



**PCLM AGENDA ITEM 4
PAPER PCLM/14/04
AUTHORISED**

**MINUTES OF THE FORTY EIGHTH MEETING OF POTATO COUNCIL
HELD IN THE EASTWOOD BOARD ROOM, STONELEIGH PARK
ON 6th AUGUST 2014, COMMENCING AT 10.30 AM**

PRESENT: Growers: James Daw, Anthony Carroll, Mark Taylor, Dan Hewitt, Bruce Kerr, Bill Quan, Ed Lindley **Independent members:** Zoë Henderson **Seed Merchants:** Alistair Redpath, **Processor representative,** Dave Chelley; **Visitors:** Peter Kendall AHDB Chair

IN ATTENDANCE: Fiona Fell, Chair, Dr Rob Clayton, PCL Director, Dr Mike Storey, Head of R&D, Adrian Cunnington, Head of SBCSR, Dr Phil Burgess, Head of Comms, Rita Hall, Secretary, Michael Archer, Head of Market Specialists, Chris Perry, AHDB Financial Controller and Tess Howe, AHDB Project Manager, both part only

14/35 AGENDA ITEM 1 – APOLOGIES

The Chair welcomed Peter Kendall, AHDB Chairman to the meeting together with Dr Burgess who had started as Head of KT and Comms at the beginning of the week. Thanks were recorded to the KT team having undertaken an extremely successful summer campaign of events. Apologies were received from Phil Huggon, Alistair Melrose and Rob Burns.

14/36 AGENDA ITEM 2 – MEETING WITH PETER KENDALL

Mr Kendall expressed his apologies for not having been able to attend a Board meeting sooner. He had been appointed by Defra in April of this year having retired from the NFU. He shared the diverse complexities of the lobbying role of his former employment and confirmed that he saw the role of AHDB as primarily “serving the levy payer” and personally “wanting to make it happen” for the industry. His primary focus was on AHDB providing the “tools to grow the industry”, profitability and sustainability of the industry being paramount. He quoted statistics of an increase in the UK population of 4.5 million over the next few years and said that other countries were queuing to fill the demand which would be created to feed the populous. He posed the question of “are we to be proactive or let competitors steal the market place”? and believed AHDB was central to providing coordinated R&D, communication streams and market development. His intention to promote cross sector working and much smarter integrated communication as one organisation. He advised that two new appointments were to be made, one to replace the existing Chief Scientist role with a Head of Technology and Innovation and a second of Head of Levy Payer communications. These positions would aid progress and grow AHDB’s potential to capitalise on funding available through the Agritech strategy and Horizon 2020. He did acknowledge that the Potato sector posed unique challenges with regard to growth but with smarter working cross sector, all should benefit.

Mrs Fell sought Mr Kendall’s views on whether growth might be expressed by value rather than volume and Mr Kendall responded that AHDB and its levy payers were best to concentrate on areas where they had most influence accepting that value was strongly influenced by retailers. Board members discussed various issues in relation to growth noting

that business structures in Europe made competition fierce but opportunities for growth existed around inter alia seed export, high value ware export, appetite for processed products in developing global markets and a continued drive to improve competitiveness to stave off imports. Different potato products varied in their waste profiles and there were opportunities to connect with savvy consumers post-recession.

He discussed the on-going challenges that Government had presented to NDPBs and advised that with the forthcoming triennial review, a stringent piece of work would be embraced in order to streamline the amount of sector, boards, meetings and committees to ensure a much smarter, less expensive both in monetary terms and staff time and a streamlined approach would be achieved linked to functional activities. Dr Storey confirmed that cross sector activities concerning crop, soils and water was very much in evidence from a bottom up perspective and that evidence to support effective funding of projects and improved response to consultation was very much in place. He questioned the top down approach as still lacking in cohesion and requested this be noted.

In conclusion, Mr Kendall noted that the AHDB Board continued to focus on creating a more cohesive organisation and looked forward to responding to the growth opportunity GB agriculture had.

Mr Kendall was thanked for his input and left the meeting.

14/37 AGENDA ITEM 3 – MINUTES OF THE LAST BOARD MEETING HELD ON 4th JUNE 2014 (PCLM/14/03)

The minutes were confirmed as a true record of the meeting, and were signed by the Chair.

