

**AUTHORISED MINUTES
FOR CIRCULATION**



**MINUTES OF THE FIFTY-FOURTH MEETING OF THE
BRITISH POTATO COUNCIL HELD AT HARRINGTON HALL
HOTEL HARRINGTON GARDENS SOUTH KENSINGTON
LONDON ON TUESDAY 7 FEBRUARY 2006**

- * Mr David Walker - Independent Member (Chairman)
- * Prof Janet Bainbridge - Second Independent Member
- * Mr Colin Bradley)
- * Mr Douglas Harley)
- * Mr James Harrison)
- Mr Kevin Littleboy) Representing the Interests of Growers
- Mr Richard Maddocks)
- Mr John Rix)
- * Mr Fraser Scott)
- Mr Alex Stephens)
- Mr Duncan Worth)
- * Mr Barry Leathwood - Representing the Interests of Employees
in the Industry
- * Mr Robert Doig) Representing the Industry Subsequent
- * Mr Richard Harris) to Production
- * Mr Nick Twell)
- * Mr Nick Vermont - Member with Special Marketing and
Distribution Knowledge
- * Present

In attendance: Mrs Helen Priestley, Chief Executive
Mrs Inga Martin, Secretary
Dr Mike Storey, R&D Director
Dr Rob Clayton, KT Manager (Items 06/09 & 06/10)
Mrs Kathryn Race, Marketing & Comms Manager (Items 06/09 & 06/10)

06/01 APOLOGIES FOR ABSENCE

Apologies for absence were received from Messrs Littleboy, Maddocks, Rix, Stephens and Worth.

06/02 QUORUM

For a meeting of the Council to be quorate, attendance from five Members representing the interests of Growers is required. Only four Members in that category were able to attend this meeting. The Chairman proposed, and Members agreed, that the meeting would proceed and that decisions would be referred to missing Members for confirmation, by correspondence, to ensure that such decisions were ratified by the requisite number. *Those items which have been decided upon or approved subsequent to the meeting are marked # in these Minutes.*

06/03 MINUTES OF THE COUNCIL MEETING HELD ON 6 DECEMBER 2005 (BPCM/05/04)

The Minutes of the meeting held on 6 December 2005 were approved and signed as a true record. #

06/04 MATTERS ARISING (BPCP/06/01)**British Potato 2005 (Minute 05/75)**

The Council noted that the Great Yorkshire Showground had been booked for 28th and 29th November 2007. As in 2005, Steve Wellbeloved and Des Vickers would run the trade show at no cost to the BPC. Contract arrangements were in hand.

Staff were investigating options regarding the convention element of the 2007 event. Comments from levy payers and exhibitors would be instructive in this discussion.

The point had been made at the previous meeting that the level of attendance from producers had been lower than hoped for. Staff had carried out a limited telephone survey of non-attenders, in an effort to ascertain the reason for this apparently low turnout. (There were no truly accurate figures available, as several attendees had declined to complete registration cards.) The results of the survey showed that there had been a high rate of awareness about the event, and those contacted had made informed decisions not to attend.

The meeting was asked to consider whether, at the next British Potato event, more effort should be made to obtain details about those who attended. Mr Vermont felt that, without such information, it was difficult to judge whether shows were aimed at the right audience, whether the contents were appropriate and, indeed, whether staging such events was a good use of BPC resources. Other Members concurred

and staff were asked to investigate suitable means of collecting attendance data at BP2007. This might include incentives for completing cards, a simple tick-box on the ticket, or – as suggested by Mr Bradley – issuing name badges.

Budget & Levy Rate Proposals (Minute 05/79)

The proposals for levy rates in 2006/07 had been submitted to the Sponsoring Departments.

Issues Management (Minute 05/81)

FSA had been alerted and had noted the concerns regarding potential risk of misinformation from local authorities undertaking acrylamide analyses.

Market Information (Minute 05/84)

The TNS retail data was communicated via the retail report, which was circulated by email. Any Members not receiving this were asked to let staff know.

Audit Committee Issues (Minute 05/86)

The question of whether the BPC was exempt from corporation tax was being investigated.

06/05 RADCLIFFE REVIEW OF LEVY BODIES (BPCP/06/02)

The industry consultation on the Radcliffe Report had now closed. The BPC's submission to the consultation had been sent to DEFRA, and copied to the other Sponsoring Departments; copies of the final version had also been circulated to Members.

The Chairman said that public statements from other levy bodies indicated that the recommendations of the Reviewer had not found favour across the industry. Various alternative models had been put forward but, again, there was little evidence of consensus. It was certain that, whatever the outcome of the Ministerial consideration, there would be a number of practical issues to be addressed. The BPC's response had suggested that an industry wide working group might be set up to help determine pragmatic and acceptable solutions. This appeared to chime with the views of at least one other body, so could be a useful way forward.

The Chairman said, in response to questions from Members, that it was his understanding that the Ministers' decision would be announced before the end of April 2006.

The Review team had provided a document giving additional details of the costs and financial benefits of the changes recommended in the Radcliffe Report; this had been circulated to Members. The Reviewer had made the point that certain, major aspects had not been included in the analysis and the figures were to a large extent based on assumptions. Professor Bainbridge welcomed the information and said that, notwithstanding the assumptions, which were clearly set out in the

document, she found this helpful in understanding the Review Report.

