

Q/M

Confidential Filing

Home Grown Cereals
Authority.
Proposed Appointment of
Mr Auster Laing as Chairman.

AGRICULTURE

August 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
1.9.83							
13.10.83							
26.10.83							
10.11.83							
11.11.83							

PREM 19/1949



file 10

10 DOWNING STREET

From the Private Secretary

11 November 1983

HOME-GROWN CEREALS AUTHORITY

Thank you for your letter of 26 October in response to the Prime Minister's enquiries about the research undertaken by the Home-Grown Cereals Authority.

The Prime Minister has seen this, and is content.

DAVID BARCLAY

David Dawson, Esq.,
Ministry of Agriculture, Fisheries
and Food.

PRIME MINISTER

Home Grown Cereals Authority

You wanted to reconsider Mr. Jopling's response to your enquiries about research undertaken by the Home Grown Cereals Authority in the light of your meeting with Lord Rothschild.

You were particularly concerned about:

- (a) budget
- (b) relevance to the Authority's marketing role,

and you asked to see some examples of the research undertaken.

Mr. Jopling's answers are set out in the attached letter. The Authority's research budget is approximately £100,000 a year, though actual expense is usually less (average £65,000 a year).

A "high proportion" of this expenditure is devoted to improving the match between the properties of cereals grown in this country and the needs of customers (eg wheat for bread making, and barley for maltsers). The Authority's research programme is subject to approval by the Ministry's Chief Scientist and the Agricultural Development and Advisory Service.

Content?

DMB

Yes int

10 November 1983



10 DOWNING STREET

Mr Butler

Noted

FBBS

31.10

Please see this correspondence with MAFF about research undertaken by the home grown cereals authority.

The PM wishes to return to this in the light of tomorrow's meeting with Lord Rothschild.

JMB
31/10



Ministry of Agriculture, Fisheries and Food
Whitehall Place London SW1A 2HH

From the Minister's Private Office

David Barclay Esq
10 Downing Street
LONDON SW1

26 October 1983

Dear David

HOME-GROWN CEREALS AUTHORITY

Thank you for your letter of 3 October about the research commissioned by the Home-Grown Cereals Authority.

The Authority limit expenditure on physical research and development to £100,000 per year but actual spending often falls short of that limit. Over the last five years, actual expenditure has averaged some £65,000 per year.

The Authority's aim in supporting research is to encourage work which seems likely to lead to significant improvements in the marketing of home-grown cereals. Thus a high proportion of the projects to which grants are given are concerned with improving the match between cereals grown in this country and the particular requirements of such major customers as millers or maltsters. The Authority receives funds both from producers and first stage processors of cereals, through the levy referred to in my Minister's letter of 26 September. The Authority's support of research, though a minor part of its total expenditure, does provide producers and users with a means of channelling funds to research projects which are of benefit to both sides, and which neither side might be inclined to support if left to itself.

Projects recently grant-aided which provide examples of this type of research are:-

- (i) Exploration of the links between wheat variety and premature sprouting of the grain before harvest. Such sprouting renders the wheat unsuitable for breadmaking.

/Methods of screening ...

Methods of screening used in the past had not proved wholly reliable. The research was directed at finding a better method of identifying varieties resistant to early sprouting, and hence more suitable for the high-value milling market. Research started in 1979 and completed in 1982-83 has led to the identification of two new methods of screening new varieties which are now in regular use at the National Institute of Agricultural Botany. As a result, the Institute's recommendations to farmers is now more soundly based. Value of grant: £27,242.

- (ii) "Dormancy" in barley is important to maltsters, who need to know when each variety can be made to start germinating; and who require at least some varieties which can do so quite soon after harvest. Recently introduced varieties with high yields have proved to have longer dormancy before being ready to germinate than their predecessors. A recently completed project investigated causes of poor germination in barley, and threw up some suggestions as to the causes and cures of barley dormancy. Value of grant: £23,439 net of £3,000 contributed by malting industry. A project started in 1982-83 is directed towards finding methods whereby dormancy can be broken. Value of grant: £39,384.

