AGRICULTURE & HORTICULTURE DEVELOPMENT BOARD

AHDB Strategic Plan 2016-2019

‘Maximising Opportunities’

Contents

Chairman's foreword – Opportunities for our industries 4
Chief Executive's foreword – Revitalising AHDB 5
What is key, what is new and why is it better? 7
Where is there common ground between the sectors? 8
AHDB purpose and priorities 10
What are we going to do and what does success look like? 11
Budget and levy rates 14
Annex 1: AHDB Board and Leadership Team 17
Annex 2: Levy rates for 2016/17 18

Opportunities for our industries

We operate in an industry that has huge opportunities. That might seem an odd thing to say when depressed prices have had such an impact on many of our sectors over the past year but it is something that I truly believe – that in the long-term, we have great prospects.

Those opportunities, both on our doorstep and overseas, are the reason I remain optimistic about the future of our industry. Here are some basic facts (compared to 2015):

- UK population growth will be 14% (9 million) in the UK compared to 3% in the EU by 2040
- World population growth will mean 1.8 billion more consumers in the world by 2040
- Income growth will lead to 1.2 billion more middle class consumers by 2040.

These fundamental factors will drive increasing demand for the products we produce. We already have examples of successful businesses in our industry taking advantage of these markets, such as the strawberry industry. They have more than doubled their share of western European production over ten years – taking advantage of technology to increase production and in particular produce more at both ends of the season.

Working together

There is another opportunity we can maximise – greater coordination and partnership across the UK industry.

In other countries, such as Ireland, Denmark and elsewhere in the world, I have seen much more coordination across industry, research, government and farmers – leading to greater success. Through being more joined up across our industry, particularly in those organisations supporting agriculture, we will be able to achieve much more. AHDB is following this course by looking internally at how we operate ourselves. As a result, we are restructuring so all parts of the organisation work more closely together – for the ultimate benefit of levy payers through better services.

In taking advantage of the positives, we will, of course, have to manage the challenges. These include other farmers overseas who are also looking to access those same markets, politics such as the Russian import ban, threats to active ingredients and, of course, the usual farming challenges of weather and disease. However, I remain confident we can successfully maximise opportunities, while managing the challenges, and this plan sets out how AHDB will play its part in helping the industry achieve this.

Short-term challenges

This is all a long-term perspective. As a farmer, I recognise the current short-term difficulties for many in our industry who are really suffering at the bottom of the volatile price cycle, such as dairy. Although it is too late now to do anything about managing volatility for this particular downturn, when better times (and prices) come, as it has for potatoes in 2015 compared to 2014, we should remember this time and prepare for future downturns. This might include building better supply chain relationships and contracts, futures markets, profit/tax averaging, etc. This is an area of focus for us during the period of this plan.

Although we will continue to have both good times and tough times in the future, overall I am excited about the future of our industry and the role AHDB can play in helping us get there. It should be our goal to be the very best and if our industries are to stand a chance of achieving that, in an incredibly competitive global market, we at AHBD must also seek to be the best at what we do. I am confident that AHDB will go through a step change in the services it delivers over time.

Peter Kendall, Chairman

Revitalising AHDB

The Agriculture and Horticulture Development Board's (AHDB) purpose is **'To equip our levy payers with the information and tools to grow and become more competitive and sustainable'**. Although we are a Non-Departmental Public Body, our funds come from hard working businesses through statutory levies and therefore, fundamentally we work for farmers, growers and supply chain levy payers. We have a big ambition to make AHDB a great organisation that makes a real difference to levy payer businesses and we are currently undertaking a major change programme to that end. It is vital we endeavour to be as agile, customer focussed and efficient as possible in order to fulfil our purpose and make the most of the income we receive from those levy payers.

AHDB sectors are working together

Part of our revitalisation of AHDB is to look for opportunities to join up our work, where relevant, across livestock and crop sectors, to have more impact for levy payers, to cut out duplication and save money. Where we are able to make savings, we will reinvest that levy money into new services.

For example, our new Research & Knowledge Exchange department will be exploring new, more innovative and exciting ways of sharing knowledge and we are particularly interested in looking at more peer-to-peer, farmer led initiatives. This is because we hear the work we already do in this area, such as the Monitor Farms programme in cereals and oilseeds, is appreciated and is driving improvements in profit and productivity on the farms involved.

Another area of change will be in our communications, where we need to keep pace with how levy payers like to access information now. It is likely that our teams will be making even more of the latest advances in digital technology, using video, podcasts, interactive forums and easy-to-use mobile phone tools and apps that help make AHDB the go-to place for crucial information and services. Many of our levy payers pay into more than one levy board and so we need to take account of this when planning how we connect with you in the future.

Ambitious for agriculture and ourselves

We are ambitious for agriculture and horticulture and therefore, need to be more ambitious and resourceful ourselves. This means becoming more focussed on outcomes for levy payers, ensuring that we can measure the real benefit of our work through robust evaluation. This should help our sector boards, which set the strategies and decide where to focus most effort.

In committing to this performance culture, we are also focussing on supporting and developing the workforce that deliver AHDB activities. We are working hard behind the scenes to ensure our people are clearer about their roles, what is expected of them and constantly striving to be ever closer to the customer – the levy payer. We have appointed six new sector strategy directors who, in addition to our functional teams and sector experts, will be tasked with spending quality time in their sectors and bringing sector-specific intelligence and understanding back into AHDB to help with short and longer term planning.

If the industry is to become more competitive and resilient, we need to equip it with a better understanding of the domestic and global markets we operate in. AHDB is well positioned to do this work through our market intelligence team and we want to use our communications tools and events to bring some of the challenges and opportunities to life in a more meaningful way. For example, working harder to showcase innovations from overseas that could be applied here, highlighting where the next competitive threat is coming from and generally be more insightful and solutions driven.

Sector boards and ring fencing of levies to their sector are crucial

In listening to levy payer concerns about some of our changes, I am mindful that we must work harder to explain what we are doing, why and demonstrate the benefits. Sector boards remain crucial to AHDB, levy raised in a sector must be spent for the benefit of that sector by law and we will retain sector specialists. I am immensely proud of the hard work of AHDB staff and how they have contributed to the change process, which remains ongoing.

We already do some cracking work and I want us to build on that. Some of the successes of the past year are below:

Barley exports - With China indicating an interest in purchasing UK barley, trade could only take place when a protocol on phyto-sanitary controls was in place. This could only be established after a visit of Chinese inspectors to see UK controls and assurance schemes first-hand. After five years of work, the successful visit took place in summer 2015 and a protocol was subsequently agreed. Potential exports could be worth £20 million per annum.

Levy payer Engagement - Over the last three years, AHDB Dairy delivered 3,635 farmer meetings, which were attended by 27,896 individuals, representing 6,110 dairy farm business.In 2015/16, over 4,500 individual dairy farm businesses will attend a meeting organised by AHDB Dairy.

Training takes off - More than 13,000 hours of training was delivered to the pig industry as part of the *Recruit, Retain, Reward* plan for the English pig industry. This covered all sections of the production industry from stockmen through to the Professional Managers Development Scheme. We also supported the Pig Industry Scholarship at Harper Adams University, which helps students find mid-course placements in the industry.

Access to overseas potato seed markets - The Cuban market opened and trade with Russia restarted, along with a successful mission to India de-risking GB's reliance on North African seed customers.

Beef & Lamb Export growth - Our export work with partners has led to a 76% increase in beef exports to non-EU countries and a 160% increase in the value of beef and sheep meat offal exports in 2014 compared to 2013. As a result, beef and sheep carcase utilisation has improved by around 10% in cattle and 7% in sheep since 2006, also bringing down the carbon footprint per kilo of meat produced.

Supporting crop protection - AHDB Horticulture secured the approval of over 90 new Extension of Authorisation for Minor Use (EAMUs) to address the continued challenge of having an effective range of crop protection products available to the horticultural industry.

Scottish Dairy Impact Groups - AHDB dairy has secured a £222k grant from Scottish Government to deliver dairy Business Impact Groups. All groups will use AHDB Dairy Comparable Farm Profit (CFP) methodology for benchmarking, to enable meaningful comparisons.

These successes demonstrate that AHDB is a good organisation already. Through the efforts of the main Board, sector boards and staff, I believe we can make it truly great over the lifetime of this plan.

Jane King, Chief Executive

What is key, what is new and why is it better?

The foreword in this plan sets out the opportunities and challenges faced by our industry. In addressing those challenges and making the most of the opportunities, we know we need to be much smarter about how we apply AHDB's levy income, expertise and wider resources to deliver excellent value for money for levy payers.

What is key?

- Six sector boards continue to set strategy, agree budgets and act as advisors
- Levies will remain ring-fenced and spent for the benefit of the sector where they were raised
- Sector-specific experts will be retained in the functional teams.

What is new?

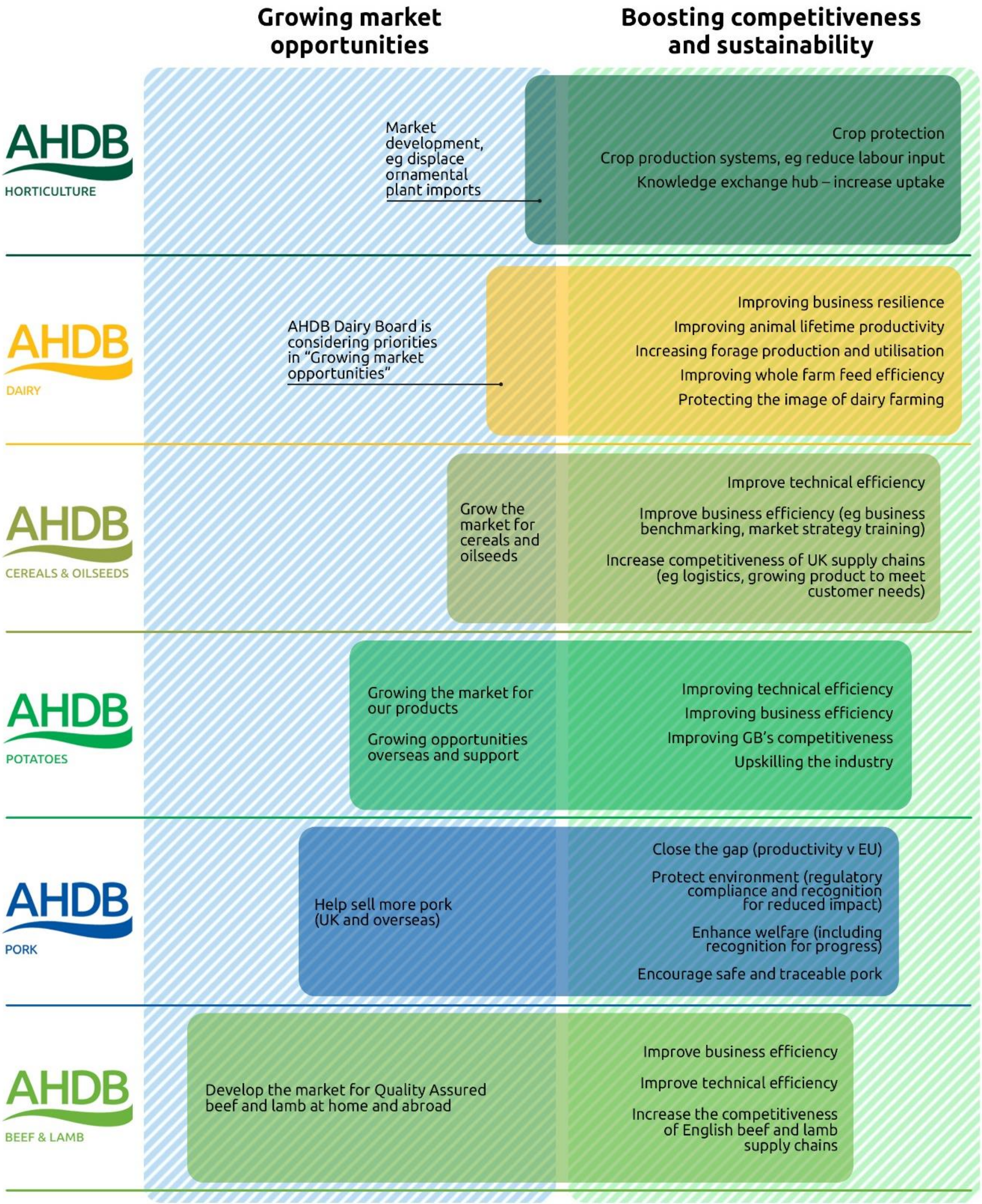
- New branding – one unified AHDB
- New structure and leadership team – all staff who are doing the same jobs working together as one team, eg all research and knowledge exchange staff in one division (functional working)
- Becoming outcomes focussed and performance driven – evaluating the effectiveness of our activities for levy payers in terms of return on investment
- Developing fresh approaches to communications
- Updating our digital delivery to levy payers
- Aspiring to stronger and more integrated relationships with external stakeholders.

Why is it better?

- A more joined-up, unified approach across the six sectors will stimulate collaboration, spread best practice, share learning and ultimately, save money
- By measuring more effectively the impact of what we do, AHDB will provide more detailed information back to the sector boards and staff to inform their decision-making on the best activities to undertake
- We will be able to streamline our digital communications to be more efficient and focussed in our messaging. We also want to develop new tools and services fit for the modern age
- By bringing all our market development staff together in one team, we will be able to focus on more innovative work programmes for domestic and export market growth, more strategic promotional and educational campaigns and develop more capability in-house rather than outsourcing
- A new HR strategy will enable us to recruit, retain and develop the best people and become an employer of choice, with clear career routes for staff across the six sectors
- A more imaginative approach to working with external partners and stakeholders will ensure we drive efficiency through being more resourceful. We want to complement and cooperate with other organisations who share a similar vision for the future.

Where is there common ground between the sectors?

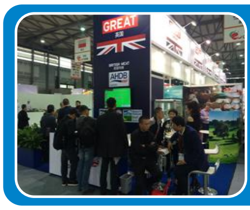
Our six sector boards came together in June 2015 to share understanding around strategy-setting and it was clear there was a lot of agreement and common ground as to areas to prioritise. This diagram below shows how the priorities the sectors have set out fit well in to the two AHDB priorities.



This shows the potential for working together better. Although our sectors have more in common than not, there will always be some unique differences between different sectors and differing priorities for use of levy funding. This means AHDB will continue to carry out some activities in particular sectors but not in others, with different sector boards setting strategies for their sector, based on the sector's particular needs.

What's next?

As we restructure ourselves internally and listen to levy payers, we expect the pace of change around AHDB to be significant. Those changes will take a little time to be seen in the services to levy payers on the ground but some key new things we are in the process of developing include:

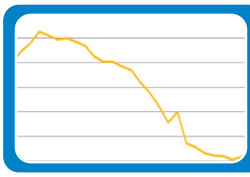


Develop our export activity - Including increasing our pork export promotion activity, with a focus on accessing new markets. We will look to leverage activity on non-EU markets by accessing EU promotion funding from 2017 onwards. We will also produce a quarterly sector opportunities review for export markets in the potato sector. In the dairy sector we have agreed we will be investigating where we can add most value to support existing industry export initiatives.

Play a leading role in the agri-tech strategy centres - Working with industry in the agri-tech Crop Health and Protection (CHaP) Innovation Centre and Centre for Innovation and Excellence in Livestock (CIEL) through consortium building, establishing robust governance and programme planning. We are also working with the Agrimetrics Centre and Engineering Precision (EPI) Centre.

Expansion of on farm activity - Including initiating new sites in Scotland and the east of England for our Strategic Potato Farm programme and expansion of the Monitor farm and arable business group network. New pig Focus Farms will be established in the regions of England. The producers involved will adopt innovations and report back to the industry on the impact thay have on their businesses. We will also be introducing more benchmarking into beef and lamb BRP+ activities.

Eradicate BVD - In conjunction with industry stakeholders and liaising with devolved administrations, coordinating a national campaign towards the eradication of BVD in England.



Volatility - Working with the industry to develop improved ways of managing the volatility the industry faces so that we are better prepared to cope with future price downturns.

Increase our international benchmarking - Into more sectors so we can better understand our competitive position. This will allow us to better target our R&KE, compare ourselves to and learn from the best, understand what new markets we can compete in and where new threats to our markets might come from.

RamCOMPARE

Maximising the impact of genetic improvement - in beef cattle and sheep through delivery of the Beef Efficiency and RamCompare projects, and the implementation of the outcomes of recently completed research projects in both species.

Big Data - Researching and evaluating the potential for big data, geographical information systems and satellite data, inlcuding using it to monitor trends in UK horticultural production.

AHDB purpose and priorities

Our purpose

AHDB's fundamental purpose is:

AHDB Purpose

- To equip levy payers with the information and tools to grow and become more competitive and sustainable

We define competitiveness as providing the optimum mix of value and cost for customers, which means they buy our products over others. In some cases, this may mean competing on price/cost, eg feed wheat exports, in many others we compete on added value, eg conservation grade cereals or seed potatoes from the safe haven scheme, where we have to remain efficient but cost is not the only factor.

This Strategic Plan sets out how we will achieve our purpose, through the activities that the organisation and its six sector boards have identified as priorities and will carry out.

AHDB priorities

Regardless of sector, all strategic activity across AHDB is delivered against two overarching priorities:

AHDB Priorities

- Boost competitiveness and sustainability
- Grow market opportunities

These priorities translate into a range of activities that are being delivered by our functional teams covering market development, market intelligence and research and knowledge exchange.

Boosting competitiveness and sustainability

This means:

- Increasing technical efficiency
- Business improvement
- Minimising environmental impacts
- Enhancing and developing the skills within the farming and growing industry.

Growing market opportunities

This means:

- Stimulating domestic market demand and import substitution
- Developing and expanding overseas market opportunities for British produce
- Improving understanding of markets and consumer needs
- Improving UK supply chains.

What are we going to do and what does success look like?

AHDB carries out a wide range of activity and we have grouped together the key types we carry out across the organisation. A representative sample of targets are included below under the types of activities. Please see our six sector plans for detailed activities and targets for each sector.

AHDB Priority 1: Boost competitiveness and sustainability

Principal activities	Desired outcome(s)	Example measurement method/target
Farmer to farmer learning through: Business improvement groups, discussion groups, monitor farms, demonstration farms, farm level benchmarking, eg Cropbench+	Farmers become more competitive and sustainable through learning from each other and improving technical and business performance	Year-on-year increases in average lifetime dairy cow output (kg total milk solids). 500 cereals and oilseeds growers using Cropbench+. 70% of beef and lamb producers adopt one idea to better market their stock.
International benchmarking: Comparing production costs of typical British farms against their competitors in other countries	The industry understands our competitors so we know who we can learn from and understand potential new markets and new competitors	International physical and financial targets are available for strategy setting and performance measurement.
Provision of expertise through: Open meetings, digital tools, KE publications, and face-to-face contact, etc.	Levy payers become more competitive and sustainable through improved technical and business performance as they implement best practice and novel approaches	+1 pig weaned per sow per year. 5% improvement in average Real Welfare scores on assured pig farms in England. At least 66% of beef and lamb producers adopt a management improvement after attending a BRP event.
Accessing new knowledge for the industry: From existing sources or from research	Knowledge to solve problems and improve performance is available to the industry through accessing information and ideas from others and commissioning research	Deliver 5:1 cost benefit from cereals and oilseeds funded research.
Skills Development: Implement the new skills strategy as agreed by the ADHB Board. To include development of the trailblazer apprenticeship standards, support the Agri-Skills Forum and AgriTech Strategy skills group	The skills of those in the industry are developed and refreshed, leading to motivated, innovative staff, implementing best practice through the industry, and an attractive industry for those considering a career in it	Potato industry reports improvement in ability to recruit. Extension of the training offer to include Stockman Pro to fill the gap between stockman and manager.

