

AHDB Potatoes wind down: what next?

An online workshop was held by NFUS and SSCR on the 21st July about the wind-down of AHDB Potatoes. This followed a joint survey that gathered views on what should happen next. There were 40 attendees, just under half of whom were potato growers. The purpose of the workshop was to consider what could replace AHDB Potatoes, how it could be funded, and what it could do. The information from this workshop will help inform the industry and government about what could happen next, and to give a general direction of travel that can be further discussed.

This paper summarises the survey update, proposals, and discussions.

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Survey update

A survey was carried out to find out which of the functions of AHDB Potatoes were valued most by levy payers that also gathered comments. It was filled out by 100 people.

Headlines:

- A new form of AHDB Potatoes, or creation of a new levy body, is not welcome
- AHDB functions can be ranked, with R&D and research services valued the most, and public-facing work valued the least
- For most things, respondents felt work should be carried out elsewhere, or was being duplicated
- Nothing was voted as “not important, not an industry need” so everything AHDB Potatoes did was relevant
- Many comments suggested more focused support for sectors or sub-sectors, suggesting a more fragmented approach going forward

A fragmented approach, with several different groups carrying out several different functions (research, marketing, etc.) for several different sectors (seed, salads, etc.), may be more responsive and better value for money. But it would result in a loss of the neutral unifying role that AHDB had. The slides can be seen in Appendix 1.

Potential alternative models

Growers Better Levy Group

A group of horticultural and potato businesses have got together and are using their resources to lobby the UK government to continue with a mandatory, but much smaller, levy body. This will primarily fund a secretariat who can pull together ideas for research and development projects. Their priorities are blight control, aphid control, soil pathogens, novel pathogens and diseases, storage research, and product approval, as these services will end by March 2022.

Advantages	Things to think about
<p>Have committed to not exceeding 15% of the AHDB Horticulture budget, so will remain small and cost less.</p> <p>Guaranteed income for a secretariat.</p> <p>Removes concerns about information 'leakage' to those who do not pay.</p> <p>A capped levy still engages with the whole sector and does not discriminate.</p> <p>R&D is essential to the progress of the industry as a whole so in theory it should be supported by everyone.</p> <p>An option of a larger voluntary levy to be voted on by sectors, and be grower-led, to carry out agreed programmes of work, has been suggested. This should keep costs down.</p> <p>Plan to retain key AHDB staff, with an emphasis on AHDB Potato storage scientists, the only ones in the UK.</p> <p>Similar models exist in New Zealand and Australia</p>	<p>A continuation of the mandatory levy (in another format) would go against the ballot result (but the ballot did not offer alternatives).</p> <p>Goes against the NFUS/SSCR survey result.</p> <p>Will support a similar but smaller structure to AHDB, answerable to all levy payers, and will not be as responsive as other options.</p> <p>A mandatory levy means the body is funded by a parafiscal charge, making it a Non-Departmental Public Body (NDPB) and giving it certain responsibilities other funding models would avoid.</p> <p>Voting for agreed programmes of work may result in smaller sectors from more remote areas not having their needs met.</p>

Additional funding for existing groups / associations

There are many existing groups and associations (Scottish Agronomy, PBGA, NFUS, SACAPP, SSCR, Scottishpotatoes.Org, and others). If these existing groups recruit additional members and raise additional funds, then they could fund the most valued functions AHDB Potatoes carried out.

Advantages	Things to think about
<p>Already exist, so the work can start immediately.</p> <p>More responsive to members' needs than AHDB, so their members are on the 'front foot'. Very engaged members can get the issues most important to them investigated.</p> <p>Could leverage additional funding from government and elsewhere if results are made available to all.</p> <p>Light touch solution that could represent a lot of the industry.</p> <p>Funds can be raised through membership fees, or a voluntary payment based on seed labels (a levy is already collected for certification fees, but there are legislative reasons why this could not be used to fund other activities).</p> <p>Voluntary membership should result in members who are on-board and enthusiastic.</p> <p>There are many groups that could help deliver many of the functions.</p>	<p>Would not be able to leverage additional funding if information is exclusively available to group members only.</p> <p>Potential for information 'leakage' to non-paying growers (but many felt the benefits of leveraging additional funding and the ability for a smaller group to set the agenda outweighed this).</p> <p>Many different groups with different members, so common ground issues could get lost or the same work could be duplicated.</p> <p>Could lead a non-coordinated approach, fragmentation and duplication of effort. Some co-ordination should be done by the groups, to provide information on common-ground issues and avoid duplication. Who would do this and how would they be funded?</p> <p>A fragmented approach would have less effective R&D 'horizon scanning' and probably leave gaps in what was delivered.</p> <p>As membership gets larger it will be more difficult to set priorities as there will be much more different views.</p> <p>A clearer indication is required of what each existing group or organisation is capable of or comfortable with providing. Some organisations might require restructuring, additional resource and funding. Some organisations may not want to take on this role.</p>

New co-operative(s)

A co-op could be set up as an umbrella organisation that could then engage with existing organisations.

