

Authorised



**MINUTES OF THE THIRTY- FOURTH MEETING OF POTATO  
COUNCIL  
HELD AT EASTWOOD BOARD ROOM, STONELEIGH PARK  
ON 28 MARCH 2012 COMMENCING AT 9.00 AM**



Board Members Attending	<b>Growers</b> Tony Bambridge, Anthony Carroll, Graham Nichols, Tim Papworth, Duncan Worth <b>Grower packers</b> , Nick Tapp <b>Processor representative</b> Nick Vermont <b>Independent members</b> Ms Zoë Henderson
Staff Attending	Dr Rob Clayton, PCL Director, Dr Mike Storey, Head of R&D, Dr Sharon Hall, Head of Communications, Mr Adrian Cunnington, Head of SBCSR, Mr Robert Burns, Head of Seed & Export, Mr Chris Goodwin, AHDB Finance Director, Mrs Rita Hall
By Invitation	Mr Dave Chelley

**12/18 CHAIRMAN'S WELCOME****ACTIONS**

The Chairman welcomed Members to the meeting, in particular Dave Chelley, who would participate as an observer and join the board on 1<sup>st</sup> April and Robert Burns who had started his role as Head of Seed and Export for Potato Council. Mr Chelley was MD of PAS Grantham and had worked within the McCain business for 34 years. Mr Burns had recently left SASA where he had served as science advisor and had previously worked closely with PCL's head of Seed and Export. He had a good working knowledge of the seed business and PCL strategies.

The Chairman reminded members that this would be Nick Vermont's last Board meeting and he thanked Mr Vermont for his longstanding contributions to the Potato Industry, Potato Council and British Potato Council. He also noted, in his absence, that it was David Rankin's last meeting and also thanked him for his contribution.

**12/19 APOLOGIES FOR ABSENCE**

Apologies were received from David Rankin, Rob Doig, Fiona Fell, Robin Baines, Alistair Melrose and Caroline Evans.

**12/20 DECLARATIONS OF INTERESTS**

The Chairman reminded the Board of his Directorship of the James Hutton Institute where a number of PCL research projects were carried out. He had taken no part in development of specific projects relating to Potato Council.

**12/21 MINUTES OF THE MEETING OF THE BOARD HELD ON 1 February 2012 (PCLM/12/01)**

The Minutes of the Board meeting held on 1 February, which had been circulated, were approved and signed as a true record, with the caveat that in section 12/05 paragraph 5

“approve” be replaced by “recommend”.

## 12/22 MATTERS ARISING (PCLP/12/10)

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

### Levy Collection (Minute 12/05)

Meetings had taken place with relevant AHDB staff and an update on levy collection methods would be included within the finance report.

### SI Issues

Potential SI developments including levy ceiling statutory register, co-operatives and data sharing had been discussed with AHDB’s legal team. The team would now collate responses from all sectors for further discussion by the senior executive team.

### Full cost recovery at FERA

The Director reported that he had been invited to a launch of FERA’s services to be hosted by Lord Taylor and that full cost recovery had been partly introduced and English seed producers would be charged 50% of the full FCR forecast this year. He added that a place had been secured at the launch for the Head of Seed and Export whose working knowledge of costs at SASA would be relevant. Mr Burns would also participate in subsequent consultative discussions at FERA.

**Mr Nichols expressed concern that representation should be wider and asked if a place could be secured for him. The Director would pursue this.**

PCL  
Director

Members of the Board were concerned that the 50% charge for this year (£104) was already equivalent to full charges in Scotland and were concerned that further increase would disadvantage English producers.

The Chairman suggested that the charging issue would affect other crop sectors within AHDB and sought a concerted approach to FERA from the three crop divisions. **He would discuss the issue with AHDB’s Chief Executive to ensure the issue was given the priority required and recommended that the Director should do likewise and consult colleagues within the Senior Executive Team.** He noted that a number of Board members had separate meetings arranged with Lord Taylor and was pleased that they were prepared to discuss the issue with him directly.

