

**SUMMARY MINUTES OF THE AHDB BEEF AND LAMB SECTOR COUNCIL MEETING
HELD ON THURSDAY 6 MARCH 2025 AT 8.30 A.M.
HELD ONLINE via TEAMS**

PRESENT:

Colin Bateman (CB) (Chair), George Fell (GF) (Deputy Chair), Bryan Griffiths (BG), Gama Khan (GK), Paul Unwin (PU), Scott Donaldson (SD), Isla Roebuck (IR), Tamara Pickstock (TP), Mark Jelley (MJ), Ben Harman (BH), James MacCartney (JM) & George Burrell (GB)

IN ATTENDANCE:

Will Jackson (WJ), Angie Miley (minute taking), Nicholas Saphir (NS) (item 4 only), Graham Wilkinson (GW) (agenda items 1-8 only), Tony Holmes (TH) and Colin Turner (CT) (items 8-10), Ken Boyns (KB) (items 11-13 only), Chris Gooderham (CG) (item 11 only) and Adam Short (AS) (item 12 only),

CHAIR'S WELCOME
CB opened the Sector Council meeting and explained that Will Jackson would be interim Sector Director until Sam Charlton returns.
APOLOGIES FOR ABSENCE
Apologies received from Sam Charlton (SC).
DECLARATIONS OF INTEREST
BH announced that he was now Chair of the National Beef Association (NBA).
NICHOLAS SAPHIR – CHAIR OF AHDB
NS gave thanks to all the Sector Council members and reflected on an interesting five-year period within the role of Chair for AHDB, documenting many highs and lows of his tenure. He included references to Horticulture and Potatoes leaving AHDB as well as the Shape the Future vote so that AHDB could listen to levy payer views. Moving from Sector Boards to Sector Councils has been vital and councils now have more control on programme priorities and help direct budget, with the main board having the final decision. NS noted the move towards Sector Directors reporting directly to GW and supported the appointment of SC in 2024. NS noted CG's critical comments on the Climate Change Committee's views on the reduction of livestock numbers. NS also noted AHDB's leadership in the baselining work and the sequestration opportunity for farming.
BH & IR expressed gratitude to NS for his support over the years and guidance.
GK asked for advice on how to inform the farming community of the importance of halal and removing misconceptions. NS responded by saying that it was vital that we helped the agricultural industry understand that the size of the Muslim population is small compared to non-Muslims yet it is the dominant consumer of lamb. Domestic market consumption is high but so is the export market or the halal consumer. It's important that AHDB addresses these points with the consumers but also with the industry. NS noted that AHDB is opening the discussion with confidence.
CB closed the item with a final thank you to NS for his support.
MINUTES OF THE SECTOR COUNCIL MEETING HELD 15 JANUARY 2025
The minutes were taken as read with a minor amendment, BH made a point rather than BG.
MATTERS ARISING FROM THE SECTOR COUNCIL MEETING HELD 15 JANUARY 2025
WJ covered the matters arising paper and it was taken as read.
AHDB BUSINESS PLAN & VISION JANUARY 2025
7GW opened by reminding the council that that was still 2 months remaining of the business plan updates. The February update is currently being finalised and then the March update will follow in April. This year the business plan is heavily end weighted to the final quarter and we have 132 key

activities from March 2024. Currently 91 of these are completed and 5 areas are postponed. Of the 41 remaining activities there are 32 which are on track and 9 that require extra focus. GW reminded the council that the business plan is just a year old previously there were 3 versions of the truth for the Board, Sector Council and colleagues as linked to PDR's. GW explained that there will be approximately 7% of business plan activities that will not be delivered.

GW moved onto the **Essential #2 'Add value for Beef & Lamb'**. The majority are completed with market intelligence on track for 'Improving consumer attitudes toward Beef & Lamb'.

In 'Optimising overseas opportunities' the 'Return of investment' (ROI) activity is postponed. This has gone out to tender and will be in place during April 2025. The export work will be the first project that uses this new evaluation tender so it's the number one priority.

