



(HCC 1020)

Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10am via Microsoft Teams on Thursday 1 July 2021

- Present:** Cath Smith (Chair)
Melody Chapman, Huw Davies, John T Davies, Rhys Davies, Jack Evershed, Rachael Madeley Davies, Emlyn Roberts and Claire Williams
- By Invitation:** Prof Christianne Glossop OBE, Chief Veterinary Officer for Wales, Welsh Government (CVO)
Rhys Pugh, Welsh Government
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)
Julie Davies-Jones (Secretariat)
Rhys Llywelyn (Market Development Manager)
Bryan Regan (Corporate Services Manager)
John Richards (Industry Development and Relations Manager)
Owen Roberts (Communications Manager)

To welcome Prof Christianne Glossop OBE, Chief Veterinary Officer for Wales Government

The Chair welcomed Prof Christianne Glossop to the meeting who gave an informative update to the Board on current affairs and the work of the Office of the Chief Veterinary Officer (OCVO) covering the recent Welsh Government Programme for Government, post Brexit environment and the ongoing work of the OCVO.

1. Welcome and Chair's Comments

The Chair welcomed all to the eighth formal Board meeting to be held virtually since the Coronavirus (Covid-19) pandemic.

The Chair gave an update on the key virtual events and meetings she had attended:

12 May 2021 – The Chair and CEO attended an HCC / Welsh Government Quarterly Governance meeting.

18 May 2021 – Farming Connect Strategic Advisory Board meeting.

1 June 2021 – HCC Marketing Advisory Committee meeting.

3 June 2021 – HCC Board Teams update.

11 June 2021 – Meeting with CEO of AHDB, Ken Boyns followed by an introductory meeting with Andy Richardson, Chair of the Food and Drink Wales Industry Board.

16 June 2021 – Ruminant Health and Welfare Group meeting.

17 June 2021 – The Chair and CEO met with Welsh Government Officials, Mark Alexander and Maria Richards to discuss HCC's Governance arrangements.

21 June 2021 – The Chair and CEO met with AHDB representatives to discuss the AHDB Environment Strategy Plan.

28 June 2021 – The Chair and CEO had a virtual update meeting with Lesley Griffiths MS, Minister for Rural Affairs & North Wales & Trefnydd.

Weekly catch-up meetings continued between the Chair and CEO via Teams.

2. **Apologies for absence**

Apologies for the meeting had been tendered from Board Members Gareth Wynn Davies, Prys Morgan and Maria Richards, Welsh Government.

3. **Declarations of Interest**

There were no new Declarations of Interest.

4. **To approve the minutes of the Board meeting held on Thursday 6 May 2021 (HCC 1005)**

The minutes of the Board meeting held on Thursday 6 May 2021 were taken as read, approved by the Board and signed by the Chair.

5. **Matters arising**

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6. **HCC Reports**

a. **Activities (HCC 1006)**

The above was taken as read with key HCC activities highlighted by the Executive.

Communications

HCC / Oritain Beef Sampling Launch

The HCC / Oritain Welsh Beef sampling programme was launched in May 2021 which had received positive trade press coverage.

Virtual Royal Welsh Show 2021

Arrangements were in hand for HCC's participation with the above to include filming of a video clip from the Chair. The clip would address Sustainability, Trade and Free Trade Agreements. The Communications Department was also engaging with the Minister's office with regard to her participation via a video clip slot during what would normally be HCC's breakfast reception.

HCC Conference 2021

It was noted that Diana Rodgers a Dietician and Nutritionist had confirmed her availability as key note speaker and would focus on sustainability and health.

Arrangements were in hand with the Communications Department who were looking into options for hosting a virtual and physical conference.

Industry Development & Red Meat Development Programme

RamCompare

The Industry Development and Relations Manager informed that two Welsh farms had been successful in the recruitment process to join the third phase of the jointly-funded RamCompare scheme, namely Alwyn Nutting who farms sheep and suckler cows at Glascoed near Newtown and Stephen and Louise, Abberley who run a sheep farm in Brecon which includes pedigree Texel and Blue Faced Leicester performance recorded flocks.

GrassCheckGB

It was noted that in readiness for Year 3 grazing season on GrassCheckGB, HCC had commissioned a review of progress of the nine Welsh beef and sheep farms involved in the project. This work had been completed with a final report received. The report would help support the output for Year 3 and also identify potential improvement for future activity. HCC would be engaging collaboratively with AHDB and QMS with regard to the next phase for this project.