AHDB Priority 2: Grow market opportunities

Principal activities	Desired outcome(s)	Example measurement method/target
Export promotion	Our industries are increasing the exports of their products and improving the value returned to producers	20% increase in beef and lamb 5th quarter exports. Pork export volumes grow by 5%. Relationship with three new seed export markets by end of 2017. Lifting of the BSE ban in China, opening access for beef into Canada and the US. 30% of lamb production is exported.
Trade development	The industry adopts new supply chain and product practices, technology, and relationships which add value and reduce costs	Meat science master classes held, training 45 delegates per annum. Multiple retailer steak lines improved.
Developing the domestic market	We have an increasing share of our domestic market through producing products that meet customer needs.	Improvement in consumer attitudes to pork of 3% points. Grow mid-week consumption of beef and lamb mini roasting joints 2% year-on-year increase in frequency of potato purchase.
Market intelligence	The industry has access to the information it requires to understand markets, make optimal decisions and operate efficiently	Circulation of MI publications continues to increase from circa 35,000 to 37,500 by March 2017.

Delivery – communications

We will be using an increasingly integrated suite of communication activities to ensure that levy payers are aware of and using AHDB services. We will be seeking to increase our engagement with levy payers and stakeholders over the course of the plan. We measure the effectiveness of our communications activities through an annual survey and sector specific KPI's, eg 10% increase in businesses taking up AHDB Pork Services. We are currently establishing the baseline with the first ever consistent basis AHDB-wide survey, which will examine factors such as awareness of services and how many levy payers have made a change to their business as a result of AHDB information or services.

We have had constructive feedback from both the activity review and the business plan consultation regarding our communications. This feedback has confirmed that our determination to communicate more effectively, led by our new Chief Communications and Market Development Officer, is well placed.

We will be seeking to communicate clear, simple messages to levy payers about who we are, what we do and the value it brings to them.

Key success criteria

While each sector faces its own set of circumstances, there are common ambitions and challenges. In June 2015, AHDB brought together members from across all six of its sector boards to help determine what success would mean for our agriculture and horticulture industry. They identified four key measures of success:

AHDB Vision

- The industry is economically and environmentally sustainable
- The UK's share of domestic and international markets is growing, in terms of volume and value
- Our farm-level costs of production are competitive with our main competitors, especially in the EU
- The industry has a good understanding of market and consumer requirements

AHDB is moving towards a culture where our activities lead to measurable outcomes, rather than simply outputs. What this means is that we can demonstrate the impact that our activities have on levy payers and the value they generate for levies that are invested by AHDB. Over the next year, we will be putting in place a more focussed approach to evaluation based on outcomes.

Taking the success criteria identified by our sector boards, there are a number of ways by which success could be measured. We have not set AHDB wide targets this year, instead continuing to focus on sector targets but some AHDB-wide targets will be discussed with our sector boards during the course of 2016. For specific targets for the activities based in each sector, please see the individual sector plans.

Industry success	How might this be measured?
The industry has a good understanding of market and consumer requirements	Gross value added by the industry. Readership of AHDB market intelligence publications. Levy payer satisfaction scores associated with AHDB MI work.
The industry is economically and environmentally sustainable	Output adapts to market needs and is resilient to price fluctuations. Environmental indicators demonstrate an improving trend.
Farm-level costs of production are competitive with our main competitors, especially in the EU	International benchmarking of production costs and technical performance with key competitors. Total factor productivity is on a par with relevant competitors.
The UK's share of domestic and international markets is growing, in terms of volume and value	Gross value added improves. Value of overseas food exports increases. Share of domestic sales is increased.
Delivery	**How might this be measured?**
Annualised savings of £1 million for reinvestment in services	Savings of £1 million can be identified relative to 2014/15 base year.
Greater levy payer satisfaction	We are establishing the first ever AHDB-wide baseline survey at the time of writing.
Greater partnership and collaboration	AHDB sectors engage in more cross-sector projects to achieve outcomes for levy payers. AHDB engages in more partnerships with others in the industry.

