

REPORT on a MEETING of the
SEED TRADE COMMITTEE at
17 Grosvenor Crescent, EDINBURGH
at 2.30 p.m. on Monday, 19th
AUGUST, 1985.

PRESENT:

N.F.U.S. - J. McLaren and J. Arbuckle, Jnr., with Mrs. J.C. Armstrong in attendance;

S.P.T.A. - J.E. Cook, K.A. McKenzie and J.R. McArthur with G.S. Brass and D. Blackmore in attendance;

S.S.P.D.C. - J. Bethel

V.T.S.C.G.A. - H.A.C. Davie

Mr. J. McLaren chaired the meeting. He welcomed those present and hoped that good relationships achieved during Mr. John Hay's Convenorship of the N.F.U.S.' Potatoes Committee will be maintained in future. (Mr. Davie had earlier explained Mr. R. Cumming's inability to attend).

PRODUCER
FUNDING:

(a) Research and Development
(b) Advisory Services

It was explained N.F.U.S. had not attended the London meeting on 31st July, but had received a copy of the NFU Report on it. Today's meeting favoured cost reductions by excising waste and agreed specific proposals must be awaited.

In reply to the Chair, Mr. Brass explained that Professor Bell (who chaired the London meeting) garnered views and proposals. ADAS glossed over the issues; PMB already disburses some £300,000 p.a. on R. & D. at Sutton Bridge and a similar sum through other avenues. The N.F.U. opposed government cuts; the Processors were not prepared to increase their current R. & D. expenditure and Mr. Gordon Lyall had adopted an open position. Professor Bell appeared to lean towards additional PMB expenditure and to its collection and disbursement of additional funds committed by the private sector. In Mr. Brass' view such a course would distance and thus seriously weaken (or even lose) donor control over disbursement of such funds and the National Federation was of the same mind. He added he had watched for plant breeding and agricultural machinery topics, which had not been specifically mentioned.

In reply to Mr. Cook (and following explanations of how invitations to the London meeting had been received) Mr. Bethel reported he had been closely involved with Shows activities at that time and unaware of that meeting. For NFUS, Mrs. Armstrong stated the Union was not happy about cash spending on plant breeding, would have no part in creating extra administrative layers and will talk only when the extent of any proposed changes is specified. It was agreed these matters be left over until developments occur.

PAYMENT
FOR
STATUTORY
SERVICES:

The Committee considered Mr. Gordon Lyall's letter under its three heads. (a) Import Licences - NFUS would not oppose introduction of Import Licences; Mr. Bethel felt this is not within the Committee's province, but all agreed this could help, especially if dressing standards form part of the Licence.

(b) Export Certification and Inspections - Mr. McArthur pointed out that although bearing PMB levies, Exports do not involve any PMB inspection or certification. He felt DAFS should send the bill for its extra costs in these respects to the PMB. Mr. Bethel pointed out, however, that PCN tests for Morocco and extra inspections for Cuba (for example), although essential services, are already paid for by the exporters. At the same time he strongly supported the thrust of Mr. McArthur's view and that exporters must not be overloaded to the point where/

where they become uncompetitive. Mr. Cook felt the SPTA view would be that any extra costs be shared by all producers, but it is far too early to reach decisions. For NFUS, Mrs. Armstrong cited the opening paragraph of Mr. Lyall's letter as part of a current onslaught on the agricultural sector. She cautioned against raising revenue on statutory services to pay for advisory services. Exports are in the government's interest and she insisted that far more detail and much more discussion are required before any decisions can be reached.

(c) Pest Control - the Committee briefly discussed the written comments, Mr. McLaren proposing that in the event that charges are introduced for PCN tests, then the results of those tests should be valid for four years.

SAMPLES
TESTING
DELAYS:

At the request of the VTSCGA the Committee considered the problem of delays occurring between the submission of samples for laboratory tests and receipt of results. It was agreed evident that a form of "witch hunt" had taken place during 1985 Crop Inspections, with samples taken increasing to well over 1200 resulting in swamping the testing services. Mr. McArthur pointed out the commercial madness of striving to produce a 100% pure product to sell at £50 per tonne but Mr. Arbuckle did not agree this to be the case. Mr. Bethel pointed out the matter probably reflects the fact that the Scottish tolerance for Veinal Necrosis is less than in Northern Ireland and DAFS' reaction following the recent adverse Judgement in the "Bennett case".

In further discussion of Veinal Necrosis, a suggestion that it should be classified under "serious diseases" was not supported, it being estimated that VN and Virus Y can be found in 70% of all stocks from SE1 downwards and adoption of the suggestion would decimate the AA class. NFUS stated its concern over VN has been made clear to DAFS and Mr. McArthur repeated his call for a radical re-think of what the inspections should be trying to do. Mr. Cook's suggestion that DAFS be asked to state the number of samples taken this year compared with the two preceding years was agreed.

