

**SUMMARY MINUTES OF AHDB DIARY SECTOR COUNCIL MEETING
ON 9th JUNE 2022 AT
AHDB, STONELIGH PARK, KENILWORTH, WARWICKSHIRE**

PRESENT: Lyndon Edwards (LE) - Chair, Mary Quicke (MQ), Mike King (MK), Rob Nancekivell (RN), Gemma Smale-Rowland (GSR), Andrew Fletcher (AF), Liz Haines (LH), Ian Harvey (IH), Scott Shearlaw (SS), David Craven (DC), Joe Towers (JT), Peter Rees (PR)

IN ATTENDANCE:

Paul Flanagan (PF)
Nic Parsons (NP)
Will Jackson (WJ)
Tim Rycroft (TR)
Angela Christison (ACH)
Ken Boynes (KB)
Kate Saunders (KS)
Lenka Rihova (LR) – minute taker

Apologies for absence

The Chair opened the meeting at 8.30am and welcomed those in attendance.

The Chair welcomed new Dairy Sector Council members: Mike King, Rob Nancekivell and Gemma Smale-Rowland.

Declarations of Interest

New declarations of interests were as follows: The Chair – Director of Dairy UK, a Director of OMSCO, PR - a Trustee in Lantra, IH - NFU and Red Tractor, RN – an Arla representative, MK – M&S and TR who is in the process of being appointed a director of Assured Food Standards as part of AHDB's ownership role.

Minutes from the meeting held on 10th March 2022.

The minutes of the meeting on 10th March were approved.

Matters arising.

PF explained that all matters arising had either been completed or were being dealt with on the agenda.

Chair Report/Levy Payer Feedback

The Chair provided a verbal update. **Genetics Review:** an independent review has been completed. A working group to be set up. A system on genomic inbreeding for females to be launched. **Marketing:** industry reacting very well to the Eat Balanced campaign. **KE team meeting:** Council to work closely with the team. **Exports:** Trade shows have been taking place in the USA and Middle East.

Starting to translate the vote results into a new Dairy Sector plan part 1

TR presented on the above subject and reported on current work at AHDB in relation to the results of Shape the Future. The key is to keep AHDB's promise to levy payers to 'put them at the heart of everything we do'. It is important to deliver on that promise and to listen to the levy payers' input. The Council has the authority to make changes and oversee the way in which the Executive will deliver it. Sector Councils are principally responsible for **WHAT** outcomes they want from levy investment; the AHDB Executive is principally responsible for **HOW** those outcomes are delivered.



TR reported on zero-based budgeting and timesheets which have been introduced to AHDB to understand how people and activity support sectors.

Budgets for 23/24 will be agreed early next year. The focus for now is on direction of travel; financial and other detail will follow.

PF presented on the above subject. There are 3 key areas: **Voting Results, Industry context and Available resources.**

Some concern was expressed over reserves target which has increased. There is a standard reserve position that AHDB must have as an organisation. The reserves figures are based on the shutdown cost of a sector.

PF reported on the **Steps towards a Sector Plan.**

- ⇒ *Step 1:* June SC - **degree** of change desired in response to votes, **direction of travel**
- ⇒ *Step 2:* Exec will suggest **workstream targets** and further refined budgets for each workstream, Council to provide feedback
- ⇒ *Step 3:* **Draft Sector Plan & Approve workstreams**
- ⇒ *Step 4:* November Open Meeting to present the sector plans then publish: **Launch Sector Plan** alongside reminder of **voting results**

The Council members discussed the possibility for external finances in this process. It was agreed that this would be revisited once a revised Strategy is agreed.

The Council members commented on the Sector Context within the paper. Mental health of farmers and the impact of the change in government funding for the industry should be included. Some concern was expressed over the pressure on cash flow.

As AHDB does not collect levy directly from farmers, it does not have contact details for all levy payers. It currently has emails for 55% of contacts on the CRM system. The aim is to improve engagement with levy payers, especially with those who are not engaged.

In terms of the scores from levy payers, some concern was expressed over the Pathway programme in England (duplication with AHDB activity) and relatively low score for Environment (important).

Starting to translate the vote results into a new Dairy Sector plan part 2

The Council members scored each workstream area to express their personal views to get a sense of direction. A discussion took place around Reputation – the Council recognised the importance of having evidence in areas like Environment and Animal Health & Welfare to protect our Reputation.

The levy mechanism and a possible change in the levy was discussed. There is an ability to increase/reduce the levy, however the ultimate decision sits with Ministers.

The Council went through the individual workstreams and provided feedback. Specific costs on activities will be provided at the July meeting.

Consumer Education

- ⇒ Sector Council want to see more influencing and further collaboration with organisations like NFU, LEAF

Protecting Reputation

- ⇒ Sector Council noted strong score from levy payers

- ⇒ Key to ensure that there is a pipeline of evidence in place to protect reputation

Consumer campaign

- ⇒ Sector Council noted high score from levy payer vote

Exports

- ⇒ Request for modelling on how greater funding in this area could translate into increased Exports
- ⇒ Debate over making a significant increase in funding for to Exports. This did not get Sector Council support due to limited 'wiggle room' on budget at present

The Chair has declared his interest on Exports (OMSCO).

Animal Health & Welfare

- ⇒ There was an appetite to reduce spend in this area where information that provides technical expertise to farmers has been around for a while and is readily available
- ⇒ Council wants to see numbers against each activity & consider each activity vs. reputational priorities before landing on a position on this Workstream

Market Intelligence

- ⇒ Sector Council want work focused on areas of greatest benefit to farmers
- ⇒ Some debate about selling our expertise better in this area & whether we can use other data (e.g. Google) vs. Kantar on retail/consumer purchases.

Dairy Genetics

- ⇒ Very strong support from Sector Council for this area; want to hold current funding position
- ⇒ An independent review is being completed by a 3rd party (represents several options on how Dairy Genetics is set up in GB and AHDB's role vs other supply chain players)
- ⇒ A working group to be set up to review findings/recommendations

Environment

- ⇒ Collaboration with the Industry is key
- ⇒ To identify areas of market failure, mapping existing activities, avoid duplication
- ⇒ Protecting reputation
- ⇒ Key to demonstrate that we have listened to the results and acted on them
- ⇒ Technical excellence is important
- ⇒ Rationale behind above is that AHDB has not yet carved out a clear space in this area to support farmers while working with processors and retailers
- ⇒ Sector Council felt that there was potentially an 'honest broker' role for AHDB to fulfil on Environment & that we up our game on soils and grassland work
- ⇒ Strategic Farm Network to be used as route to influence farmers to get on the road with carbon measurement

People & Labour

- ⇒ Sector Council keen to continue with AgriLeader programme



The Sector Council then had a broader discussion. Key points were:

- ⇒ Sector Council inclined to concentrate on protecting and promoting reputation of Dairy (therefore pre-farmgate work that is funded should be centred on Reputation)
- ⇒ Very keen to see increased collaboration & less AHDB solo activity
- ⇒ Sector Council keen to keep levy payers informed on process of developing a Dairy Sector Plan between now & November

The Council set up the Genetics working group. Volunteers: GSR, MQ, DC, MK, and LE.

AOB

The Chair asked the SC members whether they could provide feedback on their activities in their own areas & work with the KE team in between meetings.

The meeting closed at 13.30pm.