Mr Scott, referring to the ongoing state of uncertainty, asked about the effect on staff morale. The Chairman replied that the BPC personnel had retained their professional attitude and continued to produce high quality outputs. That said, there was inevitably concerns at a personal level and uncertainty over future employment with the BPC was one of the factors which individuals had to consider when making their own plans. As far as the organisation was concerned, nothing could be done now, but once the outcome of the Review was known, the BPC would need to consider strategies for managing change.

Mr Harris said that the PPA's response to the Review had contained many positive comments about the BPC and its staff. He suggested that Management might wish to circulate this throughout the organisation.

Chief
Executive

The Council noted the information received and agreed that no further action could be taken until the Ministers' decision was announced.

06/06 BUSINESS PLAN 2005/06 – MID YEAR REPORT (BPCP/06/03)

The Chief Executive advised the Council that, of the 107 agreed activities in the Business Plan, 84 were complete or progressing on target. The remaining 23 were detailed in the Paper. The majority related to work in the R&D and Supply Chain functions (see papers BPCP/06/04 & 08 respectively).

There were seven activities in the Seed & Export section which were not on target. The main reason for this was that, whereas the seed & export team had previously comprised two members, for the last 18 months the Manager had worked on his own. This was not sustainable and if the activities were to be continued at the level set out in the Plan, a support person would be recruited on a fixed term contract. Otherwise it would be necessary to lower the priority, i.e. do less.

Mr Harley said that the activities set out in the Business Plan were those that the industry had said they wanted done, and he therefore felt that it was inappropriate to make changes. The Council decided that the priorities for the Seed & Export department, as published in the business plan, should remain unchanged.

Chief
Executive

The Chairman said that it was helpful to the Council to receive this exception report, and comforting to know that all other activities were on target.

06/07 BPC BUSINESS PLAN 2006/07 – STRATEGY MAPS (BPCP/06/09)

The Chief Executive reminded the meeting that all proposed activities in the Business Plan were assessed against the two overriding objectives, namely increasing usage of GB produced potatoes and being competitive. Unless an activity met these criteria, and passed the market failure test, it did not have a place in the Plan.

The key factors and main challenges were captured on two strategy maps. These had been amended to take account of issues arising from the recent and ongoing

functional reviews, and the revised versions were included in the Paper. The changes related to ‘variety & taste’ and ‘compliance’, where visions of success needed to be agreed; and ‘merchandising’, which was no longer relevant, as it failed the market failure test.

Mr Bradley highlighted the importance of fresh, local food. Consumers valued the convenience of such products and were interested in regional provenance of their purchases. The Chief Executive suggested that this came within the scope of ‘understanding the business environment for potatoes’, and linked to the market research work commissioned by the BPC. The results of this had not yet been directly communicated to producers, and staff were planning to do that through a marketing workshop/conference for growers. Possible topics for such an event were sustainable procurement and help and ideas for producers wishing to do their own marketing. The Chairman suggested that the availability of grant funding should be investigated.

Mr Scott, turning to the issue of compliance, suggested that there was a clear link to the Single Payment Scheme and wondered whether this came within the Council’s brief. He felt that this would be a relevant topic for a Growers’ conference. Mr Scott suggested that a specialist should be commissioned to present the bigger picture, as well as give information about payments and other practical aspects. The Chairman thought that it was useful for the BPC to have an understanding of how the various facets fitted together. However, there were clear distinctions between the roles of the agencies which managed associated schemes and made payments, and the Farmers Unions who had a political remit and, along with commercial firms, provided advice. It was important not to encroach on others’ territory, though the BPC would be happy to act as facilitator, if that would be helpful. Staff were asked to discuss the topic with the NFU.

Chief Executive

The Council approved the BPC’s priorities for 2006/07, as set out in Paper BPCP/06/09.

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06/08 R&D REVIEW: IMPLEMENTATION (BPCP/06/04)

At its meeting in December 2005, the Council had approved the report on the R&D strategy review, which had been carried out over a number of months, and accepted the recommendations of the review group. Professor Bainbridge said that the report had subsequently been presented to a number of stakeholder bodies, and had been well received.

The challenge was now to put in place effective measures to implement the strategy. A number of issues had been identified and these were set out in the Paper. Professor Bainbridge said that the Council’s R&D Committee had a strong desire to provide good value for levy payers’ money and this had manifested itself in a conservative approach in assessing project proposals. As a consequence, a number of agreed R&D activities had not been completed (see item 06/06 above). The situation had been exacerbated by delays on the part of third parties, and the result was a projected reduction in spend of £119K; this meant that only 89% of the agreed budget would be invested in projects. Another challenge was how to maintain the pipeline of applied and strategic research, which had been one of the

principal recommendations of the review, using the most appropriate research centres, without giving out 'blank cheques'. Yet another challenge was how to access funding for potato research, which had a far lower profile than some other contenders for grants.

Paper BPCP/06/04 sought to address five issues which were relevant to implementation of the strategy. Professor Bainbridge invited the R&D Director to present these to the meeting.