I hope that these examples illustrate the kind of work which is grant-aided. To provide a check on the Authority's selection of projects for support and to guard against any overlap with work supported by grants from other bodies, the Authority is not allowed to take a final decision until projects have been reviewed by the Ministry's Chief Scientist's Group and ADAS.

Yours sincerely
Robert Lewis

for DAVID DAWSON
Assistant Private Secretary

(1)

→ Bf for Rothschild mtg

PRIME MINISTER

HOME GROWN CEREALS AUTHORITY

You asked for further details of the Authority's research,
especially:

- (a) budget
- (b) relevance to the Authority's marketing role.

You also asked to see some examples of research commissioned
by the Authority.

Mr. Jopling's answers are set out in the attached letter.

Content?

Or would you like to consider further after your meeting
with Lord Rothschild about agricultural research (1 November)?

Yes please not

DMS

26 October 1983



10 DOWNING STREET

From the Private Secretary

3 October 1983

Dear David,

HOME-GROWN CEREALS AUTHORITY

The Prime Minister was grateful for your Minister's letter of 26 September. She has noted that he will be looking again at the role of the Authority as agent for the Intervention Board for Agricultural Produce, once the new Chairman has had a chance to settle down.

The Prime Minister believes that there is a case for a close look at the research done by the Authority, and its relationship to their statutory remit to "improve the marketing of home-grown cereals". She would be grateful to know in particular the size of the Authority's research budget, and for some examples of projects undertaken by them.

I am sending copies of this letter to Alan McPherson (Scottish Office), Judy Roberts (Welsh Office), Derek Hill (Northern Ireland Office) and Richard Hatfield (Cabinet Office).

Yours ever,

David

(DAVID BARCLAY)

David Dawson, Esq.,
Ministry of Agriculture, Fisheries and Food.

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Prime Minister 4
Wh
26/9



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

The Rt Hon Margaret Thatcher MP
10 Downing Street
LONDON
SW1A

I think we must
look more closely at

26 September 1983

the research they do for
marketing homegrown
cereals.

Grateful to you Minister
letter of 26 Sept. She has
noted that he will be looking again
at the role of the Authority in regard
to the IBPP, once the new Commission
has settled down.

The Minister believes that there is
a case to be made for a closer look at
the research done by the
Authority and its relationship to
the IBPP. I would be grateful for
any examples of projects which
are relevant to the current Budget.

HOME-GROWN CEREALS AUTHORITY

I am grateful to you for approving the appointment of Mr Austen Laing
as Chairman of the Home-Grown Cereals Authority.

In conveying your approval, your Private Secretary said you had
asked why the Authority acts as agent for the Intervention Board
for Agricultural Produce in the intervention buying of cereals
and why it sponsors research when the Agricultural Research Council
exists for this purpose.

Following the recommendations of the Pliatzky Report, an inter-
departmental review of the Authority was carried out by officials
in 1981, the results of which were approved by my predecessor and
by the other agricultural Ministers. The review looked closely
at all the Authority's activities, and took evidence from a wide
range of trade organisations and other bodies.

When the Intervention Board was set up in 1973, it was required
to use existing organisations as its agents where possible, in
order to make full use of existing resources and expertise. The
Home-Grown Cereals Authority, comprising representatives of cereals
producers, users and traders, had the appropriate expertise in
this area. The general view of the outside bodies consulted during
the review was that the Authority had done an excellent job and
that no other organisation was likely to do as well; and the review
concluded that, assuming the Authority was to continue in existence
for other reasons, arrangements might as well be left as they were.

/I believe the ...

I believe the Board now has the experience to operate without the services of the Authority. But the practical considerations and the balance of advantage in doing so would require some examination. I will look at the matter again, although it would be only fair to let the new Chairman first get some experience of the Authority's work.

