



**Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10am at Tŷ Rheidol, Aberystwyth on Thursday 12 January 2023**

- Present:** Cath Smith (Chair)  
Melody Chapman – Teams for Items 13a & 13b, & 14, Gareth Wynn Davies, Huw Davies (via Teams), John T Davies, Rhys Davies, Jack Evershed, Prys Morgan and Emlyn Roberts
- By Invitation:** Maria Richards (Welsh Government) via Teams  
Alison Wright (Calland Wright Consulting) via Teams - Items 13 & 14
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)  
Julie Davies-Jones (Secretariat)  
Kirsten Hughes (Red Meat Executive) – Items 7 & 8  
Rachael Madeley-Davies (Head of Sustainability & Future Policy)  
Jon Parker (Head of Supply Chain Delivery)  
Laura Pickup (Head of Strategic Marketing & Connections)  
Bryan Regan (Head of Finance & Corporate Governance)

**1. Welcome and Chair's Comments**

The Chair welcomed all to the Board meeting. In particular, a warm welcome was extended to Board Member Huw Davies on his return to the Board following ill health.

The Chair gave an update on the key events and meetings she had attended since the previous Board meeting:

28 – 29 November 2022 - Royal Welsh Agricultural Society Winter Fair

6 December 2022 – Virtual meeting of the Welsh Government's Trade Policy Advisory Group

7 December 2022 – HCC online Levy conversation meeting

9 December 2022 – Networking at Builth Christmas Fatstock Market

13 December 2022 – The Chair, CEO and Head of Sustainable and Future Policy partook in an online update meeting with the British Meat Processors Association (BMPA)

4 – 6 January 2023 – The Chair and the Head of Sustainability and Future Policy attended the Oxford Farming Conference

Weekly Teams catch ups continued to be held with the CEO.

**2. Apologies for absence**

Apologies noted from Claire Williams.

3. **Declarations of Interest**

There were no new Declarations of Interest.

4. **To approve the minutes of the Board meeting held on Thursday 17 November 2022 (HCC 1110)**

The minutes of the above meeting were taken as read, approved by the Board and signed by the Chair subject to the following minor amendment:

Page 4 – Item 8d – 5 December 2022 “Coleg Cambrian, Ruthin” to read as “Coleg Cambria, Ruthin”.

5. **Matters arising**

*Red Meat Development Programme (RMDP) Monies*

The Head of Finance and Corporate Governance gave an update on the above.

On another matter, the Board was informed that the HCC’s Annual Report and Financial Statements for 2021 / 2022 had been filed with Companies House.

*Review of HCC’s Committee Structure*

This area of work was ongoing.

6. **HCC Reports**

a. *Activities (HCC 1111)*

The above was taken as read with key HCC activities highlighted by the Senior Leadership Team.

b. *To receive an analysis report on the HCC Levy Consultation exercise (HCC 1112)*

The above was taken as read and summarised by the Head of Sustainability and Future Policy.

The paper contained information on the background, the proposal, HCC’s communication around the exercise and information on responses received from the open and online meetings as well as engagement with key industry representatives.

*Recommendation*

Based on the majority view expressed in responses and through industry meetings, with few objections received relating to the Levy proposal, the Executive recommended that the proposed introduction of a mechanism for annual Levy rates to track annual inflation should be recommended to the Minister for Rural Affairs (the Minister). It was also recommended that the mechanism should be applied to Levy rates from 1 April 2023 onwards.

There was reassurance that any subsequent increase in Levy using the mechanism would be subject to the check and balance already in place and scrutinised by the Board prior to seeking Ministerial approval.

The proposed Levy rates for 2023 / 2024 would be well within the maximum rates permitted by the Red Meat Industry (Wales) Measure 2010 (Amendment) Order 2011 and it was noted that amendments to the ceilings would not be required for many years.

The Board discussed the paper and recommendation. It was felt that more clarity was needed on the wording to the recommendation based on CPIH prior to submission to the Minister. This would be updated by the Executive in the draft submission to the Minister which would be approved by the CEO beforehand.

Subject to the action noted above, the Board agreed to the recommendation.

In addition:

- although it would be the Minister's responsibility for communicating on the Levy increase and new methodology, the Executive would prepare a communication plan / lines to take ahead of 1 April 2023 for the Board.
- it was agreed for the Chair and CEO to meet with the Minister to discuss the recommendation in further detail.

