being applied to historic data sets (2010 and 2011) and a delay in publication was inevitable.

13/13 CORPORATE AFFAIRS REPORT ON PROGRESS (PCLP/13/07)

Ms Evans Head of Marketing and Corporate Affairs presented a report to the Board on the first annual tracking results of awareness and attitudes to Potato Council held by MPs. To illustrate the need for this work she referred to recent radio advertising under the Department of Health's Change for Life programme that had referred to potatoes as "vegetable traitors". The advert had been withdrawn and discussions were continuing with the Department to seek compensatory positive messaging around potatoes and Ms Evans considered that establishing a pool of informed MPs had contributed to the speed of resolution. The corporate affairs campaign had sought to raise the generic awareness of the positive attributes (health and sustainability) of potatoes through delivery of literature followed by targeted meetings with those MPs with an agricultural interest. Those targeted included the chairs of relevant All Party Parliamentary Groups and face to face engagement had been achieved with Nigel Don MSP, Sir Jim Paice, Roger Williams MP and John Stevenson MP and Potato Council had hosted an event in the House of Commons canteen using consumer sign-posting as a theme. Ms Evans stressed that the focus of these encounters was to ensure that MPs could perform their work from a position of knowledge and evidence and was distanced from single-issue lobbying.

The campaign KPIs presented demonstrated significant positive shifts in perceiving potatoes as a significant crop, seeing potatoes as contributing to a healthy diet and recognising Potato Council as a knowledge house for potato related issues. The Board agreed that the KPIs demonstrated a good achievement towards a long term goal.

13/14 DIRECTION THROUGH DIALOGUE

The Director presented to the Board on the proposed Direction through Dialogue survey over the coming months. There would be a significant role for Board members to consult informally with levy payer groups prior to the next round of strategic planning. The consultation would include a review of Potato Council’s purpose, functional activity and finances and it was envisaged that the evidence garnered would result in the development of a strong strategy for Potato Council. The Director would use the focus areas and themes written into the 2013-16 Business Plan and create a resource pack for Board members constituting a printed summary of activities along with a presentation that might be used during consultation meetings. These would be brought to the Board in March.

Director

13/15 ANY OTHER BUSINESS

The Chairman readdressed the NFU forthcoming Potato Summit to be held on February 13th in relation to the proposed PCL Potato Summit highlighting the need to differentiate the two with removal of wording such as catalyst for change in the PCL proposal and Potato Summit in the NFU literature.

13/16 DATE OF NEXT MEETING

27th March 2013 Farmers Club London (dinner and overnight on this occasion after the Board with an 11.00 am start and the occasion to mark the departure of the current Chair and 3 subsequent Board members, the introduction of these replacement individuals and the inclusion of the AHDB Chair in attendance with a staff lunch to be organised the following day at Stoneleigh.)

13/17 INFORMATION PAPERS

PCL Dates for 2013 update (PCLP/13/08)
Organogram
Minutes of Committee meetings held since the previous Board
Market Information 28th November 2012 (tabled) MI/12/03)

Signed: Dated: