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**Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Thursday 2 May 2019**

**Present:** Kevin Roberts (Chair)  
Gareth Wynn Davies, Huw Davies, John Davies, Barrie Jones, Rachael Madeley Davies, Catherine Smith, Claire Williams and Ogwen Williams

**By Invitation:** -

**Executive & in attendance:** Gwyn Howells (Chief Executive Officer - CEO)  
Julie Davies-Jones (Secretariat)  
Kirsten Hughes, Red Meat Executive (Items 7)  
Bryan Regan (Corporate Services Manager)  
John Richards (Industry Development and Relations Manager)  
Owen Roberts (Communications Manager)

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

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

28 February 2019 – The Chair attended an event at the House of Lords organized by the Red Tractor Scheme to announce results from a benchmarking / research study on global farm assurance schemes.

6 March 2019 – The Chair attended a meeting of the Sustainable Brand Values Programme Board where discussion took place regarding possible scheme architecture.

7 March 2019 – The Chair attended the Minister's Brexit Roundtable meeting where discussion focused on Brexit preparations for the 29 March 2019 deadline.

19 March 2019 – The Chair partook in the Board Communications training day followed by attendance at the Blas Cymru / Taste Wales Dinner with the CEO of which HCC was one of the main sponsors.

20 March 2019 – Blas Cymru / Taste Wales event, Celtic Manor, Newport

The Chair and Executive felt that the event was very well organised and was attended by a large number of international / export buyers which was a good platform to generate new opportunities. HCC's support towards the event was welcomed by Welsh Government.

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21 March 2019 – The Chair attended the Welsh Government’s European Advisory Group meeting in Cardiff chaired by Huw Irranca-Davies AM. Topics discussed included an update on Brexit developments and negotiations including the Welsh economy post Brexit and implications for intergovernmental relations and common frameworks.

11 April 2019 – The Chair and CEO held a meeting Jeff Grant, NZ Meat Board at HCC. Discussion took place regarding managing issues around Brexit and the main topic of conversation was Climate Change.

29 April 2019 – The Chair met with Penny Nelson, Deputy Director – General Policy and Trade, New Zealand Government who was visiting the UK. Matters discussed included sustainable food production systems, Agricultural policy reform and in particular Climate Change.

2. **Apologies for absence**

Apologies had been received from Helen Howells, Board Member, Mark Alexander and Maria Richards, Welsh Government (both attending the Minister’s Brexit Roundtable meeting) and Rhys Llywelyn, Market Development Manager (attending a trade show in Hong Kong).

3. **Declarations of Interest**

There were no new Declarations of Interest declared.

4. **To approve the minutes of the Board meeting held on Wednesday 27 February 2019 (HCC 879)**

The minutes of the Board meeting held on Wednesday 27 February 2019 were taken as read, approved by the Board and signed by the Chair subject to the following amendments: -

**Page 4 - Item 6 / Matters Arising Abattoir and Processing Sector / Paragraph 2**

The wording would read as follows: -

“After discussion, it became clear that the comments related to a perception amongst the Livestock Auctioneers Association (LAA) members that some HCC Board Members had strong associations with one major processor.”

**Page 11 – Item 12 / Any other business**

Board Member Cath Smith (CW) stated that the matter she had raised at the previous Board meeting with regard to food education and resource in schools was a general comment raised by a Union Member at a recent NFU Monmouthshire County meeting. It was agreed that CW would communicate HCC’s work in this area directly with the NFU Member who had raised this matter.

5. **Matters arising**

*HCC Industry Liaison Group (ILG)*

The next meeting was scheduled for Thursday 23 May 2019 and would be Chaired by Board Member Claire Williams. Invitations would be issued to stakeholders across the supply chain.

It was noted that the ILG meeting to allow for horizon scanning ideas to be considered into the HCC's planning process for the 2020 / 2021 Operational Plan was scheduled for the 15 October 2019.

*HCC's Information Classification and Handling Policy*

Work was in progress with regard to developing a Cloud-based storage service for the Board which would be used to store and share all confidential HCC documents such as Board and Committee papers.

*HCC's Corporate Plan 2019 / 2022 and Operational Plan 2019 / 2020*

The CEO informed the Board that as CEO/Accounting Officer he had received a Remit Letter from the Minister setting out HCC's responsibilities for the financial year 2019 / 2020.

In summary, the Minister acknowledged that this was a time of great uncertainty due to Brexit and highlighted the importance of ensuring that the red meat industry was equipped to react to unprecedented change as best it could.

The Minister welcomed continued engagement with HCC in particular on the development of Welsh Government policies and business / legislation as an outcome of Brexit, continued work on the Red Meat Levy repatriation and sheep carcass reporting.

The specific actions within the Remit Letter had been reviewed by the Executive and were captured in the Operational Plan for 2019 / 2020.

6. **Brexit update - To discuss the latest developments with regard to the UK departing the EU**

There was no update to report as discussions continued within Parliament following the third rejection by MPs on the Government's proposed Withdrawal Agreement. The EU leaders had subsequently agreed to give the UK a six-month extension to Article 50 until 31 October 2019.

It seemed highly unlikely that a deal would be agreed ahead of the European elections on the 23 May 2019 and therefore the UK would be required to partake.

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On another Government / political matter, the CEO highlighted that the Agriculture Bill's passage through Parliament was not expected to conclude until later in the summer or early autumn.