Red Meat Development Project

Arrangements were in hand for the Welsh Lamb Meat Quality (WLMQ) project for Trial 2 consumer taste panel events which would be held during August and September 2021.

It was noted that the WLMQ project for 2021 / 2022 would assess seasonality (May, August, November and February sample collection), lamb gender (ewe, ram and castrate lambs) and lamb growth rate. Five farms had been identified by the abattoirs involved to provide early new season lambs for the work.

Market Development

HCC Educational Resource

During the period HCC completed the production of a booklet for use by GCSE students studying food and agriculture modules. The HCC Trade website has a dedicated Education portal for use by teachers and lecturers as well as for pupil and student research. The content of this section was in the process of being refreshed and would be updated where necessary on an ongoing basis. Planning was in hand for a media launch of these resources in the autumn.

Welsh Red meat Procurement / Public Bodies

HCC continued to engage with Local Authority procurement managers and catering managers with a view to assisting in the work of making procurement of Welsh red meat easier.

Meetings were planned with Welsh Local Government Association and Local Authority Catering Association Wales over the coming weeks.

Retail and Foodservice

The Market Development Department continued to engage on a regular basis with the Welsh red meat processors to develop plans for the foodservice and retail sector.

- b. To receive a presentation on the proposed PGI Welsh Lamb Campaign 2021 / 2022

The Market Development Manager gave an overview on the above (available via Sharepoint / Information / Presentations / 2021 Presentations / 01.07.21 – WL & WB Campaigns Presentation 21 -22.

- c. Market Bulletin Summary (HCC 1007)

The above was taken as read.

- d. To receive a Communications Strategy in relation to Sustainability (HCC 1008)

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

The Communications Strategy was well received and approved by the Board.

- e. Forthcoming events (HCC 1009)

The above was taken as read.

7. **HCC Committees**

Audit and Risk Committee

- a. To receive a verbal report and adopt the minutes of the Audit and Risk Committee meeting held on Wednesday 9 June 2021 (HCC 1010)

The minutes were taken as read, utilized as a report with no issues raised and were adopted by the Board.

- b. To receive a summary of the key points of the Financial Statements 2020 / 2021

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

- c. To receive and approve the Annual Report and Financial Statements for 2021 / 2021

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

The Board (Non-Executive Directors) confirmed that there was no additional or new information in terms of their declarations of which the Auditors were unaware.

The Board approved the Financial Statements for 2020 / 2021.

Flock and Herd Health and Welfare Working Group (FHH&WWG)

- d. To adopt the minutes of the FHH&WWG meeting held on Wednesday 28 April 2021 (HCC 1013)

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

Communications Advisory Committee

- e. To adopt the minutes of the Communications Advisory Committee held on Thursday 6 May 2021 (HCC 1014)

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

Marketing Advisory Committee

- f. To receive a verbal report and adopt the minutes of the Marketing Advisory Committee meeting held on Tuesday 1 June 2021 (HCC1015)

The minutes were taken as read, utilized as a report with no issues raised and were adopted by the Board.

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

- g. To receive a verbal report and adopt the minutes of R&D&KE Advisory Committee meeting held on Wednesday 2 June 2021 (HCC1016)

The minutes were taken as read, utilized as a report with no issues raised and were adopted by the Board.

- h. To receive and adopt HCC's Research and Development Strategy (HCC 1017)

The above was taken as read and presented by Industry Development and Relations Manager.

It was noted that a key role of the Committee was to discuss and keep under review a strategy to facilitate the generation of new research, technologies and information within the Welsh red meat sector.

A review had been undertaken during 2020. The Committee proposed to the Board that the new R&D strategic focus points for HCC would be as follows:

- Grassland Management
- Agricultural Environment
- Antibiotic use and resistance
- Animal Health and Welfare
- Livestock Nutrition
- Genetic Improvement
- Supporting processing innovation

The Board noted that the Strategy was comprehensive but could be strengthened with some inclusions and refinement.

Following discussion, it was agreed that "Soils" should be added to read "Grassland and Soils Management" as well as a Human Nutrition / Dietary aspect. There was a consensus that some refinement to the wording within the document was required to ensure that priorities were aligned with the proposed strategies. This was particularly true of the Sustainability area which needed more prominence as a core theme.

The R&D Committee would be asked to review the Board's recommendations before a revised document be presented to the Board for approval.

