

**SUMMARY OF AHDB INTERIM DAIRY BOARD MEETING
HELD ON 26th JULY 2021
TELECONFERENCE/BOARDROOM Stoneleigh Park**

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

IN ATTENDANCE: Paul Flanagan (PF), Will Jackson (WJ), Nicholas Saphir (NS), Ken Boyns (KB) Rebecca Geraghty (RG), Phil Bicknell (PB) Kate Saunders (KS) – minutes

Board members attendance in the Boardroom:

Peter Rees, Liz Haines, Ian Harvey, Andrew Fletcher, David Craven

Board members attendance on Teams:

Mary Quicke, Richard Soffe, Oliver Hall, Joe Towers, Scott Shearlaw

WELCOME, APOLOGIES FOR ABSENCE, DECLARATIONS OF INTEREST

The Chair opened the meeting and welcomed those in attendance. There were no apologies, and no new declarations of interest.

MINUTES OF PREVIOUS MEETINGS

The minutes of the meeting on the 25th March 2021 and 27th May 2021 were approved.

MATTERS ARISING

PF reported on the 3 matters arising:

To look back at the NZ presentation to see where the lessons can be learnt in KE and Research

PF has had a call with the Chief Executive of Dairy in NZ. They vote every 6 years and have 35 farmer meetings in the run-up to the Vote. This allows them to get clarity on what farmers see as important and what they are prepared to fund. Follow up discussion are going to take place. The DairyNZ CEO has said that if any of their farmers can be useful (in terms of promoting what farmers get for a levy) he would be happy to help and connect AHDB Dairy with people in NZ.

To invite Richard Laverick to the next Dairy Board meeting to address certain elements of the LIP funding

Details on LIP to in the Chair's report. See details in AOB.

To look into advancing the CRM use and interaction and bring back any findings to the Dairy Board

CRM (AHDB's relationship management database for levy payers) use has moved forward. The use of webinars and actively making phone calls has raised the visibility and there has been broader communication with stakeholders and processors. A



Communication planning meeting has been arranged for relevant AHDB staff in September.

General Update

NS confirmed the purpose of this item. The agenda item was to take the Dairy Board through the update on Levy Payer engagement and the design for the new Sector Councils, along with the appointment process and report on costs savings the organisation will make. Feedback from the discussion will be taken to the Main Board on the 27th July to offer input into the thinking.

NS presented and started with a general update on the past 8 months. The update included the Change Programme plans and a run through of the last 18 months (including changes following the request for views, commitments made to levy payers, the governance review, Horticulture and Potatoes Ballots and the ministerial commitment to change the process and ballots).

Change within AHDB is essential for many reasons included feedback gathered via the Request for Views report. The subsequent results of the Horticulture and Potatoes ballots and a Ministerial announcement confirming all sectors would be subject to a 'vote' next spring have further demonstrated the need for change.

The management structure will be reduced. There will be two Divisional Directors reporting into AHDB's CEO. (WJ and KB). Staff costs and other overheads will be significantly reduced whilst we safeguard delivery of services and re-build confidence.

How voting will work

WJ presented how the voting process will work. It will be based on ensuring levy payers have more opportunities to engage with AHDB including an opportunity to vote on what work we carry out with levy funds. This effectively allows for a more nuanced vote to take place rather than a simple binary yes/no vote.

The presentation covered the concept stage and Sector Boards will be asked for further help in developing the detail around how we can weight votes and the skills make up for the sector council

There will be a simple registration process which will also capture data that will allow us to weight responses.

Once all votes are in they will be presented back to the Sector Council in both a weighted and one levy payer one vote form to inform, rather than 'instruct' the Sector Council .

WJ showed a timeline indicating the roll out of the new system. Sector Councils will be formed in October, by the end of the year a full menu of products and services will be available, the vote in the spring will reflect the work we are currently doing and any new work planned. The Registration system is aiming to be launched before the end of 2021 with voting open from April 2022. Defra will dictate some of this timeline. Results will be presented to the Council in May 2022 .

The Autumn of 2022 will see an open meeting to allow feed back to the levy payer with the results and proposed programme of work/associated levy rate. This will be one of many opportunities to engage with AHDB.

WJ highlighted the Comms plan over the next eight months that will drive awareness of what AHDB do and how to vote.

Sector Council role and appointments

KB confirmed this discussion was to gather views to take to the main AHDB Board. Sector Councils will decide what are the challenges for the sector and what AHDB work should be presented to LPs to vote on.

Sector Councils will have 7-11 members and a matrix of experience and skills needs to be developed with each of the existing Sector Boards.

In future, recruitments to Sector Councils will involve an industry selection panel of up to 5 people. Successful candidates will be appointed and then will be ratified by the levy payers as part of the voting process. The number of days per annum Sector Councils will be appointed for is being discussed at the main board. A proposed transition process was shared for existing Sector Board members. Sector Boards will become Sector Councils on the 1st October.

Cost Savings

KB presented on the cost savings. The cost of operating all AHDB offices has been reviewed with potential greater savings than advertised in the press release, especially regarding HQ (starting to look at sub-letting some of the HQ building and this is being marketed). There is also potential to reduce Governance costs.

Most of the head count cut in the business has been around Horticulture and Potatoes, with the balance on restructure of the organisation.

BOARD DISCUSSION ON PREVIOUS ITEM

Will the Levy Payers have the opportunity for 'not' continuing to pay the levy?

NS said that AHDB's role is to ensure it functions to the best in terms of engagement and it is up to the Ministers to decide whether levies continue or not. Levy Payers will still have the option to petition as to whether they want to stop the levy or the ballot.

Weighting will have to be different for different sectors and WJ reassured the Board there will be a proposal for them to consider.

What prediction of involvement do you think will occur when people are able to register?

WJ commented this is difficult to say and work is going on trying to see what our minimal viable numbers are. AHDB will work hard to get as high a number as possible.

MQ commented that It would be useful to have a comparison on how the Dairy Sector Board works now and how it will work in the future as a sector council? WJ agreed to produce.

The main AHDB Board need to take accountability and be aware of things much quicker. The person chairing the Sector Council is a main Board member and the new CEO will be very focussed on delivering. Any issues being raised by the councils will be recorded in the minutes and therefore will always need a response.

A sector council member could satisfy several of the criteria. Skills will need to include the right type of farmers needed for that council.

In principle, the Board agreed they were happy with the Ratification process demonstrated on the slide presented by WJ.

NS reiterated the AHDB Board make up. All main Board members are appointed by Ministers. The main Board has got to include people who have experience in each of the sectors (as a levy payer or recent levy payer). This gives 4 skilled based. At least half the Board will be current or recent levy payers rather than the existing 2 people. The skill based person with the knowledge of the individual sector will be the Chair of the relevant Sector Council but the role changes and is to hold the ring for the Sector council.

The Chair concluded that the process has moved on considerably reflecting comments from the Dairy Board that previously raised.

RESILIENCE FUND

RG presented on the Resilience Fund launched in April 2021 by Defra. The aim of the fund was to provide support and facilitation to improve businesses.

It is targeted at C&O, Beef & Lamb and Dairy and is Defra only funding therefore can only be used in England. It is anticipated there will be more rounds in the future after seeing how this works.

Steve Dunkley and Derek Carless from AHDB are project managing the Resilience Fund with a dedicated AHDB team.

RG explained that the Dairy Board can offer their support by providing names of any existing groups that could be approached, any stakeholders or opportunities with supply chains. Also to signpost to farmers.

PR advised RG to talk to Laura Davies at Welsh Government to access experience on how they operate.

DIRECT PAYMENTS Vs ELMS / TRADE & POLICY

PB gave an overview from a Trade & Policy perspective.

The Horizon reports helped change the perception of AHDB to major stakeholders. Newsletters are going out focussing on policy issues and the website content has been revised around Trade and Policy and ties in with much more of what farmers are generally after. MI are currently modelling the US aspect, Australia will be in September and New Zealand in the new year.

PB commented that AHDB have need to understand what is happening on a regular basis that is affecting our business. AHDB can look at this on the levy payer's behalf and you can sign up to receive the latest insight every day whilst tapping into the most pioneering trade modelling in the UK.

Continuing to look at that independence coming at it from the farmer angle. Need to look at the wider business performance where there will be a revenue for a farmer in future.

DAIRY PRIORITIES

PF presented on the Dairy Priorities. The slides detailed the signed off activities as absolute priority areas.

PF talked the Board through the Dashboard.

The Dashboard will be a way by which the key priorities can be measured and monitored. It will have a RAG rating and up to date commentary. An updated Dashboard document will be brought to the September Dairy Board meeting and circulated beforehand.

DAIRY ROADMAP

PF presented on the Dairy Roadmap lead by Dairy UK, AHDB and NFU. The slides gave an overview including the original engagement model, a strategic review that had taken place and the details on the new Governance and working groups.

A Stakeholder event took place in June which went well.

The next step is a farmer webinar in mid-August where the Dairy Roadmap will be discussed and will involve a few farmers talking about their experiences on Environment with a Q&A session. This is important for engagement and needs to continue.

13 Carbon Audits have been done on 12 strategic farms and a podcast has been done.

MEDICINE RECORDING

Progress is now being made on the Medicine Hub and wider Medicine Recording for Dairy.

Some retailers and processors are keen to work with their farmers and have vets load data onto the med hub.