Advantages	Things to think about
<p>The body or bodies would have a clear purpose, and the co-op values of self-help, trust, and transparency would address many of AHDB's criticisms. The structure and governance of a co-op will make it more accountable than AHDB and should also make it more responsive to its membership.</p> <p>Will be better placed to co-ordinate and communicate activities and findings than lots of separate existing organisations. An adequately resourced secretariat could collaborate with existing associations or federations to ensure maximum impact and deliver value for money. Alternatively, a few co-ops collectively representing the potato sector could collectively agree on common R&D priorities that could be funded pro-rata.</p> <p>Could commission research and other services (supply chain consultancy, marketing, etc.) from existing organisations, ensuring members' needs are best met by what is commissioned.</p> <p>Can be funded on a pro-rata basis (e.g. per hectare or per tonne).</p> <p>Co-ops can have different classes of members, so are open to the whole industry.</p> <p>Government policy is supportive of farmer co-operation. A co-op can also lobby Government.</p> <p>The co-op model has been around for >100-years. Is based on trust and transparency and is industry owned. Strong governance, with voluntary membership and the one-member one-vote principle makes it democratic. Members are both 'owners' and 'users' of the service, engendering real engagement and commitment. Co-ops are registered and monitored by the Financial Conduct Authority (FCA) under a separate co-op law. Co-op members have real control rights, protected by law.</p>	<p>The industry needs to initiate this, and some growers who agree on a common purpose will have to make the first steps to drive this forward. Will take longer to put in place than immediately providing additional funding to existing bodies.</p> <p>Potential for information 'leakage' to non-members (but many felt the benefits of leveraging additional funding and the ability for a smaller group to set the agenda outweighed this).</p> <p>As membership gets larger it could be more difficult to set priorities as there will be much more different views.</p> <p>Potato growers all have different needs depending on whether they are a seed or ware producer, their geographic location, involved in exports, etc. A co-op structure could be set up with distinct members each with different needs and focus, but all under umbrella and co-ordination of the main co-op. A lot of thought should be put into setting up the co-op to consider how to best meet the needs.</p> <p>Jim Booth (SAOS) made the point that this really about data, and the intelligence from it. He said it is vitally important that the data generated is owned by the people who supply it, not the government, NDPBs or companies. The value of big data will only increase and could be a future source of income.</p>

Discussion: key points

These points made in the discussion are relevant to all proposed models described above.

Leveraging additional funding for research and other activities is important

There were a lot of comments about whether research and development findings should only be communicated to those who pay for them, or if they should be made available more widely. Many people felt that the amount of funding that could be leveraged (several multiples of what a body puts forward) outweighs the disadvantage of information 'leakage'. Restricting findings to members restricts the ability to fundraise. Those already in independent groups carrying out research commented that making results exclusive was not as important to them. They benefited from being able to decide research priorities and drive them forward, and from getting information directly relevant to them at an early stage. However, critical mass is important to raise enough funds (there are just over 400 potato growers in Scotland) for this work.

A UK-wide Fight Against Blight project would benefit Scottish producers

A UK-wide Fight Against Blight (FAB) project is valuable as new blight genotypes have often been identified in the south before moving north, giving Scottish businesses an early warning advantage, however Scottish level analysis will still have benefits. Hutton are still doing FAB this year, so would be in a position to carry on next year at whatever scale is requested by the industry if funding is made available. The James Hutton Institute are open to discussions about how to continue this service.

The potato sector is more specialised and segmented now than ever

There were comments about how the potato sector was more segmented, and that its needs were more specialised. It was felt that less Scottish growers would be concerned about the closure of Sutton Bridge than English growers as storage work was not felt to be as important in Scotland. It was felt the seed sector is unique and needs support, and seed growers are more concerned about the development of export markets than ware growers. It was felt that the stand at Potato Europe is very important, and that the funding of this stand needs to be considered.

Research needs must be clearly identified

Suggestions were made about how to identify research priorities. A bottom-up approach where peer-to-peer on-farm learning enables farmers to vote on the trials they want was suggested. A top-down approach was also suggested, with the creation of an industry strategic plan setting quantified and prioritised objectives based on economic evaluation of their contribution to the industry. In the absence of AHDB it is not clear who would write this plan.

A source of independent information is very valuable

There was a comment that independence was important for research and that it should not be assumed that commercial companies would or should fill the gap. Agronomists give advice that is underpinned by good research, and AHDB-funded projects delivered this research.

