

**AUTHORISED MINUTES**



**MINUTES OF THE EIGHTH MEETING OF POTATO COUNCIL LTD HELD AT NASH COURT, OXFORD ON WEDNESDAY 2 APRIL 2008**

- \* Mr Dennis Heywood - Chair (Interim)
  
- \* Mr Tony Bambridge ) - Growers
- \* Mr Colin Bradley )
- Mr Jim Cruickshank )
- \* Mr Robert Doig )
- \* Mr Graham Nichols )
- \* Mr Tim Papworth )
- \* Mr Fraser Scott )
- \* Mr Alex Stephens )
- \* Mr Duncan Worth )
  
- \* Mr David Rankin ) - Grower/packers
- \* Mr Nick Tapp )
  
- Mr Nick Vermont - Processor representative
  
- Mrs Fiona Fell - Independent member
  
- \* Present

In attendance: Mrs Inga Martin, Company Secretary  
Mrs Kathryn Race, Marketing Director  
Dr Mike Storey, R&D Director

**ACTIONS**

**08/53 CHAIR'S INTRODUCTION**

The Chair welcomed members to the first meeting of the PCL Board following Vesting Day (1 April 2008) when the ADHB Order came into full effect. PCL, which had up to now been a shadow board would operate under full delegated powers.

**08/54 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mrs Fell and from Messrs Vermont and Cruickshank.

**08/55 DECLARATIONS OF INTERESTS**

Two declarations of interest had been received since the last Board meeting:

Mr Nichols – Partner in H Nichols & Son, Farmers (recorded in PCM/08/03)

Mr Rankin – Director in Organic Potato Growers, seed & ware growing operation in Morayshire

Mr Tapp reported that he had resigned as a Director of St Nicholas Court Farms; he was also no longer a Director of Kent Veg.

**08/56 MINUTES OF THE BOARD MEETING HELD ON 5 MARCH 2008 (PCM/08/03)**

The Minutes of the meeting held on 5 March 2008 were approved and signed as a true record.

**08/57 MATTERS ARISING – PCL (PCLP/08/26)**

The Board received a report on matters arising since the previous meeting:

**Levy Rates (Minute 08/42)**

The levy rates for 2008/09 had now been approved by the Ministers:

- Area levy: £39/ha for payments made by due dates; £44/ha for late payments/late returns.
- Tonnage levy: 17p/tonne for payments made by due dates; 19p/tonne for late payments/late returns.

Details would be circulated to Grower levy payers with the 2008 planting returns, which would be sent out in late April, and to Buyer levy payers with their tonnage returns.

**Terms & Conditions of Employment (Minute 08/42)**

It had been decided to apply the current T&Cs for the time being and introduce new terms at such time as staff were taken on at or

for Stoneleigh.

### **Retention Policy (Minute 08/42)**

In response to a question from Mr Tapp, the Chair said that he understood this matter would be on the agenda for the AHDB Board meeting on 7 April. The interim CEO, Kevin Roberts, would meet the staff assigned to PCL at Oxford on Wednesday 23 April to speak about this and other personnel related issues.

The Chair and Mr Tapp would both attend this staff meeting.

### **SBEU Business Plan (Minute 08/45)**

Mr Scott, who had been unable to attend the previous meeting, asked for a reminder of what had been decided about the SBEU business plan. The Chair said the Board had agreed that there was merit in revisiting the issues of location suitability and availability of grant funding. The proposed development at the unit would entail a considerable amount of capital expenditure. Staff had been asked to carry out the following actions:

- Review the suitability of SBEU as the location for project work vis-à-vis other potential sites/suppliers.
- Carry out an investigation of opportunities for grant funding, through RDAs or other possible providers.
- Establish a clear view of the industry need for storage work, in respect of potatoes and other products.
- Engage an external consultant to contribute to these activities as appropriate.
- Report back to the Board within six months.

Mr Scott commented that the question of SBEU's future had been under consideration for a very long time. A great deal of effort had been spent on the industry review, which had resulted in the business plan and proposals and these had now been considered by the PCL Board on more than one occasion. Mr Scott thought that, unless there was a clear focus on this issue, there was a risk that the matter would just drift on.

It was agreed that staff would be requested to provide a progress report on the above action plan at the next Board meeting.

