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Ministry of Agriculture, Fisheries and Food  
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CONFIDENTIAL

From the Minister's Private Office

Miss F P Bogen  
Assistant Private Secretary  
to the Financial Secretary  
Treasury Chambers  
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NSM

8 August 1985

Dear Frances

REVIEW OF PRIVATISATION PROSPECTS FOR THE NEXT PARLIAMENT

Thank you for sending me a copy of your letter of 1 July to Andrew Turnbull about the above review.

I am enclosing the information in the form you required on the main candidate we have for privatisation, the National Seed Development Organisation. In addition you may wish to be aware that the sale prospects for Market Towers, which is owned by the Covent Garden Market authority, and was mentioned in the Privatisation Programme (E)(A) (85)26) will be reviewed again in the autumn.

You should also note that my Minister would not rule out the possibility of further privatisation of the Forestry Commission's forestry enterprise, as part of the outcome of the discussions recently initiated by the Prime Minister on the implications of CAP price restraint for land use and population in rural areas. This could not be undertaken during the lifetime of the present Parliament. The Minister feels that it would be wholly unwise however to introduce a further tranche of forestry enterprise privatisation in isolation, when the controversy over the previous sales programme has scarcely yet settled. However, if the Government were to decide to introduce major new policies to stimulate the farm woodland and commercial forestry sectors, further privatisation of the Forestry Commission's estate might sensibly form part of a package of forestry measures. The question will need careful consideration by Forestry Ministers, but the Minister thinks that it is worthy of mention at this present juncture.

I am copying this letter to private secretaries to other members of the Cabinet and Sir Robert Armstrong.

Yours sincerely  
*C I Llewelyn*

For C I LLEWELYN  
Private Secretary

REVIEW OF PRIVATISATION PROSPECTS

1. Name of Candidate

National Seed Development Organisation

2. Key data

Markets plant varieties developed with Government monies.

Year to 30 June 1984:

Post-tax profit	£1,098,314
Turnover	£7,702,219
Total assets less current liabilities	£1,689,741
Employees - 62 (including part-timers)	
Payments to Government (excluding tax)	
Dividend	£1,000,000
Royalty share	£2,634,785

3. Present position

Possible options for the future of NSDO are being studied but no decision has yet been taken on whether or not the Organisation should be privatised.

4. Next steps

The decision referred to in (3) is dependent on other decisions about the future level of Government funding of plant breeding and the means of injection of private funds into plant breeding at Government research institutes.

If Ministers decide to privatise NSDO the next step will be to appoint merchant bankers to offer preliminary advice.

5. Need for legislation

Not required.

6. Possible timescale for privatisation

Depends on form in which NSDO is sold.

7. Estimated receipts

Not known. Will depend on form in which NSDO is sold.

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Privatisation

