



HGCA BOARD MEETING
26 May 2010
Radisson Blu Roe Park Hotel, Limavady, N Ireland

SUMMARY MINUTES

Matters Arising

Tom Taylor highlighted that he will sit on the AFS Board and will oversee AHDB's contribution to the Red Tractor.

Rebecca Geraghty reported that planning for Cereals 2010 was underway and proceeding well. This year's event was very much about highlighting the people behind HGCA and focussing on core messages particularly around the R&D strategy review.

R&D projects discussed at March's Board meeting had been approved outside of the meeting. A paper was circulated which contained further information relating to the economic value of the projects.

Chairman's Report

HM Treasury had refused AHDB's application for a commercial loan for the new building. AHDB were currently looking at alternative ways of financing the new building.

Sector Director's Report

Key points of Rebecca Geraghty's sector report included:

Meetings had recently been held with NFU East and NFU South West Crops Boards to update on developments within HGCA and to find out what they felt they need from HGCA R&D in the future. Meetings had also recently been held with the Scottish Whisky Association and Scottish Quality Cereals. Other stakeholder meetings were planned for the near future.

HGCA had put forward a proposal for the Defra contract but delays were inevitable following recent government changes. An early balance sheet update had been presented to and accepted by the Market Information Cereals Committee earlier this month.

Work was underway with Farmers Weekly to deliver an article on the launch of the forthcoming R&D research strategy review.

Finance and Strategy

Hannah Dumper joined the meeting. Rebecca Geraghty introduced their presentation to highlight the year end situation. Hannah Dumper presented the report from the Finance Committee meeting of 18 May.

Hannah gave a snapshot of the past year.

- HGCA had adopted a payback method for transition costs.
- Overall income was down against budget. Levy income was down; non-levy income was also down against the original budget. The levy income forecast had been reduced at Q3. High closing stocks at the end of last year had not come through, as expected. On the non-levy side, historic Defra funding had finished and this had impacted on income.

- Operating expenditure had fallen during the year but had been offset by the reduction in levy income.
- The total reserves figure at the end of 2008/09 had now altered to a deficit.
- A recovery plan for the pension scheme was now in operation.

Rebecca Geraghty presented plans for the future to move forward. These included improving levy forecasting, a plan of levy audits for 2010/11 and an operating budget had been set.

The Board endorsed a proposal that HGCA should recover reserves to £2.5m by the end of 2012/13.

R&D Presentation

Susannah Bolton and Vicky Foster joined the meeting and presented the R&D Strategy Review (VF), an update on evaluation of R&D and KT projects and an update on TSB (SB).

RECOMMENDATION: The Board approved the strategy review process.

Susannah Bolton and Vicky Foster left the meeting.

Pension update

Rebecca Geraghty reported that consultation discussions were underway. Written responses to the consultation had been requested.

Introduction from Tom Taylor, AHDB CEO

Tom Taylor introduced himself and reported that his focus was on developing one voice of AHDB.

Tom reported that he intended to amalgamate the current format of six separate Corporate Plans into one Corporate Plan during the next few months. The Corporate Plan will be more focused on measures and outcomes.

Tom reported that he would vigorously pursue the new building on plot 3 at Stoneleigh but alternatives were being investigated in case that this was impossible to implement.

Minutes of the Board and Advisory Committees were received and approved by the Board.

Any Other Business

Arthur Hill requested that a copy of AHDB's travel insurance policy to be circulated to the Board.

Date of the next meeting

The next HGCA Board meeting would be held on 14 July 2010.