Core programme closely monitored by the R&D Committee. This would include consideration of adopting a system of three-year rolling funding, to ensure that the research pipeline was maintained, with careful management of researchers.

Links with Government. As previously reported, Government's R&D priorities had shifted from crop specific programmes to cross-sectoral research. The Council was disappointed to learn that, due to these changes in emphasis, the Sponsoring Departments would now only be able to send scientific representatives to two meetings of the R&D Committee a year. Another effect of the Government's own strategy review, which was ongoing, was that certain proposals for LINK projects had been delayed and this had been a contributing factor in the under-spend mentioned earlier. The technical input from DEFRA/SEERAD would be greatly missed by the Committee, and the Council wondered whether this could be sourced from elsewhere, without risk of conflicts of interest. Dr Storey was asked to explore this with Professor Bainbridge and the Chief Executive.

R&D
Director

Knowledge Transfer. One of the recommendations arising from the review was that there had to be a strong interrelationship between R&D and KT. This issue was also relevant to collaborative projects, where the BPC took the KT lead, and to the relationship with the Sponsors. Professor Bainbridge said that personnel changes in Government Departments had resulted in a lack of experience of KT and she suggested that the BPC had the expertise to provide useful advice on this subject. The Chairman, concurring, said that the Council was part of the delivery process, and this had to be recognised.

In view of the reduced level of their attendance at Committee meetings, it was important to hold other, regular meetings with the Sponsoring Departments to ensure that there was effective contact and that a suitable forum existed for discussing research related matters. The Chairman commented that an important aspect of this was ensuring that potatoes benefited from available Government resources at an appropriate level vis-à-vis other sectors. Dr Storey was asked to arrange a meeting with DEFRA to discuss both R&D and KT issues.

R&D
Director

A letter from the Chairman of CUPGRA, responding to the R&D strategy review, was annexed to the Paper. The Council noted that this would be referred to the R&D Committee for consideration.

R&D Spend. In examining the reasons for the budgeted under-spend, staff had found that the established practice of inviting concept notes and then building proposals was cumbersome and did not always produce satisfactory proposals. It was suggested that a better method, which had already been trialled with some success,

was to identify research centres with the appropriate expertise to lead a project, at the start of the process, and then to involve the Committee in the proposal development. Professor Bainbridge saw this as a way of managing the quality of research work, which was essential, as well as building and maintaining relationships with researchers and nurturing their skills; it would also introduce a greater degree of flexibility and make the system better able to respond to emerging issues.

International Collaboration. The paper put forward a range of suggestions for maintaining and developing overseas contacts. The Council agreed that such links must be actively cultivated.

The Council approved the recommendations for implementing the R&D strategy. The Paper, incorporating the comments made at the meeting, would now be put before the R&D Committee at its meeting in March.

R&D
Director

06/09 KNOWLEDGE TRANSFER STRATEGY REVIEW: UPDATE (BPCP/06/05)

A review of the BPC's KT strategy was in train and the Council had received a report from the KT Manager, Rob Clayton, in December 2005. Dr Clayton now attended to inform Members of the progress so far and to consult them on a number of matters which had been identified by the review panel. He said that, since the previous meeting, there had been additional responses from service providers – SAC, SCRI, CUF and HAUC. A meeting with DEFRA had been arranged for the following week and in March he would meet two representatives of the NFU. The Chairman said that, in view of the importance of the subject, it would be appropriate to have a larger number of attendees at that meeting; he asked Dr Clayton to widen the invitation.

KT
Manager

Referring to the composition of the panel, the Chairman commented that with only one agronomist and two growers, but several researchers, there seemed to be an imbalance. Dr Clayton explained that he had planned for a more balanced mix of members, but some of those who were invited to attend had been unable to do so; he would revisit this issue.

KT
Manager

The following matters had been raised at the panel meeting:

Best Practice - The panel had expressed the view that the BPC should communicate at all levels, rather than concentrate on, say, the largest or most progressive businesses, and vary its messages according to the level being addressed. This clearly had cost implications. Also, there had been instances in the past where the BPC had been criticised by some for communicating at a very basic level. The bruising pack was an example of this.

Mr Harrison agreed with the suggestion that the BPC should pitch its messages at different levels. The Chairman said that, whereas bruising happened everywhere, other things, e.g. blight, were more one-dimensional. Therefore, it was necessary to consider both the audience and the subject matter when deciding on messages and methods of delivery.

Priority Audience - The panel felt very strongly that all levy payers should receive communications and it was not for the BPC to identify who would or would not survive in business. The Council agreed.

Skills - Issues of succession planning applied not only to R&D, but also to KT, as more researchers became distant from farming and from agronomy. This was a message which should be passed on to Government.

Campaigns - The panel had expressed concern that certain projects, which did not fit into campaigns, had been overlooked and not communicated. Examples were work on *Verticillium* and free-living nematodes. The Chief Executive said that staff had analysed the situation and found that there was only a very small number of projects which did not fit into campaigns. These were in fact included in the communication programme. Hence, the concern raised by the panel appeared to be one of perception rather than fact. The issue, however, needed to be kept in mind.

