

REPORT on an OPEN MEETING of COUNCIL of THE
SCOTTISH POTATO TRADE ASSOCIATION held in
the STATION HOTEL, PERTH, at 2.00 p.m. on
THURSDAY, 2nd FEBRUARY, 1984.

PRESENT: Messrs. J.H. Barr, G.S. Brass, J.E. Cook, J.P. Deuchar, R. Doig, J.G.H. Fenton, B. Fulton, J.R. McArthur, T. McClung, K. McKenzie, W.E. Muirhead and J.O. Robertson, with D. Blackmore (Assistant Secretary) in attendance.

In response to the open invitation to all Association Members, the following were also present:-

Messrs. G. Beattie (Charles Beattie Ltd.), W.D. Coupland (James Haggart & Sons Ltd.), R. Couser (Moncrieffe Potato Co. Ltd.), G. Dryden (G. & D. Maxwell Ltd.), H. Fleming and A. Fleming (S. Thompson & Sons Ltd.), I. Fulton (James Fulton, Junr. Ltd.), G. Hogg (The Firm of Thomas Anderson), J.B. Hollywood (The Forfar Potato Co. Ltd.), C. Grewar (Peter C. Grewar (Potatoes) Ltd.), P. Hudson (Philip Hudson (Potatoes) Ltd.), D.A. Lawson (Messrs. David A. Lawson (Thrums) Ltd.), I.R. McKenzie (Messrs. McKenzie Bros.), D. Peebles (Ross Seed Potatoes), D. Stewart (Robertson of Perth Ltd.), D. Smith (A.D.S. Cluny Ltd.), and H. Renwick (G.W. Porteous Ltd.).

Thus, altogether, a total of twenty-nine people, representing a total of twenty-three Association Members (19.83% of the total Membership Roll) were present at the Meeting, at which J.E. Cook, Esq., the President, took the Chair and welcomed those present to the Meeting.

Reminding those present that the sole purpose of to-day's Meeting was to consider the precirculated proposals on the future operations of the Potato Marketing Board (P.M.B.) formulated by the National Farmers' Union of Scotland (N.F.U.S.), the Chairman explained the background circumstances. While the Government had indicated its wish to withdraw its support of the U.K. potato crop and the P.M.B. and Farmers' Unions had objected by offering to contrive a limit on this support, S.P.T.A. had complained to the P.M.B. in the strongest terms that the Board had failed in its statutory obligation to consult all interests (including S.P.T.A.) within the industry. At the same time as receiving an unsatisfactory reply from the P.M.B., the N.F.U.S. invited S.P.T.A. to consider its proposals with a view to presenting a combined Scottish view. Following an exploratory/explanatory meeting three weeks ago, the S.P.T.A. representatives had undertaken to provide the S.P.T.A.'s collective response to the N.F.U.S.' invitation and to-day's meeting had been arranged to ascertain Members' views to guide Council to this end.

The Chairman felt there were three possible alternative responses - either (a) to support the N.F.U.S.' proposals (with any necessary amendments); or (b) not to support them, with a view to abolition of the P.M.B.; or (c) to formulate S.P.T.A.'s own proposals. Explaining that S.P.T.A. has undertaken to meet N.F.U.S. again (to indicate its response) on 8th February, in readiness for a meeting of the (N.F.U./N.F.U.S./P.M.B.) Working Party the following day and a further meeting with M.A.F.F. on 28th February to finalise a joint proposal package for submission to Government, it was clear that course (c) above would be very difficult to implement. Thus, having objected to non-consultation by the P.M.B., having undertaken to provide S.P.T.A.'s response to N.F.U.S. by 8th February and being anxious to provide non-producer S.P.T.A. Members with a voice in these proceedings, the importance of to-day's meeting is very clear.

