

**SUMMARY MINUTES OF THE CEREALS & OILSEEDS SECTOR COUNCIL MEETING  
HELD ON 19 FEBRUARY 2024 AT 12.30 P.M.  
AHDB SWALEDALE ROOM & MS TEAMS**

**PRESENT:**

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

**IN ATTENDANCE FOR RELEVANT ITEM:**

Ken Boyns (KB), Liam Byrne, Dave Craig (DC), David Eudall (DE), Chris Gooderham (CG) Tony Holmes (TH), Will Jackson (WJ), Ana Reynolds (AR), Roz Reynolds, Roseanne Thomas (RTh), Alison Thomas (AT), Jenna Watts (JW)

<b>CHAIR’S WELCOME AND INTRODUCTION</b>
The Chair welcomed everyone and began by thanking the staff for their efforts in producing the meeting papers, recognizing that the budgeting process was particularly arduous this year. He reminded the council that this meeting presented an opportunity for debate and time for reflection prior to a second meeting on 1 March when final decisions would need to be made and the budget approved.
<b>APOLOGIES FOR ABSENCE</b>
Apologies for absence had been received from Tony Bell and David Walston.
<b>DECLARATIONS OF INTEREST</b>
No new declarations of interest were made.
<b>MINUTES FROM THE COUNCIL MEETING HELD ON 6 DECEMBER 2023</b>
PD requested that her suggestion that a “Women in Arable” event be considered as part of Cereals 2024 proposals was recorded. It was agreed that this would be added to the minutes.
Subject to this addition, the minutes were approved as an accurate record of the meeting to be signed by the Chair.
<b>Action: Minutes from meeting held on 6 Dec 2023 to be amended to include consideration of a “Women in Arable” event at Cereals 2024</b>
<b>MATTERS ARISING AND ACTION POINTS FROM THE COUNCIL MEETING HELD ON 6 DECEMBER 2023</b>
The matters arising and action points were taken as read with most having either been completed or on future meeting agendas for discussion.
SN requested removal of the action to inform Gafta of plans to change the existing 5% levy deduction rate.
<b>Action: Action to inform Gafta of plans to change the 5% levy deduction rate to be removed from matters arising</b>
<b>DASHBOARDS – KPIs &amp; MEASURABLES</b>
KB drew attention to the dashboards, highlighting that the RAG status for Engagement and Core Comms had now changed from Red to Amber. It was also noted that the KPIs for Reputation and Measurables for Skills Development were Red.
The dashboards were well received by all sector councils and the main board, but it was acknowledged that further refinement was required. A group, including council member representation from all four sectors, had been established to work with Sector Leads and the Evaluation team to suggest



improvements. The C&O representative was TC who commented that he was happy to be joined (or replaced) on the group should another council member wish to participate. Council members interested in being involved were asked to contact the Chair.

**Action: Council members interested in joining the Dashboard working group to notify the Chair.**

PD commented that the financial narrative was extremely useful and asked whether this could be incorporated within the dashboards in future for ease of reference. KB confirmed that this was a shared longer-term aspiration which the team would work towards, however timing and availability of the narrative and data might sometimes make this challenging.

**Action: Dashboards to be developed further to incorporate financial narrative**

Council members agreed that the dashboards had significantly improved reporting and their ability to monitor progress and commended the staff on this.

## **FINANCIAL REPORT**

The financial report to 31 December 2023 was taken as read.

A verbal update on the financial position as at 31 January 2024 was provided by TH.

A question was raised regarding the number of variances which were frequently due to staff time allocations. TH explained that timesheets had been implemented only a year ago and although, systems were not perfect and still being refined, the information timesheets provided was giving a much more accurate picture of where staff time was being deployed and the cost of delivering activities.

## **RESEARCH & KE**

JS reported that an initial scoping meeting of the research sub-committee had recently taken place. Actions arising from the discussion and changes subsequently made to the flowchart for the research process were highlighted.

The Sub-committee had considered common themes arising from questions posed by farmers and suggestions for future research from organisations provided to the KE and Crop Health & IPM teams which would give a useful framework for a research strategy. Specific project proposals and associated expenditure would be considered at the Sub-committee's first formal meeting in March once the budget allocation was confirmed.

MG advised the council that AHDB continued to remain engaged in discussions with Defra and other bodies regarding better co-ordination of research activity across the industry but was focusing its efforts primarily on delivery of activities which would benefit levy payers.

## **CONTAMINANTS MONITORING**

JW reminded the council that in December, it had agreed in principle to fund a one-year extension of the current project, subject to further information on a planned review being provided. Attention was drawn to the proposals which had been prepared following discussions with CP and JD who were thanked for their input.

JW confirmed that discussions were taking place with Food Fortress in Northern Ireland to explore how AHDB might work more closely with them in future. The outcome of these discussions would form part of the proposed review of the project and the council would be kept informed.

