

**SUMMARY MINUTES OF AHDB DAIRY SECTOR COUNCIL MEETING
HELD ON 7TH MARCH 2022
TELECONFERENCE**

PRESENT: Lyndon Edwards (LE) - Chair, Peter Rees (PR), David Craven (DC), Andrew Fletcher (AF), Liz Haines (LH), Ian Harvey (IH), Mary Quicke (MQ), Scott Shearlaw (SS), Joe Towers (JT), Oliver Hall (OH), Richard Soffe (RS)

APOLOGIES: n/a

IN ATTENDANCE: Paul Flanagan (PF), Lenka Rihova (LR) – minutes, Chris Gooderham (CHG), Tim Rycroft (TR), Will Jackson (WJ), Ken Boyns (KB), Naveen Gupta (NG), Jackie James (JJ)

WELCOME, APOLOGIES, CONFLICTS OF INTEREST

The Chair, Lyndon Edwards, opened the meeting at 12pm and welcomed those in attendance. There were no apologies for absence and no new declarations of interests.

MINUTES OF THE PREVIOUS MEETING – 17TH JANUARY 2022

The minutes of the meeting on the 17th January were approved.

MATTERS ARISING

PF went through the actions. All completed or on the agenda. A meeting with TIAH will be organised. An update on Research Partnership will be organised once Jenny Gibbons (the lead) has returned from maternity leave.

CHAIRMAN'S REPORT

The Chair provided a verbal update. Key points:

- Focus on **Shape the Future campaign**
- **VAT status**
- **Dairy Sector Council Recruitment** – in process
- **Genetics review** - on its way (key is that it is fit for the future industry)

LEVY PAYER FEEDBACK FROM SECTOR COUNCIL MEMBERS

The Council members have been driving the registrations to vote through various events and channels. Farmers are keen to take part and register their views. The Council positively commented on KE staff in relation to registrations.

The Chair has welcomed Tim Rycroft, the CEO of AHDB, who has joined the meeting. TR has thanked everyone for their support with the Shape the Future campaign. He reported on current work at AHDB, including the budget and the process of changing AHDB to put levy payers at the heart of what AHDB does. A lot of work has been done around refining the workstreams so that AHDB can be more transparent. TR thanked KB, NG, PF and others for their work around the budget and workstreams.

The current crisis in Ukraine was discussed in relation to its possible impact on global food and trade. Governments are starting to think about how this all plays out in terms of cost of inputs & outputs, what productivity might be required in order to make up shortfalls. Being adaptable and supportive of the farming in this country is key. Some concern was expressed over farmers being hit by availability (fuel, fertiliser). In Ireland, they are recommending that a proportion of farms consider growing some grain crops. It was felt that some actions should be taken now rather than later.

TR has confirmed that a working group on Ukraine has been set up and collaboration with Defra is in place. If there are any changes required for this year's crop season, the levy payers need to be informed ASAP. AHDB to keep the Council informed.

DAIRY MANAGEMENT ACCOUNTS

PF reported on the dashboard. No major changes since the last version. PF reported on the Grass Campaign and the Medicine Hub, which are both still work in progress.

PF reported on the management accounts - the variance vs. Corporate Plan, areas of underspend and reserves. The issue around dairy debtors has been rectified, there are no fundamental issues now.

KB reported on LIP operational matters. The system that allocates the ear tags numbers has been switched over at the weekend. The sheep movement system should be switched at the end of March.

It is under review again how should cattle movement be done going forward. A top level meeting (with Defra) will be held to discuss the policy moving forward. There is an ongoing conversation around the structure and governance of LI.

KB and PF have provided more details on the activity around the AHDB Catalysing Partnership in Farmed Animal Health (BBSRC)

BUDGET SIGN OFF

NG and JJ have joined the meeting at 1.20pm and introduced themselves to the Council.

NG introduced the Dairy budget paper and reported on the macro issues. AHDB are making significant changes in the way we undertake the financial management of the Dairy sector and AHDB as a whole. The presented budget is a holding budget, it is a current guide to what we currently expect to do in 22/23. There are two key things to get certainty over: the outcome of the vote process and the final position on AHDB's VAT status. The budget is to be prudent – it is set on a worst-case basis.

NG briefed on the new workstreams reporting. The responsibility that the workstreams are operating efficiently lies with the management.

This is an interim budget and it was agreed that no significant changes can be made before hearing

levy payers views through the vote. It was agreed to run a session in May (post results of STF vote) with objective of helping the Council to understand the new budget methodology/cost attribution and the VAT impact. Framing of these sessions needs to cover accountability of Main Board vs. Sector Council vs. Executive.

NG provided more clarity on Reserves. There is a new policy which has been approved by the board.

JJ and NG reported on the methodology used for allocating the indirect expenditure and the implications of significant changes in our activity. The methodology AHDB have adopted was identifying cost categories (cost categories for direct teams and central teams).

AHDB is planning to introduce timesheets for all employees (where is people's time being spent). It allows management to look at what the best and most effective way of delivery is. Transparency is key.

A query was raised in relation to the timelines post the vote and the implications for external spending and staff at AHDB. First step is to get the views from the levy payers. Having more evidence will help AHDB to make more calculated decisions. The aim is to look at the individual activities and provide recommendations to the Council once AHDB have the vote results.

The Dairy Council has signed off the interim budget.

SHAPE THE FUTURE (VOTE UPDATE/DECISION MAKING PROCESS IN JUNE/JULY)

PF has reported on current registrations figures. Work is in progress to achieve the target (40% of levy payers to vote).

KB left the meeting at 2.15pm, CG joined the call.

CG presented on the above subject. He reported on the paper forms (GDPR – email addresses), validation checks that are taking place, timeline and the voter portal structure.

WJ has presented on the examples of priorities & workstreams and reported on the process. The wording has been methodically worked through with independent Comms companies to make sure it reads in the right way. Feedback from the Council welcomed on significant issues around inaccuracy.

WJ presented on the Comms plans and campaigns/events that are taking place. AHDB are working with stakeholders (awareness). WJ reported on the messaging changes (the tone) in March 2022 and communications from 11th April to 9th May (voting window). WJ reported on timelines. The priority is to get as many people registered as we possibly can over the next four weeks.

Some concern was expressed over the headline figures that are going out to press release. It will be top line statistics (transparency is key).

Sector Council were content with the progress on Registrations so far on Dairy & willing to help in any way they can on driving registrations with processors/levy payers.

AOB

The Chair has reported on the upcoming Dairy council meeting dates: 9th June, 21st July and 13th December. There will be a meeting at the end of October (all 4 sectors).

The Chair has thanked RS and OH for their support and contributions to AHDB Dairy Council. They are stepping down at the end of March.

The Chair reported on regional representation on the Council moving forward (ratification). WJ reported on the process.

A comment was made regarding inflation in relation to the budget. AHDB to be focused on doing the right work and utilising the levy income in the best possible way.

The meeting has finished at 3.05pm.

Signed.....
Lyndon Edwards (Chair)

Dated.....