Proposing to take the three possible courses above in sequence/

sequence, the Chairman turned to the introduction to the N.F.U.S.' proposals. Mr. Hogg sought to clarify how the proposed annual 600,000 tonnes of contracted tonnage would be disposed of. Supported by Mr. Deuchar, Mr. Grewar pointed out that lack of imports control must defeat any scheme of support for the U.K. crop. Mr. Hollywood suggested the discussions should not proceed without first deciding which of the three courses above S.P.T.A. wanted. The Chairman asked whether those with pre-P.M.B. experience would advocate a return to "free-market" conditions. Both Mr. Stewart and Mr. I.R. McKenzie agreed those circumstances would not be acceptable to-day. Mr. McArthur pointed out that the 1933 situation was not comparable with the present (E.E.C. membership) situation and felt the meeting should make a clear choice between a market support scheme or a free market without the P.M.B.

Mr. Muirhead pressed for an immediate vote on this issue but Mr. Fenton felt it should not be pre-decided without discussion of the N.F.U.S.' proposals. Mr. McArthur moved that the meeting should vote on the order in which it wished to consider the three available courses. The Chairman urged the meeting not to pre-empt the opportunity to provide non-producer Members with a voice in the consultative process. Mr. Deuchar felt it was irrelevant to vote for the P.M.B. or not and, seconded by Mr. McKenzie, Mr. Fenton moved that Mr. McArthur's motion was out of order, whereupon Mr. McArthur withdrew his motion.

Resuming discussion of the N.F.U.S.' proposals, Mr. Deuchar voiced concern that any support scheme created an artificially inflated market which encouraged imports (whether in raw or processed form) and which, in turn, would defeat the support scheme, a view which enjoyed general agreement. There was also criticism in many forms and from many sections of the meeting on various aspects of the P.M.B.'s activities. In turn this was reflected in unenthusiastic consideration of succeeding headings in the N.F.U.S.' proposals. On the question of the involvement of (and proposed subsidised sales to) processors, there was general agreement that the meeting did not support this proposal. It was pointed out this provided the means of carrying surplus production forward into the following year and represented about the only way of creating a "potato mountain" (within the E.E.C. meaning). As an alternative there was support for a proposal that all surplus should be sold for stockfeed purposes only and Mr. Fenton was supported in calling for all surplus production to be disposed of during the Season in which it is produced. Commenting on the 1982/83 Season experience Mr. Renwick reported that whereas frozen chip production had increased by 20%, imports of them had increased by 24% indicating that the processors themselves had suffered.

Little comment was offered on Regional Intervention proposals (as with other parts of some other proposals, this was felt to be largely motivated by N.F.U.S.' self-interest). Quality (and quantity) control of imports was regarded as idealistic and incompatible with E.E.C. legislation, confirmation of the adverse effect of the annual closing Earlies Market Support System on the Glasgow Market was not forthcoming and the proposal to create a P.M.B. finances review committee (while felt to be well intended) was not pursued.

Turning to consideration of the possible scenario without the P.M.B. the Chairman sought the meeting's views on whether an initial reduction of plantings might occur. Mr. K. McKenzie also asked who would take over the ingathering and presentation of statistics. Mr. Hollywood gave reasons for his view that contract-growing would continue but, in a surplus year, poor quality produce would have no value (whereas its disposal is presently supported by the Board). Others felt the present P.M.B. /

P.M.B. Quota system encourages overplanting and the production of lower, rather than higher quality and that the present arrangements either do not or cannot, control quality.

Enlarging on his earlier remarks, Mr. Hollywood saw the processors' downturn risk as containable, whereas "the sky was the limit" for their upturn risk. The multiple retailer industry is also currently demanding quality levels far in excess of the Ware Standard and he felt this indicated a premium for good quality would still be available in a free market. In a shortage year, lower quality would find a market with or without the P.M.B. He pointed out that despite (and/or irrespective of) the Ware Standard, the vast majority of ware potatoes are and will be bought and sold on quality standards determined between buyer and seller. As always, discipline will be financial - rejected loads and loss of customer and business. In conclusion he rejected the argument that without the P.M.B. the consumer would suffer, because Trades Description and Consumer protection legislation nowadays more than adequately safeguards the consumer.