PCL  
Chairman  
and  
Director

### Relationship with AFS (Minute 12/06) –

The Director advised that Caroline Evans had held initial meetings with AFS staff to understand the marketing value derived from AFS activity. She would prepare a paper recommending future funding if required and discuss this with the Board in July. The Chair reminded the Board that PCL was now entering the final year of a 3 year tapered funding arrangement with AFS and noted that in AHDB discussions much value had been afforded to AFS’s role in quality assurance. It was now the responsibility of the Marketing Strategy Committee to bring a recommendation back to the Board in relation to funding post 1<sup>st</sup> April 2013.

**World Potato Congress (Minute 12/09)**

The Director advised that Steve Wellbeloved would present later in the meeting but updated on two actions from the last meeting. He thanked the Board for signing up as advocates of the congress and promoting the event on website etc. He also advised that the question of engaging students had been explored with the insurers and a risk had been identified. He had therefore arranged with Mark Hocart that handpicked students interested in global markets were identified and utilised as stewards.

**Corporate Plan (Minute 12/10)**

The Director advised that a final version of the plan would be discussed later in the meeting, but was now subject to inclusion of new financial data (relating to interest receivable) as decided by the AHDB Board. Changes would be made and final copies circulated.

PCL  
Director**Cost of production benchmarking (Minute 12/11)**

The Head of Communications provided details of plans to develop PCL's benchmarking activity. These included development of shared methods in Northern Europe and working towards a shared platform with HGCA.

**Direction through Dialogue (Minute 12/12)**

Papers relating to the previous Direction through Dialogue exercise were included in the Board pack for information. The project going forward would now be incorporated into a broader engagement plan.

**Seed Survey messages**

The Director advised that the seed survey project was now to be taken forward by Robert Burns and considered by the Seed and Export Committee. Staff from the Oxford Partnership who had conducted the survey would be invited to present at the next Committee. Interim messages had been communicated to industry especially those relating to the inappropriate use of Jumbo bags as storage units.

**12/23 AHDB: REPORT FROM CHAIRMAN**

The Chair provided an update on AHDB activity including discussions that had taken place the previous day at AHDB's board meeting.

Potential changes to AHDB's Statutory Instrument had been requested from board members and they had been reminded that progress was likely to be slow and the project could take over 18 months to complete as it was subject to Parliamentary timetabling. The proposals would be considered in detail by AHDB in May.

PCL Board members were thanked for their previous suggestions for sector board conference topics. These had now been fed back to AHDB's Chair.

A new simpler appraisal system for board members had been discussed. Further simplification had been agreed and appraisals across all sector boards were likely in May.

The Chair also advised that Jim Paice had agreed to lead a Defra mission to China in May, but unfortunately he would be unable to attend, however EBLEX, BPEX and Potato Council business would appear on the agenda. The Chair would attend the pre-

brief given by Sir David Brewer, Chairman of China-Britain Business Council.

## 12/24 FINANCE REPORT (PCLP/12/11)

Chris Goodwin, AHDB's Finance Director reported that AHDB was forecast to deliver a retained surplus of >£3million in the current financial year. This was in part due to greater than expected revenue in some sectors e.g. HGCA and HDC and was better than the budgeted £719K. He commented that small adjustments would be made relating to exceptional reorganisation costs and these related to meetings held with HMRC where a few issues relating to the previous relocation exercise had been discussed and resolved.

Taking a forward look at the AHDB budget, the Chair asked the Board to note that from 2013 onwards AHDB would see substantial growth in all of its front line activities and that AHDB could collectively communicate a strong message that divisions were now benefiting from a completed transition process and delivering more services for levy payers. Mr Goodwin commented that this was in part due to savings achieved in support functions and these had been outlined in a paper presented to AHDB in 2011. The Chair recommended that this paper was revisited by AHDB Communications and key messages for levy payers disseminated.

Turning to Potato Council's accounts, Mr Goodwin commented that the team were on track to return a surplus of £21K compared with a budgeted surplus of £24K although small costs relating to the HMRC audit described previously were still to hit the accounts. In terms of reserves, he asked the board to note that these would increase by c£250k at the year-end as a result of a prior year adjustment relating to capital expenditure at Sutton Bridge. In future PCL would see an increase in its depreciation figures. Further he commented that the reserve might see a further increase once its contract to rent Nash Court in Oxford came to an end and provisions relating to dilapidation on the site were released. He expected that the combined effect of these changes in a couple of years' time would bring PCL close to its reserves target of £2million.

