



AHDB Dairy Business Plan 2016-2019

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Outlook for dairy in Great Britain

The global dairy industry has been caught in the 'perfect storm'. Record high prices and good milk producing conditions led to a rapid increase in global milk production from spring 2013. Demand was unable to keep up with supply and wholesale prices started falling from the start of 2014. UK farmgate prices held firmer for longer, largely due to competition for milk between UK processors but these also started to decrease from mid-2014.

Despite the drop in prices, supply stayed high into 2015 and conditions for milk production were favourable across the globe. After years of investing in infrastructure and cows in preparation for the removal of quotas, a number of EU countries boosted their milk production from 1 April 2015. Farmers were also compensating for lower milk prices by increasing milk production to offset the impact on their milk cheque.

Due to the high level of supply, buyers were only delving into the market to cover short-term requirements. In addition, the Russian ban, which has been extended to August 2016, resulted in the loss of a major export market for the EU. Uncertainty over the Chinese economy also provided confusion on China's short-term role in the market. The EU has compensated by accessing new developing markets, although many of these have been drawn in by the low prices. It is hoped that these markets can be maintained when prices start to increase again.

Although there has been more signs of positivity in the dairy market recently, prices (both wholesale and farmgate) are still currently under pressure from global over-supply. NZ milk production has recently begun to fall below last years' levels. However, this is more the exception than the rule, with production growth in key exporting regions such as the EU and US more than offsetting the fall in NZ.

The situation in Great Britain remains mixed, with an unusually large range between the highest and the lowest farmgate milk prices. While some farmers supply through retailer aligned contracts or retailer supplements, there are others on spot price deals receiving less than half the retailer-aligned values. As of October 2015, there is currently a 15ppl differential between the top and bottom milk prices on the AHDB Dairy League Table.

Market commentators such as Rabobank, believe there will be a recovery in prices in the second half of 2016. However, until dairy farmers across the globe react to market signals, pressure will remain on prices. The longer term dairy outlook remains positive. Demand, on average, is expected to outpace supply over the coming years, with much of the demand growth coming from growing economies in developing countries. In particular, world population is still growing, incomes are rising in developing nations and any moves by key importing nations to become self-sufficient remain constrained in the short to medium term. However, despite the predicted demand growth, dairy markets are expected to remain volatile.

Adapting to the new volatile global market, where having an effective supply chain is fundamental to the future success of GB Dairy farmers. Farmers, processors and retailers will need to work closer and better together, to allow the industry to minimise supply chain costs and ensure milk produced is optimised for its market destination.

While acknowledging the downward pressure on domestic milk prices, it remains critical to good dairy management to put the control of production cost as the highest priority. The farmers who manage their businesses focusing on controlling their production costs will be able to better withstand the shocks of market price fluctuations. The range of typical milk production costs in GB for a 12-month period to September 2015 was 26.5p per litre (ppl) for the top 25% to 35.5ppl for the bottom 25%, a 9ppl difference. This data shows that there might be scope for some producers to further reduce their production costs.

Average cumulative full economic net margins over the period since 2007 have been positive for the industry. Up to summer 2015, the good years have still outweighed the bad ones. This reflects an industry that, in the long term, has been competitive and able to generate a return on invested capital. This also suggests an industry that is sufficiently competitive and resilient to encourage long term investment in milk processing.

When comparing the performance of the top and bottom 25% herds, around two thirds of the difference in cost of production is explained by four cost areas: Herd replacement of which a key determinant is herd replacement rate; feed and forage; labour and power and machinery costs.

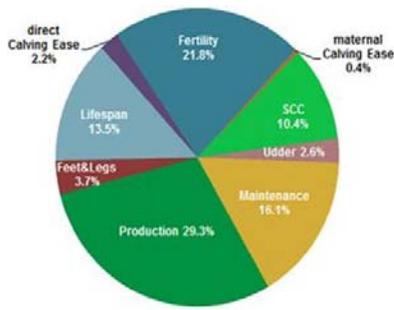
The Strategic Aims and associated proposed activity for AHDB Dairy, mapped against the AHDB priorities, have taken into account evidence from physical and financial dairy herd performance data, alongside relevant aspects of 'Leading the Way'. The areas of work under each theme have a clear identifiable industry need for levy funds to be used and we will continue to work closely with industry in all parts of the supply chain to coordinate and avoid duplication.