CEO

### **08/58 MATTERS ARISING – BPC (PCLP/08/27)**

The BPC had held its final meeting on 26 March 2008, before

being dissolved, as part of the statutory transfer on 31 March. The Board received the following update report:

### **Handover to New Body**

The BPC' aim had been to manage the operations until the end of its tenure, collecting levies and providing services in accordance with the current business plan, before handing over to its successor body, Potato Council Ltd.

Most matters had been completed but there were some items which it had not been possible to finalise and which would therefore be passed to PCL.

### **Levy Collection**

BPC had maintained its targets of collecting 99%+ of all due levies. Collection of 2007 area levies stood at 96.15% as at 14 March 2008.

As for tonnage levies, the collection rate for Quarter 1 (2007) was 95.10% - previous quarters 99%.

The remainder would be passed to AHDB/PCL for collection. The new Parliamentary Order provided that the successor body could collect levies which fell due under the previous legislation. The same applied to pursuing criminal offences.

### **Late Returns**

The final batch of late 2007 returns was with the Legal team. The next Court hearing was scheduled for May 2008.

As previously reported, under the new legislation there was power to charge levy at higher rate, not just for late payments but also for late submission of returns. PCL had decided to apply this.

### **Area Monitoring**

The area monitoring programme for 2007 had been laborious and heavy, mainly due to the crop loss issue. The total area of undisclosed plantings was over 1,900 hectares. Around half of this related to unregistered producers found to be growing potatoes.

The Secretary commented that the BPC was handing over an excellent system to the new organisation.

### **Planting Returns for 2008**

The current year's returns would be sent out, next month, by PCL

on behalf of AHDB. Dispatch was scheduled for 28 April.

Plans were in hand for running the e-submission pilot. Some 180 producers accounting for over 12,000 hectares would take part. Staff believed that there was real potential for cost savings if good levels of take-up were achieved in future.

Mr Scott commented that, based on the experience of other agencies in the agriculture sector, a good level of participation could be expected. The Secretary said that was encouraging. Once the results of the 2008 planting return e-pilot were to hand, staff would produce some projections for future cost savings.

### **The Crop Loss Issue**

As mentioned at the March meeting, in September 2007, the BPC had been asked to consider whether to introduce a facility for crop loss levy relief for those growers who had lost potatoes in the severe flooding that summer and autumn. In reaching a decision not to allow relief, the BPC had taken into account a recommendation to that effect from the PCL Board.

As recorded previously, this had been – and remained – a very emotive issue. Many of the affected growers had paid levies on the lost areas, some thinking that they would be able to reclaim these later. There were, however, those who were refusing to pay and they would be pursued in the usual way. There were some who believed that they had a good legal defence, which was a matter for the Courts to determine.

That would now be a matter for the new organisation.

Mr Bradley, referring to the timing of the flooding in 2007, pointed out that some producers would have already sent in their planting returns when the loss occurred, whereas others had not, affording them the opportunity to leave out lost areas. He sought an assurance that everyone was being treated according to the same rules.

The Secretary confirmed that this was the case: the BPC's decision not to allow crop loss levy relief was applied across the board, both in terms of civil law (unpaid levy debts) and criminal law (false statements). Any cases where producers were found to have omitted plantings from their returns, even if those crops had been lost, were pursued as breaches of the Order. This was a matter of fairness, which was one of the principles upon which the Council's decision had been founded.

### **The Co-op Issue**

Over a number of months, action had been taken to establish whether certain 'collaborative' type companies should be registered as 'purchasers'. This related to the way the BPC legislation was written. Most of these matters had now been resolved. There were four major companies involved; one had registered and returned tonnages; one had recently applied for registration. Two were still claiming exemption from registration and staff were collecting information. It might prove necessary to seek a legal opinion. AHDB were aware of the issue.

### **Message from BPC to PCL**

There had been many supportive comments from BPC members to the new Board. Members had emphasised the importance of stability; 'business as usual'; clarity of information and communications; and *openness*.

The Chair, on behalf of the Board, was pleased to acknowledge receipt of these helpful messages.

