

THE SCOTTISH POTATO TRADE ASSOCIATION

POLICY STATEMENT WITH REGARD TO
DEFINITION OF A P.M.B. SUCCESSOR BODY

It is the policy of this Association to support the setting up of a new G.B. wide Body to replace the existing Potato Marketing Board following its demise in 1997 or, hopefully, earlier. The new Body must have statutory powers to collect Levies and accordingly it is envisaged that it will be a Development Council constituted under the umbrella of the Industrial Organisation and Development Act 1947.

This Association advocates that the existing Scottish Seed Potato Development Council should also be replaced by the new Body.

Functions. This Association is of the opinion that the functions of the new Body should be:-

- (1) Collection and dissemination of information and statistics.
- (2) Research and Development.
- (3) Promotion and Market Development, including exports.
- (4) Acting as **THE** Authority in Great Britain to represent, promote and defend the industry and home and abroad.

This Association would wish the new Body to carry out these functions so far as possible by "contracting out" the work rather than undertaking it "in house". In particular, this Association would wish to see Research and Development, and Promotion and Market Development being contracted out. With regard to Research and Development this Association considers that it should only be undertaken if there is a reasonable chance of success in a reasonable time-scale and that "Specialist" sections of the Potato Industry should carry out their own R. & D. This Association agrees in principle that sectors or groups which can convince or prove to the new Body that they receive significantly less benefit from the new functions, should be entitled to have their Levy rebated or diverted into functions more appropriate to their needs.

This Association believes that the new Body should not be involved in any commercial activities other than within the above Functions and that the existing Board's commercial activities and Research Unit at Sutton Bridge should be sold off as quickly as possible.

Funding. This Association is in favour of there being a Statutory Base Levy together with charges imposed on non-levy payers for "bolt-on packages" as described in the Paper entitled "Framework and Definition of a P.M.B. Successor Body" prepared on behalf of the P.M.B. by Messrs. Godfrey & Cruickshank. It is accepted that, at least initially, the Growers' Levy will have to be collected on an area basis. This will, however, necessitate a cost effective surveillance system (e.g. satellite) being introduced at an early date. For the long term we propose that detailed investigations

should be carried out regarding the merits of the collection of Growers' Levy on a straight tonnage basis, possibly in conjunction with the collection of Royalties. This Association is opposed to the concept of a variable levy related to potato price as suggested in said Paper.

This Association accepts that the total annual funding of the new Body might amount to, say, £5.6 million and that a substantial proportion of said amount will be paid by Growers. We, however, urge that a reasonable proportion of the Funding should be collected from the various Industry Sectors of the Potato Industry.

Framework. This Association agrees with the suggestion that the new Body should have an Executive Council comprising twelve members of which one would be an independent Chairman and another an employee representative. We believe that the balance of representation in respect of the remaining ten members should reflect directly the balance of Funding (e.g. the number of members appointed from Growers should be directly in proportion to the proportion of the Funding of the new Body derived from Growers). This Association would expect at least two of the members who represent Growers to be appointed from Scotland, one of whom to be appointed from nominees of this Association and the other from nominees of the National Farmers' Union of Scotland.

This Association is in favour of the proposal that, in addition to the Executive Council of the new Body, there should be three Sector Groups covering:-

Seed.

Fresh (Bagged plus Prepacked, plus early, etc.)

Fresh for Processing.

We propose that each Sector Group should have a Chairman appointed by the Executive Council of the new Body from its own members and that the other members of the Sector Groups should be elected by those whose interests are represented by the Sector Group (e.g. Seed Growers would vote to appoint the elected members of the Seed Sector Group).