Mr Goodwin then summarised recent developments in levy collection. Meetings had been held with relevant staff to discuss the issue of switching from planting returns to area estimation. Although only affecting 80 growers in 2011, all involved had agreed that action was required to ensure AHDB remained evidence based and that evidence was derived from planting returns. Mr Goodwin would now ensure the necessary procedures were in place to ensure planting return submission was pursued by the team. At the request of the **Chair he agreed to provide regular updates on the issue and would document processes as well as decision making criteria** (e.g. for dealing with levy payers who pleaded hardship).

AHDB  
Finance  
Director

The Finance Director was asked by the Chair how confident he was with the department; he replied that there was such a robust improvement that PCL no longer needed a Finance Committee. The Chair advised that he would revisit this question at the next Board meeting in consultation with the Chair of that committee. However he requested that a better narrative on the accounts be available to the Director in good time for him to edit the wording for insertion into the Board pack. He then took the opportunity of thanking Mr Goodwin and congratulating him for the progress. Mr Goodwin left the meeting.

**12/25 WORLD POTATO CONGRESS 2012 PROGRESS REPORT (PCLP/12/14)**

The Chair welcomed Steve Wellbeloved of CEMS to the meeting. Mr Wellbeloved commenced an overview of the event plans with an update on current and expected bookings. Over 400 delegates had either signed up already or were mid transaction. Mr Wellbeloved had forecast likely increases in bookings based around future event marketing campaigns and noted that the minimum forecast was higher than the midpoint forecast presented to the Board in 2009 when the project was approved. Combined with robust cost control and exceedence of sponsorship expectations he commented that the event was in a good financial position and the PCL contribution to the event had already been reforecast £50k lower than the original agreed proposal. Further delegate marketing plans had been established with a particular emphasis on geographies with lower levels of participation so far, especially the UK where bookings were poor. Turning to the Congress programme, Mr Wellbeloved reported that a number of gaps had recently been filled and the programme was now greater than 90% complete. Many delegates had already commented on the strength of the programme and the Chairman recommended that an updated programme (including industry tour details) be circulated to Board members for reference during face to face marketing. Mr Wellbeloved updated the Board on event security plans and advised that risks relating to the agenda (e.g. biotechnology and high profile speakers) had been taken into account. Further meetings were scheduled with staff at the EICC and AHDB's insurance policies had been topped up to cope with any risks. In terms of Board member involvement in the event, the Director advised that session Chair duties would be communicated shortly after discussion with the Chairman. The Chairman thanked Mr Wellbeloved for his excellent presentation and input into the project so far. Mr Wellbeloved left the meeting.

**12/26 CORPORATE PLAN WITH 2012/13 BUDGET (PCLP/12/12)**

The Corporate Plan had been approved by the Board with the financial update to be amended and board copies would be circulated.

**12/27 PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (PCLP/12/13)**

The Director reported that fully functional cross sector working arrangements were now in place and PCL teams had encountered a smooth move on the Stoneleigh site. He welcomed Robert Burns to the meeting on his first week with the Council and asked the Board to note the hard work undertaken by both Sophie Lock and Margaret Skinner who had excelled in keeping seed and export activities on track prior to Mr Burns arrival. Thereafter members of the management team presented their operational summaries.

**Research and Knowledge Transfer**

Dr Storey provided a brief update on drought restrictions and drew the Board's attention to increased restrictions on abstraction in East Anglia the South East and the Midlands. Board Members had been provided with a briefing prior to the meeting and updates would be provided as required.