Papers for information

8. a. Potential Lamb Crop Numbers 2021 (HCC 1018)

The above was taken as read.

b. UK Red Meat Foodservice Industry (HCC 1019)

The above was taken as read.

There had been a significant impact on the industry due to the Covid-19 pandemic with changes caused to food supply chains, and bottlenecks in farm labour, processing, transport and logistics, in addition to shifts in consumer demand mostly to retail.

Concluding points within the report were noted:

- Due to the size of the multi-billion-pound foodservice industry, and variety within, it was difficult to quantify the volume and value of food and drink sold throughout (especially with red meat).
- In 2019, around 15% of GB lamb sales (in volume terms) were through the eating out sector, whilst the sector was of slightly greater importance to beef and accounted for 21% of volume sales.
- Beef steak were mostly served in full-service channels (such as pubs and restaurants), and so the closure of this channel during the first Covid-19 lockdown period had an initial significant impact on the beef carcass value at UK abattoirs.
- Consumers in Wales are occasion-led when it comes to the eating out sector. Due to this, Wales over indexes in the occasion-led channels when compared to GB as a whole, and this has been driving growth in the Out of Home (OOH) industry.
- Two person occasions are driving growth in the OOH sector in Wales and account for 43% of consumption occasions - compared to just 27% of occasions in GB during 2019.
- Lamb is heavily dependent on main meals with over 98% of lamb occasions being a main meal, with casual and fast dining channels making up the majority of spend on lamb during 2019.
- As the number of OOH meal occasions rises, this will inevitably lead to a fall in the number of in-home occasions.
- Combined OOH and takeout figures from Kantar for February 2021 reveal sales were down 8% on the year, and so it is anticipated that foodservice sales would begin to recover during the second half of 2021, but not recover fully to pre-Covid levels.
- A significant number of people reported that their financial position had been weakened by Covid-19, whilst some have seen their wealth increase. Recovery would not be the same for all groups of shoppers - known as the '*K-shaped recovery*'.

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- As there will be great demand for social occasions following the most recent lockdown period, there is a good opportunity for lamb to perform well as part of a main meal for an 'occasion' or for social purposes.
- There is a need to ensure country of origin labelling is available to consumers in the foodservice industry in order to differentiate between home-grown and imported products, thus allowing consumers to choose Welsh red meat if they wish.
- There was optimism surrounding the recovery of the UK's economy, however current circumstances remain far from the 'normal', and so it was difficult to predict the behaviour of consumers as the foodservice industry re-opens once more.
- Consumer behaviours and attitudes have changed since the beginning of the pandemic as shoppers have a greater concern over provenance, sustainability, animal welfare, and health. This provides key opportunities for both PGI Welsh Lamb and PGI Welsh Beef to lead the way in showing how high-quality products can be produced in a sustainable, low-emission system.

9. **Any other business**

Free Trade Agreements (FTAs)

The Communications Manager highlighted that HCC had issued a press release in response to the recent draft trade deal between the UK and Australia. The release highlighted concerns that the deal could lead to an immediate nearly ten-fold increase in tariff-free imports of Australian beef and a potential doubling of lamb imports during the first year of the deal. The Board raised concerns that the Australian Trade Deal and other potential FTAs would have great impact on the UK red meat industry.

The CEO informed that whilst HCC was not a lobbying organisation, it was in a position to provide information and data on topical matters and provide evidence when needed to politicians / relative Committees, Government Officials, consultations and to stakeholders.

The Board agreed that an HCC information / briefing paper on FTAs that could be shared with the industry would be beneficial; highlighting data from the previous situation (Australian tariffs and exporting measures into the UK), the aims and potential impact of the agreement, detail on standards and welfare and possible future trade deals with countries such as New Zealand, USA, Canada, India and Mexico. The paper could be updated and adapted on an ongoing basis when changes happened in this area.

Communication with Levy Payers / Stakeholders

The CEO informed that development had commenced for a programme of engagement with Levy payers / stakeholders during the autumn months subject to Covid-19 restrictions. This would be timed to take place prior to the start of HCC's planning round in December 2021 and would provide an opportunity to better

understand Levy payers' concerns and their priorities for the future so that emerging core themes could be captured in HCC's strategies and activities. The engagement would also provide an opportunity to disseminate HCC's current work and insight on the red meat industry.

10. **Dates of forthcoming meetings**

HCC Board meeting – Thursday 2 September 2021 time TBC
Board Teams update – Thursday 7 October at 9.30am

Signed.....
Chair of HCC