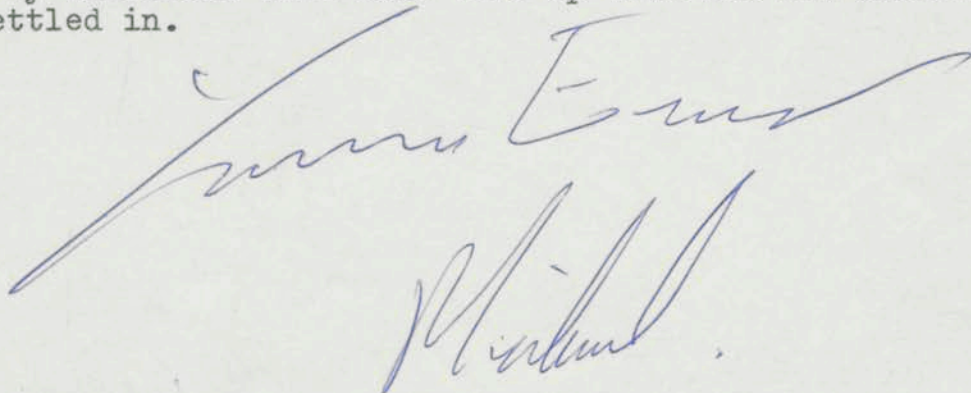
I should mention that we have looked carefully into the possibility of moving in the opposite direction, i.e. privatisation. The scope is not great. However, when wheat of breadmaking quality is offered into intervention, EC rules necessitate it being sampled and tested in advance. The testing has always been done privately and this season for the first time the collection of the samples, previously done by Ministry staff, has also been privatised.

Turning to the rest of the Authority's work, their main function is the provision of a comprehensive market information service. This is of great value to the Ministry since my officials need the results for discussions and negotiations in Brussels and because, under the CAP, any malfunctioning of the market may well involve extra costs, eg on intervention.

However, their statutory remit is a wide one - to improve the marketing of home-grown cereals - and they feel that sponsoring some carefully selected research projects from Universities, research institutes and similar bodies can contribute to this objective. In so doing they have advice from a Research Panel, and they obviously take into account work going on elsewhere, including that commissioned by the Agricultural Research Council. The projects are normally short-term, the aim being only to support proposals which seem likely to help solve marketing problems. *Levy on sugar?*

As I said in my previous letter, the Exchequer does make a financial contribution to the Authority. But I regard this contribution, which has been pegged in cash terms since 1976, as justified by the value to us of the work on market information. It follows that the expenditure on research is in effect financed from the levy paid by cereals producers and traders. This seems to me a very sensible arrangement: there is a similar system for sugar beet, where research is funded by a levy raised specifically for this purpose.

The review did recommend that one or two detailed points on the commissioning of research should be discussed further with the Authority, and my officials will take this up with the new Chairman after he has settled in.



MICHAEL JOPLING

AGRICULTURE: Home Grown cereals authority: Aug 83.



26 SEP 1983



C.F.

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I think you should have these papers on your files as, although the MAFF letter was mainly about the appointment of a new Chairman of this Authority, the P.M. has raised policy issues. I have kept copies. (It is a bring-up.)

J.P.
1/19

De VC



10 DOWNING STREET

From the Private Secretary

30 August 1983

B/R // The Prime Minister has now seen your Minister's minute of 16 August proposing the appointment of Mr. Austen Laing as Chairman of the Home-Grown Cereals Authority. Mrs Thatcher has agreed to this appointment but has suggested that the activities of the Authority need re-assessment. Some of their activities appear to overlap with those of other Authorities whilst others seem superfluous. In particular, Mrs Thatcher has asked why the Intervention Board for Agricultural Produce needs agencies for the intervention buying of cereals. In addition, she wonders why the Home-Grown Cereals Authority needs to sponsor research when the Agricultural Research Council already exists for this purpose. I should be grateful if Mr. Jopling could consider these points and advise the Prime Minister further.