For 'Improving the reputation of Beef and Lamb' we have a missed target for the Medicine Hub work. GA is aware of ongoing conversations and sector directors from Beef & Lamb and Dairy are working closely together on this.

The final area of the Beef & Lamb section is 'Demonstrating our value to Beef & Lamb levy payers – Engagement' and GW commented that there is a huge amount of positive work here. This section is either completed or on track and one of the standouts for GW is SC's delivery on stage at the British Cattle Breeders Conference in February.

GW moved onto **Essential #5 'Winning with our people and levy payers'** and GW explained that a large amount of work is ongoing to 'Articulate a vision and purpose' for AHDB. There continues to be work and discussions around the values and calculations that sit behind the vision. This should be finalised in May and ready for the next sector council meeting in June. GW commented the perception that AHDB has a clear role and mission had improved. In 2023 the score was 5.9 and has moved to 6.5 in the levy payer survey.

GW confirmed that work on a rebrand has been put on hold to prioritise work that delivers value for levy payers.

GW explained that AHDB wants to 'Embed an inclusive value driven, winning culture' and the Thrive work is now at 80% and are just waiting on the final results.

Stakeholder management work is showing as 'extra focus' as while we've identified who they are, there are still steps needed to determine the frequency and method of engagement with these key groups.

Essential #6 covers 'Efficient and effective operations' with the 'continual improvement of financial processes all showing as completed.

Delivering digital transformation shows some extra focus needed due to the number of projects across AHDB that need to be considered and consolidated.

GW highlighted that some work within 'Evolve assurance and risk management' that focuses on assurance framework has been postponed. Further work is needed with the Board to consider our overall approach to risk. This will follow in the business plan for next year.

The final **essential #7 is 'Demonstrating industry leadership'** with GW noting the extra focus needed for the sector roadmaps. The Beef and Lamb roadmap continues to be under development and positive steps have been made.

GW concluded that he is very happy with the way the team have grasped the new business plan and he looks forward to 25-26.

BG asked GW for more information around stakeholder management and clarification around what the challenge and reason for the 'extra focus'. GW explained that all stakeholders were identified and interacted with regularly, but further work was needed to confirm that the frequency of interactions was correct and that these groups were reviewed regularly.

BUSINESS, FINANCE & UPDATE JANUARY 2025

TH referred to the finance pack which was circulated and confirmed that income will be around the original budgeted figure. Workstream expenditure has seen slight reductions and there have been slight reductions in shared service costs and non-operating costs. Areas of underspend are in exports

and the environment, and these costs have moved to 25-26. In shared services there are no great changes although two new roles (Head of Culture and Transformation lead and Company Secretary and Governance Director) have been recruited. TH concluded by explaining that the Bank of England interest rates didn't drop as quickly as anticipated, so this has generated interest on our deposits and therefore a reduction in costs for our non-operating costs.

PU raised the issue of underspend in the environment budget and WJ clarified that it was just one element of the project that had been delayed and lidar scanning and drilling had started. PU also pointed out the underspend on the education budget and WJ explained this was due to staff secondment which was temporary. CB emphasised the importance of education to the council and a desire to increase spend as budgeted in the future.

BH asked for clarification on a reduction in non-levy income and WJ explained that this was linked to scanning in devolved countries which is being reduced.

Action: Provide an update on livestock genetics – scanning devolved nations (income against)

BEEF & LAMB BUSINESS PLAN 25/26

WJ introduced the business plan and confirmed that there were once again seven essentials and while there were still minor changes to make, it was important that the council had sight of the plan. CB and WJ confirmed that marketing and exports would remain the largest areas for the sector.

WJ further explained that adding value to levy payer businesses was a key area of the plan and that the KPI's needed some adjustments.

Discussion followed with a point from BH on the reference to 37% of people thinking that the sector is environmentally responsible. WJ pointed out the importance of the baselining work and JM emphasised that while the figure was lower than preferred, 98% of the population were still buying red meat.