Government R&D – The panel’s opinion was that so long as research was credible and beneficial to the industry it should be included within the BPC’s KT programme. Clearly this had implications for work volume and costs; to be discussed with the Sponsoring Departments.

Technical Digest – There had been a unanimous view within the panel that communications should be brief and electronic, in bullet point form; that was sufficient.

Professor Bainbridge wondered whether there was risk of information overload, which was a common phenomenon. She made the point that communication had two distinct components, interpretation and dissemination, each of which required different skills and should not be confused. It was impossible to disseminate everything and therefore it needed to be decided what should be actively published and what could be made available for accessing.

Turning to the issue of training, Professor Bainbridge recommended the concept of training the trainers, suggesting that rather than addressing newly qualified researchers, it would be more sensible to concentrate on the supervisors. People at that level were also becoming more removed from practical aspects. They tended to be motivated by peer reviews, rather than KT, and it was important to consider the issue of suitable incentives. The Chairman suggested that there may be merit in exposing researchers to commercial reality.

Mr Doig questioned why everyone should be forced into doing KT, when only some had the requisite skills and inclination. He felt that if they were presented with sufficient enthusiasm, messages *would* get through. The Chairman agreed that only those who had the aptitude to do so should be allowed to perform; that required a willingness to apply judgement.

Mr Vermont felt that the BPC’s approach to communications was correct: everything was on the website; everything was accessible. The Chief Executive said that the message at the panel meeting had been that people needed help to locate information, and no-one had supported a ‘come and get it’ approach. This of

course had significant cost implications.

The Chairman, turning to the issue of communicating within the supply chains, wondered whether it was sufficient to have a dialogue with technical directors or whether we should address the principals. He asked Members to reflect on this.

Members

Dr Clayton thanked Members for their comments, which would be taken forward to the next Panel meeting.

06/10 MARKETING & COMMUNICATIONS: PRESENTATION (BPCP/06/06)

It was Council policy to receive regular reports on BPC functional activity. As part of this, Kathryn Race had been invited to present an overview of Marketing & Communications, for which she had managerial responsibility.

Mrs Race reminded the meeting that, following the Quinquennial Review, there had been a fundamental change in marketing strategy. Since July 2005 the BPC consumer marketing activity had focused on consumer research, high profile campaigns on the core benefits of potatoes and issues management, as well as educating children.

The most recent consumer research looked at demand at different life-stages, and the results would be presented at a BPC Conference on 8 March. The members of the Marketing Committee had received the report previously. The Chief Executive suggested that this should be presented to the other Council Members, particularly those who were unable to attend the Conference. The Chairman agreed. There had been some negative comments about generic marketing activities in the Radcliffe Report and similar sentiments had been expressed in recent NFU newsletters. It was, therefore, particularly important for Council Members to have a clear understanding of the BPC's work in this field, and to be able to stand up and defend it.

Mrs Race went on to give information about the summer and autumn health campaigns, and to describe how these had been evaluated in terms of media coverage and awareness surveys. The activities achieved consistently high scores on all these measurements. Educating children was a major priority, incorporating a number of high profile and very popular activities. The potatoesforschools website received 30,000 hits a month and 1,200 potato day packs for school caterers had been sent out. The Grow Your Own Potato project was in its second year and 1,100 schools had signed up to take part.

National Chip Week, which had been going for 15 years, remained a hugely popular event. The relatively modest investment of £160K generated coverage equivalent to £1m, which was a very good return. This year the number of participating chip shops had been reduced to 750, to allow for better quality materials. The feedback had been excellent.

Another important activity was issues management – ‘defending the potato’. The aim was to ensure that where issues involving potatoes occurred, such as health scares or concerns about pesticides, there was a prompt response with clear,

uniform messages, managed through the BPC.

Mrs Race completed her presentation by raising a number of issues to be considered for the coming season and beyond:

- National Chip Week, being a specific campaign, did not conform to the policy of generic promotional activities. The Council decided that there was nevertheless justification for retaining this. Mr Bradley said that this project was hugely popular with fish friers and Mr Vermont added that the figures spoke for themselves.
- The Council was asked whether it was right to continue the work on educating children. Mr Vermont felt that the BPC was uniquely placed to respond to this very real need. The other Members concurred.
- In response to a question from the Chairman, the Chief Executive said that the Council's marketing activities complied with state aid legislation, as currently interpreted. Activities were reported to DEFRA and there had been no challenges or complaints against us.

The Chairman thanked Dr Clayton and Mrs Race for their presentations and they left the meeting.

06/11 SUPPLY CHAIN REVIEW – FRESH & PROCESSED (BPCP/06/08)

The current supply chain team structure was introduced in 2003, with the aim of improving the quality of communications between the BPC and the industry. The supply chain staff were recruited as communications specialists, and their brief was to act as an interface with levy payers and other industry contacts and a conduit for information, messages and feedback. In addition to this primary role they had also taken on a number of fairly disparate projects, some of which had been inherited from former colleagues whilst others had cropped up since. These included the costing benchmark model and the safe potato CD.