I am sending copies of this letter to Muir Russell (Scottish Office), Adam Peat (Welsh Office), John Lyon (Northern Ireland Office) and Richard Hatfield (Cabinet Office).

TIM FLESHER

R. Lawson, Esq.,
Ministry of Agriculture Fisheries & Food

Copies in Appointments Section.

VC



From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Agree 7/2/83. But suggest what the authority of the Board need requirement. Some of them a bit and agree now. some Prime Minister.

Agree to Mr Austen hangs appointment 16 August 1983 as Chairman of the Home Grown Cereals Authority?

Mrs Prime Minister

CHAIRMAN OF THE HOME-GROWN CEREALS AUTHORITY

JA 25/8

Sir George Huckle's term of office as Chairman of the Home-Grown Cereals Authority ended on 2 June. He had been reappointed in 1982 for one final year, having served as Chairman since 1977. Difficulties arose over finding a suitable successor and the search for one was suspended by the announcement of the General Election.

The Authority was set up under the Cereals Marketing Act 1965 to improve the marketing of home-grown cereals. Its main activities now are the provision of a highly respected market intelligence service for the cereals industry, agency work for the Intervention Board for Agricultural Produce on the intervention buying of cereals, and the sponsorship of research. The Authority thus has an important role in the marketing of a product whose exports have increased rapidly in recent years. The Government makes a contribution to the non-agency work of the Authority but this has been pegged in money terms since 1976 with a view to the industry meeting an increasing proportion of the costs of the Authority's activities through a levy on cereals marketed.

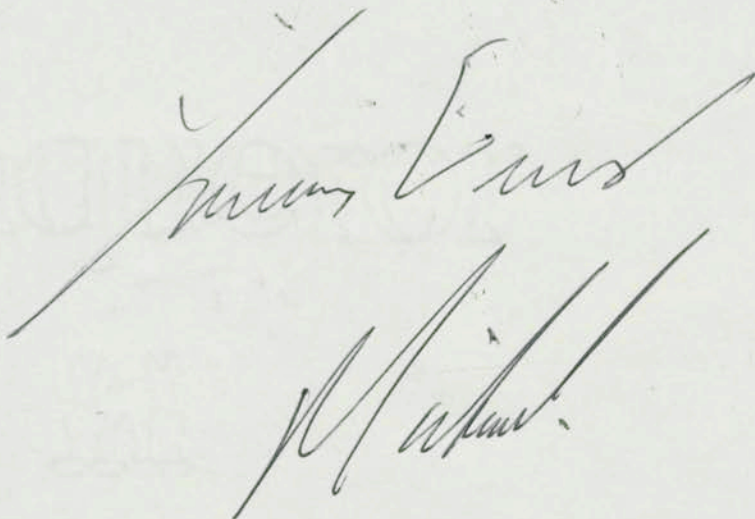
*why?
ARC?*

The Chairman of the Authority is required by the Act to be an "independent person" in contrast to most of the other members of the Authority who represent specific interests. The main requirement is for someone with commercial experience, who is capable of maintaining the morale and efficiency of the staff of the Authority and guiding it in a sensible direction in response to changing patterns of cereals output and marketing.

/I would like to ...

I would like to appoint Mr Austen Laing CBE to head the Authority for the next three years. Mr Laing, who is 60, has recently retired from the post of Director-General of the British Fishing Federation Limited, although he is continuing as a part-time consultant for them. He has proved in his recent work (much of it in the public eye) that he has the qualities needed to guide the Authority's work. He is a man of considerable impact with a special aptitude for economic questions. His judgment is sound and outlook broad. He has considerable experience in the marketing of primary products and in the kinds of problems likely to be encountered by the Authority.

The Secretaries of State for Scotland, Wales and Northern Ireland, who make this appointment jointly with me, are content with this proposal and so is Sir Robert Armstrong. I am copying this letter to them.

A handwritten signature in dark ink, appearing to read 'Michael Jopling', written in a cursive style. The signature is positioned above the typed name.

MICHAEL JOPLING

15 AUG 1963