We also continue to reflect the strategic plans, differing needs and any additional funding streams from the devolved regions and will continue to work closely with government, their executive bodies and industry to match needs with relevant initiatives.

Amanda Ball

Strategy Director
AHDB Dairy

Key achievements in the last year



Launch of Spring Calving Index £SCI

In August 2014, we revised the UK's Profitable Lifetime Index (£PLI) to reflect changing industry needs and launched the new £SCI – a new genetic index providing GB dairy farmers operating a spring block calving with an across-breed evaluation to highlight bulls suitable for their system. Both these indexes have been developed to provide an initial screening tool to ensure bulls used on farm meet specific criteria.

Levy payer engagement

In 2015/16, over 4,500 individual dairy farm businesses will have attended a meeting organised by AHDB Dairy. Over the last three years, AHDB Dairy delivered 3,635 farmer meetings, attended by 27,896 individuals, representing 6,110 dairy farm business.

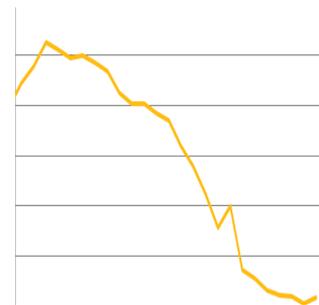


Discover Dairy campaign takes to the road

During summer 2015, we met face-to-face with the public through five regional events. This allowed us to drive support and increase awareness of the passion and commitment to the high quality farming standards in dairy. The initiative also generated new engagement with our public-facing digital channels.

Surviving low milk prices

In response to market conditions, a series of AHDB Dairy events hosted by extension officers, took place across the country, focusing on the practical aspect of facing low milk prices. This has been supported by a wealth of support information and tools.



Research into practice

Over 200 participants signed up for a single webinar on the economics of heifer rearing – a new record for our webinar programme communicating the results of research to levy payers.

Agriculture and Horticulture Development Board Priorities

Introduction

The Agriculture and Horticulture Development Board (AHDB) is a Non-Departmental Public Body, funded by farmers, growers and others in the supply chain through statutory levies. These levies are ring-fenced to be used for the benefit of levy payers in the sector from where they are collected.

This AHDB Dairy Business Plan, while addressing the specific needs of the dairy sector in GB, forms a constituent part of the wider AHDB Strategic Plan. Our sector advisory boards determine which strategies are most appropriate for levy funding to address the specific priorities in each sector.

The AHDB Strategic Plan and the six business plans can all be downloaded from www.ahdb.org.uk/publications

AHDB Purpose

AHDB Purpose

- To equip levy payers with the information and tools to grow and become more competitive and sustainable

AHDB Vision of Success

In order to help in determining which activities are best placed to meet this ambitious purpose our six sector boards met at conference at the end of June 2015. They determined what they thought success looked like for the UK agriculture and horticulture industry. The key descriptors were:

AHDB Vision

- The industry is economically and environmentally sustainable
- The UK's share of domestic and international markets is growing in terms of volume and value
- Our farm level costs of production are competitive with our main competitors, especially in the EU
- The industry has a good understanding of market and consumer requirements

AHDB Priorities

AHDB's levies fund activities which contribute to the industry achieving this vision. The work in each sector varies depending on the specific priorities of the sector, however all strategic activity across AHDB is delivered against two overarching priorities:

AHDB Priorities

- Boost competitiveness and sustainability
- Grow market opportunities

This business plan sets out the strategy for Dairy levy-funded activity under one of these two priorities.

Overview of AHDB Dairy strategy

AHDB Dairy Strategic Aims

- Improving business resilience
- Improving animal lifetime productivity
- Increasing forage production and utilisation
- Improving whole farm feed efficiency
- Protecting the image of dairy farming

AHDB Dairy – key activities

Improving business resilience

Enabling dairy farmers to make informed business decisions

- Develop and deliver independent data, information and insight on markets, inputs and outputs at a national and international level
- Improving commercial dairy performance through increased uptake of business management skills, tools and information
- Expand membership of Dairy Pro to capture and demonstrate increasing levels of skill and professionalism within the industry.