PU sought clarification on the business plan including current workstream numbers so council members were able to link the business plan with the budget. WJ explained that we were still in the early stages of the new business plan and that there may be further changes to workstreams.

MJ noted the planned reduction in spend for medicine hub and requested further clarification on timelines.

Action: Meeting required to discuss budgets for Medicine Hub in the short term.

GK challenged the lack of detail regarding AHDB's halal focused work and asked for further information. WJ acknowledged that the effective evaluation of the ongoing work in marketing and exports needed further development. GK emphasised the importance of the Muslim consumers understanding AHDB's work and also the abattoirs and processors benefitting directly from AHDB's work.

Action: What is AHDB doing for Muslim consumers? What is the % of levy from halal abattoirs/processors and how does this offer value to the halal sector?

BEEF & LAMB BUDGET 25/26 (3 YEAR BUDGET)

CB noted that while this is a 3-year budget, the council were today looking to agree the first year and there will need to be further savings before the second and third years due to the change in reserves pot. CT provided further illustrations so that the council could visualise the reference to changes in reserves over the next three years.

HC joined to give further insight into projected slaughter numbers for cattle and sheep and how that feeds into the levy income forecasts in the next three years. HC confirmed that the cattle slaughter numbers were expected to continue to drop and that the increased levy is mainly driven by the sheep sector. Forecasts are based on DEFRA figures and linked to the 20-30 work that was presented to council in November 24. That work is based also on industry sentiment and discussion with key stakeholders.

IR queried the Shape the Future levy distributions for expenditure and noted that the export % spends go from 35% (24-25) up to 41% (25-26) and then drop to 37% (26-27). WJ explained that there had been changes to marketing spend which had an impact on the figures for exports.

IR generated a discussion around 'bad debt' and reassurances were given on the levy teams record in this area and improvements made in recent years. TH confirmed that a full report is presented to the main board each year and CB reassured the council that the main board oversees this area carefully.

JM asked HC if the sharp increases in beef price were likely to generate an increase or decrease in the national herd size. HC acknowledged the increase in recent years of heifer kill but also an increase in cow kill. The figures are showing that some farmers are destocking but perhaps in time we might see that some have retained to increase their head. The predictions are showing that breeding herds will remain in a period of contraction. WJ added that HC's team are constantly updating their forecasts although the team have traditionally been very accurate with their initial predictions. BH asked if it was AHDB's role to provide confidence within the industry while predicting market trends and are there levers regarding the market trends? CB acknowledged that this question had been asked previously, and that SC was considering a response.

Action: Clarify our role and levers available to support industry confidence.

SD challenge the accuracy of the census figures, but CB emphasised the forecasting figures are always quite accurate. SD challenged that the current climate is more volatile than in previous years. WJ explained that the retail consumer insight team are constantly looking at predictions for spend in certain categories and this supported our work.

GK challenged that when the beef and lamb prices rise drastically, consumers often switch to a different protein. WJ acknowledged this and confirmed that the retail team are tracking and modelling constantly.

GF asked for guidance on sheep levy income if blue tongue escalates. HC confirmed that for the purposes of forecasting this scenario wasn't included but economic modelling is taking place to consider impact on numbers. CB suggested work to encourage vaccination was key and WJ confirmed that AHDB had been involved in webinars and have supported vets and farmers with this disease.

IR challenged on the cattle slaughter numbers and suggested the forecast didn't accurately reflect the likely decrease. CB and WJ responded with the need to consider savings and also new income streams.

PU raised a concern with the unapproved farm data exchange costs. WJ clarified that this was for a pilot which would be externally funded with AHDB just covering the staff costs. CB added that the Board has approved the pilot if it's externally funded and also approved by the sectors.

GK agreed to support the budget with the agreement that the forecasted figures were reviewed and that the halal elements were more explicit.

Decision: The Council agreed to approve the proposed budget.

BEEF & LAMB ROADMAP

CG explained to the Council that the first section of the beef and lamb roadmap has been published. A small working group from the sector council have reviewed the terms of reference. A governance group will be chaired by a Sector Council member and the technical group is due to run until October currently.

