



**Minutes of a meeting of the Directors of Hybu Cig Cymru held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Monday 6 July 2015**

- Present:** Dai Davies (Chairman)  
John Brereton, Will Haresign, Bethan Jones, Gwynn Angell Jones  
Graham Probert, Glyn Roberts, Richard Rogers, Richard Tudor,  
Wyn Williams and John Yeomans
- By Invitation:** Daniel Thomas and David Lloyd-Thomas (Welsh Government)
- Executive Team:** Gwyn Howells (Chief Executive Officer - CEO)  
**in attendance** Prys Morgan (Head of Operations)
- Julie Finch (Corporate Strategy and Policy Manager)  
Laura Pickup (Market Development Manager)  
Bryan Regan (Corporate Services Manager)
- Julie Davies-Jones (Secretariat)

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

The Chairman welcomed all to the meeting and gave a verbal update on the key events and meetings he had attended since the previous meeting:-

May 2015

During the month, the Chairman and CEO attended the following:-

- A meeting with the Deputy Minister to provide an update on HCC activities and the issue of Levy repatriation;
- The "Europe Day" reception at The Senedd, Cardiff Bay hosted by the European Commission Office in Wales;
- A meeting of the Red Meat Levy Group (Item 11 refers);
- NSA Welsh Sheep 2015 held at Glanmiheli and Drefor Farms, Kerry.

June / July 2015

The Chairman and CEO represented HCC at the Welsh Government Wales Farming Conference hosted by the Welsh Government. During the conference, the Deputy Minister launched the 12 week consultation for the "A Strategic Framework for Welsh Agriculture" publication.

The Chairman attended a meeting of the Animal Biosciences KTN group held at the Moredun Institute, Edinburgh.

In addition, the Chairman and CEO attended the following:-

- The FUW Annual General Meeting in Aberystwyth
- The BVA annual Welsh dinner, City Hall, Cardiff
- The annual Meat Management Awards, held this year in Birmingham.

The Chairman attended a reception hosted by CLA Cymru held at The Senedd, Cardiff Bay.

2. **Apologies for absence**

Apologies were received from Gary Haggaty, Welsh Government.

3. **Declarations of Interest**

Declarations of Interest were noted as follows:-

Credit Control and Item 9 – John Brereton and Wyn Williams.

4. **To receive and approve the minutes of the Board meeting held on Friday 8 May 2015 (HCC 633)**

The minutes of the Board meeting held on Friday 8 May 2015 were taken as read, approved by the Board and signed by the Chairman.

5. **Matters arising**

*Replenishment of HCC Non-Executive Directors (NED's)*

There was no update to report. Confirmation was yet to be received from the Welsh Government with regard to the appointment of the NED's to HCC's Board for a further term.

*Objective Carcase Management for Beef and Lamb*

A comprehensive report was currently being prepared on systems reviewed in Australia, New Zealand, USA and within the EU.

Further information would be available at the next meeting.

*Strategic Action Plan for the Welsh Red Meat Industry 2015 - 2020*

The publication would formally be launched by the Deputy Minister on Tuesday 14 July 2015 at the Millennium Stadium, Cardiff.

6. **HCC Reports**

a. Activities Report (HCC 634)

The above was taken as read.

The Executive and staff were currently focusing on activities for the Royal Welsh Show and the issue of the decline in lamb prices.

PGI Welsh Lamb Campaign 2015

The Market Development Manager presented on the above.

This year's campaign would include:-

- A summer promotion focusing on the versatility of PGI Welsh Lamb for barbecues, tying in with summer festivals and general outdoor eating;
- Large posters strategically placed in 150 locations near major supermarkets in towns and cities across Britain;
- Digital advertising targeted at specific audiences and geographical areas;
- A new television advertisement;
- On-pack promotions; including a competition offering a major prize;
- An autumn promotion focussing on warmer recipes for longer nights;
- Work with supermarkets and High Street independents to create more shelf space for PGI Welsh Lamb.

The Board voiced concerns over the dramatic fall in lamb prices due to a number of contributing factors including increased NZ lamb supplies which had intruded on the British market and the strong pound leading to falling exports and increased imports. This in turn had led to farmers receiving significantly less for their lambs at market compared to the same period last year.

Given the current situation on lamb market prices, the Executive proposed that the marketing campaign for PGI Welsh Lamb commenced two months earlier than normal. The campaign would roll out in two stages; the summer campaign would start in July 2015 with a range of initiatives followed by an autumn campaign which would further promote the brand into November 2015.