The Chief Executive suggested that, some three years into the process, it was right to review whether the new arrangements were working successfully. As reported previously (see item 06/06), a number of activities were not on target. The objectives for meetings and other contacts had been met and it was generally felt that the quality of communications between the BPC and industry players was good. Most communications took place through the supply chain, in accordance with BPC policy, but there were also visits to individual growers, such communications being mainly reactive.

In response to a question from Mr Vermont, Mrs Martin explained that visits relating to issues such as late returns or other breaches were dealt with by the Field Officers. However, there were instances where producers had refused to comply in protest over what they saw as the BPC's failure to do anything for them. In such cases it was sometimes worthwhile to arrange a contact with a member of the supply chain team who could give information about relevant BPC activities, demonstrate the specific benefits of these, and give positive messages in general.

The Chief Executive went on to say that the difficulties with achieving objectives related in particular to the projects. Problems in this area could dissipate some KT activities and other communications. It had to be recognised that the supply chain teams were based at home and spent a large proportion travelling, which was not conducive to management of major projects. She asked Members for feedback

Communications

Mr Vermont said that the relationship with the team was as good as ever, and he felt that the projects, such as the benchmarking model, were key to this success. These projects were not hugely technical but they were practical and relevant to levy payers and, therefore, they provided a means of entry to businesses.

Mr Harrison said that he and his supply chain contact had lost some focus over recent months. This was to a considerable degree due to the BP2005 event, which had taken up a large amount of time, and it was a mutual issue: both parties had fallen behind and both needed to catch up.

Mr Harris agreed that BP2005 had been a distraction in this respect and he pointed out that one member of the team had been absent on maternity leave. He also made the point that good communications could only succeed if both parties showed interest and commitment. He was aware that this happened in his own sector but doubted that it applied across the board.

Other Members commented that their communications with the supply chain staff could be a little sporadic, but felt that this tended to be a two-way issue. Mr Twell believed that the packers were reasonably happy with their contact.

Projects

Mr Vermont made the point that the supply chain teams had picked up the benchmark project from a very low point and it was wrong to underestimate the challenge. Members agreed that it was right to tighten up processes and to ensure that there was the correct level of financial rigour. However, they stressed that it was important that the teams had a real involvement in the project and were enthusiastic about it. They absolutely agreed that the supply chain should not be a dumping ground for work which didn't fit anywhere else.

Chief
Executive

Reporting System

A suggestion that the supply chain should report on their projects to a formal committee caused some concerns of increased bureaucracy as well as issues of commercial confidentiality. Mr Vermont pointed out that the Council had received several progress reports on the benchmarking model.

Activities

Mr Bradley suggested that there were some activities which could usefully be carried out by the supply chain teams, as part of their communication brief:

- Local discussion groups for *like minded* growers;
- Promotion of the Chip Charter, in conjunction with NFFF;
- Regional foods.

The Chief Executive thanked Members for their comments which would be helpful in planning future activities and priorities, and in developing positive messages for staff.

06/12 LABOUR, BUSINESS MANAGEMENT & TRAINING (BPCP/06/10)

The Chief Executive told the meeting that this was an area of activity which had been included in the BPC's Business Plan for the last few years, though not through the normal process of analysis, but rather in response to informal requests. As the title denoted, this had become a catch-all, which lacked clarity of purpose; there was no real ownership of activities and, through a combination of these factors, the objectives had not been met. The Council was asked for guidance on how to take this forward.

The meeting agreed with Professor Bainbridge's view that the item was too generic and that it would be more effective to consider this in terms of health & safety and training.

Health & Safety

Mrs Martin said that when this issue had been discussed previously in Council, there had been some differences in opinion as to whether, and to what extent, the BPC should be involved. However, at a project level, the BPC had participated in a number of useful activities, such as the training CD for bulker drivers and the manual on working at heights. In both cases, there had been involvement from industry bodies, as well as the Health & Safety Executive. The HSE had adopted a partnership working model and were very keen to engage in joint activities with organisations in the industry. It was an acknowledged fact that the health and safety situation in the agricultural industry was extremely bad.

Mr Harris said that the two projects mentioned above, which had been carried out with the approval of the Council, had been extremely well received in the industry.

Mr Leathwood said that the safety record in agriculture was indeed grim. He suggested that there may be opportunities for working with the HSE on specific activities, on a cost sharing basis. The NFU took an active role in this arena and there may scope for joint activities with them also.

Mr Vermont said that this was a crucial issue for the industry and one where, he thought, the BPC could take on the role of facilitator. Mr Doig was of the same view, making the point that this was a matter of best practice. Mr Harrison agreed but warned against the risk of duplication.

The Chairman, summing up the discussion, said that this was a subject which needed to be explored further. He asked staff to consult the NFU and the HSE, with

Chief
Executive

a view to identifying any areas where the BPC could make a meaningful contribution, and to report their findings to the full Council.

It was agreed that generic training was not an area where the BPC should be actively involved.

The Chairman suggested that this debate had demonstrated the importance of managing the contents of the Business Plan. He also suggested that it would be useful to redefine the BPC's KT role, which was not confined to agronomy alone but encompassed other functions, such as market research and pricing.

