

**SUMMARY MINUTES OF THE CEREALS & OILSEEDS (C&O) SECTOR COUNCIL  
MEETING  
HELD ON 4 JUNE 2024 AT 8.30AM  
AHDB BOARD ROOM**

**PRESENT:**

Tom Clarke (Chair) (TC), David Bell (DB) (Vice-Chair), Tony Bell (TB), Allan Bowie (AB), Polly Davies (PD), Julius Deane (JD), Russell McKenzie (RM) (via MS Teams), Sarah Nightingale (SN), Richard Orr (RO), Cecilia Pryce (CP), James Standen (JS), Patrick Stephenson (PS)

**IN ATTENDANCE:**

Ken Boyns (KB), David Eudall (DE), John Gilliland (JG) (Item 12), Catherine Harries (CH) (Item 10), Tony Holmes (TH), Will Jackson (WJ), Ana Reynolds (AR), Robert Sheasby - Agriculture Industries Confederation (RS) (Item 13), Roseanne Thomas (RT) (Item 15), Alison Thomas (AT) (minutes), Jenna Watts (JW) (Item 10), Armand van der Merwe (AvdM) (Item 15), Graham Wilkinson (GW)

<b>AGENDA ITEM – CHAIR’S WELCOME AND INTRODUCTION</b>
The Chair welcomed everyone to the meeting.
<b>AGENDA ITEM – APOLOGIES FOR ABSENCE</b>
No apologies for absence had been received.
<b>AGENDA ITEM – DECLARATIONS OF INTEREST</b>
JS declared an interest as he would be hosting an AHDB event on his farm with the C&O KE team.
No other new declarations of interest were made.
<b>AGENDA ITEM – MINUTES FROM THE COUNCIL MEETING HELD ON 19 FEBRUARY AND 1 MARCH 2024</b>
The minutes of the meetings held on 19 February and 1 March were approved as an accurate record to be signed by the Chair.
<b>AGENDA ITEM – MATTERS ARISING AND ACTION POINTS FROM THE COUNCIL MEETINGS HELD ON 19 FEBRUARY AND 1 MARCH 2024</b>
The matters arising and action points were taken as read with most having either been completed or on future meeting agendas for discussion.
WJ confirmed that a process for the provision of evidence to policymakers and keeping the council informed was now in place.
The Chair reported that risk management processes within AHDB were being overhauled.
<b>AGENDA ITEM – CEREALS &amp; OILSEEDS SECTOR FINANCIAL REPORT</b>
The financial report for the year ending 31 March 2024 was taken as read. A verbal update on the financial position at year end was provided by TH.
PD challenged the organisation to do more to generate additional income for the sector. There was agreement that more could be done in future to use AHDB’s resources and expertise more effectively to exploit commercial opportunities (whilst maintaining its independent status) and that this had already been identified by GW as an area for increased focus.
WJ clarified underspend on the website was due to AHDB, as a government arm’s length body, being able to deliver improvements more cost effectively than originally anticipated.



Reputation work whilst C&O differed from the livestock sectors, this was nevertheless an important area for the industry. The Council was reminded that, as timesheet reporting improved, it would become easier to set more accurate workstream budgets.

Noting that the levy income received during the year, the Council discussed the challenges it would face in making decisions about prioritisation of work or ceasing activities, particularly if the extent of staff time involved in delivering them was not fully known.

6.6/24 KB gave an assurance that the Council would be provided with all the detail necessary to inform its decision making. It was agreed that an update on the budget and the management accounts for Q1 2024/25 would be provided to the Council at its meeting on 8 July.

**Action: Update on budget and Q1 management accounts to be provided to Council at its meeting on 8 July.**

#### **AGENDA ITEM – BUSINESS PLAN**

GW gave a presentation explaining the work that he and his leadership team had done since his arrival in March to develop a business plan for 2024/25 which set out 7 essential areas, the key activities to be delivered and KPIs and RAG ratings to support monitoring of performance. The plan had been well received by the Board and subsequently shared with all staff whose PDR objectives will align with the plan.

KB drew attention to the four C&O slides and explained the rationale behind the amber ratings assigned to independent research and analysis, where there was a need to strengthen resource and expertise levels in the MI team, and DGP, where work on the business case was almost complete but a decision by the industry was not now expected until the autumn. A full update on DGP would be provided at the next Council meeting on 8 July.

**Action: Council to receive a full update on DGP at its meeting on 8 July.**

GW emphasised the importance of driving culture change within the organisation. Slides depicting the four “Pillars of Success” (Levy Payers, Leadership, Culture & People and Expertise) which he had identified and his proposal for a larger, broader leadership team were shared.

The Council expressed its support for both the business plan and the restructure proposals.

#### **AGENDA ITEM – MI EVALUATION**

The Chair welcomed Paul Teevan, Teevan Consulting Network, to the meeting.

