

**SUMMARY MINUTES OF THE CEREALS & OILSEEDS SECTOR COUNCIL MEETING
HELD ON 1 MARCH 2023 AT 8.30 A.M.
VIA MS TEAMS**

PRESENT:

Stephen Briggs (Chair) (SB), David Bell (DB), Tom Clarke (TC), Russell McKenzie (RM) (*Items 1-10*), Sarah Nightingale (SN), Cecilia Pryce (CP), James Standen (JS), Patrick Stephenson (PS), David Walston (DW)

IN ATTENDANCE:

Ken Boyns (KB), Angela Christison (AC), David Eudall (DE), Chris Gooderham (CG), Tony Holmes (TH), Darren Sharp (DS), Alison Thomas (AT) (minutes), Jenna Watts (JW)

CHAIR WELCOME AND INTRODUCTIONS
SB welcomed everyone to the meeting.
APOLOGIES FOR ABSENCE
Apologies had been received from Tony Bell and Polly Davies.
DECLARATIONS OF INTEREST
No declarations of interest were made.
MINUTES FROM THE COUNCIL MEETING HELD ON 9 DECEMBER 2022
The minutes were approved as an accurate record of the meeting to be signed by the Chair.
MATTERS ARISING AND ACTION POINTS FROM THE COUNCIL MEETING HELD ON 9 DECEMBER 2022
Most actions had either been completed or were on the agenda for discussion. KB provided clarification on two points: <ul style="list-style-type: none"> • Measurables & KPIs – work to develop RAG rated dashboards was underway. These would be presented to the council in May. • Future funding of DGP – the possibility of securing funding from Defra had been flagged with the DGP industry leadership group who were progressing this.
CHAIR'S REPORT/LEVY PAYER FEEDBACK
Council members were advised that Julius Deane had been granted a 6-month sabbatical from the council until early May 2023.
The Chair thanked everyone for their attendance at the recent away day which had been very useful in determining the future direction for research and KE. He also thanked the staff involved for their efforts on the day and effectively capturing the outcome of the discussions.
AHDB would be vacating its existing office building and moving into new headquarters with effect from April 2023. The move would generate central office cost savings for AHDB of c£0.5m.
SECTOR LEAD & DIRECTOR'S REPORTS
The recruitment process for a new permanent sector council chair was ongoing. Interviews had taken place and a recommendation made to Ministers. The outcome would be communicated to council members once the appointment had been formally approved.



Consultation on proposed changes to the Statutory Instrument continued with two main areas of concern identified – firstly, the creation of a statutory register of levy payers and secondly, proposed changes to administration costs for third parties collecting the levy. It was agreed that AHDB should produce an estimate of the value of the 5% levy deduction to the industry over the past 10 years.

Action: TH to produce an estimate of the value of the 5% levy deduction to the industry over the past 10 years

Concerns were raised regarding letters recently issued by the AHDB Levy Team to storekeepers stating that they might be liable to pay a levy which suggested a lack of understanding of how the grain trade worked. It was agreed that TH would investigate this and that a flow diagram illustrating the process for levy collection in the sector should be developed.

Action: TH to investigate issue of letters to storekeepers by Levy Team and DE/TH develop a flow diagram illustrating how levy is collected in the C&O Sector

Recruitment of a Farming Systems Director was progressing well with a good response received and first stage interviews being conducted.

Given the importance of RB209, the council questioned whether it was represented on the Arable Technical Working Group (TWG) to provide oversight for levy payers. Although the council was not represented currently, KB confirmed he would be attending future TWG meetings to determine if this might be beneficial.

Action: KB to attend future meetings of Arable TWG to determine if sector council representation might be beneficial.

The council was advised that there was development work for the What Works Centre (WWC) concept with a meeting of the WWC Steering Committee taking place on 3 March. An update would be provided to the council at its next meeting. Any taking forward of the WWC concept would need to support delivery of the outcomes from the R&KE away day.

Action: Update on WWC to be provided to council at its May meeting.

RESEARCH/KE DELIVERY AND DEVELOPMENT

AC thanked council members for their contributions to the away day and briefly summarised the discussion and outcomes.