Chief
Executive

06/13 BPC GROWER PANEL UPDATE (BPCP/06/07)

The field-based Grower Panel project was now at an advanced stage of development, where it was possible to assess its true potential. The project had been supervised by the Market Information Committee, a sub-group of which had met on 17 January, under the chairmanship of Mr Harris, to consider the future of the initiative. The original intention had been that data obtained through the Panel would replace the information collected on the planting returns, as a precaution in case the method of levy collection were to change, and to take the place of yield digs.

The working group had been aware that these potential savings would not materialise in the foreseeable future and that the cost of the project in 2006/07 would amount to ca £134,000. This included the monetary incentives paid to contributors (£100 per field), as well as staff and development costs. The group nevertheless agreed that the potential benefits of the project in terms of improved information, which would be of value to the industry generally, were such that they outweighed the costs. The group also believed that there was scope for commercial marketing of the outputs, to the agrichemical industry and to other sectors.

Having taken note of all these factors, the group had agreed to recommend that the Grower Panel project be continued. The point had been made that it was essential to provide user friendly operation facilities, to encourage participants to submit data electronically.

The Chairman reminded Members that the Council had received presentations on the project at various stages in its development. The uptake had been beyond expectations: 677 fields had been contributed by some 460 growers, who had now submitted a range of data. This year they had provided fax-back paper documents, which had been processed by staff. In future, on-line facilities would be available. In response to a question from Mr Harley, it was confirmed that participants could access their own data, and had been able to do so since BP2005. However, Dr Storey said, the web interface was in the course of construction and more sophisticated reporting facilities were not yet available. He also confirmed that a benchmarking facility for participants, as well as R&D aspects set out in the original brief, had been included in the presentation to the working group.

Dr Alder, the BPC's Head of Statistics, had presented the project to Members the previous evening. Mr Scott and Mr Harrison, who had both seen the presentation,

said that they had found this very impressive. It was clear that the system would provide a wealth of sophisticated information, which would have value both for individual businesses and for the industry as a whole. The Chairman said that he believed there was scope for commercial marketing of selected outputs to agricultural companies. This would require specialist skills which were not currently available within the BPC. A decision would also need to be taken on whether the data should be marketed direct or through a suitable agency. The Chief Executive reported that she had started to explore this aspect.

The Council decided that the Grower Panel project should be continued.

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The Chief Executive told the meeting that the yield digs would continue, as these produced an essential input to the statistics required by DEFRA. This was, however, conditional upon the BPC being successful in its bid for the contract over the next three years. This was subject to the full EU tendering process, the closing date being 24 February, and the BPC's bid would be based on realistic cost assumptions.

06/14 LEVY COLLECTION: REVIEW OF OPTIONS (BPCP/06/11)

The Chief Executive presented the Paper which gave a summary of previous levy collection reviews, as well as an overview of available options.

The review group, which had met in 2005 and whose report had been submitted to the Radcliffe Review, had examined a number of collection methods. The preferred option - central funding from SPS top-slicing - had been rejected by Radcliffe as not permissible under EU law. An alternative suggestion - provision of SPS data from the Sponsoring Departments, to underpin the area levy collection - had not found favour either. This was due to a combination of factors: statutory incompatibility, data protection issues and technical problems. The BPC's submission to the Ministerial consultation requested that this issue be re-examined.

The review group had recommended that the current collection system, which had many benefits, be supported by more meaningful sanctions for the BPC, underpinned by more severe Court penalties. The fact that compliant levy payers had to help fund action against defaulters was a cause of strong dissatisfaction. The response from DEFRA to the suggestion of greater incentives had been discouraging and this matter had also been included in the BPC submission to Ministers. The point had been made that there was a groundswell of feeling within the industry against the iniquity of the current situation, and that this was so strong that it warranted further consideration of potential remedies.

The idea of levy collection based on turnover had lost support, leaving tonnage based levy as an option to be explored further.

The paper demonstrated that there were no easy options. None of the proposals put forward could be put into effect without legislative change and no solution was possible without support from the Sponsoring Departments and industry backing. The BPC's submission suggested that, post Radcliffe, the issue might be considered by a review group with representatives from across the industry ("JCC").

The Council took note of the information and agreed that no further action should be taken until the outcome of the Radcliffe Review was known.

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06/15 **R&D AND KNOWLEDGE TRANSFER ISSUES**

R&D Strategy Review

The R&D Committee Chairman said that the Committee had not met since the December Council meeting. The major activity in the intervening period had been communication and feedback on the R&D strategy report. Presentations had been given to a number of stakeholder bodies, as well as the SSG; a meeting with the PPA was scheduled for the following week. Information had been provided to trade publications and a report had been published on the BPC website. Feedback had been positive.

R&D Projects

Volunteer Control – Revised balance of contributions had been agreed with the HDC for the Silsoe project on volunteer potato control, and this had been approved.

LINK Projects – DEFRA had confirmed support for the wireworm project which had LINK approval, but were still considering the common scab study.

Research Council funding – Cambridge University had appointed a student for work on manipulating dormancy control in tubers; the BPC contribution to this would be £12K over three years.

R&D Project dissemination

Professor Bainbridge said that information about ongoing R&D project work had featured strongly at the CUPGRA conference in December 2005, and at a number of other events. Various projects were also being communicated in supply chain meetings, e.g. black dot with Greenvale; bruising and blight would feature at BPC workshops during February.