BH summarised the recent working group meeting and the emphasised the need for this work to move more quickly which can be achieved with CG and RM-D driving the work now. CB added that it was the intention of the Council to bring back control of the roadmap to AHDB staff who can be accountable to SC and then in turn the Sector Council.

PU raised a concern over the governance issues with the appointment of chairs for each group. CG confirmed that a chair was already in place for the technical group and their role would continue until October. If there are any changes after this period, the terms of reference will need updating. IR offered his support to the terms of reference and emphasised the progress recently has improved, and the Council need to now offer them support so that they can continue at pace.

CB reminded the Council that there was now a timescale attached to the Board paper and CG confirmed that his team are busy with many areas of the project including receiving external funding from AgriTech to accelerate some of the marginal abatement cost curve work. To make this relevant to farmers 25-30 fact sheets will be produced. Genetics work is also moving at pace with support from the genetics advisory forum. CB invited final comments, and the council agreed to proceed.

Decision: The Sector Council agreed to sign off the terms of reference for the roadmap.
Baselining update: LIDAR scanning is taking place now and we hope it will be finished by the end of March. AgriCalc have signed the contract to provide the carbon calculator. Contracts are being discussed with various consultants who will support our baselining farmers with their carbon audits and create action plans.
FARM DATA EXCHANGE
AS introduced himself and explained that he has over 20 years' experience in IT but also agriculture on a smaller scale. This allows him to understand the challenges and lead the farm data exchange programme, previously known as data custodian.
AS explained that the programme was focused on two main areas in environmental data where AHDB could have an impact and a role in solving: <ul style="list-style-type: none"> • Lack of transparency across trust and control • Data requests are uncoordinated and inconsistent.
An environmental data system needs to be easy to use and trusted by farmers. Discussions around ownership and control of data are extensive. Research of other, similar systems in European countries and further shows that independent organisations like AHDB are the key facilitators of cross-industry collaboration which gives levy payers control over their data. The ownership piece will take more time and specifically we want to prove that we can ingest data from existing sources. Ultimately this will save everybody work with data entry and produce an output for a carbon calculation.
The Dairy Sector Council have also confirmed they would like to lead or co-lead with Beef & Lamb.
The Council were very supportive but wanted further assurances of the funding potential for this following proof of concept.
Decision: The Council agreed to be co-leads with Dairy on Farm Data Exchange
Action: Following (Farm Data Exchange) proof of concept, the Council would like to include other organisations in further discussions.
FARM ASSURANCE REVIEW (FAR)
KB outlined the 56 recommendations with the next report expected in 8 months followed by another in 14 months.
IR challenged on the costs involved so far with the FAR and KB confirmed that three farming unions and AHDB funded the original review. The independent updates that need to take place to oversee the recommendations need to be covered by all once again and the cost will be less than the original review. There is a request for a fixed term contract member of staff for 18 months at AHDB to support and resolve assurance, this would be split across all four sectors.
The Council agreed that the purpose of Red Tractor needed clarification and KB confirmed that AHDB's position is not to determine that but to facilitate conversations around it. CB emphasised the need to focus on recommendations that benefit levy payers
The Council had concerns around whole life assurance and its impact on the sheep sector. A range of views were expressed about whether it was the councils place to put forward a view to industry on this or whether industry was the place for this issue to be resolved.
Discussions took place around the sector split which is weighted towards beef and lamb as the sector that brings in the most levy. The assurance review has generated more debate amongst this sector and the cereals and oilseeds sector so it should cover greater costs.
Decision: The Council want greater clarity on the role and purpose of assurance and instinctively support an assurance scheme that is more basic and focused on value.
Action: Agree next steps on the reports' recommendation relating to whole life farm assurance.
ANY OTHER BUSINESS

The Council were reminded to submit their expenses for all activity up to and including the 31 March 2025 by 30 April 2025.

DATE OF NEXT MEETING

Date of next meeting is Wednesday 25 June – location TBC.