14/38 AGENDA ITEM 4 – MATTERS ARISING (PCLP/14/03)

14/27 Matters Arising

Update on nutrition claims -Following agreement at the previous Board meeting, nutritional evaluations for fresh new potatoes have been undertaken by IFR Norwich with the co-operation of FPSA member companies. The new potato results for raw and cooked (boiled) samples will supplement the data in McCance & Widdowson (MW7) to support industry nutritional claims. The work is scheduled for completion by end August.

Furthermore, after reviewing the UK samples records and the international data set it was agreed that IFR would re-analyse samples for their fat content (initially reported as 0.6g/100g - which would preclude the use of 'fat free' on labelling). The new analysis resulted in a lower figure being established at 0.11g/100g. It was agreed that this revised figure, as well as being included on the on-line data set, would also be published in September in MW7.

AHDB Board have been notified of the progress made and have been made aware of the lack of ministerial response.

The Chair wished to thank Dr Storey for the exceptional and timely progress made on behalf of the industry.

CIPC storage proposal for ATS – A 2-page "concept note" describing possible capital, training and monitoring requirement has been submitted to Tim Mordan at DEFRA.

MI plans to new members – Interim resource plans were shared with new board members.

14/28 **Chairman's Update**

Plans were in progress for the Chair to visit Wales in the near future to discuss specific issues.

14/32 **PCL Operational Update**

Board presence at meetings – New Board member name badges as requested at the previous meeting were distributed during the meeting.

Letter on traceability - Following representation from NFFF, The Director had secured letters from DEFRA and Scottish Government that restated bag labelling requirements. These will be rolled out through September to coincide with issues of Grower Gateway and Tubertalk.

SBCSR Capital Plan – A draft for discussion was included on the agenda.

14/33 **Research & Development Strategy 2015-2020 Development**

Update on the strategy

Dr Storey confirmed that discussions would be undertaken at the forthcoming R&D committee strategy meeting encompassing the Agritech Strategy and HIP. A call for expression of interest would take place on the 18th July followed by a briefing on the 4th September with final expressions of interest on the 15th October. HIP would be pivotal in pulling together a fresh (fruit and veg) bid.

HIP fellowship – Documentation relating to the fellowship has been received from HIP. A final figure for PCL contribution will be agreed once budgets are reviewed in September. Dr Storey also updated on RB209 and confirmed that it was progressing across all AHDB Sectors. Issues raised by the PCL Board (including licencing, IP and the development of Planet and Manner) were included within the work-stream.

Mr Kerr raised the issue of County Show attendance and Education issues and the Director confirmed that once the new AHDB Head of Levy Payer Communication was in place, a central hub for public interface would be instigated. **The Chair requested Mrs Hall to include both County Show attendance and Education as an agenda standing item until resolved.**

14/39 AGENDA ITEM 5 – CHAIRMAN'S UPDATE (Verbal)

Mrs Fell reported that all the KT events had been well supported and led by the Director who was seeking to achieve high levels of sign-up to One Voice. The celebration of 50 years of Storage Research had highlighted the SBCSR facilities and the need for investment in storage and on farm. She advised that she would be attending an EU Funding bid meeting with Irish representatives to be chaired by Ms Henderson. At the AHDB Board the previous day, she had drawn the main Board's attention to the recent positive PCL levy-payer benchmarking statistics. This in turn highlighted how well aware PCL was of their complete levy payer base. The other subjects discussed were Scottish independence issues and she confirmed that the next PCL Board meeting would be in Scotland.

14/40 AGENDA ITEM 6 - SBCSR STRATEGY AND CAPITAL PLAN PROPOSALS (PCLP/14/24)

Mr Chelley was invited to summarise the key points of the Sutton Bridge capital plan and commented that the main purpose was to replace and overhaul and build new stores, a dedicated training facility, to provide sufficient office space and improve technology. He

commented that Sutton Bridge was a powerful brand and it was imperative to promote it and asked members to note the risks to operational delivery with no investment.

Mr Cunnington presented his strategy that incorporated proposals for investment in capital and overhaul projects that had been considered by the Sutton Bridge Advisory Committee. In summary, he recommended that a blend of investments that would replace the oldest stores, overhaul the middle-aged stores and provide new specialist training facilities for the industry. The blend had been chosen to provide on the one hand the potential to build revenue through smaller basic stores for commercial projects and on the other hand grow the facilities scientific capability. The need to increase the options within the CIPC-free building had been included along with a proposal to enhance the temporary training facilities that had proved successful since the previous phase of development. The total proposal would require an investment of c£800K over 5 years and Mr Cunnington was hopeful that 50% match funding might be achieved through various funding mechanisms including ATS.