Improving animal lifetime productivity

Increasing performance levels during heifer rearing and through successive production cycles

- Promote best practice in the most appropriate use of genetics, calf and heifer rearing, fertility, transition cow management and animal health
- Commission further R&D, targeting improvement in fitness and productivity
- Work with relevant industry organisations and companies to coordinate activity and monitor progress.

AHDB Dairy – key activities

Increasing forage production and utilisation

Based on good soil and crop management

- Deliver best practice on soil health and fertility, management of grass and forage and forage utilisation by dairy animals
- Undertake further R&D on the efficient use of forages, including greater use of home-grown proteins
- Assess potential and demonstrate the application of precision grassland farming techniques
- Develop approaches to collection and exploitation of aggregated pasture performance data.

Improving whole farm feed efficiency

Promote efficient use of nutrients at animal, herd and farm level

- Demonstrate the levels of performance achievable across a range of production systems, based on best practice and the application of techniques such as 'lean thinking' to minimise nutrient loss
- Commission research that supports the optimisation of feeding systems.

Protecting the image of dairy farming

Addressing any public concerns, providing factual information and demonstrating the positive and sustainable contribution dairy farming makes

- Continue to support Red Tractor marketing activity, education initiatives and maintain public-facing digital channels thisisdairyfarming.com and foodafactoflife.org.uk
- Maintain a level of preparedness to protect the industry image through data and evidence gathering
- Commission research on optimising the housed environment for dairy cows, to demonstrate high levels of welfare and productivity.

What's new?



'Calf to Calving' campaign

A high profile initiative, based on the latest science, promoting best practice in the management of replacement heifers from birth through to the point of calving.



Control of endemic disease

In conjunction with industry stakeholders and liaising with devolved administrations, coordinating a national campaign towards the eradication of BVD.



Genetic and Genomic evaluations

AHDB's genetic and genomic evaluations are vital to the genetic improvement of the national herd. We have an on-going plan of improvement to traits (eg bTB, Carcase Traits, Feed Intake) and tools (eg bull selection, Herd genetic summary reports), to better inform and assist producers.

Strategic themes for 2016/17 and beyond

AHDB Dairy has five strategic themes that fall under one of the two AHDB priorities:-

Boost competitiveness and sustainability

- Improve business resilience
- Improve animal lifetime productivity
- Increase forage production and utilisation
- Improve whole farm feed efficiency
- Protect the image of dairy farming

Delivery of this plan is underpinned by effective communication with levy payers and a continued focus on improving internal efficiency and providing the best possible value for money to levy payers.

Our delivery will consist of a small number of high profile campaigns to target areas of significant importance, shorter bursts of featured, tactical activity to respond to market and seasonal needs, alongside essential core routine work. We will also look to provide and signpost to support for those businesses considering their future options, where the businesses appears to no longer be viable.

Our Knowledge Exchange and Communication plans aim to recognise that the needs of levy payers differ, depending on business size, complexity and goals, as well as management system, milk contract, geography and many other variables. Our approach with such a diverse community will also take into account a wide range of communication preferences and levels of broadband access and speed. We continue to look for ways of driving efficiencies and improving how we present information, particularly in relation to optimising the use of digital channels.

All of this will utilise existing resources, tools and information, as well as developing new. While investment in Research and Development is proposed to decrease, compared to the previous three years, our commitment reflects the need to continue to develop our thinking for the industry to remain competitive.

Improving business resilience

Our aim is to enable dairy farmers to make informed business decisions by providing access to a range of business management skills, tools and information. Further improving operational performance and strategic planning can show where routes exist for individual businesses to be profitable and financially resilient. Working alongside and coordinating activity with farming unions, other industry bodies, milk buyers and service providers is essential to play to our respective strengths and remits.