Attention was drawn to the six areas of focus identified and the next steps associated with each. The council agreed that these were the priority areas they had identified but emphasised the importance of horizon scanning and using existing mechanisms (eg Groundswell, Cereals, monitor farm events and possibly the autumn vote process) to seek wider input from others to ensure they remained relevant and aligned with the needs and priorities of levy payers.

The importance of raising levy payers' awareness of work undertaken by AHDB on their behalf was highlighted. In particular, the council requested that in future it be kept informed where AHDB provided evidence to policy makers.

Action: AHDB to keep council informed of evidence provided to policymakers

The council recognised the importance of providing pump-prime funding to commence some research and development work associated with the RL review and on-farm trials from Autumn 2023 (and Spring 2024). It was agreed that detailed proposals would be developed by the executive and presented to the council for consideration at its meeting in May.

Action: Proposals for research and development expenditure to be developed and presented to the council for consideration in May

It was also agreed that research and development & KE should be a standing agenda item at future council meetings to review and track progress against the six priority areas.

Action: Research and development & KE to be a standing agenda item at future meetings



DIGITAL GRAIN PASSPORT (DGP)

The Chair provided an overview of the current position and an update on engagement with the industry through the Leadership Group and recently created Development Group. Acknowledging that expectations were still being aligned, he was encouraged that some progress had been made with the initiative now being led by the industry with AHDB acting as facilitator rather than leader, and a deeper understanding by the leadership group of the challenges faced by the sector council in managing funding and priorities to deliver maximum benefit to levy payers.

Whilst the industry groups continued to be very supportive of the need for development of a business case for the DGP and were keen to progress this, they were reluctant to continue their work on a business case without an indication of the sector council's views on the potential to fund the DGP. Equally, there was recognition that the sector council could not commit to funding the DGP without a business case and a full understanding of the costs and benefits and how it would fit into overall levy payer priorities.

The council's attention was drawn to tests which had been developed, and it was asked to consider whether it would be prepared to allocate some levy funding to the DGP if these tests were met at the time the business case was complete. The tests were discussed and agreed.

Key points for the Cereals & Oilseeds Sector Council were noted:

- The council noted that AHDB continued to invest staff time in the initiative and through involvement with the DGP groups, the industry was committed to DGP and continued to contribute significant time.
- It was confirmed that the business case would be produced and signed off by the DGP Leadership Group.
- It was important for the DGP Leadership Group to approach and discuss the business case with Defra to see if there was some funding available from Defra.

It was important for the Cereals & Oilseeds Sector Council to understand the varying proportions of levy income received from farmers, processors and the trade and to determine who would reap the greatest benefit from the DGP.

Action: TH to supply % and actual sum of levy from each type of levy payers.

Next steps/Decision: Council members approved the recommended tests and would be happy to comment at an early opportunity on the proposed headings/content of the business case from the leadership group to ensure all "reasonable and material" points would be dealt with in the business case.

The council agreed to allocate some levy funding if the tests were met at the time the business case was approved by the DGP Leadership Group.

TB and PD to be briefed on the decision the council have made.

Action: TB and PD to be briefed on the council's decision on DGP

FINANCE UPDATE

Management Accounts

TH provided an update on the financial position.

Approval of 2023/24 Budget

TH presented the 2023/24 budget.

The following key points were discussed and agreed:

- **MI** – the value derived by C&O levy payers from MI activity should be evaluated at an early stage to determine how return on investment in this area compared to other activities.
- **Nutrient Management Activities** – the council requested details of the work being carried out on GreatSoils.



- **IPM Activities** – the budget included the cost of UKCPVS which had been extended for one year but a decision on its long-term future would be sought from the council later in the year. Work on monitoring contaminants and Maximum Residue Levels (MRLs) had been undertaken for a number of years. It was agreed that this should be reviewed to check it was still fit for purpose and a decision taken by the council later in the year as to whether it continued in its current form or should develop.
- **AgriLeader** – DE provided an overview of all the activity surrounding the programme demonstrating that this delivered much more than the two-day conference. A question was raised about the conference costs and benefits derived by the C&O sector compared to the other sectors. It was agreed that the Chair would raise this topic at the March AHDB board meeting.
- **Education** – it was agreed that Roz Reynolds, Head of Strategic Operation, Education and Nutrition should be invited to present at a future meeting.
- **Exports** – a review of exports activity was being undertaken by DE to identify potential gaps and minimise duplication - DE would seek input from CP, SN and DB.