PT gave a presentation outlining the work he had undertaken to measure the performance of the C&O Market Intelligence workstream and better understand the impact of its work and the benefits derived to levy payers and other stakeholders. The key findings of the evaluation report and recommendations for an action plan to address five key development areas were highlighted.

Following the presentation, discussion took place and included identifying where there was market failure and how AHDB could best utilise its unique status to add value and deliver for segmented audiences with differing needs, and tackling resource issues to strengthen the MI team, both in terms of the number of staff and their levels of expertise.

The Council concluded that more work should be undertaken internally to examine existing MI work, its costs, value and the priorities and requested that, following further discussions with SN and DW (who had been involved in supporting the evaluation), the Executive present a further iteration of the action plan to the Council at its meeting in September.

**Action: Existing MI work, its cost, value and priorities to be considered internally and a further iteration of the action plan presented to the Council in September**

#### **AGENDA ITEM – RED TRACTOR / ASSURANCE**

WJ reported that the independent evaluation of UK farm assurance schemes was progressing well. AHDB had worked in conjunction with the NFU and farming unions in Wales, Scotland and Northern Ireland. All those with an interest in farm assurance would be invited to express their views during the summer with AHDB encouraging levy payers to engage in the process. An interim report from the commissioners was expected in October, with the final report due by end December 2024.



AHDB's separate gathering of evidence of assurance methods in the combinable crops supply chain was also progressing although this was proving more challenging than anticipated. A meeting with the SAOS, who had been commissioned to undertake the review, would be taking place on 5 June, after which the extent of progress and the likelihood of completion of a first draft of the report in early July would be clearer.

#### **AGENDA ITEM – UK Cereal Pathogen Virulence Survey (UKCPVS)**

CH provided context to the UKCPVS and outlined work which had recently been undertaken in conjunction with Sector Council members, the RL Board, agronomists, farmers and others to evaluate its importance to levy payers. This had concluded that the work was valuable but that it could be undertaken differently to become more relevant to levy payers and create cost-savings.

A sub-set of the Council (JS, RMc and DW) had met in May and recommended that procurement for the next term of the project should commence in June, with final funding decisions made in September.

The Council was advised that the revised workplan and approach to UKCPVS as outlined in the paper, would result in a cost saving.

Recognising the importance of this work to levy payers, the Council approved the recommendation that procurement should commence now, that tender submissions should be reviewed by the Research Sub-committee in August and that an update should be provided to the Council in September.

#### ***Action: Update on UKCPVS procurement and tender submissions to be provided to the Council in September***

The Council commended and thanked CH for the work she had undertaken.

#### **AGENDA ITEM – RESEARCH & KE**

JS reported that at its meeting in May, the Research Sub-committee had considered three proposals for research (all of which were within budget), as follows:

- i. Updating UK management guidelines for the ergot, *Claviceps purpurea*
- ii. Updating guidance on cover crops – evidence review and on-farm demonstrations
- iii. Understanding the impacts of SFI actions on weed control

Further detail was provided in respect of proposals i) and ii) and the Council decided to:

- i. Approve in principle the updating of UK management guidelines for ergot to allow a tender process to get underway which would provide greater clarity around costs. The Sector Council would be asked for final approval at its September meeting.
- ii. Approve the Research Sub-committee's recommendation that work to update guidance on cover crops should get underway immediately.

The Council was advised that the third proposal, "Understanding the impacts of SFI actions on weed control" had been paused whilst further information was gathered. This would be brought to a future meeting.

#### **AGENDA ITEM – ENVIRONMENT UPDATE**

##### **12.1 Baseline Update**

KB reminded the Council of its decision to approve plans for a baselining pilot, subject to further assessment on the number of pilot farms to be funded in year one and that details relating to the project would be presented to the Research Sub-committee for its consideration before work was contracted.

The Council was assured that no commitment had been made to the number of C&O farms funded by the pilot yet and an assessment would be made in July based on feedback from the Research Sub-committee and final agreement by the Council on the number of farms to be taken forward.

Good progress was being made generally with a request for expressions of interest from farmers wishing to participate resulting in 217 responses so far and some positive discussions with Defra about additional funding in England taking place before the announcement of the general election which unfortunately looked likely to delay Defra's decision making.



## 12.2 Data Custodian

KB provided an update on work which was being undertaken on environmental data and plans to develop a Data Custodian concept which had been well received by the AHDB board in March. Subsequently, a very successful meeting with senior representatives of the farming unions, levy boards, CLA and NPA had taken place in April with strong support forthcoming.

The concept was now being refined into a full proposal and discovery work was required to identify data users' needs and test robustness of arguments.

The Council was informed that the extent of the Data Custodian work had not been known when the budget was set.

Discussion took place during which the Council confirmed its support for the concept and recognised the value it could deliver. It agreed that AHDB, as a levy board, should play a role and that the work was within its remit, however, concern was expressed that AHDB alone should not bear all the risk or all the staff costs. The Council requested that the Executive endeavour to secure funding and/or resource from other parties and provide an update on what had been achieved at the September meeting.