However, in order for the campaign to commence earlier, additional funding was necessary as associated costs exceeded the allocated budget for 2015 / 2016. Therefore, for this to be undertaken, the Executive

requested that the Board considered utilizing approximately £150k from HCC's Reserves fund.

Following roundtable discussion, the Board unanimously agreed for money from the Reserves fund to be utilized towards the earlier implementation and up weighting of the PGI Welsh Lamb advertising campaign 2015. Budgets would be adjusted accordingly and the Reserves fund would be replenished as soon as possible.

HCC Scholarship 2015

The closing date for the above had passed with four applicants shortlisted for interview to be held on the 9 July 2015. The successful Scholars would be announced during a reception on HCC's stand at the Royal Welsh Show.

b. Market Bulletin (HCC 635)

The above was taken as read.

c. Forthcoming Events (HCC 636)

The above was taken as read.

d. To receive a briefing on HCC's presence at the Royal Welsh Show 2015

The Board was briefed on HCC's presence at this year's Royal Welsh Show:-

The annual Chairman's breakfast reception would be held at 8.15am on Monday 21 July 2015 with the EU Commissioner for Agriculture and Rural Development, Phil Hogan and the Deputy Minister in attendance.

A delegation of five Italian journalists, who work for a range of trade and consumer publications, would visit the stand on the Monday in addition to a group of buyers from Germany.

The Corporate stand would this year have themed days; International day (Monday), Health (Tuesday), Porc / Pork day (Wednesday) and Training and Skills day (Thursday). Cooking demonstrations would be held throughout the show featuring well-known chefs.

HCC would also host the Welsh Culinary Team's young members and there would be a number of butchery cutting demonstrations and competitions run throughout the week.

One of the Industry Development stand's main topic would be anthelmintic resistance. A recent project undertaken by HCC had highlighted the increasing levels of resistance on a number of Welsh sheep farms and the importance of understanding the effectiveness of worming treatments.

Farmers would have the opportunity to guess the weight of four lambs and a high-spec drench gun would be given as a daily prize. Advice would also be provided on how drench guns should be calibrated correctly.

A lamb carcass grading competition would be run and a comprehensive library with publications covering topics such as animal health and welfare, grassland and livestock management and the latest edition of the Little Book of Meat Facts would be available.

### Staffing

HCC had recently appointed new members of staff namely Industry Development Executive, James Ruggeri and Industry Development Officer, Gwawr Parry.

7. **To receive and approve a report on HCC's Business Plan targets 2014 / 2015 (HCC 637)**

The above was taken as read and presented by the Corporate Strategy and Policy Manager.

The review outlined the performance of HCC against the Business Plan for the financial year 2014 / 2015.

It was noted that new "traffic light" colours had been introduced to the tables this year indicating the following:-

Green – signified that targets had been fully achieved.

Amber – signified that targets were partially achieved.

Red – signified that targets were not achieved. An explanation of why a target had not been achieved was provided within the tables and highlighted in blue.

The document indicated that the targets within the 2014 / 2015 HCC Business Plan were achieved overall.

Subject to a duplication query on page 3, the document was approved by the Board.

8. **Audit and Risk Committee**

a. **To receive a verbal report of the Audit and Risk Committee meeting held on Monday 22 June 2015**

The Chairman of the Audit and Risk Committee gave a verbal report on the matters discussed at the meeting.

- b. To receive a summary of the key points of the Financial Statements 2014 / 2015 (HCC 638)

The above was taken as read and presented by the Corporate Services Manager.

- c. To receive and approve the Financial Statements for 2014 / 2015 (HCC 639)

The above was taken as read.

The Audit and Risk Committee recommended that the Board approve the Financial Statements for 2014 / 2015.

The Directors confirmed that information contained within the Financial Statements was accurate and was communicated to the Auditors.

The Financial Statements for 2014 / 2015 were approved by the Board.

- d. To adopt the minutes of the Audit and Risk Committee held on Friday 6 March 2015 (HCC 640)

The minutes of the Audit and Risk Committee meeting held on Friday 6 March 2015 were taken as read and adopted by the Board.

9. **To consider a draft of the PGI Welsh Lamb and PGI Welsh Beef Sub-Brand Policy (HCC 642)**

The above was taken as read and presented by the Head of Operations.