Industry Representation

The BPC had been represented at a number of events:

Pesticide residues minimisation – presentation at Camden & PSD sponsored conference

Aldicarb – meeting with Bayer CropScience on the economic case for retaining availability; to be reported to the RD Committee

Applied Research Forum – meeting to review all levy body R&D programmes; joint response to DEFRA's Research Priorities Group prepared

DEFRA Evidence & Information Strategy – BPC response prepared and submitted

Professor Bainbridge completed her report by paying tribute to Mike Storey and his team for the enormous amount of quality work they had undertaken.

06/16 MARKETING AND COMMUNICATIONS ISSUES

Mr Vermont gave a brief report on the meeting of the Marketing Committee, which had taken place the previous day. His comments augmented the more detailed presentation from Kathryn Race earlier in the meeting.

National Chip Week

One fun element of this year's NCW was selecting the Chippie Dales, which would take place on 9 February. This was a particular highlight for the Marketing Team.

Autumn Campaign

Some 300,000 calendars had been distributed, at a unit cost of 7 pence: excellent value for money.

Grow Your Own Potatoes

There had been a huge level of engagement in this project, with 1,100 schools taking part, and it was good that many farmers had been involved.

School Meals Consultation

The BPC had submitted a very robust response.

Mr Vermont said that there had been time at the meeting for a free discussion of future activities and issues, such as health versus convenience, which had been very useful and interesting. The Committee had restated their confidence in the Marketing team who were achieving great work on a very limited budget.

The Chairman updated the Council on an issue which might cause some comment. This related to the Dunhumby data collection project, which had been described as 'free of charge'. In effect, participation would have cost £20,000 per annum. The Committee had made an informed decision that this would not amount to good use of levy funds and had, therefore, declined the invitation to contribute.

06/17 SEED & EXPORT ISSUES

Recent Activities and Current Issues

Mr Harley reported that there had been a number of opportunities for the team to play a facilitating role:

China – The BPC Chairman, accompanied by Iain Dykes had met with DEFRA, SEERAD and CBBC, to discuss progress towards opening up the Chinese market for GB seed. For political/cultural reasons such discussions had to be through

DEFRA and their support was, therefore, essential.

Thailand – In the previous season there had been significant problems with rejections of seed. Iain Dykes had invited Thai plant health officials to the UK and he had himself visited Thailand. The situation had greatly improved, with no subsequent rejections.

Israel – Exporters had expressed an interest in sending English seed. This would be actively pursued.

Disclosure of Certification information – A working group had been set up to discuss this issue, in the context of freedom of information legislation.

Consolidation of Seed Potato Regulations – A plea had been made for harmonisation across GB or, at least, a greater degree of communality.

Desiree virus Survey – Following complaints about the level of virus in Scottish seed, SEERAD and SASA had carried out a very wide ranging survey covering 150 seed stocks. Only two had been found to be above the permitted tolerance, which was a very satisfactory result. A similar survey of Estima seed was also in progress.

Seed Industry Event

Mr Harley confirmed that the 2006 Seed Potato Event would be held at Crieff Hydro on 2 and 3 November. He hoped that his fellow Council Members would be able to attend.

SSG Membership

Mr Neil Pullar was leaving the seed industry and would, therefore, resign from the SSG. Another resignation was also expected, so there would be two vacancies on the Group within the next couple of months.

06/18 MARKET INFORMATION ISSUES

Mr Harris said that the main issue for the Market Information Committee since the last meeting was that of the Grower Panel (see item 06/13). He had no other matters to report.

06/19 ANNUAL REPORT & ACCOUNTS TO 30 JUNE 2005 (BPCP/06/12)

The Annual Report & Accounts for the year ended 30 June 2005 were presented to the Council for approval, prior to submission to DEFRA and the National Audit Office. The Council approved the document.

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06/20 FINANCIAL REPORT TO END DECEMBER 2006 (BPCP/06/13)

The Council received a Financial Report for the six months ended 31 December 2005. All budget holders had carried out a mid-year review, resulting in various adjustments which were set out in the Paper; the overall result was to reduce the

forecast expenditure by £106K. Part of the ground floor at Nash Court had been sub-let, which would result in rental income of £44,400 per annum (£22,200 in the current financial year). This was covered by a two year lease, with a notice period of six months.

06/21 APPLICATION OF THE COUNCIL'S SEAL (BPCP/06/15)

On the proposal of Mr Vermont, seconded by Mr Leathwood, the Council approved the application of its seal to the following documents, which had been authenticated by Mr D F Walker on 12 January 2006 and by Mr J R Harris on 13 January 2006:

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- A Deed of Variation of the BPC's Pension Scheme with Equitable Life
- A Declaration of Trust in respect of the BPC's Group Life Assurance & Dependants' Death in Service Arrangement.

06/22 REGISTRATION AND LEVY COLLECTION ISSUES: UPDATE (BPCP/06/14)

The Council received the following report concerning issues related to registration and levy collection

Planting Returns: Review

Period pre-2002

All matters relating to previous years had been resolved. In a number of cases it was necessary to mount prosecutions (England & Wales) or make reports to the Procurator Fiscal (Scotland); in some instances this led to Court Hearings and convictions, but most producers decided to make returns before matters went that far.