### **08/59 OPERATIONAL REPORT FROM CEO (PCLP/08/28)**

The CEO, who was unable to attend the meeting, had submitted a written report which was tabled at the meeting. This was presented by the R&D Director, who updated members on events which had taken place over the last few days.

### **Transitional issues**

The statutory transfer of property rights and liabilities from BPC to AHDB had taken place on 1 April 2008 – Vesting Day. All contractors had been informed that the contracts had been transferred automatically as part of the statutory change. This included contracts of employment and letters had gone out to all BPC staff confirming that they were now employees of AHDB, though assigned to work for PCL. The CEO had ceased to be Accounting Officer; Kevin Roberts now held that role for AHDB and each of its subsidiaries.

Nash Court had been re-branded with the new Potato Council identity. In terms of external communications, the transfer had been a low key event: there had been no calls either from the media or from levy payers.

The vacancy for a permanent PCL Chair had not yet been published. The AHDB Chair had advised Mr Heywood that the advert had been signed by all relevant Ministers and would shortly be circulated.

The post of AHDB Communications Manager had not been filled and it was understood that, if this could not be done through secondment, the vacancy would be advertised externally. The Board commented that this should be treated as a key post, at relatively senior level, and members hoped that this would be reflected in the job specification and terms.

The meeting noted that all relevant letters and documents had been updated with the Potato Council logo, including business cards for relevant staff. Mr Papworth asked whether cards could be provided for Board members too, as this would be useful in the *levy payer dialogue*. Mrs Race said that she would be happy to produce PCL business cards for any members who wanted them; she asked members to contact her if they wished to be included.

Members

### **Departmental Highlights**

The paper included reports on a wide range of departmental activities, many of which are referred to in other parts of these minutes. Some items were flagged up during the discussion:

#### Market Information

At a recent meeting of the MI Committee, Denis Alder, the Head of Statistics & Market Information, had given a presentation entitled "Yield and Climate: A Statistician's Perspective", which had provoked much discussion amongst members. The Board agreed that Dr Alder would be invited to present his report at its next meeting.

#### R&D and KT

The CIPC Industry Action plan (see minute 08/XX) had been completed and would shortly be distributed to the industry. Agreement had been reached with PSD for a derogation in respect of processing potatoes, as the restrictions on CIPD usage had been introduced mid-way through a season. This would compromise the limit of 36g/tonne which had been determined for fresh potatoes.

The R&D Director had spent two weeks in Australia, at the invitation (and expense) of Horticulture Australia, carrying out a major review of their National R&D Programme.

#### KT/Supply Chain

Dr Storey showed a copy of a recent issue of the Certis Newsletter, as an example of BPC's R&D/KT project results receiving widespread dissemination. The publication featured work on both

blight and aphid monitoring, as well as a report on the CIPC review.

Members suggested that this document should be included in the *levy payer dialogue* pack.

Marketing  
Director

### Seed & Export

A recent review of the Safe Haven Certification Scheme showed that growers accounting for just over half of the total seed area, were participating in this scheme. A campaign was in place to extend awareness of the benefits of the arrangement further. The 2008 seed industry event would be held in Crieff on 30 and 31 October.

### Marketing

The number of schools participating in the Grow Your Own Potatoes had gone up to 10,000, which was a phenomenal result.

## **08/60 AHDB ORGANISATIONAL STRUCTURE (PCLP/08/29)**

It was anticipated that, at its meeting on 7 April, AHDB would discuss its future organisational structure. One of the Tribal consultants, Lindy Petts, had been commissioned to develop some thoughts and suggestions in this matter, and it was assumed that her recommendations would be presented at the meeting.

The PCL Chair would present the views of the potato sector at the meeting, and Members were asked to help him, by giving their views on the most appropriate structure. Paper PCLP/08/29 contained a number of *possible* models which might be contemplated by AHDB. Dr Storey presented a number of diagrams which aimed to show these models with more clarity.

Dr Storey stressed that the purpose of the paper, and of the presentation, was purely to help stimulate members' thinking on this subject. The suggested models had been based on information in the AHDB business case, as well as comments made in meetings with Lindy Petts and Chris Bones, the independent AHDB member who was responsible for its marketing review group.

The three possible options were:

1. Shared back office. All other sector specific activities undertaken within each sector company.
2. Functional model, with the directors of each function/department reporting to the CEO of AHDB; each team would include sector specialists, which would deliver the strategy developed by the respective sector boards.

