

SUMMARY MINUTES OF THE INTERIM MEETING OF THE AHDB PORK BOARD



ON 25th May 2021

TELECONFERENCE

PRESENT: Mike Sheldon (MS) - Chair, Richard Buckle (RBu), Mark Haighton (MH), Robert Beckett (RBe), Rupinder Ashworth (RA), Tim Bradshaw (TB), William De Klein (WDK), Adam Cheale (ACH), Chris Aldersley (ChA)

APOLOGIES: Robin Thompson (RT), Robert Mutimer (RM), Simon Watchorn (SW)

IN ATTENDANCE:

Angela Christison (AC) - Strategy director – AHDB Pork, Lenka Rihova (LR) – Personal Assistant (Minutes), Will Jackson (WJ) – Interim Chief Strategy Director, Ken Boyns (KB) – Acting CEO and Accounting Officer, Finance & Operations

AGENDA ITEM 1 – Apologies for absence

The Chair opened the meeting at 10am and welcomed those in attendance. Apologies were received from RT, RM and SW.

AGENDA ITEM 2 – Purpose of the meeting

The purpose of the meeting was to discuss the development of AHDB over the rest of this year.

Key topics:

- **Priorities in the Pork sector**
- **New operating model for AHDB**

AHDB is reacting to the outcome of the R4V and the necessity to change the organisation as guided by the Secretary of State. AHDB is facing many changes due to the loss of the Horticulture and Potatoes ballots; ongoing developments and restructuring plans are in place. Tim Rycroft, the new CEO (starts in September) is guiding some of the changes. This is an opportunity for AHDB to deliver for levy payers in a more effective way.

AGENDA ITEM 3 – PRIORITIES IN THE PORK SECTOR FOR 21/22

AC presented on priorities for 21/22.

The Pork plan has been signed off and budgeted, however, there might be some disruption due to the transition. We must mitigate risks and ensure the most important work for Pork is identified and delivered.

AC presented on the absolute priorities for Pork 21/22. The key question was whether the most important activities were identified and if anything obvious was missing.

A query was raised regarding FCR Proxy Tool (Environment). The purpose is to have a collective tool to measure food conversion efficiency. FCR has the biggest impact on carbon footprint for producers. The aim is support improvement in FCR and in turn the industrys environmental & economic performance. Support for the development of such a tool has been received from NPA and Red Tractor. The possibility of using Agrosoft data, as a source of data is being explored. This subject is on the agenda for the July Board meeting.

The Board approved the list as outlined in the presentation knowing this is not a budget or activity cut, but identifies where the Board's priorities would lie in the event of disruption. The programme as previously budgeted and allocated is untouched.

AGENDA ITEM 4 – FUTURE MODEL OF AHDB

WJ presented on the future model of AHDB. The aim was to explain the concept and hear the Board's views.

The key objectives of the model are that levy payers should have a direct say in what levy funded work AHDB does, this may reduce the risk of a yes/no vote and all the complications that can result from that. It ensures that what we do with levy money is led by sectors, not the AHDB Board or the



executive. The executive should concentrate on delivery of work, and the main AHDB Board should hold the executive to account.

AC presented on the context of the model. The climate for the Pork sector, as well as other sectors, is becoming more complicated due to various factors, which presents opportunities and challenges. The industry is going to need support to optimise and counter these respectively.

Key topics covered:

- How does AHDB Pork best support the sector to enable the industry to thrive and tackle barriers preventing profitable growth?
- How do we identify the work that needs to be done to best support levy payers?

WJ presented the proposed model. He made it clear that the Government would make the final decision on whether there is a levy or not. The model is based on an assumption that there is a levy. WJ reported on the structure and principles. There is a clear division between WHAT (AHDB spends levy money on) and HOW (things are delivered).

Key groups:

- **Pork Sector 'Council'** (What) – proposes how the pork levy should be invested
- **Levy Payer** (What) – has an opportunity to vote on the ranking of the proposals
- **AHDB Executive** (How) – delivers the activities proposed by the sector council and ranked by levy-payers
- **AHDB Board** (How) – oversees the performance of the executive in delivering the activities

The connection between 'what' and 'how' is via the Sector Chair who is appointed by and sits on the AHDB Board.

The aim is that the current Pork Sector Board would evolve into the Pork Sector Council. The Terms of Reference would change.

The Board discussed the levy rate, which is currently proposed every year. The Pork Sector Board can recommend to the main AHDB Board an alteration (+/-) of the levy. The AHDB Board makes a recommendation to ministers and ministers ultimately set the levy rates. Under the proposed model, there would be the possibility for levy payers to influence the levy rate. The expectation is that the Sector Council would propose levy rates according to levy payer support for levy funded work. AHDB would then put forward a 5-year programme of work, which may then be modified annually according to events or experience.

There are ongoing conversations with the new CEO, Tim Rycroft regarding the restructure of the AHDB team in order to deliver in the best possible way. The aim is to build trust, confidence and credibility. Communication is key.

Some concern was expressed by Sector Board members regarding how many levy payers would register and vote. WJ reported that the dissatisfaction with AHDB performance had been expressed through the R4V and therefore the need for change to make a leaner organisation that was more closely connected to the needs of its levy payers was clear. It was felt that the change and the opportunity to express views about potential programmes for work by sector would be welcomed by levy payers, and so may drive up engagement.

Given the public statements by the Secretary of State, it seems clear that there will be some sort of vote on Pork levy in spring 2022. The aim is to have a voting mechanism that is not a crude yes/no vote, rather giving levy payers continuous dynamic involvement and that has the support of Defra.

A query was raised regarding voting (a weighted vote vs one-levy payer one vote). AHDB is working through various options in order to recommend the best way forward within each sector. The Board was in favour of weighted vote as opposed to one-person one vote. The current proposal is to express votes on the work to be undertaken both quantitatively and in weighted form to the Sector Councils.

Proposals will be put forward for consideration by industry and Defra. Some of the proposals might require changes to the statutory instrument, which would take time and formal consultation. There is

ongoing conversation between industry and Defra in relation to the Hort/Pots ballots and what comes next.

It is yet to be decided whether Sector Council members will be appointed or elected or a combination. There may be differences of opinion and needs between the sectors. The Board was in favour of appointment to the Pork Sector Council rather than election.

Some concern was expressed regarding transition to the new model and whether its implementation will slow the delivery of vital work.

The principles behind the proposed changes were being rolled out across the other sectors except for Horticulture and Potatoes. The detail about delivery for each sector is still in discussion. There will be a levy payer vote for each sector. The ultimate decisions on structure, voting and levy rates rest with the ministers. The responsibility for finalising the detailed proposal sits with the AHDB Board, however communication with the Sector Boards will continue.