



(HCC 574)

Minutes of a meeting of the Directors of Hybu Cig Cymru held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 9 May 2014

- Present:** Dai Davies (Chairman)
John Brereton, Will Haresign, Bethan Jones, Gwynn Angell Jones, Prys Morgan, Graham Probert, Glyn Roberts, Richard Rogers, Richard Tudor, Wyn Williams, John Yeomans
- By Invitation:** Helen Minnice-Smith, Head of Agriculture, Uplands & Rural Strategy Branch, Welsh Government
Alison Wright, Calland Wright Consulting Ltd
- In Attendance:** Gwyn Howells (Chief Executive Officer - CEO)
Siôn Aron Jones (Industry Development Manager)
Alan Morris (Communications Manager)
Bryan Regan (Corporate Services Manager)
- Julie Davies-Jones (Secretariat)

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

The Chairman welcomed all to the meeting.

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

March 2014

The Chairman attended the annual FUW House of Lords function to celebrate Welsh food produce. The function was well attended by peers and politicians. In addition, the FUW welcomed diplomats from the Russian Embassy to the function and discussion took place regarding the prospects of commencing red meat exports to Russia.

The Chairman attended the Wales DairyCo conference held in Aberystwyth.

The Chairman and CEO attended the first St David Award ceremony hosted by the First Minister to celebrate the extraordinary achievements of the people in Wales.

2. **Apologies for absence**

Apologies were received from Gary Haggaty, Welsh Government.

3. **Declarations of Interest**

Declarations of Interest were noted as follows:-

Discussion that may arise in relation to Credit Control – John Brereton, Prys Morgan and Wyn Williams.

4. **To receive and approve the minutes of the Board meeting held on Friday 7 March 2014 (HCC 574)**

The minutes of the Board meeting held on Friday 7 March 2014 were taken as read, approved by the Board and signed by the Chairman.

5. **Matters arising**

A UK Strategy for Agricultural Technologies

The Industry Development Manager reported that The UK Government supported Agri-Tech Catalyst was now open for applications to support businesses and academia in developing innovative solutions to challenges in the agri-tech sector.

It was understood that there are two Agri-Tech Catalyst competitions per year which award grants for early-stage pre-industrial research feasibility studies, industrial research, and late-stage pre-experimental feasibility studies and experimental development. The £70m Agri-Tech Catalyst will fund proposals including primary crop and livestock production; and challenges in downstream food processing, provided the solution lies in primary production. HCC was supporting applications to Agri Tech Catalyst as well as exploring opportunities for further engagement for the benefit of the red meat supply chain in Wales.

Animal Health and Veterinary Investigation Centre (AHVLA), Aberystwyth

It was noted that the AVHLA would be withdrawing from the Centre during July 2014. Options were currently being explored for keeping the Centre open.

6. **HCC Reports**

a. **Activities Report (HCC 567)**

The above was taken as read.

HCC 2014 Scholarship

The HCC 2014 Scholarship was launched on the 16 April 2014. The Industry Development Manager requested the Board assist with potential applicants. The closing date for applications was the 20 June 2014 and

further information on applying was available on HCC's Corporate website www.hccmpw.org.uk

Export

It was noted that HCC had undertaken a procurement exercise for the appointment of agents for the EU established export markets. Appointments for Italy and Germany were Jeff Martin and Patricia Czerniak respectively. Decisions were pending on the appointment of French and Benelux agents. The Board would be updated at the next meeting.

b. Market Bulletin (HCC 568)

The above was taken as read.

Concerns were raised by the Board regarding the continued fall in GB beef prices. It was noted that the main reason for the downturn in the market was the significant increase in the level of beef imported to the UK from the Republic of Ireland, more home production, reduced exports and lower consumer demand.

Following discussion, it was agreed that HCC would undertake a comprehensive review of the beef industry in Wales and beyond.

It was also agreed to prepare a briefing paper for the Minister on the situation.

c. Financial - Income and Expenditure and Balance Sheet to 31 March 2014 (HCC 569)

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

It was noted that HCC's accounts to 31 March 2014 were currently being audited by the Wales Audit Office.

Board Members were requested to complete a declaration form, highlighting information that was required to be disclosed in compliance with Section 412 of the Companies Act 2006 for the period up to 31 March 2014. The information would be disclosed within HCC's financial statements 2013 / 2014.