3. Hybrid solution. Sharing of both back office and other activity areas. This would be supplemented by a small sector company to undertake those few activities which were not shared, plus some sector specific delivery.

Dr Storey said it was his understanding that the AHDB R&D sub-group may favour option 1, on the grounds that most research activity was sector specific.

Mrs Race thought that option 3 might be preferred by the AHDB marketing sub-group. Her own concern would be that, as she understood their proposals, all marketing type activities would be consolidated, apart from PR, and that was not clearly defined.

Mr Bambridge thought that option 1 would be the most appropriate starting point, perhaps developing into the hybrid third option over time. The driving principle for him was sector company accountability. Any change towards option 3 should be by choice, based on an understanding of the need to work together.

Mr Tapp's concern was that there may be long period of constant change, militating against delivery. Mr Scott on the other hand thought that there would be a period of evolution, rather than abrupt change and did not envisage that this would hamper delivery. He felt that sector specific work was the most important feature. Mr Doig concurred, stressing the importance of choice.

Mr Bradley asked about measurement – how the costs and benefits for the potato sector could be quantified if activities were carried out jointly through AHDB. The Chair said he had consulted Mr Roberts who had described the AHDB philosophy as “respecting the sovereignty of the sector companies in deciding on strategy whilst providing as effective delivery for the organisation as possible”. The dilemma for the Board was that they had no way of judging what was most effective.

Mr Tapp said that one problem was that there was a lack of understanding of the good things that the BPC had created. Therefore, there was a risk that valuable items would be lost in the change. He suggested that, if AHDB had been set up from scratch, rather than from an amalgamation of existing bodies, option 2 would have been the natural choice. He felt that accountability would be lost in option 3.

Mr Bambridge felt very strongly that option 2 would provide too many hiding-places for people; that it would work against transparency and accountability; and that it was likely to encourage a blame culture.

**08/61 AHDB MARKETING: QUALITY MARQUES (PCLP/08/30)**

This paper, which had been produced by the CEO, set out some background information relevant to the report of the AHDB marketing sub-group. Mr Tapp commented that the ongoing relevance of that report was its link to the question of organisational structure.

Mr Bambridge said the 'Red Tractor' was perceived by some as a panacea, but he did not believe that there was widespread sector support for this. In fact, he strongly felt that any strategy which was based on a quality scheme, or where such an arrangement was to be jointly funded by levies, would be wholly unacceptable to the potato industry. Mrs Race said that BPC had carried out some research, to assess the level of understanding of the 'Red Tractor' scheme. The results showed that consumers tended to feel reassured by the logo, and they associated it with "Britishness".

Mr Bambridge, referring to the interpretation of EU state aid regulations which prevented PCL from using "British" in its name, said that there would be outrage if a quality scheme was set up which admitted participation from other countries.

Mr Tapp picked up on a suggestion that promotion of products should be rationalised. He said that this was contrary to the stance of the potato sector which was that a base line of quality was a given, and that the levy funded activities were there to add value.

Mrs Race pointed out that, in option 3 (see previous minute), part of the potato levy would be used for such activities, under the current proposals. Mr Worth felt that this demonstrated that option 3 was not suitable for the potato sector.

In response to a question from the Chair regarding other sectors, Mr Tapp responded that the meat companies shared the same view. In other parts of the industry, the importance of the issue varied according to sectoral differences in structure and activities.

The Chair thanked members for their contributions to the debate. Their comments had given him a clear view of the potato sector's preference in terms of organisational structure, which he would put forward at the forthcoming AHDB meeting.

**08/62 JOINT LEVY BOARD GROUP ON FOOD & NUTRITION**

The Board received a report from this group which had been set up four years previously, with representation from existing levy boards, under the chairmanship of Helen Priestley. Its brief covered nutritional promotion, media relationships, consumer research, ideas exchange, best practice and joint activity.

Mrs Race said that, whereas the activities of the Applied Research Forum had been acknowledged by the AHDB sub-committee on R&D, the work of the group on nutrition, which was its equivalent on the marketing side, appeared to have been overlooked; it had not been mentioned in the marketing sub-committee report, although a copy of the document had been sent to AHDB.