Budget and levy rates

The work of AHDB is funded by a statutory levy paid by farmers, growers and others in the supply chain.

The sector boards, on an annual basis, recommend to the main AHDB Board the levy rates that should be applied across their sectors in order to fund the work outlined in this Strategic Plan and explained in more detail in the six Sector Business Plans. Following industry consultation, the Board proposes what annual levy rates should apply, for approval by Ministers in Defra and the Devolved Administrations.

All levy rates will remain unchanged from the 2015/16 rates. Please see Annex 2 for detailed rates.

Budget

Income

The forecast total net levy for 2016/17 amounts to around £57m and this is supplemented with grants and commercial income, forecast to be in the region of £8.9m. The funds raised from each commodity sector are ring-fenced to ensure they are used to the benefit of the sectors from which they were raised. Our levy spend is audited each year, including how we allocate costs to sectors.

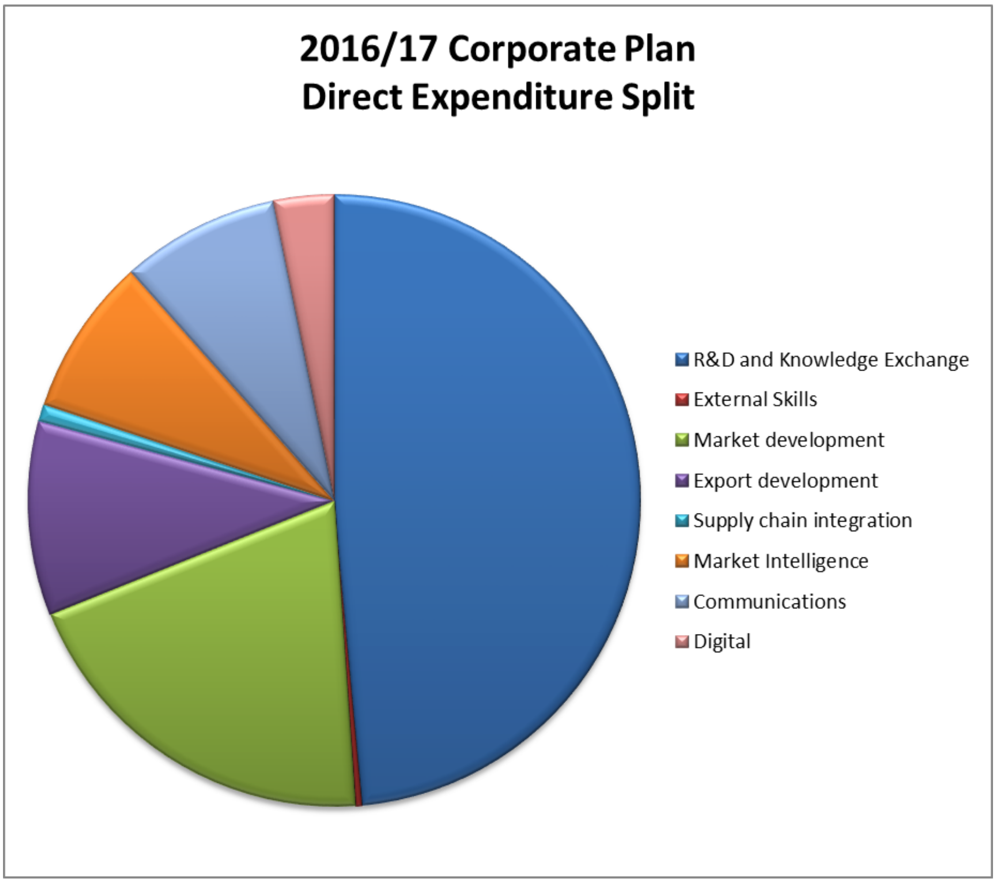
Industry sector	Forecast net levy income 2016/17
Beef and lamb in England	£15.5m
Cereals and oilseeds in the UK	£11.7m
Dairy in Great Britain	£7.3m
Horticulture in Great Britain	£7.4m
Pigs in England	£9.1m
Potatoes in Great Britain	£5.8m
Non-levy income (grants and commercial)	£8.9m
Total net income	**£65.6m**

