

BACKGROUND ON AHDB

The Agriculture and Horticulture Development Board (AHDB) is a Non-Departmental Public Body which became operational on 1 April 2008. It was established under the Agriculture and Horticulture Development Board Order 2008 and serves the six sectors of:

1. Pig meat in England
2. Beef and lamb in England
3. Commercial horticulture in Great Britain
4. Milk in Great Britain
5. Potatoes in Great Britain
6. Cereals and oilseeds in the UK.

Statutory purpose:

AHDB's statutory purpose is defined in the AHDB Order 2008 as:

- increasing efficiency or productivity in the industry;
- improving marketing in the industry;
- improving or developing services that the industry provides or could provide to the community;
- improving the ways in which the industry contributes to sustainable development.

Mission:

To provide to the agriculture and horticulture sectors cost-effective, relevant services, which support the sectors long-term sustainability.

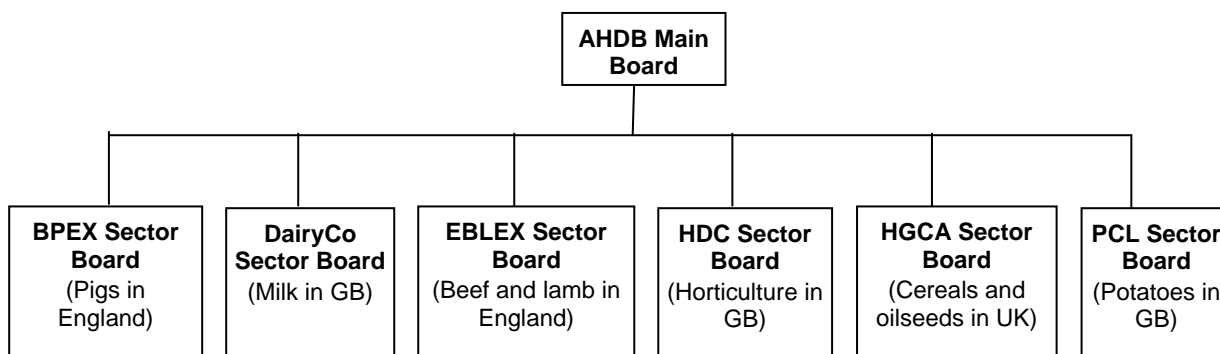
Funding:

AHDB is funded by a statutory levy (a parafiscal tax) paid by producers, growers and processors and AHDB is responsible for the collection of all levies. Levies raised from each sector are ring-fenced to ensure they can only be used to the benefit of the sectors from which they were raised. The responsibility for setting and delivering the strategies to deploy the levy income is delegated to six AHDB sector boards which are comprised of levy payers and other stakeholders from each sector.

Structure:

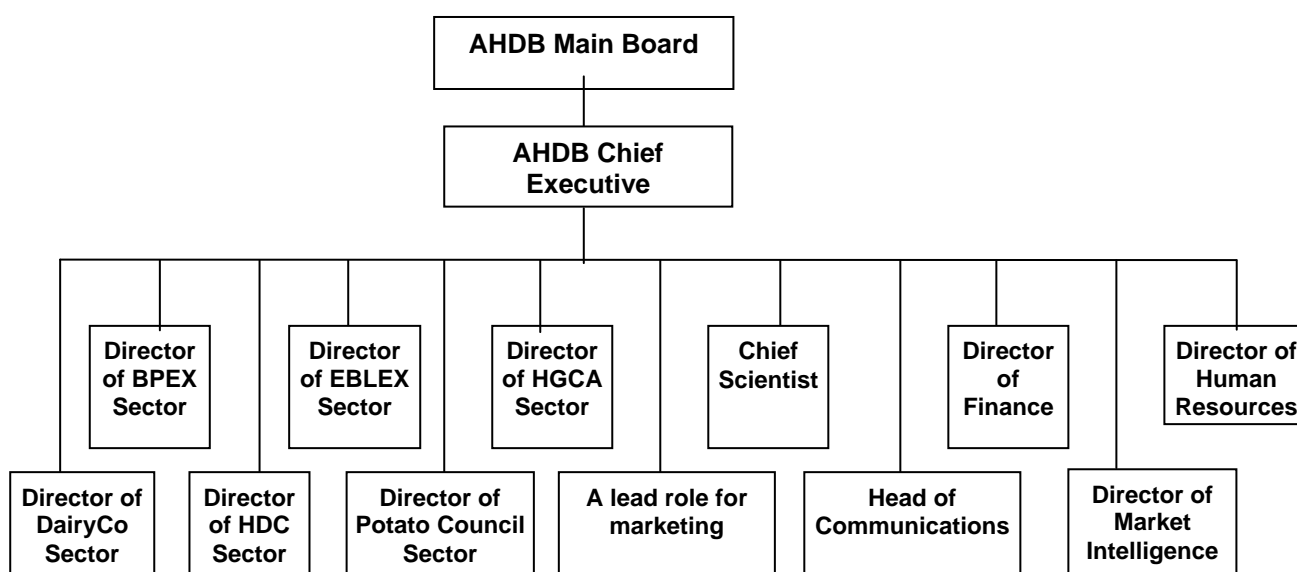
In order to maintain its sector focus AHDB is organised with six sector boards representing the commodity sectors covered by its statutory remit. The sector boards are made up of members, representing their specific sectors, appointed by AHDB. The primary function of the sector boards is to act in the very best interests of the sector at all times. Each board has delegated functions from AHDB giving it the duty to develop the most appropriate strategies to meet the challenges of the sector; to ensure the relevant levy rate is recommended in order to provide adequate funding for the required work, monitor strategy implementation and approve remedies where performance deviates from plan.

The main AHDB board consists of the six chairs of the sector boards and four independent directors (including the chairman).



Management structure:

The executive management team is headed by the Chief Executive of AHDB and is comprised of the director of each sector division plus the functional heads (see diagram).



All staff work for AHDB with some in specific sector teams and others servicing more than one sector from shared services such as finance, HR and Market Intelligence. Sector specific activity is delivered under the established divisional sector brands of BPEX, DairyCo, EBLEX, HDC, HGCA and Potato Council.

Commercial subsidiaries:

There are also a number of commercial subsidiaries within the AHDB group, the largest of which is Meat & Livestock Commercial Services Ltd (MLCSL) a wholly owned subsidiary of AHDB. MLCS Ltd is a separate company limited by guarantee supplying services to the meat and livestock sectors. All its costs are fully accounted for within the company and it returns profits to AHDB to supplement levy funds.

Income:

Collectively, taking both the levy-funded and commercial operations, AHDB has an income in excess of £50 million and employs some 450 people.

Change programme:

There is an extensive change programme being implemented across AHDB to restructuring and to relocate operations onto a single site at Stoneleigh Park in Warwickshire during 2009, and into new purpose built offices at Stoneleigh Park during the latter part of 2010.

Audit and Governance:

The AHDB levy income comes under Treasury rules for the governance of public money. The National Audit Office (NAO) is responsible for the external auditing of the AHDB accounts and the Department for Environment, Food and Rural Affairs (Defra) acts as AHDB's 'sponsor' Government department. The AHDB Accounting Officer is accountable to Defra Ministers and devolved administrations on the appropriate use of levy funds and corporate governance standards applicable to public bodies.

February 2008

Further information is available from www.ahdb.org.uk