## **08/63 DELEGATION AGREEMENT**

At previous meetings, the Board had commented on the delays in receiving the Delegation Agreement (the document which would formalise its authority to act on behalf of AHDB). Members had asked to see the DA in draft form and to be given the opportunity to raise any comments before it was finalised. The Board's decision, at the March meeting, to go for divisional accounting meant that the DA would be a relatively lightweight document.

The Delegation Agreement had now been received and the Secretary tabled it at the meeting. It was in the form of a Resolution, which would be presented to AHDB for adoption on 7 April. The following issues were highlighted:

- The document was referred to as an 'Appointment'. This term had been specifically chosen to indicate the spirit of collaboration and partnership.
- There were 20 permitted functions which AHDB could lawfully carry out, or delegate to its subsidiaries. All 20 were listed in the DA, but AHDB would amend the text to show that PCL would only be obliged to carry out those activities which were relevant to the corporate plan for the potato sector.
- The DA showed that whilst PCL would not have any assets or liabilities (all these having been transferred from BPC to AHDB), AHDB would make available to it the funds required to carry out its activities, according to the corporate plan.
- The DA demonstrated that both transferred assets and future potato levies would be available to PCL.
- One section stated: "The AHDB shall make available a range of relevant, cost-effective shared services which PCL shall purchase where the shared services fulfil an aspect of the Corporate Plan". The Board was happy that this imposed obligations on both parties: PCL would only be required to take up services which were as described.
- The DA included a list of employees who had transferred to AHDB (assigned to PCL). Any subsequent changes would

require AHDB approval.

- PCL would be obliged to report on its activities on a quarterly basis.
- If AHDB should hold PCL to be in material breach of any of the obligations in the DA, the company would have 30 days to remedy the shortcoming. Failing this, AHDB could terminate the appointment and either take direct responsibility for the potato sector activities or appoint another delegatee to replace PCL.

The Board noted and accepted these points.

### **Authorisation to conduct Prosecutions**

One of the activities delegated to PCL under the DA was collecting levies and issuing proceedings under the terms of the AHDB Order 2008.

On the proposal of Mr Papworth, seconded by Mr Stephens, it was RESOLVED THAT:

Inga Martin, an Officer of Potato Council Ltd, be and is hereby authorised to lay information before Magistrates on behalf of the Company and to conduct any prosecutions which result from the laying of such information.

### **08/64 MEMORANDUM & ARTICLES OF ASSOCIATION**

The Secretary reported that Memorandum & Articles had now been received. She advised members on a number of relevant issues. AHDB had suggested that, as PCL had elected to go for the divisional accounting structure, it may not be necessary to appoint the Board members as directors. However, there was a discrepancy, in that the Articles stipulated that the quorum for the transaction of the business of the directors was eight.

The AHDB CEO had said that he would take legal advice on this, and the Board agreed to await confirmation of this before deciding whether to take its own advice. At that time it would be decided whether to appoint a Vice Chairman. (The Articles specified that the quorum had to include the Chairman or Vice Chairman.)

The Chair would discuss the matter with ADHB.

Chair

### **08/65 LEVY PAYER DIALOGUE (PCLP/08/31)**

The Marketing Director reported that information about the *Dialogue* project would be announced in the first issue of Potato Council Update, which would be sent out the following week. The

revised website would feature a welcome to Potato Council and a statement that the company wants to engage with levy payers. There would be articles in Farmers Weekly and Farmers Guardian, as well as in the weekly reports and other internal publications.

### **Workbook**

Mrs Race tabled the Workbook which would be an important part of the project, and asked for feedback. A number of items were agreed:

- The strap line/motto will be enlarged and the word 'successful' will be included – 'sustainable' has become overused.
- The book will include a note explaining how it will be used and what the recipient is asked to do (read in preparation for the meeting; use information during the discussion; record comments – the purpose being to stimulate thought)
- Members will provide better and more up-to-date photographs.
- Map on page 26 – show Oxford, SBEU, Scotland and Stoneleigh.
- Finance section – revise the language and tone of this section. Show a graph comparing levy against other business inputs, in terms of cost increases. Embolden the statement about ring-fencing. Make a positive statement of where we are and how we got here.
- It was agreed that the finance section should be at the end of the book.
- Feedback from meetings – reports to be sent to Oxford; the attendees will be told that their comments have been escalated. If required, copies can be sent back to the levy payer concerned. Flexibility is important.
- It was agreed to wait and see what level of response there would be before deciding whether to circulate the book to all levy payers. The document would be posted on the website.