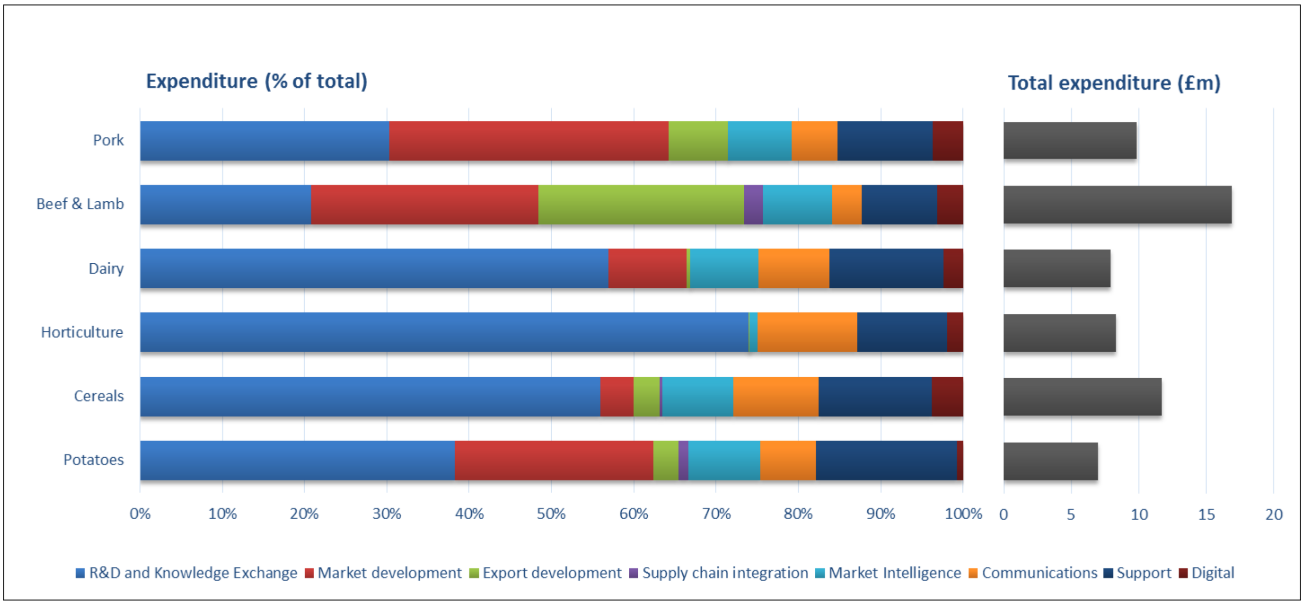
The income we raise is often used to work in partnership with others, enabling us to deliver more for levy payers. For example, in the last Cereals & Oilseeds R&D strategy (Jan 2011 to Dec 2014) we invested £15.6m levy, which fed into a total project portfolio worth £38m. The breakdown of the total portfolio came from 43% Levy funding, 27% Government co-funding and 30% Industry co-funding (a mix of cash and in-kind support), resulting in 57% additional funding.

Expenditure

The charts and table following show the budget for 2016/17 for AHDB as a whole. Sector-level budgets for our six operating sectors are contained in the more detailed sector business plans, which are available on www.ahdb.org.uk

Please note, there have been additional funds allocated to market development for the dairy sector compared to the provisional budget.





AHDB

	14/15 Actual	15/16 Forecast	16/17 Budget	17/18 Budget	18/19 Budget	16/17 vs 15/16
	FULL YEAR £'000					
INCOME						
Gross levy	57,435	58,504	57,602	57,811	58,061	-902
Direct levy collection costs	-920	-914	-833	-870	-870	81
Net levy income	**56,515**	**57,590**	**56,769**	**56,941**	**57,191**	**-821**
Fee and grant income	3,515	4,202	4,642	4,582	4,222	439
External skills	1,270	0	0	0	0	0
Commercial Services	4,531	4,369	4,221	4,188	4,259	-147
Non-levy income	**9,316**	**8,571**	**8,863**	**8,770**	**8,481**	**292**
Bad debt	104	-299	-66	-67	-67	232
TOTAL NET INCOME	**65,935**	**65,862**	**65,566**	**65,644**	**65,605**	**-296**
EXPENDITURE						
DIRECT						
R&D and Knowledge Exchange	-23,267	-25,881	-26,330	-26,134	-26,125	-449
External skills	-1,310	0	-196	-196	-196	-196
Market development	-10,946	-12,552	-10,877	-11,477	-11,417	1,675
Export development	-4,502	-5,144	-5,552	-5,552	-5,552	-408
Supply chain integration	-1,998	-1,885	-494	-494	-494	1,391
Market Intelligence	-4,456	-4,780	-4,528	-4,428	-4,428	251
Communications	-5,161	-5,324	-4,532	-4,532	-4,532	792
Digital Services	0	0	-1,734	-1,734	-1,734	-1,734
Commercial Services	-3,910	-3,794	-3,559	-3,512	-3,541	236
TOTAL DIRECT EXPENDITURE	**-55,550**	**-59,360**	**-57,801**	**-58,059**	**-58,019**	**1,558**
SUPPORT						
Sector specific administration	-2,717	-2,683	-2,792	-2,763	-2,766	-109
Human resources	-450	-486	-550	-550	-501	-64
Facilities	-1,610	-1,523	-1,585	-1,585	-1,585	-62
Finance and payroll	-844	-846	-923	-923	-923	-77
Levy collection	-294	-301	-302	-302	-302	-1
Procurement	-195	-192	-202	-202	-202	-10
Information systems	-856	-920	-969	-969	-969	-49
Main board/advisory	-601	-435	-427	-427	-427	8
Corporate communications and legal	-345	-386	-383	-383	-383	3
R&D	-51	0	0	0	0	0
Central support	**-5,246**	**-5,089**	**-5,341**	**-5,341**	**-5,292**	**-252**
TOTAL SUPPORT EXPENDITURE	**-7,964**	**-7,773**	**-8,133**	**-8,104**	**-8,058**	**-361**
TOTAL EXPENDITURE	**-63,514**	**-67,133**	**-65,935**	**-66,163**	**-66,077**	**1,198**
Operating surplus/(deficit)	**2,421**	**-1,271**	**-369**	**-519**	**-472**	**902**
NON-OPERATING ITEMS						
Interest receivable	22	82	80	80	80	-2
Taxation	0	0	0	0	0	0
Exceptional reorganisation expenditure	89	-58	0	0	0	58
Other non-operating costs	-337	-184	-25	0	0	159
Net FRS17 entries (HGCA pension)	-75	-75	-75	-75	-75	0
TOTAL NON OPERATING ITEMS	**-301**	**-235**	**-20**	**5**	**5**	**215**
Retained surplus/(deficit)	**2,120**	**-1,505**	**-389**	**-514**	**-467**	**1,116**
Support exp. excl MI % of income	11.9%	11.6%	12.2%	12.2%	12.1%	
Central support % of Income	7.9%	7.6%	8.0%	8.0%	8.0%	
Opening reserves	19,726	21,846	20,341	19,952	19,439	
Retained surplus/(deficit)	2,120	-1,505	-389	-514	-467	
Closing reserves	21,846	20,341	19,952	19,439	18,972	
Opening pension reserves	9,548	7,683	7,683	7,683	7,683	
Pension movement	-1,865					
Closing pension reserves	7,683	7,683	7,683	7,683	7,683	