In terms of Stewardship activity, Dr Storey had attended a new Nemathorin Stewardship group arranged by Syngenta. The group's objective was to ensure best use of Nemathorin and to assure food safety. Potato Council had already developed best

practice messages relating to nematicide application through its crop protection treater group. Mr Bambridge suggested that a Stewardship group would be perceived as more balanced and independent if it were PCL owned rather than driven by a single commercial business. The Director responded that many application issues were generic and common to other nematicides and a set of core generic messages had already been developed, but he recognised that Syngenta would have unique product-specific knowledge so had a vital contribution to make. The Board debated the best structure for a Stewardship group and noted that inclusion of other AHDB divisions and CRD would be important. Dr Storey agreed to consider the shape of the Stewardship group and any resource implications that may arise from changing the group structure and ownership. **He would consult further with the Stewardship group and report back to the Board.** Turning to CIPC Stewardship he commented that the group had served its first five year tenure and a final annual report was being developed. All parties involved had already committed to extending the tenure of the group if required.

Head of  
R&D

Dr Storey sought approval of 2 recommendations, blight genotype monitoring and an extension to an ongoing Dickeya survey. Recommendations were approved at a cost of £26,836 and £20,000 for the projects respectively.

Dr Hall updated on recent KT activities and reported improvement in footfall and feedback following development of new winter forums to cover both East and West regions.

The day prior to the PCL Board meeting the Defra Minister Jim Paice had sought information from AHDB relating to the skills agenda. In light of this, Dr Hall was asked to summarise recent skills related activities within PCL. This included the recent submission of a prequalification questionnaire to DEFRA enabling AHDB to be in a strong position to secure future funding for skills related activities along with contributions from Sutton Bridge staff to Advanced Training Partnership activities. Further contact had been made with LANTRA in relation to their skills framework and outcomes regarding possible funding were awaited. The current concern was that a number of activities including The Chief Scientist's contact with Landex colleges to develop a skills and training network still required consolidating to create a single platform for skills development. Jackie Dubery, AHDB Director of HR was leading this activity working with a cross sector team within AHDB. **Dr Hall was asked to include regular updates to the PCL Board relating to this activity.**

Head of  
Comms.

### **Marketing and Corporate Affairs**

In the absence of the Head of Marketing and Corporate Affairs, The Director provided a brief update on metrics relating to Chip Week. The activity had been a great success and high levels of exposure on TV, radio and in the press had resulted in good positive coverage creating a return on investment of £22 for every £1 spent.

Turning to the recent retail event of 21<sup>st</sup> March, the Director reported that the conference had been well attended by retailers and supply chains alike and they had welcomed a strong, evidence based description of the new consumer signposting project and plans for its roll out to industry. Board members who had been present at the event complimented the marketing team who, under the direction of the Head of Marketing and Corporate Affairs had performed exceptionally at the event. A short meeting of the Marketing Strategy Committee followed the retail event and the committee had agreed to recommend to the board a continuation of the project. The board approved the recommendation and agreed that this was a once-in-a-generation opportunity to bring positive benefit to the fresh sector. However members were

concerned that final-hour concessions had been made with supply chains to ensure buy-in to the project and there was a strong possibility that impact would be diluted. The committee Chair suggested that Ms Evans had demonstrated a high degree of professionalism in getting the project so far so quickly and that she should be afforded full support from the board and industry to lead this significant change in the sector. This would require commitment at senior levels to assist in ensuring the project resonated at all levels within the supply chain. Board members agreed and Mr Worth commented that the view was already shared by the Chair of FPSA. The Chairman concluded the discussion stating that the project had sufficient urgency that it should be a priority discussion at the May 2012 Board and that key stakeholders who had missed the retail conference should be invited to participate along with consultants who had worked on the project. Logistical arrangements could be flexed to allow for a good turn out and might include commencing the board session late afternoon prior to the main meeting if required.

**The Head of Marketing and Corporate Affairs should work with the Director and Chair of the Marketing Strategy Committee to make necessary arrangements.** Other strategic issues affecting the Marketing function would be covered in the afternoon session of the May 2012 Board.

Head of  
MCA

#### **Seed and Export**

Robert Burns provided a brief update on activities within the S&E function. Positive feedback had been received from those attending Fruit Logistica and plans were now developing to grow the collective GB presence by extending invitations to the horticulture sector via HDC. Further planning was now taking place for Potatoes in Practice and the Seed Industry Event for 2012. Mr Burns was also developing proposals to target stakeholders in new and existing overseas markets with a view to running short missions at WPC2012.