A number of questions to include in the dialogue had been identified. Mrs Race would email these to members. She asked for any additional feedback by 4 April.

Members

### **Workshop for Members**

Staff had taken part in a workshop, to discuss the project; to identify likely questions/challenges from audiences; and to create

relevant answers/explanations. This had been very helpful

It was agreed to set up a similar session for members on the afternoon of 6 May, the day before the next Board meeting.

**08/66 YEAR OF FOOD & FARMING: REQUEST FOR ADDITIONAL FUNDING (PCLP/08/32)**

The Board noted that BPC had contributed £25K to this important, high profile project, which was aimed at giving young people hands on learning experiences. The Council's commitment to this was to increase the number of schools taking part in Grow Your Own Potatoes from 4,000 to 8,000. This had in fact been exceeded and, as reported earlier, the number had gone up to 10,000. This had entailed an increase in Marketing spend of £45K in the most recent financial period.

A request had now been received from Sir Donald Curry for a further contribution of £12,500. This would be in addition to the £200K which PCL had already committed to spending on educational activities during the 2008/09 financial year.

Mr Bambridge felt that PCL was in a position to demonstrate that the potato sector had already contributed work equalling at least an additional £12,500, as detailed above. He suggested that a letter to that effect should be sent in response to the request for further funding.

The Board was in agreement with this but decided that, before responding, staff should establish whether this approach was out of line with what other sector companies had decided to do. If this was found to be the case, the Board should be asked for further instructions.

Marketing  
Director

**08/67 FOOD FOR BRITAIN**

The Chair reported that he had received, through AHDB, a letter from Bill Scriven of FFB, confirming that the organisation would be wound up and asking whether there was industry interest in funding a successor body. The Board responded in the negative.

Chair

**08/68 PCL TAGLINES**

The Board received a number of suggestions for 'taglines', to reinforce positively the work of the organisation. It was decided to adopt "Supporting the British potato industry" as a generic statement. It was further agreed that variations on this theme – "developing/promoting/serving" could be used for R&D/KT, Marketing & Export, and support functions respectively.

This was in line with the purposes of the potato sector, set out in the AHDB Order, namely to increase efficiency, improve marketing and develop services for the potato industry in Great Britain.

The Board reiterated that a decision on adopting a mission statement would be taken once the *levy payer dialogue* was over.

**08/69 CIPC STEWARDSHIP ACTION PLAN (PCLP/08/33)**

The BPC had been involved in discussions on the future of CIPC, following proposals which might have resulted in the loss of the chemical, which would have had potentially disastrous implications for the industry.

An industry stewardship package had been produced for presentation to the Advisory Committee on Pesticides, covering requirements, gaps, monitoring and training. The document was set out in the paper.

The R&D Director said that applicators would be key and there had to be onerous training provision for them. Evaluation of stores was another critical issue. In terms of monitoring, there was a need to strengthen the Assured Produce audits and this was being discussed with the responsible agencies. The BPC/PCL would be actively involved in a KT campaign, working to keep this topic highly visible.

Dr Storey said that it was vital to have total industry commitment. PSD would step up their monitoring for residues and exceedence would not be tolerated. There had been a real risk of losing CIPC. It was now entirely up to the industry to demonstrate that it had put its house in order and was managing the issue properly.

Mr Tapp said that this project demonstrated the importance of having facilities for managing industry specific issues and crises. That must not be lost in the future organisational structure.

**08/70 FINANCE REPORT (PCLP/08/34)**

The Board received a financial report for the period ended 29 February 2008. It was noted that the grower income forecast had gone up to £3,642K, an increase of £148K from the original budget. This was due to higher than expected plantings as well as higher investment rates.

The forecast expenditure had gone down to £4,998K, which was £150K below the original budget. An analysis, on a departmental basis, of this shortfall was included in the paper. In general terms, the reason was that this was nine-month budget period, due to the change in financial reporting dates, and it was not easy to

apportion spend evenly across the period. The current forecast indicated a draw down of £259K, which would leave the reserve at £2,444K at 31 March 2008.