The Board was reminded that amongst the lengthy list of proposed amendments within the Agriculture Bill was a proposed new clause that would enable a Scheme to be enacted which would legally allow for Red Meat Levies to be transferred between GB Levy Boards. This would reflect the fact that some cattle, sheep or pigs produced in one country may be slaughtered in another country. Currently, the ability to make Levy payments between GB Levy Boards was not permissible.

### 7. HCC Reports

#### a. Activities (HCC 880)

The above was taken as read.

#### Communications

The Communications department continued to plan around the current and ongoing scenarios surrounding Brexit so that messages could be issued swiftly and in a timely manner.

The Communications Manager highlighted that there had been significant media interest in issues of branding during the period. This was partly due to a National Assembly for Wales enquiry to which the CEO gave evidence in support of the value of the PGI Welsh brands in achieving premiumisation and an in-depth feature by BBC Wales to which HCC contributed extensive background material.

There was discussion around HCC's communication work on Climate Change, the environment and the implications surrounding Post CAP policy. Key messaging would continue to be developed which would be punchy but factual and where possible Welsh specific.

#### Red Meat Benchmarking Project

The Industry Development and Relations Manager gave an update on the above: -

- The final draft report on the results and findings from the exercise had been completed by Andersons Consulting and would be reviewed by HCC and the Welsh Government ahead of being published. Discussion was taking place with Welsh Government officials with regard to the Minister launching the report.
- The 1500 farmers who had completed the exercise would receive an email with instructions on how to access their data via the Measure to Manage system in early May 2019 to fully benchmark themselves against their peers. A

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series of surgeries to discuss the results individually with participants would also be held across Wales and delivered by Farming Connect.

- The Executive would lead on arrangements with regard to communication on the outcomes from the project (report content and lessons learnt etc) and would liaise with Welsh Government and Farming Connect on this.

### Red Meat Levy Repatriation

The Red Meat Executive gave a presentation and update to the Board on a proposed Scheme co-devised by the Agriculture, Horticulture Development Board (AHDB), Quality Meat Scotland (QMS) and HCC which would allow for the repatriation of producer levies.

The basic principles of the Scheme were as follows: -

- If an animal moved across a border direct to slaughter from the country of birth, the full value of the producer Levy should return to the country of birth
- For animals born in one country and finished in another, the producer Levy should be split
- Due to differing Levy rates across GB, the producer levy in country of slaughter should be applied
- Period of gestation should not be considered
- Residency should be used as the basis for apportionment
- Where not possible, economic value should be used
- Failing this, breeding livestock populations with a weighting towards finishing should be used

### Next steps

- A sense check of the principles was needed - applying the formula to real data
- To fully determine its appropriateness
- To determine the financial gains to Wales
- It was estimated that applying these principles for HCC could result in a gain of in excess of £1million

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The Board agreed to the proposed principles and methodology and would be kept updated on developments.

The CEO highlighted that the first year of the Ring-Fenced Fund (RFF) activity (2018 / 2019) was complete and whilst it was not a permanent solution, overall the engagement and delivery with AHDB and QMS had worked well.

b. Market Bulletin Summary (HCC 881)

The above was taken as read.

c. Financial – Income and Expenditure and Balance Sheet to 31 March 2019 (HCC 882)

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

d. Forthcoming events (HCC 883)

The above was taken as read.

e. To receive a paper on the Year End Review of the HCC Operational Plan 2018 / 2019 (HCC 884)

The above was taken as read and summarised by the Red Meat Executive.

The Board was content with the outcome of the year-end review.

8. **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 27 February 2019 (HCC 885)

The Chair of the Committee gave a verbal report on the above.

The minutes of the Audit and Risk Committee meeting held on Wednesday 27 February 2019 were taken as read and adopted by the Board.

*Marketing Advisory Committee*

b. To adopt the minutes of the Marketing Advisory Committee meeting held on Monday 11 February 2019 (HCC 886)

The minutes of the Marketing Advisory Committee meeting held on Monday 11 February 2019 were taken as read and adopted by the Board.

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

- c. To receive a verbal report and adopt the minutes of the R&D&KE Committee meeting held on Wednesday 6 March 2019 (HCC 887)

The acting Chair, Claire Williams gave a verbal report on the above.

Communications Advisory Committee

- d. To receive a verbal report of the Communications Advisory Committee meeting held on Thursday 2 May 2019

The Chair of the Committee gave a verbal report on the above.

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

- e. To receive a verbal report of the FHH&WW Group meeting held on Wednesday 1 May 2019

The Chair of the Committee gave a verbal report on the above.

9. **Any other business**

NFU Livestock Board meeting – Thursday 18 April 2019

Board Member Huw Davies thanked Kirsten Hughes, Red Mead Executive on her presentation at the above on HCC's Corporate (2019 – 2022) and Operational (2019 / 2020) Plans.

HCC Staffing

It was noted that Medi Jones-Jackson had been appointed to the role of Events Executive and had commenced with HCC on the 1 May 2019.

The following positions would be advertised shortly and the Board was encouraged to communicate the information shared with regard to the vacancies with their contacts: -

HCC

HR Officer  
Research and Development Officer

Red Meat Development Programme

Programme Delivery Co-Ordinator  
Programme Delivery Officer  
Administrative Assistant

EIDCymru

Technical Senior Officer  
Bureau Co-Ordinator  
Bureau Supervisors (x2)  
Bureau Administrators (Seasonal)

10. **Dates of forthcoming meetings**

Board update teleconference – Thursday 6 June 2019 at 9.30am  
HCC Board meeting – Thursday 4 July 2019 at 10.00am

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