Please note variances in budget this year may be attributable to a change in categorisation rather than a change in activity. Consistency of categorisation allows easier comparison across sectors.

Annex 1: AHDB Board and Leadership Team

AHDB Board

Chair

Sir Peter Kendall

Independent members

Professor Ian Crute CBE

Will Lifford

George Lyon

Industry specialist members

Fiona Fell	– Chair of the Potatoes sector board
Gwyn Jones	– Chair of the Dairy sector board
Adam Quinney	– Chair of the Beef & Lamb sector board
Gary Taylor MBE	– Chair of the Horticulture sector board
Paul Temple	– Chair of the Cereals & Oilseeds sector board
Meryl Ward MBE	– Chair of the Pork sector board

Leadership Team

Jane King	– Chief Executive
Rebecca Geraghty	– Chief HR Officer
Chris Goodwin	– Chief Finance Officer
Tom Hind	– Chief Strategy Officer
Richard Laverick	– Chief Technical Officer
Christine Watts	– Chief Communications and Market Development Officer

Annex 2: Levy rates for 2016/17

Sector	Levy rates 2015/16	Levy rates 2016/17	Higher rate for late payment
Beef and Lamb (England)			
Cattle (excluding calves)	**£ per head**	**£ per head**	**£ per head**
Producer	4.05	4.05	4.05
Slaughterer/exporter of live cattle	1.35	1.35	1.35
Calves	**£ per head**	**£ per head**	**£ per head**
Producer	0.08	0.08	0.08
Slaughterer/exporter of live calves	0.08	0.08	0.08
Sheep	**£ per head**	**£ per head**	**£ per head**
Producer	0.60	0.60	0.60
Slaughterer/exporter of live sheep	0.20	0.20	0.20
Pigs (England)	**£ per head**	**£ per head**	**£ per head**
Producer	0.85	0.85	0.935
Slaughterer/exporter of live pigs	0.20	0.20	0.22
Milk (GB)	**Pence per litre**	**Pence per litre**	**Pence per litre**
Buyers and direct sellers of milk	0.060	0.060	0.066
Cereals and oilseeds (UK)	**Pence per tonne**	**Pence per tonne**	**Pence per tonne**
Cereal grower	46.00	46.00	50.60
Cereal buyer	3.80	3.80	4.18
Cereal processor (human and industrial)	9.50	9.50	10.45
Cereal processor (feed)	4.60	4.60	5.06
Oilseeds	75.00	75.00	82.50
Horticulture (GB)	**% sales turnover**	**% sales turnover**	**% sales turnover**
Horticulture products	0.50	0.50	0.55
Mushroom spawn	**Pence per litre**	**Pence per litre**	**Pence per litre**
Agaricus	8.0	8.0	8.8
Non-agaricus	2.0	2.0	2.2
Potatoes (GB)			
Potato growers	£42.62 per hectare	£42.62 per hectare	£46.882 per hectare
Purchasers of potatoes	£0.1858 per tonne	£0.1858 per tonne	£0.2044 per tonne