Key outcome	Key Performance Indicator
Improved business resilience and dairy enterprise performance through increased uptake of business management skills, tools and information	Over 80% of those that attend (2,400 individuals) an AHDB Dairy Business Management themed meeting confirm they intend to implement a change as a result of the meeting.
AHDB Priority 1: Boost competitiveness and sustainability	

Improving animal lifetime productivity

The scope of this theme is extensive, encompassing use of improved genetics, calf rearing, heifer rearing, fertility and disease management. As most of the technical content to deliver lifetime productivity is already known, the main challenge is to increase the uptake of best practice. We will work very closely with other services providers and companies such as milk buyers, AI and breeding companies, consultants, vets, paraprofessionals and nutritionists to coordinate delivery and messages.

Key outcome	Key Performance Indicator
A series of initiatives designed for improvement in animal health and productivity from rearing through successive production cycles	Year-on-year increases in average lifetime output, measured in kg total milk solids
AHDB Priority 1: Boost competitiveness and sustainability	

Increasing forage production and utilisation

We will support the industry in increasing forage production and utilisation, with significant coverage of soil and crop management, targeting increased efficiency in forage production and utilisation. We also plan to develop systems to enable forage productivity data to be collated and analysed on a national basis.

Key outcome	Key Performance Indicator
Supporting the industry to increase forage production and utilisation through targeting soil health and fertility, and the efficient production and utilisation of home-grown forages	Sustained increase in milk output from forage (litres/cow/year)
AHDB Priority 1: Boost competitiveness and sustainability	

Improving whole farm feed efficiency

The scope of this theme covers feed efficiency at individual animal, herd and farm level. The main focus will be on the uptake of best practice, pointing to tools and on-going advice that results in better whole farm feed efficiency. Better use of nutrients will also reduce environmental impact.

Key outcome	Key Performance Indicator
Improve whole farm feed efficiency through efficient use of feed nutrients, at animal, herd and farm level including waste management	Increase feed conversion efficiency (litres/kg dry matter) across the industry towards that achieved by the top 10% of producers
AHDB Priority 1: Boost competitiveness and sustainability	

Protecting the image of dairy farming

Key outcome	Key Performance Indicator
Maintain a positive public image of dairy farming, providing factual information and addressing any public concerns, to demonstrate the contribution dairy farming makes to sustainable production and consumption	Two thirds agreement in AHDB/YouGov survey among GB consumers that dairy farmers in Great Britain do a good job looking after their animals Greater than 40% agreement in AHDB/YouGov survey by GB consumers that the dairy industry is environmentally responsible
AHDB Priority 1: Boost competitiveness and sustainability	

Communications

AHDB Dairy delivery is underpinned by our communications strategy, which ensures the industry is engaged with and benefits from, the work of the sector through clear, timely and professional communications and knowledge exchange. This is supported by a focus on customer service, clear targeting of relevant information, strong relationships with stakeholders and well-managed databases.

Improving performance

Providing an efficient and value for money service to levy payers is key to AHDB Dairy delivery. This is achieved through a programme of staff development and succession planning, increased cross-sector working and rigorous project evaluation and performance management.

AHDB is targeting generating cost efficiencies from its restructuring and functional ways of working of £1m pa, using the 2014/15 financial year as a base. These savings will be generated over the coming months and will be realised over time as the changes gain traction. The purpose is to deliver more services for the same cost, which means that money will be invested into new services for the benefit of levy payers.

Activity plan

AHDB Priority 1: Boost competitiveness and sustainability

Principal activities	Desired outcome(s)	Measurement method(s)	Key risks	Key controls
Improving business resilience				
Deliver a programme of business improvement meeting covering farm business analysis and skills development (e.g. leadership, negotiation, market awareness and long term planning)	Over 80% of those that attend (2,400 individuals) an AHDB Dairy Business Management themed meeting confirm they intend to implement a change as a result of the meeting.	Direct feedback captured from attendees via meeting evaluation Forms/Surveys.	Lack of engagement with levy payers. Insufficient feedback of data Inaccuracies and consistency of data input within recording systems.	Professionally developed and delivered business improvement offer. Targeted at the different needs of levy payer groups. Staff training to encourage use of recording systems. Strong marketing and communications and knowledge exchange activity to encourage uptake.
Providing high quality and independent market and production economics information, news, commentary and analysis	<p>Publish a production economics report to provide insight into trends and drivers in dairy farm business performance.</p> <p>Timely and relevant business focused output that encourages and increases uptake among levy payers and industry.</p>	<p>Uptake of the report and output of the analysis featured in key publications</p> <p>Newsletter subscribers to Dairy Market Weekly, Monthly reports and DairyLeader publication. Digital analytics to track web and social media engagement.</p>	<p>Obtaining statistically robust and representative sample size</p> <p>Duplication with existing information and not delivering in a timely way. Failure in relevance and topicality.</p>	<p>Contractual agreements with data providers. Ensuring comparative information is available to provide context on international competitiveness, e.g. via IFCN.</p> <p>Strong Marketing and Communications and Knowledge Exchange activity to encourage uptake. Recruiting and retaining key staff.</p>