Returns: 2002 - 2004 (England, Scotland & Wales – Prosecutions)

Cases relating to levy payers in England and Wales were handled through the BPC's in-house prosecution system.

Most matters had now been resolved. A total of 1,169 cases (1,046 producers and 123 purchasers) had been referred to the Legal team for action. Offences included failure to make returns and alleged false returns. 213 producers and 18 purchasers (including two 'continuing offences') had been summonsed by Oxford Magistrates Court. The great majority had provided the outstanding returns in response to this; 25 (20 producers and 5 purchasers) were convicted, fined and ordered to pay costs.

Staff believed that their determination to pursue all defaulters, through the Courts if necessary, was now quite well understood. Some producers and purchasers decided to go to the wire before agreeing to comply, but few let it go as far as a Court hearing. The objective was to use other forms of persuasion (e.g. phone calls) and to reduce the number of reports to the Magistrates; this had been effective.

Returns: 2005 (England, Scotland & Wales – Prosecutions)

Whilst the great majority of returns had now been received, a disappointing 223 had to be referred to Legal (137 in the previous year). fifteen producers had been prosecuted; ten complied but, unfortunately, three did not and they were convicted by the Court, fined and ordered to pay costs. (Two of the matters were still ongoing).The next Court hearing was scheduled for 6 March 2006.

Some Scottish Cases

It had been necessary to refer some matters to the BPC's Scottish solicitors for reports to the Procurator Fiscal. These concerned a producer/purchaser business which had failed to make returns for two years, and one producer who had allegedly provided a false return for 2004 and refused to make a 2005 return.

Purchasers: Outstanding Tonnage Returns

Good progress had been made: out of the cases referred to the legal team for 2003 - 2005, all but 5 had been resolved. One purchaser was being reported to the Court for refusing access to his records of potato transactions.

Levy Debt: Rates of Collection

2002 area levy	99+ %
2003 area levy	99+ %
2004 area levy	99+%
2005 area levy	92.8%
2001/2002 tonnage levy	99+%
2002/2003 tonnage levy	99+%
2003/2004 tonnage levy	99+%
2004/2005 tonnage levy	99+%
2005/2006 tonnage levy	Quarter 1 – 87%

Legal Debt Collection

To date, the number of cases passed to our legal debt collection team for action, covering the last seven years was 3,364 (2,596 producers and 768 purchasers). Of these, 3,281 (2,530 and 751 respectively) had been cleared. Area levy wise, £3,619K had been collected, leaving £129.5K outstanding. The relative tonnage levy figures were £298K and £7.2K respectively.

Planting Returns 2006

As previously reported, apart from some minor adjustments to improve clarity, the format and content of the 2006 return would be unchanged for this season. Dispatch was scheduled for 21 April 2006.

Area Monitoring

The area monitoring programme in respect of 2005 plantings was progressing. As previously reported, initial results were very encouraging in terms of accuracy and completeness of returns. There were some 70 newly registered producers, a number of whom had been discovered in the course of area checking. The current projection was that the total area of undisclosed plantings would be in excess of 1,000 hectares. (3,000 in 2003, 1,900 in 2004).

06/23 INFORMATION PAPERS

The Council received the following information papers:

Minutes of the thirty-ninth meeting of the Marketing Committee held on 5 December 2005	MCM/05/04
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Minutes of the thirty-third meeting of the Seed Sectoral Group held on 8 December 2005	SSGM/05/03
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Minutes of a meeting of the Market Information Committee Grower Panel Working Group held on 17 January 2006	
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06/24 ANY OTHER BUSINESS

World Potato Congress 2006: Boise, Idaho

The Chairman said that the 2006 WPC would be hosted by the USPB, with whom the BPC had a very positive working relationship. At past events of this nature, the BPC had been able to bring together a substantial number of industry companies and organisation, and thus achieve an impactful British presence. This year there was not the same level of interest; in fact only a small number of commercial companies were planning to attend.

The Council was asked to consider whether there was merit in having some BPC presence, in the form of a small stand. This could be done at a cost of ca £10K, but it would mean sending over several members of Council staff. Otherwise, only a small number of senior personnel would attend. The purpose of attending would be to fly the GB flag and, perhaps, to help develop R&D links. CUF would be at the event, to demonstrate BPC funded work on stem manipulation.

The Council agreed that having too small a presence could give a poor impression. It was decided that on this occasion the BPC would not have a stand at the WPC

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event.

Cost of Travel to Meetings

Members commented that the price of tickets bought at short notice tended to be much higher than for tickets bought early. If the Council could agree in advance when a meeting would finish, then Members could take advantage of any price deals and save the BPC's costs.

Staff would investigate this and report back.

06/25 DATE OF NEXT MEETING

The next meeting was scheduled for 28 March. Members agreed that, in view of the likely timetable for the announcement of the decision on Radcliffe, this was not particularly appropriate. It was agreed, therefore, to cancel the meeting and to agree a new date later, when the situation was clearer.

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