Mr Papworth, referring to the collection of tonnage levies for quarter 1, pointed out that this looked relatively low (95.1%, compared to 99%). The Secretary said that this was a question of timing in raising certain bills. The only occasion when debts remained uncollected was in the case of insolvencies. There had been such an instance in Scotland recently, but staff had taken action to secure the BPC/PCL's position.

**08/71 REGISTRATION AND LEVY COLLECTION REPORT (PCLP/08/35)**

The Board received a report showing matters dealt with and matters still to be resolved, in terms of levy collection, chasing defaulters and area monitoring. Details are at Annex 1.

**08/72 INTERNATIONAL LEVY BODY COLLABORATION (PCLP/08/36)**

The Board received a paper which set out information about a number of collaborative activities which the BPC had carried out, both in Europe and on a wider, global level. This included work with the United States Potato Board and meetings with scientists and marketing professionals from Australia, New Zealand and South Africa. The most recent event, which was hosted by the BPC, took place at CIP in Lima, Peru, and included the above-mentioned, plus participants from USA and Canada.

Dr Storey said that all participants had agreed on the benefits of discussing common issues, sharing ideas and identifying opportunities for joint activities. Examples included a common project on powdery scab and activities for the International Year of the Potato.

Mr Papworth said that he fully supported activities of this nature; he was just concerned that GB should not give away more than it received, i.e. that there was genuine sharing on all sides. Dr Storey replied that there were areas where we had the upper hand, but there were others, e.g. Rhizoctonia and powdery scab, where they excelled.

Mrs Race said the same applied on the marketing side. One benefit from a recent visit to France was that BPC learnt of an opportunity for EU funding, which France, Belgium and Holland had already taken advantage of. An application would now be made.

Mr Bradley asked staff to keep the Board informed of these issues.

Members needed to have information about costs, benefits, learning points and so forth, to enable them to respond to any challenges. Mr Rankin suggested that it would be helpful to have a schedule, showing – country by country – what the potato sector had gained from these collaborative activities. The Board agreed.

CEO

### 08/73 COMMITTEE MINUTES

The Board received the minutes of a meeting of the R&D Committee held on 21 February 2008.

The R&D Director reported that the Committee had accepted the following project proposals (ratified by BPC on 26 March:

*Improved canopy and N Management for the UK potato crop. Marc Allison, CUF: **£369,094 over 3 years.***

*Improving the efficiency of water use in UK potato production. Mark Stalham, CUF: **259,911 over 3 years.***

Each of these projects would be carried out over three years and there would be ongoing involvement of the committee members in the management of the studies.

Janet Bainbridge had taken the opportunity to report that Cambridge University had commissioned a major academic review of the Agronomy Research Centre at Cambridge University Farm and she had accepted an invitation to chair this. The review group, which included a number of senior academics, would report its findings to the Senate of the University. There would also, in parallel, be an independent financial review. In the course of their work, the reviewers would consult relevant industry organisations, including PCL. Prof Bainbridge said that the group would report by the end of June 2008, the target date for implementing the recommendations being September, in time for the new academic year.

Professor Bainbridge had said that, since resigning from the AHDB and PLC Boards, she had accepted a number of other commissions. With the exception of the CUF Review, none of these were related to the potato industry, so there were no conflicts of interest.

The Board received the minutes of a meeting of the Market Information Committee held on 12 March 2008.

Mr Scott said he had attended the meeting of the MI Committee, of which we would be joint chair. It seemed to be a lively group, whose members were well informed people who asked lots of questions.

The minutes of the Marketing Strategy Committee would follow.

**08/74 PCL: CRITICAL TIMING (PCP/08/37)**

The Board received the updated reference document. *See Annex 2 to these minutes .*

**08/75 OPERATIONAL ISSUES**

The Secretary reported that the sub-tenants who occupied ca 25% of the accommodation at Nash Court had served notice and would vacate the premises before the end of April. This would result in a reduction of income.

Staff would seek to establish whether there was any interest locally in a short term let. Another option might be to clear out that part of the building and claim reduced business rates.