The council expressed a desire for AHDB to secure more funding from government, including the devolved governments, for future work but recognising the vital importance of the continuation of it, approved the one-year extension of the current project from August 2024 to July 2025, and the proposed review as outlined in the paper. It was agreed the longer-term future of the project would be discussed by the council in September.

**Action: Longer-term future of Contaminants Monitoring project to be discussed by council in September**

## **ANNUAL PLAN AND BUDGET**

### **Annual Plan**

KB provided context to the annual plan, explaining that it would give staff clear guidance on the priorities for 2024/25, how the work would fit together to deliver for levy payers and clarify their role within it. It



would also bridge the gap between the five-year Shape the Future strategic plan and individual activities, an issue which had been identified during work examining AHDB's culture.

SN suggested that the narrative of the plan could be strengthened to highlight more clearly the differences between the four UK countries and their agricultural policies and emphasise that AHDB would, without lobbying, actively press governments on behalf of its levy payers when appropriate.

It was also agreed that the information contained in the Plan might need to be presented differently and more succinctly for some staff.

JS requested that the role of sector council members in delivering the Annual Plan should be made explicit. Discussion took place regarding direct interaction between council members and staff and the value that this could often bring. It was agreed that KB would draft and circulate suggested wording for inclusion in the Plan to the council.

**Action: KB to draft and circulate wording to be included in the Annual Plan regarding the role of sector council members and their interaction with staff members**

The council was supportive of the rationale for the Annual Plan and its content, agreed with the priorities identified for 2024/25 and that the tone and approach to Comms and engagement was correct. It was agreed that the document should be revised and finalised once budget discussions were complete.

**Action: Annual Plan to be revised and finalised following approval of the budget**

### **Budget**

CP requested that it be recorded that she did not feel qualified to input to the discussion on the budget.

The proposed 24/25 budget was presented, and the following points noted:

- **Income Levels & Reserves** – Discussion took place regarding the existing methodology for forecasting C&O levy income. Given the impact of weather and other factors making it increasingly difficult to predict income, it was agreed that the council would be provided with more financially conservative options for the optimal level of reserves to maintain above the AHDB minimum to cope with potentially lower and more volatile C&O income than budgeted in future years.
- Acknowledging that AHDB had a reserves policy which was reviewed annually and agreed by the board, JS requested that financial rules for the prudent use of reserves and the governance around their use be developed specifically for the C&O sector. It was agreed that these would be drafted by KB (with input from TH) and shared on 1 March.

**Action: Council to be provided with more financially conservative options for optimal level of reserves to maintain above the AHDB minimum to cope with potentially lower and more volatile C&O income than budgeted in future years**

- **5% Administration Deduction** – The council agreed that letters seeking further evidence of the costs incurred in collecting the levy should be issued after 1 April (to avoid confusion with messaging around the levy increase). The timeline for determination and implementation of the new rate which would come into effect ideally from 1 October 2024, or alternatively 1 January 2025, to be proposed to the council in June.

**Action: Letters seeking evidence of costs to be issued to levy collectors after 1 April and timeline for determination and implementation of the new rate to be proposed to council in June.**

### **Environment Update**

#### **Data Custodian**

10.3.1.1/24 KB summarised plans for development of a data custodian model, outlining the benefits that successful implementation could bring both to the industry and levy payers, and the role AHDB might play in facilitating the initiative. He emphasised that discussions which had taken place so far with key industry bodies, including the NFU and Scottish Agricultural Organisation Society, had been very positive with plans for an away day in March underway to share the thinking with others.



Discussion took place during which the council expressed its interest but also some reservations about the likelihood of success given current practices in Northern Ireland and Wales where data was gathered from farmers without financial reward.

There was recognition that in the absence of the data custodian initiative (or something similar), governments in England and Scotland might also impose policies and the opportunity for AHDB to show leadership and work with the industry to develop a concept which had the potential to monetise data for farmers might be lost. It was agreed that the council would be kept informed as discussions progressed.

### **Baselining**

CG gave a presentation outlining plans for a baselining pilot across all AHDB sectors which, if agreed, would include the sampling of 60 farms in the C&O sector, 15 of which might be funded by the pork sector (subject to approval by the Pork sector council). The phasing and costs associated with the project were explained and attention drawn to the three possible options in the paper.

After discussion, the council concluded that it was broadly supportive of the pilot proceeding but recognised that it had greater relevance to the livestock sectors. The importance of co-ordinating activity and collaborating with other organisations to avoid duplication of work or AHDB funding work which was already being undertaken elsewhere was also highlighted.

It was acknowledged that AHDB was already working closely with other bodies and had successfully secured some funding from other sources but given budgetary constraints, the council asked the executive to explore this further to increase contributions from others and reduce AHDB's own outlay.