Actions:

- MI activity to be evaluated at an early stage
- Details of work undertaken on GreatSoils to be provided to the council
- Council to consider and agree long-term future of UKCPVS later in the year
- Council to review and consider Monitoring Contaminants/MRLs work later in the year
- Chair to raise AgriLeader at AHDB board meeting in March
- RR to be invited to present to the council on Education at a future meeting
- DE to discuss the exports review with CP, SN and DB and seek their input

The council approved the 2023/24 budget on a stand on basis.

The council also approved the use of up to £440k from surplus reserves to fund short-term research priorities from Autumn 2023, proposals for which would be presented to the council in May.

The Chair thanked the Finance Director and his team for the detailed information provided on the budget and the work carried out to prepare it.

Update on HGCA Pension Scheme Valuation

The HGCA pension scheme triennial valuation dated 31 March 2023 had resulted in a request from the scheme's Trustees for a significant increase in pension deficit reduction payments from AHDB in future. Actuaries had been instructed to challenge this and negotiations were ongoing. In accordance with the Pension Regulator's requirements, the matter needed to be resolved by 30 June 2023. The council would be kept informed.

BRITISH FARM DATA COUNCIL (BFDC)

Attention was drawn to the proposed BFDC data governance principles and an update provided on discussions held with BFDC about how AHDB might contribute to its work to establish a kite-mark for data authenticity and standards.

The council was supportive of the initiative and its principles, recognizing that there was industry need and that a collective effort could deliver benefits to levy payers. It agreed that AHDB should get involved but acknowledged that further discussions were needed before the exact nature of its role could be determined.

LEVY RATE INCREASE – DRAFT BUSINESS CASE, PROCESS AND NEXT STEPS

The paper was taken as read.

It was emphasised that AHDB should expect to be challenged and justify the need for a levy increase.

The draft business case would seek to define the value of past and future work delivered to levy payers and identify specific research theme topics and associated costs, plus the reasons for the long-term change in reserves. It was agreed that a sub-group of the council (including JS and DB)



would meet with the executive to develop these aspects and consider the draft business case prior to its presentation to the council in May.

Action: Sub-group of council to meet to help define value of work delivered to levy payers and consider draft business case prior to presentation to the council in May

RL REVIEW UPDATE

JW presented the results of the survey which had been well supported with more than 900 responses received. Initial assessment of the results and the findings of a consultant's report following stakeholder interviews suggested that RL was highly valued and some areas for evolution were identified to improve the value even more. A timeline for next steps was also provided.

It was confirmed that the findings of the survey would be communicated to plant breeders through the British Society of Plant Breeders and RL Steering committee members.

Work to understand the cost of the recommendations put forward in the consultant's report and how these might be funded had yet to be completed.

DW commented on issues with the functionality of the RL app. It was agreed that these would be investigated and improvements made or the app withdrawn if deemed not fit for purpose.

Action: Functionality of RL app to be investigated and improvements made or the app withdrawn if deemed not fit for purpose

The Chair thanked JW for her presentation and PS for his support for the RL review.

ANY OTHER BUSINESS

Noting that this would probably be SB's last meeting as interim chair, SN thanked him on behalf of the council for all of his efforts.

GOVERNANCE SCHEDULE AND DRAFT TIMELINE 2023/24

Attention was drawn to the governance schedule and timeline mapping out key C&O activity for 2023 and 2024. Council members were asked to highlight any omissions.

DATES OF FUTURE MEETINGS

- Wednesday 24 May 2023 – in person meeting. (Sector Council dinner to be held the evening before). Venues to be confirmed.
- Monday 24 September 2023
- Wednesday 6 December 2023

CLOSE

The Chair closed the meeting at 12.50pm