The Secretary would advise AHDB, prior to their Board meeting on 7 April.

Secretary

**08/76 ANY OTHER BUSINESS**

**Members' Details**

The Secretary said that photographs of members would appear on the PCL website, together with their contact details, as previously confirmed. Also needed were brief biographical notes; it was agreed that these would be culled from the pen portraits provided by members when they were appointed.

Secretary

**08/77 DATE OF NEXT MEETING**

It was agreed that the next Board meeting of Potato Council Ltd would be held in Oxford, at 8.30 AM on Wednesday 7 May 2008.



## REGISTRATION AND LEVY COLLECTION REPORT

<p><b>Civil Matters</b></p> <p>This relates to levy collection/ pursuing overdue debts</p>	<p><b>Criminal Matters</b></p> <p>This covers failure to register, failure to make returns or provide information, making false statements</p>
<p><b>Historical</b></p> <p>During the BPC's tenure, a total of 6,225 overdue debts were collected, amounting to £6.25m</p>	<p><b>Historical</b></p> <p>During the period from 2001, when such matters were brought in-house:</p> <ul style="list-style-type: none"> <li>• 2,200 cases have been dealt with</li> <li>• 307 levy payers have been summonsed</li> <li>• 37 have been convicted **</li> </ul>
<p><b>Current</b></p> <p>The outstanding debts total £230K</p>	<p><b>Current</b></p> <p>All but 14 returns have now been collected</p>

### Area Monitoring

<p><b>Current</b></p> <p>The areas of undisclosed plantings in the 2007 season are:</p> <p>Understatements - 1000  Non-registered - <u>960</u>  1960 hectares</p>	<p><b>Historical</b></p> <p>Comparative figures for previous years are:</p> <p>2004 - 3000  2005 - 1900  2006 - 1200</p>
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\*\* Fines totalling £20,845 have been applied; and the Courts have ordered costs totalling £8,540 to be paid.

Under the previous legislation the maximum fine for most offences was £1000. Under the new Order, all offences carry a maximum fine of £5,000.



## Potato Council Limited Critical Timings

This timetable was adopted by the Board at its meeting on 9 January 2008. It will be reviewed at subsequent meetings, to check progress against plans, and to add items as the process develops.

**Levy Payer Dialogue** refers to the process of consulting the industry on the PCL Corporate Plan.

- |              |                                                                                                                                                                                                                                                         |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 08   | <ul style="list-style-type: none"> <li>▪ Working Groups set up – Agree terms of reference and set out plans. ✓</li> <li>▪ PCL makes decision regarding formal committees on R&amp;D, Marketing, MI, SSG and audit. ✓</li> </ul>                         |
| February 08  | <ul style="list-style-type: none"> <li>▪ Working Groups report back to PCL Board. ✓</li> <li>▪ PCL Branding is agreed. ✓</li> </ul>                                                                                                                     |
| March 08     | <ul style="list-style-type: none"> <li>▪ Working Groups submit final inputs regarding Levy Payer Dialogue to Board. ✓</li> <li>▪ Dialogue plan documentation finalised. ✓</li> </ul>                                                                    |
| April 08     | <ul style="list-style-type: none"> <li>▪ Statutory transfer to AHDB and start of PCL. ✓</li> <li>▪ PCL Business Plan 08/09 starts. ✓</li> <li>▪ PCL Levy Payer Dialogue commences.</li> <li>▪ Levy Payer communication regarding PCL begins.</li> </ul> |
| July 08      | <ul style="list-style-type: none"> <li>▪ PCL Board members take active role in Levy Payer Dialogue (April to July).</li> <li>▪ PCL Levy Payer Dialogue ends.</li> <li>▪ PCL considers results of the project.</li> </ul>                                |
| September 08 | <ul style="list-style-type: none"> <li>▪ Outcome of the Dialogue project.</li> <li>▪ Marketing / R&amp;D/ MI Working Groups fold.</li> <li>▪ Business Plan for 09/10 prepared.</li> </ul>                                                               |

- December 08
  - PCL submits levy rate proposals to AHDB.
  
- April 09
  - Some functions may co-locate.
  - Business Plan for 09/10 commences.
  
- Summer/autumn 09
  - Possible time for co- and re-location.

February 08