Providing a range of support tools, including templates, and calculators including significant development of 'Milk Price Calculator' tool	Timely and relevant business focused output that encourages and increases uptake among levy payers and industry.	Uptake of Comparable Farm Profit, Milk Price Calculator and other business support tools.	Lack of willingness of levy payers to engage on business related topics. Lack of relevance and functionality of support tools.	Strong marketing and communications and knowledge exchange activity to encourage uptake.
Improving animal lifetime productivity				
Deliver a series of initiatives designed to improve lifetime productivity across the industry, by promoting best practice in:	Year-on-year increases in average lifetime output (kg total milk solids). This will be achieved by targeted losses at key stages in the production cycle. Tools and services promoted and development in a range of areas including;	Calculated from data collected on herds contributing to the AHDB Dairy genetic evaluations.	Lack of aggregated industry data.	Ensuring close relationships and demonstrating value to data providers. Development of better integrated data capture system.
Genetics and Genomics	Genetic and genomic tools and services.	Improvements in £PLI Uptake of herd genetic reports.	Lack of uptake.	Professionally developed and delivered offer supported with guidance on exploiting genetics.
Calf and Heifer rearing	A 'Calf to Calving' campaign.	Meeting attendance. Monitor changes in Knowledge, Attitude, Skills and Aspiration.	Lack of engagement with levy payers.	Demonstrated economic impact.
Fertility	Scope the need for a national herd health fertility programme.	Recommendations from ongoing R&D work.	Uncertainty over the need for levy funded intervention.	Dialogue with industry to identify areas of market failure.
Herd health and disease control.	Coordinate national BVD eradication campaign, to complement existing schemes.	Achievement of industry agreed milestones as identified in the campaign plan.	Lack of industry support for roll out.	Management of key stakeholders across vets, industry, Defra and devolved administrations.

Increasing forage production and utilisation				
Knowledge exchange programme on soils, grass and forage	In the long term sustain an increase in milk output from forage (litres/cow/year).	Derived from benchmarked data from herds contributing to AHDB Dairy production economics report.	Lack of accurate data.	Tracking performance of sub sample of farms in discussion with other data providers. Development of further R&D.
R&D output and demonstration relating to the application of precision farming techniques to grassland	Promotion of R&D results.	Uptake and attendance at demonstration farm events, open meetings and conferences.	Lack of levy payer engagement by not being able to prove the benefits of precision farming.	Provision of robust research findings.
Production of the Recommended Grass and Clover Lists (RGCL) Updated nutrient management guidelines (RB209)	Digital and hard copy reports. Interactive (RGCL) varietal selection tool.	Requests and downloads for the guide and digital analytics for uptake of tool.	Lack of interest in reseeding & best practice guidance	Demonstrating value of reseeding & nutrient management techniques.
Improving whole farm feed efficiency				
Knowledge exchange activity on cow and herd nutrition and whole farm feed optimisation	Attendance at discussion group and open meetings to increase feed efficiency.	Number of businesses attending meetings in 2016/2017. In the long term, increase feed conversion efficiency (litres/kg dry matter) across the industry towards that achieved by the top 10% of producers.	Lack of levy payer and feed industry engagement.	Industry engagement and buy-in.
Guidance on the adoption of lean approaches to feed use efficiency	Production of system related KPI's for feed efficiency.	Acceptance and verification by industry and stakeholders.	Lack of interest.	Industry engagement and buy-in. Recognition of a lean management approach by consultants and advisors.