***Action: Executive to endeavour to secure funding and/or resource from other parties to support the development of the Data Custodian concept and provide an update in September***

### AGENDA ITEM – 5% ADMIN LEVY DEDUCTION

KB provided context to the 5% levy collection deduction available to cereals buyers under the Statutory Instrument (SI). Recent changes to the SI now permitted AHDB to fix a new rate for both cereals and oilseeds and, in April and May, it had consulted with the industry, inviting those who collect levy on its behalf, to submit evidence of the costs incurred so that a new and fair rate could be set. Only 11 responses had been received and no material evidence provided to dispute the findings of the original audit undertaken by AHDB in late 2022 which estimated time spent collecting the levy was on average 1-4 people hours a year.

A response had been received from AIC on behalf of its members and its Chief Executive, Robert Sheasby, had been invited to attend the meeting to provide greater insight into AIC members' views on proposals to rationalise the levy administration deduction.

The Chair welcomed RS to the meeting and thanked him for attending. RS expressed his thanks to the Council for the opportunity. He began by outlining AIC's role, its status and that of its members as levy payers and highlighted the value of advocacy work and information supplied by merchant members in support of AHDB activities. He also emphasised the importance of independent organisations with a shared interest in UK agriculture working together as a team for the benefit of the whole industry.

Debate took place during which the Chair highlighted the value of the levy deduction to AIC's merchant members and how approval of the 25% levy increase from 1 April 2024 had resulted in a further windfall and increase in rebate to the merchants.

Noting comments about the importance of industry collaboration, the Chair also highlighted AHDB's facilitation role in the Digital Grain Passport process which was delivering work for buyers.

Despite consultation and AIC encouraging its members to respond to AHDB's request for evidence of the actual costs incurred in collecting the levy, RS was advised that no material variance to contradict the findings of AHDB's audit in 2022 had been forthcoming.

The Chair noted AIC's request that any change to the rate should not be implemented in October 2024 with RS explaining that AIC members would prefer 12 months' notice of any change to support their business planning and budgeting processes.

The Chair thanked RS for his contribution, and he left the meeting.

After discussion, the Council concluded that AIC should be offered more time and a further opportunity to supply robust evidence of the costs incurred in collecting the levy. The Council was open-minded about the timing of implementation of any changes and willing to consider providing a longer notice period. It was agreed that the Chair would write to AIC on this basis and that the matter would be



considered again at the Council's meeting on 8 July when a decision about both the rate and the timing of implementation would be made.

**Action: Chair to write to AIC to offer more time and further opportunity for provision of evidence of costs incurred in collecting the levy**

#### **AGENDA ITEM – FUTURE CHANGES TO THE STATUTORY LEVY**

KB outlined proposals for future changes to the statutory levy. He highlighted that the Council was being asked to consider the percentage by which the SI levy ceilings (maximum rates) should be increased and how the industry should be consulted about future levy increases.

Following debate, the Council asked that the Executive consider whether the levy mechanism should be reviewed before any increase in the levy ceiling rate was approved.

The Council also asked that the Executive consider the format and approach to the next vote by levy payers on priorities to understand how that might interact with levy setting process.

The Executive was asked to give these points further thought and report back to the Council in September.

**Action: Executive to consider future levy mechanism and format and approach for next levy payer vote and update Council in September**

#### **AGENDA ITEM – COMMS**

RT reported that a Comms Task and Finish Group chaired by board member, Graeme Jack, and including representation from all four sector councils (with AB representing C&O) had held its first meeting on 3 June. The five objectives of the group were outlined.

Noting the objective to develop an overarching AHDB comms strategy, PD highlighted that the needs of C&O would differ from other sectors and sought assurance that the nuances of the sector would be appropriately reflected in comms delivery. This was provided by RT.

Discussion took place regarding the use of focus groups for obtaining audience insight with a suggestion made that a survey of internal audiences including, for example, sector council members, monitor farmers and staff (particularly KE team members) might provide further valuable insights.

An update was provided on steps taken delivering for levy payers. It was emphasised that no activities or events had been stopped, but some were being delivered more cost effectively. It was agreed that the Council would be provided with details of the comms spend so far at its meeting on 8 July.

Slides highlighting the Comms Team's successes and extent of press and social media coverage in recent months were shared. The Council was pleased to note these achievements and in particular commended AvdM for his work to deliver technical comms. However, in addition to reporting on its successful achievements, the Council requested the Comms team also acknowledged where work had not been so effective and set out the lessons which had been learned.

#### **AGENDA ITEM – FUTURE MEETING DATES**

10.00am Monday 8 July (hybrid)

8.30am Friday 20 September (in person)

#### **AGENDA ITEM – ANY OTHER BUSINESS**

There being no further business the meeting closed at 2.30pm.