Board members welcomed the proposals but challenged that a much bolder approach might be taken in developing a well branded centre of excellence given that the funding signals were strong. They agreed that a figure of c£80k p.a. should be used to cover the project development within the developing business plan but recognised that total commitment would be fine-tuned based on depreciation periods for specifically requested items along with the balance of genuine capital versus refurbishment costs.

The board were satisfied that the proposals should be progressed, match funding should be sought and that provision should be made within the business plan budget subject to a number of further analyses:-

These analyses were:

- A clear articulation of the storage “vision” and overarching AHDB view, that creates a flexible capability with ongoing demand
- An update of previous comparative reviews of global storage research provision
- Development of an itemised and phased approach to development

Action: management team to progress listed analyses To update at the next meeting

14/41 AGENDA ITEM 7 - SKILLS UPDATE (PCLP/14/23)

Tess Howe joined the meeting to update the Board on the AHDB skills strategy confirming that it was an AHDB initiative but with sector specific relevance. She reported a strong uptake of RDPE-funded training budgets in 2013 within AHDB. Uptake was slightly lighter in 2014 and course criteria had changed so that a smaller number of recipients could be put through longer training programmes. Dialogue was continuing with DEFRA with regard to business and leadership oriented training and the Board were keen to understand how this was replicated in Scotland. Mr Redpath acknowledged the complexities of the Scottish Government who had strong collaborative links with the Royal Highland Trust and **Ms Howe was asked to explore this avenue of skills and training needs further.** The Professional Manager Development Scheme had been rolled out across all sectors with significant success including individuals operating at a level either above or below the course needs. A question arose around NVQ but she advised that they did not qualify under the funding, however, in view of current apprenticeship schemes becoming non existent, support for the new Trailbalzer Apprenticeships Scheme was also being explored. **Ms Howe was asked to prepare for the board a structured piece of programme development work exploring the Skill set gaps and including the opportunities for funding in Scotland and Wales. Board members would assist by prioritising what they saw as skills gaps and emailing these.**

14/42 AGENDA ITEM 8 - PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (PCLP/14/22)

The Director reported that the update was the usual format and requested that the paper be taken as read but invited his team to highlight specifics for the Board as follows:

KT and Communications

Summer meetings had been successful so far and board members were supplied with a list of additional events. 10th September CIPC meeting scheduled at Sutton Bridge Website and apps development would be discussed under paper PCLP/14/20

Progress with the arable benchmarking model to be discussed at the next meeting.

Research & Development

An ATS funding briefing event was scheduled for 4 September with call closing on 15th October. HIP were preparing an Expression of Interest with regard to development of a centre of excellence for fresh and prepared produce research.

A series of impact assessment for different AHDB divisions, PGRO and BBRO were in preparation in relation to the EU's pending definition of endocrine disruptors. The information would be fed into relevant stakeholders as part of the consultation process. Ongoing dialogue would take place with the Crop Protection Association on 11 September.

Marketing

The Director reported that Ms Evans had left a comprehensive handover document which had proved extremely useful and that he had designated shared responsibility in the interim as follows:

- Kate Cox – ongoing projects
- Ms Henderson – EU Bid
- The director – corporate affairs.
- Commercial agency - issues management.

Seed & Export

A committee meeting had been held at FERA, York and Dr. John Pickup from SASA had presented an update on the impact of control regulations on the scheduling of land with PCN. A summary of the PCN situation provoked a discussion from the Board who were interested in how policy was transposed in England and Wales. A visit had been undertaken to discuss seed and ware concerns surrounding PCN involving management, change in regulations and the consequence on availability of seed and land and the level of which were picked up. **Dr Storey to follow up the discrepancies of a European v UK level playing field**

Three Committee members had stepped down and suggestions sought from the Board for replacements. A seed focussed PCL Board member would be recruited in 2015.

Ms Henderson was thanked for attending the last Seed and Export committee meeting.

SBCSR

Mr Taylor was officially ratified as a member of Sutton Bridge Advisory Committee.

Mr Cunningham reported that actions from the previously note Health and Safety audit were progressing to schedule. This prompted a more general discussion about H&S across AHDB and the Director described existing processes and mechanisms for senior staff and AHDB Board to take oversight of the issue. Mr Chelley requested an update on HR provision within AHDB and the Director described developments in relation to staff progression.

The Chair agreed to continue to raise the issue at the AHDB Board including the concern over the level of HR provision and the current turnover of staff.