**Action: CEO / Executive**

The Executive thanked the Board for their involvement with the engagement process including attendance at the discussion meetings.

c. HCC Farmer Intentions Survey results update (HCC 1113)

The above was taken as read and summarised by the Head of Sustainability and Future Policy with the key findings for Lamb and Beef producers and agricultural inputs emphasised in the document.

The outcomes from the exercise were also highlighted:

### **OUTCOMES:**

- A high proportion of producers intend to apply **no changes** to their stocking rates.
- However, the potential impacts of intentions on overall stocking rates in both the sheep and beef sectors does suggest an overall **small contraction**.
- As a result, we may experience **higher culling rates and lower retention rates** within the Welsh flock and Welsh beef herd.
- These actions would impact the supply of red meat onto the market (*both in the short term and in the longer term*).
- Only slight differences were identified between farm type, size and geography.
- Many cited uncertainties within the industry as their reasoning for down-sizing – suggests **greater clarity** is needed for farmers in Wales.
- Numerous producers cited they had already **improved grazing techniques** and **reseeded grass fields** in an attempt to mitigate impacts of increased costs.
- This – along with reduced reliance on bought in feed – suggests producers in Wales are striving for **better efficiency on farm**.

The exercise would be repeated over a 12-month period (early autumn) in order to obtain meaningful responses for comparisons, themes and trends and evaluation purposes.

d. *Market Bulletin Summary (HCC 1114)*

The above was taken as read.

e. *Forthcoming events (HCC 1115)*

The above was taken as read.

The Red Meat Executive joined the meeting.

### 7. **Corporate**

a. *To consider HCC's draft Business Plan 2021 / 2026 (HCC 1116)*

b. *To consider HCC's draft Operational Plan 2023 / 2024 (HCC 1117)*

Both documents were taken as read and presented by the CEO and Senior Leadership Team.

The CEO thanked the Board for their input at the Teams planning meeting held on the 14 December 2022.

Much had changed over the past few years taking into account the issues surrounding Brexit, Covid-19, Climate Change and Sustainability, all of which had impacted on the whole supply change.

The future delivery structure of HCC needed to change to reflect impacts, priorities and changes to the agriculture, retail and foodservice sectors in order for the organisation to serve the industry. This work had commenced during 2022 with the operational review of the organisation.

Both draft plans had been adapted accordingly, focussing on different strategies and outcomes.

The Senior Leadership Team presented on the proposed delivery programmes, activities, outputs, impacts and key performance indicators (KPIs).

It was noted that further work was needed on the draft Operational Plan's financials / budgets and organogram and these would be included in the next iteration.

Following discussion and taking into account the proposed changes as noted. Both plans would be updated and presented to the Board for further consideration at the 2 March 2023 meeting.

**Action: Head of Sustainability and Future Policy**

8. To receive and approve the Work Plan for the Board for 2023 / 2024 (HCC 1118)

The above was taken as read and approved by the Board.

The work plan would be updated in due course subject to the outcome of the review of HCC's Committees.

9. **HCC Committees**

Communications Advisory Committee

a. To receive a verbal report of the Communications Advisory Committee meeting held on Thursday 12 January 2023

The Chair of the Committee reported on the above.

Research and Development and Knowledge Exchange Committee (R&D&KE)

b. To adopt the minutes of the R&D&KE Committee meeting held on Wednesday 16 November 2022 (HCC 1119)

The above was taken as read and adopted by the Board.

10. **Paper for information: HCC response to Assessing the Potential Impact of Nitrogen Restrictions on Red Meat Production in Wales (HCC 1120)**

The above was taken as read.

11. **Any other business**

Funding

It was noted that the Executive would be actively looking at different funding opportunities including engagement with Welsh Government and other partnerships. The Board would be kept informed on developments.

Board biographies update – HCC's Corporate website

The Board was requested to look at individual biographies on HCC's Corporate website and advise Owen Roberts of any changes.

**Action: Board**

*Levy Income Summaries*

It was agreed to recommence sharing the monthly Levy Income Summaries for the Board's information.

**Action: Head of Finance and Corporate Governance**

*Market for Sheep and Lamb skins*

A discussion was held on the above matter. It was highlighted that sheep skin trade with China was currently poor. Defra was actively looking for a solution to the matter.

12. **Dates of forthcoming meetings**

HCC Board Teams update – Thursday 2 February 2023 at 9.30am  
HCC Board meeting - Thursday 2 March 2023 time tbc.

Board Member Melody Chapman joined via Teams for Items 13a, 13b and 14. The Executive (other than the CEO) departed the meeting.

**HCC CLOSED BOARD SESSION FOLLOWED**