Developing research that supports the optimisation of feeding systems	Research, reports feed efficiency models.	Meeting agreed project milestones.	Translation of research findings into practice.	Pilot testing of novel approaches informing feed efficiency
Protecting the image of dairy farming				
Continuing to support Red Tractor marketing activity and education initiatives with other AHDB sectors and key industry partners.	Increasing awareness, understanding and propensity to look out for the Red Tractor logo. In line with agreed campaign targets.	Delivery of Marketing Communications activities in accordance with agreed deliverables. Consumer insight survey results.	Lack of supply chain and public support and recognition for/of marketing initiatives.	Cohesive and coordinated marketing communications campaign.
Support and promote public facing websites thisisdairyfarming.com, foodafactoflife.org.uk and supporting social media channels	Accessible and credible source of information for the general public and educationalists.	Engagement measured through digital analytics and social metrics, e.g. sessions, visitors, downloads, followers, etc.	Content not engaging enough Content not refreshed regularly to maintain or enhance Search Engine Results. Lack of support from ambassadors and industry partners.	Regularly refreshed, relevant content portrayed in engaging ways.
Dissemination of the results of research (in partnership with The Dairy Council) on dairy in the diet.	Strengthen messages which support the value of dairy in sustainable production and consumption.	Delivery of outputs in accordance with project milestones.	Timely acceptance of output for peer review publication.	Robust research delivered to contractually agreed time and quality.
Commission research on optimising the housed environment for dairy cows to improve welfare and productivity	A research programme to address identified needs.	Issue of contract within 2016/17.	Inappropriate research selected and facilities not in place to deliver.	Specification to be developed with industry stakeholders. Robust selection of research partners.

<p>Provision of evidence to inform how best to respond to environmental regulation</p>	<p>The most up to date data and methodologies are available when evaluating the environmental impact of GB dairy farming</p>	<p>Incorporation of environmental goals and industry achievements into the Dairy Road Map</p>	<p>Methods to measure and evaluate environmental impact, and associated trade-offs, are still evolving, leaving gaps in the range and robustness of data currently available</p>	<p>Support R & D which strengthens the evidence base on environmental impact, including identifying the most appropriate approaches to mitigation. Coordination with national and global dairy industry initiatives on improved environmental performance, e.g. Dairy Road Map, Green House Gas Action Plan, and the Dairy Sustainability Framework (Global Dairy Agenda for Action). Ongoing dialogue with industry partners and government policy makers</p>
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Delivery

Principal activities	Desired outcome(s)	Measurement method(s)	Key risks	Key controls
Communications				
<p>Issues management services</p>	<p>Issues effecting the industry are dealt with in a coordinated way through the communication of robust objective information.</p>	<p>Media monitoring for inclusion of industry messaging on issues as they arise.</p>	<p>Lack of awareness and support in the sector. Issues arise with insufficient time to prepare a response.</p>	<p>Regular dialogue with representative organisations. Horizon scanning and media monitor of emerging issues. Maintain up-to-date issue statements. Access to expertise.</p>
<p>Levy payer Record System (CRM)</p>	<p>A modern and effective central database, access levy payer contact details and information needs. Ensuring all experiences of AHDB Dairy are positive.</p>	<p>AHDB CRM.</p>	<p>Insufficient investment and CRM support.</p>	<p>Overall organisation buy in and commitment to resources.</p>

Improving performance				
Staff development and succession planning	Ensure work is adequately resourced and staff have the necessary skills and expertise to deliver their roles.	Number of training events per staff member. Staff feedback.	Staff turnover.	Ensure succession planning in place for business-critical roles.
Project evaluation	Projects undertaken are relevant and provide value-for-money.	Evaluation of return on levy investment or cost benefit analysis conducted for all major activities.	Staff resources and time taken to evaluate projects. Methodologies not fully developed.	Adequate staff resources are in place to evaluate projects. Evaluation embedded into all activities.
Cross-sector working	Provide more cost-effective services to levy payers through collaborative working, where relevant.	Evaluation of return on levy investment or cost benefit analysis conducted for all major activities.	Collective sector resources available to implement and fund cross-sector projects.	Identify financing and staff resources for such projects in the Business Plan.