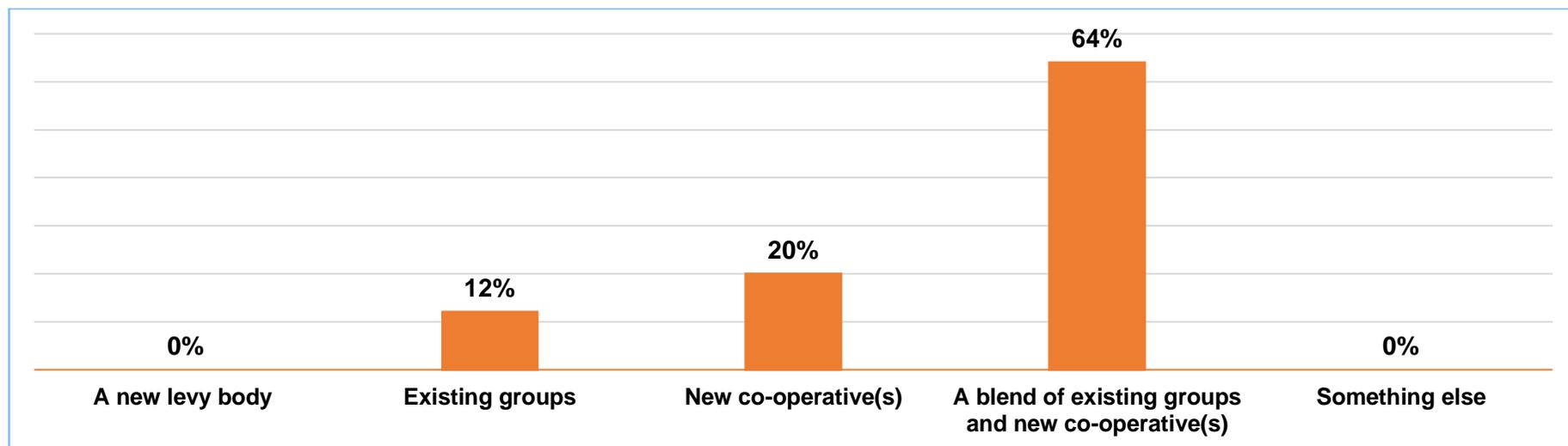
Supply chain and markets are important to all sectors

There was a comment that lots of things are important but markets are essential, followed by another comment that both the seed and ware sectors had big issues with their supply chains and markets. Work should be done across the supply chain to ensure the industry is producing what the market wants.

A co-ordinating function must be resourced

Whatever replaces AHDB, there will need to be a 'back office' coordinating function to manage funding to organisations, co-ordinate projects, ensure projects are delivered (checking the work is carried out as described and on time), and to ensure results are disseminated to growers and archived for the future. The resource required to do this should be considered and will need to feature somewhere in whatever plans go forward.

Potential alternative models: voting results



There was an additional vote that came in via email after the session that has been added.

Appendix 1: AHDB Potatoes Survey Update Slides

Headlines

- A new form of AHDB Potatoes, or creation of a new levy body, is not welcome
- For most things, respondents felt the work should be carried out elsewhere, or was being duplicated
- Nothing was voted as “*not important, not an industry need*”
- Several comments suggested more focused support for sectors

R&D and Research Services

- Most highly valued, respondents want these to keep going
- Fight Against Blight and Aphid Monitoring very highly valued
- A few comments about the split between seed and ware production and Aphid Monitoring not being relevant to both
 - “*Aphid monitoring more important to a small sector of the industry so should probably be funded by that sector.*”
- PCN and soils research, and IPM most highly valued in R&D
- Existing chemistry had very supportive comments
 - “*Although R&D on existing chemistries is not ranked highly, support for those which are at threat of withdrawal is a vital role which AHDB have helped industry greatly with.*”

Market Development

- Most felt regaining EU market access was essential, with many others viewing it as important work that should be carried out elsewhere
- Market development to areas of Asia (China) and Africa were viewed as important but that someone else should carry out this work
- There were comments from seed producers who felt market development was essential
 - “*As a seed producer I cannot afford to lose the market in Europe and we need to continue expanding new markets.*”
- Appears to be a seed and ware split in terms of valuing market development activities

Knowledge Transfer

- Valued as important, but felt support should be given for similar work carried out elsewhere
- The Strategic Potato Farms, and Events were most highly valued in KT

- Some comments about the commercial sector carrying out these functions
 - *“Again, private industry will fill the necessary gaps”*

Marketing

- Seen as important, but someone else should be carrying them out, particularly for market analysis
- Consumer research response was flatter
- A couple of comments suggesting marketing activities were detrimental to the industry
 - *“Market data frequently used against those paying the majority of the levy”*
- These functions were not valued as highly as other functions by the respondents

Public facing and Communications

- Much flatter response to these
- Both engagement with schools and nutrition were important, but felt that that others could carry out these functions
 - *“The above functions in my opinion did not work, the AHDB was never meant for education leave that to the RHETs of this world.”*
- Less comments for these functions, indicating milder views on them
- Not as highly valued as other functions

Take-aways

- Can rank these functions
- Sectoral splits
 - Suggests a fragmented approach going forward
 - Might be more responsive and better value for money, but what about the neutral unifying role AHDB had?
- Respondents think others should be pick up the work
 - Who can pick up the work fairly quickly and how do they raise funds?
 - Do potato growers need to create new associations or organisations?
- *Adopt – Adapt – Improve?*