HCC's overarching brand strategy had delivered considerable benefits for the entire Welsh red meat industry, providing a platform for all eligible Welsh red meat producers, processors and exporters to develop premium markets and market sectors both in the UK and abroad.

However, as recognized by the Red Meat Strategic Action Plan, there was a need for the industry to supply products which meet more detailed customer demands (such as local, niche, organic or breed specific) and these can be delivered alongside the overarching PGI brands.

"Promotional activities for the Welsh red meat industry should ensure a balance in the trade of meat products to encourage Welsh red meat production and support sub-brands whilst ensuring the strength of the Welsh brand is not diminished or undermined."

Welsh Government wished to increase the number of Welsh PFNs. Whilst this was a positive initiative for Welsh food and drink in general, increasing the

number of Welsh red meat PFNs per say was not consistent with the Strategic Action Plan which sets out a unified strategic approach under the umbrella of PGI Welsh Lamb and PGI Welsh Beef.

The paper proposed a PGI sub-brands policy which would more formally involve existing and sub-brands under the umbrella of PGI.

As a result any sub-brand policy that may be adopted must be delivered in a manner that would allow HCC to fulfill its responsibilities and ensure that the integrity of the PGI Welsh Lamb and PGI Welsh Beef designations were protected.

The policy paper was approved by the Board.

It was agreed to share and discuss the policy paper with the Welsh Government's Food Division.

10. **To receive a verbal update on the GB Red Meat Levy Distribution**

The CEO gave an update on the above:-

The Red Meat Levy Group had met on the 18 May 2015 where further discussion and progress had been made with regard to a fairer and equitable redistribution and priorities for collective working.

A further meeting of the full Red Meat Levy Group would be arranged for September 2015.

The Board welcomed the progress made.

11. **To receive a presentation on EIDCymru – the sheep movement database**

The Corporate Strategy and Policy Manager presented the above.

There were two elements to EIDCymru:-

- The online database into which all sheep movements would be reported electronically; and
- A service to help the Welsh sheep industry to use the new online system.

The function of EIDCymru was to:-

- Enable Wales to meet EC Regulation 21/2004 introduced post FMD 2001
- Provide a modern and robust traceability system
- Enable a quick and effective response in any disease outbreak
- Provide the opportunity for keepers to use the increased level of traceability to develop their business.

Legislative requirements for EIDCymru were:-

- It would be compulsory for abattoirs, livestock markets, collection centres, shows, sales and gatherings to report sheep movements electronically from 1 January 2016
- Not compulsory for sheep keepers but keepers would be encouraged to record movements electronically
- The aim was for 90% of movements to be reported electronically within three years.

Progress to date:-

- Engagement staff in post (John Richards and Jonathan Pryce)
- Engagement with abattoirs / marts had commenced
- User testing (farmers scheduled for September 2015)
- Piloting system from November 2015
- Bureau – staff recruiting had commenced, with the full staff complement appointed by December 2015.

## 12. **R&D Advisory Committee**

- a. To receive a verbal report of the R&D Advisory Committee held on Wednesday 3 June 2015

The Head of Operations gave a verbal report on the topics discussed at the meeting.

- b. To adopt the minutes of the R&D Advisory Committee held on Wednesday 4 March 2015 (HCC 643)

The minutes of the R&D Advisory Committee meeting held on Wednesday 4 March 2015 were taken as read and adopted by the Board.

## 13. **Any other business**

### Resignation from HCC Board

In order to focus on his new role as President of the FUW, Glyn Roberts informed that he would be resigning an independent NED of the HCC Board.

The Chairman on behalf of the Board and Executive congratulated Glyn on his appointment and thanked him for his commendable contribution to the industry and to HCC over the years.

### Communications Manager

It was noted that Alan Morris had resigned from post as HCC's Communications Manager and would commence in a similar role with Qualifications Wales in September 2015.



The Chairman on behalf of the Board thanked Alan for his efforts in his role as Communications Manager with HCC and wished him well for the future.

Gareth Jones, Director General, Welsh Government

It was agreed to forward a letter to Gareth Jones, wishing him well on his retirement.

Welsh Government – Food and Drink Industry Board Wales

It was noted that there was now a full membership to the Food and Drink Wales Board but a Chair was yet to be appointed.

It was agreed to invite Keith Smyton, Head of Food Division, Welsh Government to a forthcoming Board meeting.

14. **Date of next meeting**

Friday 4 September 2015.

**Signed.....**  
**Chairman of HCC**