Funding the plan

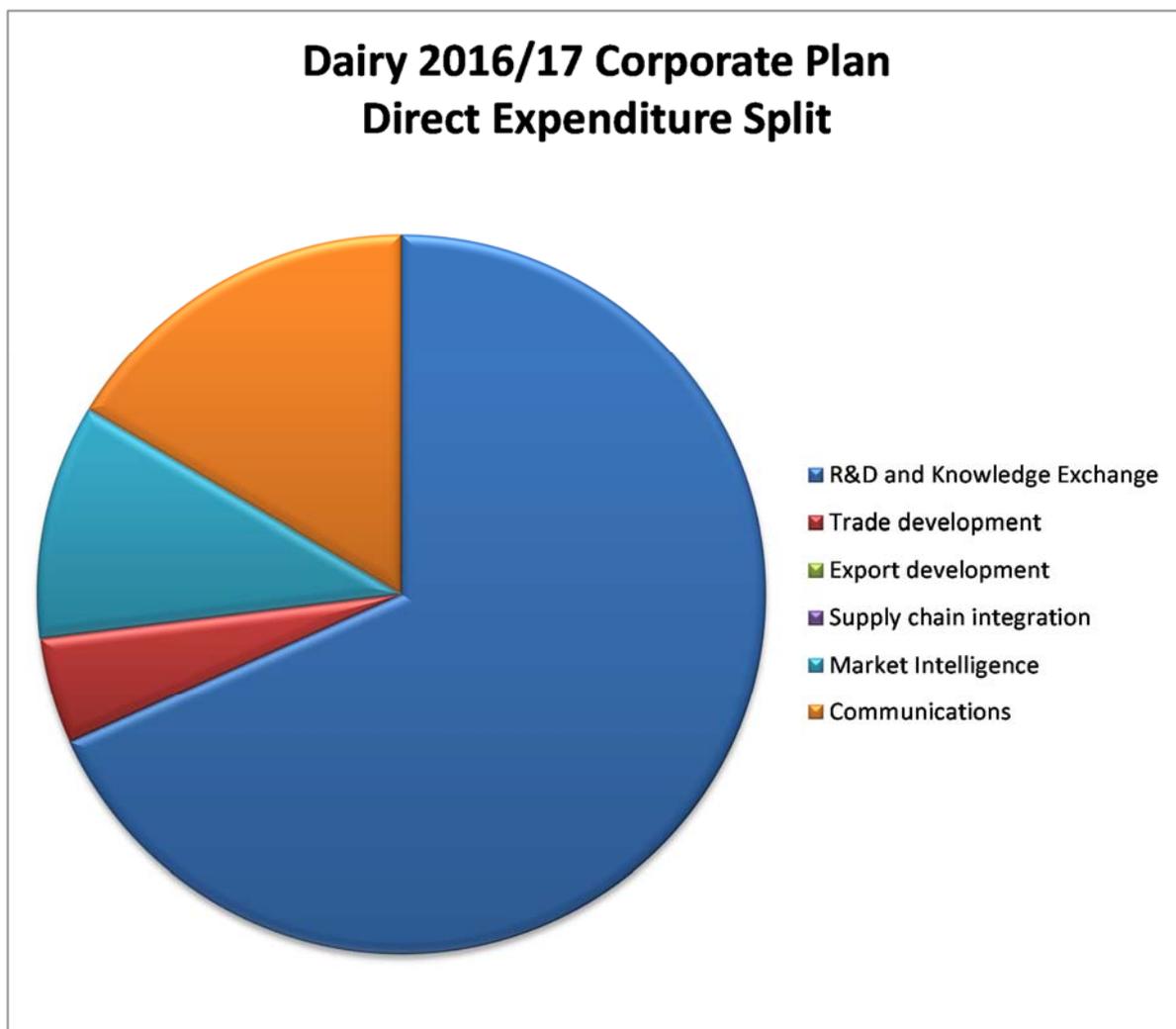
Levy rates

Levy rates are reviewed annually by the AHDB Dairy Board.

AHDB will not pursue a levy rate rise for 2016/17; however, as part of good corporate governance, the AHDB Dairy Board will review levy rates annually and decide if there is a business case for proceeding to a formal industry consultation on revised rates.