Market Intelligence

Mr Kerr was officially ratified as a member of the MI Committee

The Director reported that interim measures reported previously were still in place and had enabled MI staff to progress against agreed work-streams. He reported that discussions were underway with the Director of MI regarding progress with the Grower Panel which at previous meetings had been seen as a vital area to address to allow development of a longer term plan for potato-related MI. These focussed around purchase of the required IT and a fresh review of grower panel payments. He envisaged that these would be resolved in good time to allow build developments into the 2015 business plan.

The Director concluded that there were a couple of amber issues reflected in the operational table and the board would be updated on these at the next meeting.

Mr Cunnington left the meeting.

14/43 AGENDA ITEM 9 - STRATEGY AND BUSINESS PLAN DEVELOPMENT (PCLP/14/20)

The Director led a discussion on strategy for 2015 under four headings (below) noting that the principle being pursued across AHDB was to roll over 2014 plans where appropriate, thus recognising extensive consultations that had taken place in 2013 and allowing for outcomes of AHDB's strategy review to be actioned in subsequent years.

Levy payer views: he reported that against a targeted improvement of 7% awareness and satisfaction over three years, the levy payer survey had demonstrated changes above the target in most areas after two years. The survey results were being used tactically by the management team to review delivery in certain areas (e.g. increased use of tablets and IT on farm).

2015 financial strategy: he reported on possible changes in planting behaviour in 2015 based on various economic and business drivers. These included a possible response to fresh sector consumption decline, an easing of relative competitiveness of alternative crops like cereals and sugar beet and the fact that many businesses were tied to potatoes as part of a long term rotational strategy. The Board agreed that a modest shortfall in levy was possible in relation to the current financial position. Various options to mitigate the shortfall were considered.

Direction through Dialogue: he reported that most actions that had arisen from the Board's review of the 2013 Direction through Dialogue programme had either been actioned or were in progress. A number of activities required further attention and he recommended that these be brought into the plan. These included a restatement of what PCL could and couldn't do with regard to market failure, development of agronomist and advisor relationships, tackling PCL brand dilution, reviewing the balance of services for industry leaders vs. followers and reviewing the balance of service by sector (fresh/processing/seed).

Industry Drivers: the management team had reviewed industry drivers and strategic committee recommendations made throughout the year and made a proposal that the shape of the existing plan be retained with changes to activity in some areas:-

- Outlook – focus on growth opportunity whilst recognising changing consumer needs

PRODUCE

- Seed to harvest – refocus priorities based on R&D strategy review
- Storage – incorporate capital requirement at SBCSR

PROMOTE

- Education – consider student activity
- Fresh & Health to merge – subject to progress of EU bid
- Seed – incorporate focus on PCN

PROTECT

- Skills & risks – refocus on cost of production benchmarking, use of marginal land and speculative planting, restate MI requirement (information vs. intelligence), consider pre-basic training programme

LEVY PAYER COMMS

- Revisit impact of brand dilution and review communication channels
- Revisit work-streams for early adopters / pioneers
- Board – review sectoral balance and service level

The Board agreed that plans should be worked up for the next meeting based on the recommendations presented.

14/44 AGENDA ITEM 10 - MARKET DYNAMICS REPORT (PCLP/14/21)

Taken as read with any comments outside of the meeting fed back to the Director.

14/45 AGENDA ITEM 11 - PCL FINANCE REPORT INCLUDING LEVY COLLECTION UPDATE (A) (PCLP/14/19)

Mr Perry asked the paper be taken as read reporting that it was early in the year and no variance between forecast and corporate plan were evident. He remained hopeful that no major risks would present themselves prior to the end of year. Current levy debt stood at £11k for grower and the same for buyers.

14/46 AGENDA ITEM 12 - ANY OTHER BUSINESS

The Chair requested feedback from the Board with regard to the mix of day meetings and meetings with an early start requiring a prior overnight stay, dependent upon, time of year, pressures of the season etc. **The Board to report back directly to Mrs Fell.**

DATE OF NEXT MEETING: 1ST October 2014 at JHI.

INFORMATION PAPERS: Declarations of Interests (PCLP/17), PCL Dates for 2014, Organogram, Agenda items covered in 2014 Board meetings.

TABLED PAPERS: Updated fresh decline marketing brochure (previously emailed) Market Dynamics Report.

MINUTES BETWEEN BOARDS: Seed and Export Minutes 31st July (awaited), SBCSR 15th July (enclosed), Marketing Information Minutes 27th March (enclosed) 17th July (awaited).

Signed:

Dated: