



HGCA BOARD MEETING
2 March 2011
Wallacespace, St Pancras, London
SUMMARY MINUTES

Matters Arising

KPIs were in place for the beginning of the new financial year.

Negotiations with Treasury were continuing regarding possible office accommodation on Stoneleigh Park.

Budget re-forecasting exercise was now complete.

Assessment of how the open meeting format could be used for future events programme was underway.

The Chairman confirmed that the proposed new levy rate had been approved.

Chairman's Report

The Chairman had attended a Farmhouse Breakfast event in Belfast, a bread baking workshop and Milling Wheat Conference.

Chris Goodwin had been appointed as the new AHDB Finance Director, starting on 28 February 2011.

Applications had now closed for the post of AHDB Chair. An announcement was expected in mid-March but due to elections there may be a delay until 6 May.

HGCA had invited levy payer farmers Andrew Ward, who also sits on the CEL Board and Andrew Barr who sits on the BCE Committee to a meeting with Defra about AHDB's future on 15 March. All sectors and stakeholders would be there.

The Chairman confirmed that all sectors were subject to the same rotation planning for Board members, with 14 vacancies across 6 sectors to be appointed before 1 April 2011. 247 responses had been received and interviews would take place over three days in London during week commencing 14 March.

Sector Director's Report

Dr Simon Oxley had been appointed to the post of Senior RL Manager. Simon would join HGCA from SAC and would be relocating to the Stoneleigh area.

The last CEL Board meeting would take place on 3 March before the company was closed on 31 March. CEL would remain a dormant company. A new project board was currently being set up.

Tenders were being invited to carry out RL trials over the next five years. The process had been advertised on the AHDB website and the tender documents would be available shortly.

Focus groups were currently being planned to determine a strategy which would be presented to the Board. Individual meetings were being held with the trade and processors to determine priorities at company level. It was agreed that it was important to include a full range of businesses across the east and west of the country to achieve a balanced view from all levy payers.

The new RL booklet had been published and sent out. A data capture sheet was included with the RL and

750 had been returned to date.

Finance and Strategy

Management accounts for P10 were presented to the meeting. They included a breakdown on where there had been overspends in corporate areas, estates, levy and IT.

The Corporate Plan budget 2011/12 was expected to be signed off by Tom Taylor, AHDB CEO, during the next two weeks, in time to go to the AHDB Board in March. Points highlighted included:

- The original budget from October 2010 had been reviewed and a number of factors had changed.
- KT expenditure had been moved from R&D into Comms.
- A sum had been agreed with the Pension Trustees for contributions for the next 3-years to the new recovery plan.
- No more exceptional costs would be included regarding the move.
- Work was underway to try to reach an operating reserve of zero next year.
- Trade development – provision had now been included for Red Tractor.
- Supply chain - this was to cover work on Risk Management which would now be accounted for in MI.

THE BOARD APPROVED THE BUDGETS, SUBJECT TO APPROVAL OF PAPER 7.

This was later agreed by the HGCA Board and the accounts were signed off by the Chairman.

British Cereals Exports budget

THE BOARD APPROVED THE NEW TWO-PHASE BUDGET WITH AN UPPER LIMIT, PROVIDING THAT THE 'BUMPER' HARVEST WAS DEFINED AS THE WHEAT HARVEST EXCEEDING 15Mt AND THE EXPORT AVAILABILITY EXCEEDING 3Mt. TO BE REVIEWED ON AN ANNUAL BASIS.

MI

Ken Boyns, Head of MI, updated the Board on changes to the MI department, including a vision for MI, background to AHDB MI, current proposed changes, delivery for HGCA and priorities for MI regarding the HGCA Board and levy payers.

Red Tractor Business Plan

Representatives from AFS, joined the meeting to report to the Board on the business plan for Red Tractor. Key points covered were: Summary of AFS Business plan, Technical Assurance, Red Tractor promotion 2010/11 and development of a communications plan for 2011/12.

The Chairman indicated that the HGCA Board may well need some additional information regarding governance and accounting issues to include last year's accounts, how Red Tractor intend to fund themselves in 2-years time when AHDB funding ends and a measurement of what benefits HGCA was getting for their investment.

Board and Advisory Committees

APPROVAL FOR ALL PROPOSED APPOINTMENTS TO COMMITTEES WAS GIVEN BY THE BOARD.

Approval of committee expenditure

THE HGCA BOARD APPROVED THE EXPENDITURE FOR THE RL PROJECT.

Any Other Business

The Chairman thanked John Pidgeon for his input to the HGCA Board over the past three years as this was his last meeting.

The next meeting of the HGCA Board would be held on 1 June 2011 in Warwickshire.

The meeting was closed at 13.45