#### **Sutton Bridge Crop Storage Research**

Mr Cunnington reported on the first meeting of the newly formed Sutton Bridge Advisory Committee. Invitations to this group had been extended to scientific staff from Sutton Bridge and AHDB's Chief Scientist who had all made positive contributions. The Board were informed of a recent recurrence of Legionella findings within humidification systems at Sutton Bridge. Whilst not a risk to human health, a number of mitigation measures were now being followed.

The MI minutes had been tabled and the Director suggested reference to them for information.

#### **12/28 MAIN BOARD THEMED PRESENTATION R & D STRATEGY (PCLP/12/15)**

Dr Storey presented a refined R&D strategy that had been recommended by the RKT committee along with a supporting update from AHDB's Chief Scientist Prof Ian Crute. Consultation on this strategy had been broad and had included a "have your say" survey where >10% area grown had been surveyed along with discussions with PPA, FPSA, NFU, NFUS and BPTA.

In developing the strategy new priorities had been agreed and these included consumer determinants, PCN, water, nutrition and soil, blackleg, weed management, diagnostics, storage management and exploitation of the genome.

The prioritisation had allowed Dr Storey to forecast likely expenditure in each area for the forthcoming three years responding to the priorities review well whilst recognising previously agreed strategic goals around plant health and crop storage. Further, Dr

Storey had been careful to identify possible sources of external funding and noted that high multipliers for funding could be achieved (e.g. through the BBSRC Horticulture and Potatoes programme).

Two new features for the strategy were the development of a fellowship scheme and a renewed emphasis on studentships. Fellowships had already been developed by HDC and the processes and successes of this scheme had been thoroughly reviewed by members of the RKT committee.

Board members agreed that the refined strategy provided the right messages to industry and research institutes and would drive the industry response to technical challenges. The strategy was accepted.

**Dr Storey would now ensure the final strategy was disseminated effectively.**

Head R&D

Whilst the board recognised that progress towards shared AHDB goals on R&D was evident in some areas (e.g. development of shared databases and project management), they were concerned that basic barriers that had been discussed previously (e.g. synchronised meetings, shared commissioning process) had still not been overcome and that progress was unacceptably slow. Mr Bambridge suggested that the potato industry's progress would now be compromised by speed of development of cross sector issues like soil management, water management etc. He recommended greater leadership from the Chief Scientist, AHDB Board and Senior Executive Team and suggested that Potato Council would not achieve sufficient "bang for its buck" until change had taken place.

**The Director and Chairman would discuss these points with AHDB's CEO.**

PCL  
Chair &  
Director

Dr Hall concluded the session with a short update on development of strategy within knowledge transfer. Her emphasis was on broadening the KT agenda to cover broader stakeholder engagement. Development would be closely aligned to the R&D strategy and priorities within R&D were regarded as genuine knowledge gaps within the industry. She would present the strategy to the R&KT committee and bring recommendations to the board in July.

## 12/29 ANY OTHER BUSINESS

The Director reported that he had received notification that a European Pest Risk Analysis had been published for the Epitrix flea beetle. Requirements from the analysis were that all potatoes being transported from infected regions should be washed or brushed. This would become a legal requirement in approximately two months and voluntary notifications of import should continue until then.

**He would circulate the notification to Board Members.**

PCL  
Director

The Chair took the opportunity of thanking the Director and his entire team for the progress made on clarification of reports within the Board and the general demeanour of the Board meetings and that he was extremely pleased with the progress made in the last year. He requested a note of caution within the senior executive team to consider the question of is the individual best placed to undertake the task in hand, to seek cross sector skills and to reiterate that the Board and the Chair were at the disposal of the team and to actively seek advice from both if required.

Mr Tapp told the board that he had fielded questions within the MI Committee regarding

the level of interaction with retailers and whether this was effective. The Chairman reminded the board that AHDB's Chief Executive was a member of IGD's policy group so had regular opportunities to discuss issues with retailers and that PCL's recent marketing event had strong engagement with retailers. Mr Worth suggested that it was vital that PCL's team worked closely with supply chains to avoid any mixed messages directed at retail.

**12/30 DATE OF NEXT MEETING**

15<sup>th</sup> May 2012