Mr. McLaren proposed DAFS also be asked for earlier provision of passed and failed details of the principal varieties. Mr. Bethel explained the background to DAFS' difficulties and the problem of data "locked up" under the Official Secrets Act. Mrs. Armstrong urged that DAFS be bullied to help Mr. McIntosh, not by volunteering to do the job for them. Mr. Brass pointed out that past pressure has not been effective and supporting Mr. Cook's question of how the Committee can help, proposed Mr. McIntosh be asked what he wanted the Committee to do.

PHYTO-
SANITARY
CERTS.:

The Committee considered Mr. McIntosh's letter of 12th July regarding possible changes in arrangements for Phytosanitary Certificates, following the recent "Bennett case" Judgement. Mr. Bethel enlarged on the letter and its background, giving a very full explanation and updating of the position. The Committee agreed it could only await further developments.

SSPDC
EXPORTS
STRATEGY:

Mr. Bethel explained that following support from NFUS (subject to £100,000 being too modest and not in favour of separating the Scottish seed area from PMB control) and SPTA (subject to no Northern Ireland involvement), the deadlock with the PMB was now broken, allowing the Strategy to go forward "on the wider issues".

HIGHER
VOLUNTARY
STANDARDS:

The Chairman recapped by giving the background to the proposals, which have the full support of the NFUS Potatoes Committee and which had been remitted back by the last Consultative Panel meeting to the present Committee.

In reply to the Chair, Mr. Bethel stressed that the Development Council has never said HVS is necessary. Speaking for himself he felt that even with government involvement, some 40%-45% of the crop presently escapes the tuber inspection "net" and to reduce this would involve/

involve additional costs. He had strong doubts that these costs would necessarily be recoverable in such a notoriously supply and demand governed market.

For SPTA, Mr. McArthur referred to his earlier calls for a radical re-think of the objectives of the whole crop and tuber inspections. That 40%-45% of the crop currently escapes tuber inspections reveals the extent of policing shortcomings which an HVS Scheme could worsen rather than improve. The proposals seemed based on an over-simplistic view of customer psychology that overlooked the critical parameter of price. From his own and others' personal experience and involvement in similar initiatives in the past, he was convinced the proposed Scheme, like the "Great Brits" Scheme which it so closely resembled, would not succeed.

In strong support Messrs. Cook, McKenzie and Brass agreed the proposals ignored the fact that improvement of dressing would best be improved by better and widespread policing of the bottom levels of the market. Despite SPTA's total opposition to the proposals and a declared hope to "bury them" today, the Chairman felt they deserved further thought and should not be dismissed at this stage.

BASIC
AREA &
QUOTA:

Mr. Cook reported the views submitted by a Member of SPTA regarding the adverse effects of transfers and sale of Quota on Grower-Merchants who are not able to own Basic Area to safeguard their investment in the industry. Mr. Cook also asked for clarification of the Chairman's published views on a target area of 153,000 ha.

The Chairman explained that whereas target area of 161,000 ha. had been unchanged for 3 years, a very modest reduction of 1½% over that period would have reduced it to 153,000 ha. instead of 158,000 ha. recently announced for 1986. Mr. Cook felt that Quota reduction is not the way to reduce over-production.

In reply to Mr. Cook's first point, Mr. Davie pointed out that Quota is for growing a crop, not for trading the Quota itself. Mr. Bethel added his concern at the problem of expanding Exports within a steadily decreasing Quota and he pointed out that control of acreage is fundamental to controlling market "balance". Mrs. Armstrong explained NFUS has already placed "marker" reservations in these respects Mr. Davie stated "Record" tops from Seed Growers constituted 80% of the PMB's 1984 Buying Programme. (This was firmly disputed by SPTA representatives).

PRODUCT
LIABILITY:

Mrs. Armstrong announced that NFUS were in the process of arranging to make Product Liability Insurance cover available to its Members.

NSDO:

Mr. Blackmore explained SPTA's representative to the NSDO's "Consultative Committee" had questioned the time and cost of attending the last annual meeting, made very brief by virtue of application of an agreed formula to determine Royalties rates increases. For NFUS, the Chairman felt existing representation should be maintained, it being not unknown to negotiate less than formula increases.

A.O.C.B.:

P.M.B. Special Member for Scotland - the Chairman explained that Mr. Arbuckle is to retire from this appointment. The NFUS is to propose Mr. John Hay to replace him. The Committee affirmed its unanimous and wholehearted support for this proposal.

The meeting then closed with a Vote of Thanks to the Chair.