**Action: Executive to consider other potential sources of external funding for the baselining pilot, phasing and possible reduction in number of C&O farms sampled**

The council also requested that the phasing of the project be reconsidered, and the number of C&O farms sampled potentially reduced to decrease the costs involved.

It was agreed that the project should be considered by the research sub-committee which would report back and make a recommendation to the council.

**Action: Research sub-committee to consider baselining project and make a recommendation to the council**

### **Data Strategy**

DC gave a presentation on plans to upgrade AHDB's digital, data and technology platform and services through eight projects which would be delivered between April 2024 and March 2026.

The council was pleased to learn that work was already underway to enhance the website and its search facility and that improvements would be apparent in 6-8 weeks' time. More work to improve the website would follow but the extent of that work and associated costs had yet to be determined.

The council was asked to consider the funding of discovery work for the first three projects in line with the cost contained within the budget. This was approved. It was also agreed that DC would attend the June council meeting to present discovery findings and possibly request further funding.

**Action: DC to attend June council meeting to present discovery findings**

### **Comms**

WJ and RT provided an update on work undertaken by Comms on behalf of the C&O sector and the justification for a proposed increase in funding.

Following the presentation, discussion took place during which some members commented on the lack of communication they received from AHDB as farmers and ongoing concerns about Comms delivery although their efforts during the Funding Your Future campaign and achievement of the levy increase were recognised.

After debate, the council concluded that tangible improvements needed to be evident before such a significant increase in budget could be agreed. It requested that additional information be provided detailing how the additional money would be spent and what value it would deliver and, conversely, what the impact would be and what activity would not be delivered if the increased budget was not approved.



**Action: Comms to provide clarification about what additional value and activity the additional budget would deliver and, conversely, what the impact would be if the increased budget was not approved**

#### **Education**

LB gave a presentation on current activity and summarised the results of a recent survey of school-aged children and their attitudes to cereals which evidenced their interest in healthy eating and practical cooking. He emphasised that the 3 other sectors were planning to increase their spending on education, that C&O was strategically important to the future “whole plate” education offer and that it had been recognised by levy payers as being important to them in the Shape the Future vote.

The Council was asked to consider three possible options following the presentation:

1. continue to invest at the same level (stand on budget)
2. refine its investment and focus on health and practical cooking only or
3. stop investing

Discussion took place regarding existing work during which RR gave assurances that the work and resources delivered through the “Food – a fact of life” programme were available in all four countries and were curriculum compliant. She acknowledged that there was potential to do more with A-Level students and perhaps, longer-term, university students. RR also confirmed that AHDB was working with UK Flour Millers to deliver free flour into schools.

After debate the council requested that a fourth option be developed for its consideration, setting out the minimum financial contribution it would be required to make to remain involved in 2024/25 and still retain the option to increase spending in future years.

**Action: Executive to develop further option for minimum contribution to Education in 2024/25**

#### **RED TRACTOR & ASSURANCE**

WJ provided an update on recent developments reporting that the results of the Governance Review of Red Tractor conducted by Campbell Tickell had now been published. The scope for the wider strategic review of assurance had yet to be finalised but once agreed, NFU, NFUS and AHDB would appoint independent commissioners to lead the work.

It was confirmed that the proposed budgets did not yet include the costs of the wider strategic review but clarification of these was expected soon.

WJ confirmed that the wider strategic review would encourage and take on board feedback from other scheme operators including SQC and QMS, and indeed the findings of AHDB’s own crop assurance evidence gathering exercise which was called for by the C&O Sector Council in October.

DE reported that work on this exercise was progressing well. The scope had been finalised and procurement of the necessary expertise now underway with tenders invited by 8 March to enable a contract to start on 1 April. He was confident the work would be delivered on time in the summer.



## **DIGITAL GRAIN PASSPORT (DGP) UPDATE**

DE reported that the DGP consultation period which ended on 2 February had raised several specific questions which were now being considered by the industry Leadership Group. The Data and Development Groups would also convene over the coming weeks to consider how to respond to these and update the business case.

A budget allocation to cover AHDB staff time only between 1 April to 30 June 2024 to support the project and industry Leadership Group whilst consultation questions were answered and the business case updated was being proposed.

It was noted that the Leadership Group would probably work to develop the business case further and possibly present it to the sector council for a decision on funding in June or July.

## **FUTURE MEETING DATES**

- Friday 1 March 2024
- Tuesday 4 June 2024
- Wednesday 11 September 2024
- Wednesday 20 November 2024

## **ANY OTHER BUSINESS**

There being no further business, the Chair reiterated his thanks to the staff for their hard work in preparing for the meeting and the council members for their contributions. The meeting closed at 5.50pm.

## **DATE OF NEXT MEETING**

11.00am, Friday 1 March 2024