Producer Levy Contributions

It was agreed to explore ways to protect producers' Levy contributions in a "client account approach" in the event of abattoirs ceasing trading.

d. Forthcoming Events (HCC 570)

The above was taken as read.

7. To receive a paper on Lamb sales during the 2013 PGI Welsh Lamb Advertising Campaign (HCC 571)

The above was taken as read.

It was agreed to update the paper with further information on the effect of overall lamb sales during the period, volumes and producer price trends.

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

There was no progress to report.

The next meeting of the Red Meat Levy forum (AHDB, HCC, LMNCI, QMS) would be held on the 27 May 2014.

9. To receive a verbal update on EIDCymru – The sheep movement database

The Welsh Government was currently consulting on “EIDCymru: an electronic movement reporting system for sheep and goats – the identification of sheep and the current slaughter derogation”.

Discussion was ongoing between HCC and the Welsh Government with regards to HCC overseeing the role of a bureau service for EIDCymru.

10. To receive a timeline for the review of the Strategic Action Plan for the Welsh Red Meat Industry (HCC 572)

The above was taken as read.

The document previously published and launched in April 2009 would be reviewed, refreshed and developed by HCC in line with the Welsh Government's Agriculture Strategy, the Kevin Roberts Report on the Review into the Resilience of Welsh Farming and the Welsh Government's Action Plan for the Food and Drink Industry 2014 – 2020.

Work had commenced and the draft timetable for review was as follows:-

<u>2014</u>	<u>Activity</u>
June - September	Information gathering / informal consultation
September / October	First draft for consultation with HCC Board

November Draft for consultation with the Minister for Natural Resources and Food

2015

February Formal consultation with industry

April Notify Minister of consultation outcome and prepare final draft

The Board would have opportunity to comment and input on the document in due course.

11. **Audit and Risk Committee**

- a. *To receive a verbal report of the Audit and Risk Committee meeting held on Friday 7 March 2014*

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

- b. *To adopt the minutes of the Audit and Risk Committee meeting held on Friday 8 November 2013 (HCC 573)*

The above was taken as read.

The minutes of the Audit and Risk Committee meeting held on Friday 8 November 2013 were taken as read and adopted by the Board.

12. **Any other business**

Welsh Lamb Sub Brands

It was highlighted that the Welsh Government's Food and Market Development Division had commissioned consultancy work in relation to applying for Protected Food Name Status for various food items including Lamb sub brands in Wales.

There had been as yet, no consultation with HCC as guardians of the PGI Welsh Lamb brand.

The Board expressed concern that progressing with the applications in what appeared to be in an ad-hoc way could potentially undermine the PGI Welsh Lamb brand.

It was agreed for HCC to raise concerns with the Food Division, Welsh Government.

Welsh Purchasing Consortium Tender and PGI Welsh Lamb and PGI Welsh Beef in Local Authority and Health establishments

It was agreed to provide an update on public sector food procurement relating to red meat at the next meeting.

Welsh Government - RDP Supply Chain Efficiencies Application

The CEO informed that there was potentially an underspend within the existing RDP Supply Chain Efficiencies scheme and therefore the offer of additional funding had been made to current projects subject to approval by the Welsh Government.

Given this, HCC had developed a project variation as an enhancement to the Technology Development and Transfer to Practice, Communication and Training project and that this had been submitted to the Welsh Government for consideration. The application included projects on market intelligence, genetic improvement, optimizing animal health; and electronic data capture and utilization in the sheep sector.

Splitting of Carcasses for two tooth ewes

It was agreed to provide an update on the above for the next meeting.

Bioreducer application for on-farm containment of fallen stock to EFSA

It was noted that EFSA's decision to reject the application was based on the premise that it believed that the system was not considered to be "fully contained".

Further trial work was ongoing in Bangor University with a view of resubmitting the application to EFSA for reconsideration in due course.

13. **Date of next meeting**

Monday 7 July 2014.

Private and confidential meeting of the Board

14. To receive a verbal report of the Remuneration Committee meeting held on Friday 9 May 2014. Separate minutes.

Item withheld – commercial in confidence.

Signed.....
Chairman of HCC