Dairy (GB)	Levy rate 2015/16 (pence per litre)	Levy rate 2016/17 onwards (pence per litre)	Higher rate for late payment (pence per litre)
Buyers and direct sellers of milk	0.060	0.060	0.066

Summary of proposed expenditure



	PROVISIONAL					
	FULL YEAR £'000					
	14/15 Actual	15/16 Forecast	16/17 Budget	17/18 Budget	18/19 Budget	16/17 vs 15/16
INCOME						
Gross levy	7,373	7,000	7,100	7,100	7,100	100
Direct levy collection costs	0	0	0	0	0	0
Net levy income	7,373	7,000	7,100	7,100	7,100	100
Fee and grant income	569	481	150	150	150	-331
External skills	33	0				
Commercial Services	0	0	0	0	0	0
Non-levy income	603	481	150	150	150	-331
Bad debt	0	-10	-10	-10	-10	0
TOTAL NET INCOME	7,976	7,471	7,240	7,240	7,240	-231
EXPENDITURE						
DIRECT						
R&D and Knowledge Exchange	-4,832	-4,449	-4,133	-4,113	-4,113	316
External skills	-52	0				
Trade development	-426	-348	-290	-290	-290	58
Export development	0	0	0	0	0	0
Supply chain integration	0	0	0	0	0	0
Market Intelligence	-666	-636	-639	-639	-639	-3
Communications	-938	-982	-995	-995	-995	-13
Commercial Services	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE	-6,914	-6,415	-6,057	-6,037	-6,037	358
SUPPORT						
Sector specific administration	-329	-320	-320	-320	-320	0
Human resources	-88	-86	-88	-89	-89	-2
Facilities	-300	-302	-314	-320	-320	-12
Finance and payroll	-98	-98	-100	-102	-102	-1
Levy collection	-34	-32	-32	-33	-33	0
Procurement	-22	-21	-22	-23	-23	-1
Information systems	-187	-197	-179	-182	-182	18
Main board/advisory	-67	-66	-67	-68	-68	-1
Corporate communications and legal	-60	-74	-75	-76	-76	-1
R&D	-10	-9	-9	-10	-10	0
Central support	-866	-885	-886	-904	-904	0
TOTAL SUPPORT EXPENDITURE	-1,194	-1,205	-1,206	-1,224	-1,224	-1
TOTAL EXPENDITURE	-8,109	-7,620	-7,263	-7,261	-7,261	357
Operating surplus/(deficit)	-133	-149	-23	-21	-21	126
NON-OPERATING ITEMS						
Interest receivable	5	21	37	37	37	16
Taxation	0	0	0	0	0	0
Exceptional reorganisation expenditure	-6	0	0	0	0	0
Other non-operating costs	-56	-21	0	0	0	21
Net FRS17 entries (HGCA pension)	0	0	0	0	0	0
TOTAL NON OPERATING ITEMS	-57	0	37	37	37	37
Retained surplus/(deficit)	-189	-149	14	16	16	163
Opening reserves	2,498	2,309	2,160	2,174	2,190	
Retained surplus/(deficit)	-189	-149	14	16	16	
Closing reserves	2,309	2,160	2,174	2,190	2,207	

AHDB Dairy sector board members

The main AHDB Board has delegated the responsibility to the sector board 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; to monitor strategy implementation and to approve remedies where performance deviates from plan.

The AHDB Dairy sector board is comprised of levy payers, other stakeholders from the sector and independent members. The sector board members are appointed by AHDB.

Name	Role	Date appointed	Additional Detail
Jim Baird	Farmer	2011	Extended to 2017
David Cotton	Farmer	2013	Extended to 2019
Keith Davis	Farmer	2012	Extended to 2018
Tim Gue	Farmer	2013	Extended to 2019
Chris James	Farmer	2012	Extended to 2018
Gwyn Jones	Chairman	2014	2017
Peter Nicholson	Independent	2012	Extended to 2018
Janette Prince	Farmer	2013	Extended to 2019
Thomas Rawson	Farmer	2011	Extended to 2017
Richard Soffe	Independent	2016	2016-2019

AHDB Dairy also works closely with key stakeholders, government and devolved administrations and specialist committees dedicated to exports, research and knowledge transfer, and market intelligence to ensure the work undertaken clearly meets the needs of levy payers.