FarmRound Careers Day

Jane King, CEO AHDB
Key points today…..

- My career
- Driving change at AHDB
- Challenges facing industry
- Dynamic career opportunities
- Questions
My career ...
AHDB - Ambitious for Agriculture

Our purpose –
To equip levy payers with independent, evidence-based information and tools to grow, become more competitive and sustainable

Two priorities:
1. Boost competitiveness & sustainability
2. Grow market opportunities
If we are to become a leading food nation …..we have to

• Improve productivity through innovation and skills

• Smarten up our approach to farming as a business

• Develop British food as a valued brand at home and overseas

• Be exemplars in maintaining consumer confidence
Why change is necessary at AHDB?

• **EXTERNAL ....**
  - Industry faces major challenges
  - Domestic & global opportunities not fully exploited
  - Competitiveness & sustainability can improve

• **INTERNAL.......**
  - Levy not yet achieved full potential
  - Radcliffe recommendations not delivered
  - Must work smarter, be more efficient
  - Focus on where we can have impact & biggest difference
New Leadership Team

Jane King
CEO

Tom Hind
Chief Strategy Officer

Richard Laverick
Chief Technical Officer

Rebecca Geraghty
Chief HR Officer

Chris Goodwin
Chief Finance Officer

Christine Watts
Chief Communications & Market Development Officer

Ken Boyns
Acting Chief Change Officer
The work we do ....
Business Improvement

Arable Benchmark model

AHDB CropBench +

Helping you help your business
– support available to farmers
AHDB Monitor Farms programme

Farmer Led, Farmer Driven
Research & Knowledge Exchange

AHDB Recommended Lists 2015/16 for cereals and oilseeds

Summer 2015 edition

AHDB
Cereals & Oilseeds

Fruit for the Future

Field drainage guide
Principles, installation and maintenance

Potatoes in Practice 2015
AHDB innovation and skills
Market Development
Maximising opportunities …Trotters…
Compliance inspections
Secretary of State visit to China

Barley - £20m
Trotters - £18m
Factors shaping the near future
Top challenges for the Industry

1. ‘Market’ related issues e.g. production/input costs, volatility, profitability, resilience, competitiveness etc.

2. Availability of plant protection products, including fewer new actives and loss of existing products

3. Efficient use of resources, soils, water, energy, nutrition, precision technology, data management

4. Animal & plant health, the threat of new/outbreak pests & diseases.

5. Weather/climate change, especially around extreme events and resilience

6. Impacts of legislation e.g. CAP reform, pesticide regulation, water framework directive
Long-term trends in consumption suggest deep-seated changes in demand.
Understanding what drives consumer choice...

Source: IGD Shopper Vista

<table>
<thead>
<tr>
<th>Factor</th>
<th>Top 5</th>
<th>Top 2</th>
<th>Most Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>33%</td>
<td>57%</td>
<td>87%</td>
</tr>
<tr>
<td>Quality or performance</td>
<td>19%</td>
<td>33%</td>
<td>63%</td>
</tr>
<tr>
<td>Special offers</td>
<td>6%</td>
<td>19%</td>
<td>59%</td>
</tr>
<tr>
<td>Taste or smell</td>
<td>14%</td>
<td>28%</td>
<td>56%</td>
</tr>
<tr>
<td>Use by or sell by date</td>
<td>5%</td>
<td>14%</td>
<td>51%</td>
</tr>
<tr>
<td>Familiar</td>
<td>6%</td>
<td>14%</td>
<td>48%</td>
</tr>
<tr>
<td>Healthy option</td>
<td>11%</td>
<td>19%</td>
<td>45%</td>
</tr>
<tr>
<td>Brand</td>
<td></td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>Ease of using</td>
<td></td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>Ethical or eco-friendly</td>
<td></td>
<td></td>
<td>21%</td>
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</table>

Price is still the most important driver of domestic consumer choice
And how that impacts what they will buy in the future

Convenience is a really important driver – households are spending less and less time preparing and cooking meals

1980

60 minutes

Time taken to prepare & cook main meal,
Source: Kanter World Panel Usage

2016

30 minutes

But health reasons are growing in importance over time

Kantar Worldpanel Usage, 2015

% of servings chosen for health reasons

Source: Kanter World Panel Usage
As a consequence, retail landscape is changing.
‘End to end’ value chain and more consolidation

- Vertical alignment
- Best companies partnering with best farms
- Some integration/blurring of lines between farmer/processor
- LEAN embedded through supply chain, not just one stage
- Clearer flow of data, indicators etc from customer to producer
More opportunities to capitalise on overseas market growth

Grocery market growth forecast for Asia, Africa & Middle East 2015-20

<table>
<thead>
<tr>
<th>GROWTH IN GLOBAL MIDDLE CLASSES</th>
<th>2009 No of people (m)</th>
<th>2009 Global Share (%)</th>
<th>2030 No of people (m)</th>
<th>2030 Global share (%)</th>
<th>Middle class growth trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>338</td>
<td>18%</td>
<td>322</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>664</td>
<td>36%</td>
<td>680</td>
<td>14%</td>
<td></td>
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<tr>
<td>Central and South America</td>
<td>181</td>
<td>10%</td>
<td>313</td>
<td>6%</td>
<td></td>
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<tr>
<td>Asia-Pacific</td>
<td>525</td>
<td>28%</td>
<td>3228</td>
<td>66%</td>
<td></td>
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<tr>
<td>Sub-Saharan Africa</td>
<td>32</td>
<td>2%</td>
<td>107</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>105</td>
<td>6%</td>
<td>234</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>1845</td>
<td>100%</td>
<td>4884</td>
<td>100%</td>
<td></td>
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</tbody>
</table>

Source: IGD Research, growth calculated at nominal rates
Data revolution underpinning innovation
Government allocating increasingly smaller budget to Defra activities

DEL = Departmental Expenditure Limits

<table>
<thead>
<tr>
<th>Spend, £ billions</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
<th>2019/20</th>
<th>% change</th>
</tr>
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<tbody>
<tr>
<td>Defra DEL</td>
<td>1.7</td>
<td>1.6</td>
<td>1.5</td>
<td>1.4</td>
<td>-18%</td>
</tr>
<tr>
<td>Sum of all DELs</td>
<td>320.8</td>
<td>322.9</td>
<td>325.2</td>
<td>328.3</td>
<td>+2%</td>
</tr>
<tr>
<td>% allocated to Defra</td>
<td>0.53%</td>
<td>0.5%</td>
<td>0.46%</td>
<td>0.43%</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: HM Treasury

November 2015 Spending Review & Autumn Statement saw the Government announce further proposed cuts to the Defra budget and saw the estimated “slice of the pie” shrink even more by 2019/20.
Dynamic careers in food and farming…..

- 3.5m people employed
- 1 in every 7 jobs
- Bright, ambitious people needed, particularly in leadership roles
- AHDB jobs in ….

Knowledge exchange    Breeding     Genetics
Crop health & production    Analytics    Exports
Trade development    Product quality
Supply chain efficiency    Data     Field Trials
Market Intelligence
Progressive & professional

Skills you must develop to succeed;
• Adaptability
• Interpersonal effectiveness
• Time management & organisational skills
• Tech savvy
• Business acumen
Leadership
creating the right lens through which teams view the world

Big picture       Vision       Values
Read and understand others       Optimistic
Simplify       Self aware       Inspire
Instinctive       Fearless       Prioritise
Humility       Resilient