

STRICTLY CONFIDENTIAL JCA/AO POT/4Seed Potatoes - Future StrategyNote of a Meeting of the Scottish Seed Potatoes Working Group
on 26th November 1986

Present: NFUS - J. A. McLaren
 J. Arbuckle
 J. C. Armstrong

SPTA - K. McKenzie
 G. Brass

SSPDC - A. A. Arbuckle
 J. Bethell

A Note of the previous meeting of the Working Group held on 13th October, which had been circulated prior to the meeting, was approved. It was agreed that the Note be sent to the Chairman of the Potato Marketing Board, together with a further request to the Board to comment on any legal difficulties which they foresaw with the Working Group's proposals.

Mr. John McLaren reported on discussions within the Union's Potato Committee on the Working Group's package of proposals. Some reservations had been expressed about the practicalities of operating seed quotas, and on the possible effects these might have on prices of seed to ware producers and the ability to expand export markets. However, the Committee accepted the proposed package of measures and authorised continued examination of all the possibilities by the Working Group. It had been agreed that the discussion papers should remain confidential and that the Convener and Vice-Convener should report back to the Committee with more detailed proposals before widening discussions further. Concern was expressed about the leaking of the Working Group's discussion paper from within the Potato Committee.

Mr. McKenzie reported on a full meeting of the SPTA's Council at which the Working Group's proposals had been discussed. While some reservations had been expressed on the question of seed quotas, he had received Council's full support to proceed to develop detailed proposals. Again, it had been agreed that wider discussions should be restricted until more detailed proposals had been submitted to the Council.

Mr. John Bethell reported that the Council of the SSPDC had accepted that the Working Group should proceed, although, as in the other two forums, some reservations had been expressed on the introduction of seed quotas. It had been acknowledged and accepted by the Council that the initiative in this area rested primarily with the NFU and the SPTA, and that the Council should follow the line advanced by these two organisations.

In the discussion which followed it was agreed that the objective of the Working Group should be to seek to establish specialist support arrangements for the seed sector with the Potato Marketing Board, within the framework of a GB market support system. It was only in the event that suitable measures could not be adopted that consideration might have to be given to the establishment of a separate seed body.

It was agreed that there was a need to introduce measures as quickly as possible and that the Working Group should aim to develop detailed proposals within a year.

The Group confirmed that its ultimate aim was to introduce a comprehensive package of measures, including seed quotas, a control on maximum riddle size and a specialist intervention system for seed. It was accepted that the former two measures could not be introduced in time for the 1987 growing season. The Union were required to develop a detailed submission on the industry's requirements for the 1987 support arrangements by February, in time for the Annual Review negotiations with Government. It was therefore agreed that the Working Group's immediate priority should be the development of proposals for a specialist seed scheme under DIS, for inclusion in the negotiations on the arrangements for 1987.

Following extensive discussion the Group proposed the following measures:

- 25,000 tonnes of market support tonnage to be set aside for Direct Intervention on the seed section.
- a DIS (seed) trigger price would be set at £75/tonne (excluding bags) for the season.
- once a month, from 28th November onwards, the PMB would calculate the average price of the 5 lowest priced varieties of 35 - 55 mm Elite grade seed. DIS (seed) would be triggered if this average price fell below £75/tonne. Prices would be calculated on a Scottish basis.
- it was accepted that the buying prices could be below the trigger price, but that purchase prices would of necessity have to be fairly close to the trigger in order to secure sufficient up-take.
- all consignments of seed purchased under DIS should be Elite grade 35 - 50 mm, 100% inspected by the PMB, bagged and labelled.

It was agreed to ask for Craig Davie's views on the above measures, and to invite him to attend the next meeting of the Working Group.

Seed Inspections

The Group discussed the possibilities for improving the percentage of the Scottish seed crop which was subject to official tuber inspection, particularly in light of the Department of Agriculture's recent estimates of the costs involved in introducing 100% inspection. Having held preliminary discussions on this matter within the organisation's Committees or Councils, all parties were agreed that while the objective remained to improve the level of inspections, the industry would not be prepared to accept additional charges. It was therefore incumbent upon the Group to examine all possibilities for redeploying existing funds and resources to improve the rate of inspections. It was agreed to ask Craig Davie to consider what the Board might be able to do in this field with existing Board Inspectors.

It was agreed to convene the next meeting of the Working Group at 2.30 pm on Tuesday, 16th December. The Secretary would offer an invitation to Mr. Davie to attend.

10th December, 1986