



HGCA BOARD MEETING

15 January 2013 at DeVere Belton Woods Hotel, nr Grantham, Lincolnshire
SUMMARY MINUTES

MINUTES

The minutes of the meeting held on 31 October 2012 were agreed as a true record and were signed by the Chairman.

MATTERS ARISING

The Chairman of the British Cereal Exports Committee was keeping an eye on expenditure and was currently in the process of re-forecasting.

A review of Corn Returns was presented and approved at the MICC meeting in November.

The MICC Chairman had given the outline for a paper to the MI team on Price and Value.

AHDB's CEO had agreed that HGCA could use AHDB non levy funds to match against any future RDPE funding for regional team implementation work.

CHAIRMAN'S REPORT

The Chairman attended the recent AHDB Strategy Day. This day concentrated on all the areas that AHDB should be involved in rather than introducing new pieces of work, apart from preparing for the AHDB Triennial Review.

AHDB would be subject to a Triennial Review this autumn. The brief for the review had not yet been received but preparation should get underway for an intense review which, although carried out by Defra, was subject to Cabinet Office review and final sign off.

SECTOR DIRECTOR REPORT

There were possible implications for HGCA activities such as Crop Monitor and UKCPVS now that Defra had taken over responsibility for the FERA policy teams covering plant health, bee health and plant varieties and seeds.

FINANCE AND STRATEGY

The HGCA P8 Management accounts highlighted that levy income was up against forecast and budget.

Levy Update and Debtors Age Analysis highlighted that HGCA had an extremely good record on debtor's analysis.

It was confirmed that a programme of levy payer audits was currently being undertaken.

The draft HGCA budget for 2013/14 had been presented to the HGCA Board in October and formed part of the Corporate Plan budget that went out for consultation to the industry in December.

THE BOARD APPROVED A PROPOSAL THAT ANY SAVINGS MADE IN THE 2012/13 YEAR WERE BANKED TO HELP BUFFER AGAIN THE EXPECTED FALL IN LEVY INCOME DURING THE REMAINDER OF 2012/13 AND 2013/14 FINANCIAL YEARS.

THE BOARD ALSO AGREED THAT NO FURTHER CHANGES WOULD BE MADE TO THE LEVY INCOME FORECAST UNTIL THE FINAL PLANTING SURVEY DATA WAS AVAILABLE.

Discussion took place around direct expenditure in the Corporate Plan budget 2013/14-15/16 and it was agreed that the HGCA Director would circulate an options paper by the end of January for the Board to comment on. This would look at different income and expenditure scenarios and would then be submitted for approval to the Finance Committee on 20 February.

It was confirmed that the AHDB Corporate plan consultation had now closed and 20 responses had been received in total. It was agreed that the comments received from ADAS would require a robust response from the Chairman.

LEVY RATES

The Chairman led a discussion around any future changes in the levy rate. The paper presented by the HGCA Director covered a review of the 2011 levy increase and information on levy rates including a comparison of AHDB grower levy rates and current and proposed future maximum levy rates outlined in the Statutory Instrument. It also looked at what factors needed to be considered for any future levy increase.

FOLLOWING DISCUSSION, THE BOARD AGREED THAT AS PART OF GOOD GOVERNANCE A REVIEW OF THE LEVY RATE SHOULD GO AHEAD FOR THE PERIOD 2014-17.

HGCA BOARD AND FINANCE COMMITTEE CHAIRS SUCCESSION PLANNING

Recruitment of 4 new Board members to take up post from 1 April 2013 was currently underway. There was an urgent need to look at the Finance Committee membership as only 2 members would remain after 31 March 2013.

The Chairman also asked the Board to consider the current remit of the Finance Committee and it was agreed that the remit of the Finance Committee would be discussed at the next Finance Committee meeting; the Committee would then give their recommendations to the next Board meeting in March. The Chairman felt that the Finance Committee role should be to look at the accounts and raise any issues of concern but also to look at levy income forecasting and issues such as levy audits. The Finance Committee should present the Board with a clear précis to allow them to get on with bigger issues.

It was agreed that Committee Chairmen would also take part in the induction process for new Board members.

ELECTRONIC GRAIN PASSPORT PROJECT

It was confirmed that responses to the proposed pilot project had been received from REA, NFU Scotland, MAGB and nabim, with a response expected from NFU on 16 January as they were seeking grower opinions at their regional crop boards.

It was noted that there was already an electronic passport for pigs and the advantages and opportunities that the electronic system would offer to all parties were discussed and debated. It was also confirmed that functionality for the flow of information back to the grower was built in but that it would be up to the individual supply chain / business whether to use it or not.

The Chairman commented that in the discussions he had recently had with Glencore, Frontier and Openfield, he had been told that they were all in the process of developing their own systems and will either go with a central system or introduce their own systems independently.

The item would be included on the March Board Meeting agenda when the NFU response was known.

FUNDING FOR RED TRACTOR

The current 3-year funding agreement would end in March 2013 and the sectors of AHDB had been asked to liaise with their respective counterparts in Red Tractor to agree if any further funding arrangements were to be put in place. HGCA had a productive relationship with the Red Tractor Crops

& Sugar Beet Board and it was proposed that HGCA should provide funding of £40K for the year 2013/14 in return for providing data cleansing/intelligence (subject to Data Protection Regulations), Tracker service and Mailings with the possibility of funding for other projects to be considered as required. It was agreed that the opportunity to work in a similar way with SFQC would be explored.

THE BOARD APPROVED THE PROPSAL TO PROVIDE £40K FUNDING FOR THE YEAR 2013/14.

COMMUNICATIONS GROWER STRATEGY UPDATE

This paper included evaluation metrics and the Board were advised that the results of the 2012 HGCA satisfaction survey carried out in December 2012 would be available in Spring.

There were currently just under 25,000 growers on the database.

MI UPDATE AND TEAM STRUCTURE

Ken Boyns gave an update on the MI team structure and staffing, highlighting the difficulties being experienced in recruiting the right calibre of staff to the MI team, the strategy being put in place to solve this and to increase staff retention.

APPROVAL OF COMMITTEE EXPENDITURE

The Board approved expenditure for the following projects:

- Improving risk assessment and control of saddle gall midge
- Multiple herbicide resistance in grass weeds: from genes to agro-ecosystems
- HGCA Recommended Lists 2012-16
- PhD Studentships 2014-16
- HGCA Student Bursary 2013-15
- Nutritional value of oilseed rape and its co-products for pig and poultry feed, potential improvements and implications for plant breeders
- Home grown oilseed rape meal, oilseed rape products and cereal fermentation co-products as protein sources for pigs and poultry
- Expanding the knowledge base to increase the use of home grown rapeseed meal and DDGS in diets for pigs and poultry in the UK

PRIORITIES FOR 2013

The Senior Management Team's paper was presented for consideration. Items discussed included the GM review, the job evaluation process, the triennial review, the levy review and the grain sampling review.

The Board were asked to let the HGCA Director know, on an on-going basis, if they identified any areas of work that they felt HGCA should be involved with or if any pieces of work had been omitted from the Priorities document.

ANY OTHER BUSINESS

There was no other business for discussion.

The next meeting of the HGCA Board would be held on the 13 March 2013 in Kenilworth.