Thanking Mr. Hollywood for these views, the Chairman enquired whether some form of a watered down Board might be acceptable while, in reply, Mr. Muirhead felt processors would have more control over their operations without the Board. The following discussion revealed lack of confidence in the Board's inspections and complaints services.

In reply to the Chairman's enquiry as to which, if any, of the Board's activities the meeting would wish continued Mr. Doig felt the Quota system must be overhauled. In his view it was quite wrong for a holder to be allowed to advertise his Quota for sale. He supported Mr. Grewar's proposal that Quota should be removed from non-producer growers and there was further support for Mr. Peebles' view that the levy-payer, not the landholder, should hold the Quota (it being recognised that N.F.U.S. would strongly reject this suggestion).

Mr. K. McKenzie expressed disappointment that to-day's discussions were reminiscent of the indecision that surrounded the S.P.T.A.' response to the setting up of the Scottish Seed Potato Development Council. In his view, the same response now would be fatal. Mr. Brass shared this view and pointed out that Members would have to live with the outcome. The Chairman pointed out that changes must take place and felt S.P.T.A. should influence these changes. In reply Mr. McArthur stated his fierce conviction that S.P.T.A. should seek abolition of the P.M.B. Seconded by Mr. Muirhead, Mr. McArthur formally moved "that S.P.T.A. cannot support the present N.F.U.S.' proposals and calls for a U.K. poll of producers for continuation or not of the P.M.B."

In the absence of any counter proposals, Mr. McArthur demanded of the Chair that the meeting vote on the Motion before it. Mr. Fenton, strongly supported by Mr. Doig and Mr. Stewart insisted that the Motion was out of order, while Mr. Barr and Mr. Robertson felt a vote would accomplish nothing. The Chairman ruled that while the first part of the Motion could be accepted, the second part was outwith the purpose for which the meeting had been called and was therefore out of order. While Mr. McArthur was considering suitable revision of his Motion and while opinions that the issue was being fudged were being voiced, several people sought leave of the Chair to be excused and departed from the meeting.

In these circumstances the Motion was neither voted upon or amended. In the absence of further discussion, Mr. I. Fulton's proposed vote of thanks to the Chair was duly seconded and carried, whereupon the Open Meeting was formally concluded.

As requested by the President, eleven Members of Council remained behind to discuss very briefly three matters in readiness for meetings next week. In respect of the Seed Trade Committee and the Consultative Panel meetings on 8th and 10th February respectively:-

Undeclared Chemical Treatments - Mr. Cook read D.A.F.S.' Paper 8 devoted entirely to tecnazine/"Fusarex" and including proposed random sampling at tuber inspections. Council agreed this was indicative of an impending total ban on the use of tecnazine. While S.P.T.A. could possibly agree to a ban it was felt D.A.F.S.' proposal should not be accepted until D.A.F.S. had looked more closely into the problem. It was agreed that when specifically customer-requested, tecnazine should still be allowed.

Higher Voluntary Standards - Mr. Cook also referred to D.A.F.S.' Paper 9 proposals. Council was opposed to acceptance of these and agreed D.A.F.S. be urged first to police the present statutory Regulations properly.

In respect of the further meeting with N.F.U.S. on 8th February, Council confirmed that the views of to-day's Open Meeting would have to be incorporated into S.P.T.A.'s response. It was agreed to adopt a positive, not a negative attitude, on the basis that (as Mr. Deuchar expressed it) "much as we would like to support them, there are parts that we cannot agree but cannot improve upon either".

On Mr. Cook's proposal, Council also recorded an unanimous vote of thanks to the Entertainments Committee and the Secretary in respect of the excellence of the arrangements for the recent very successful Association Dinner and Dance function.

The meeting thereupon concluded.