



**Minutes of a meeting of the Directors of Hybu Cig Cymru held at
10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 4 November 2016**

- Present:** Dai Davies (Chairman)
John Brereton, Will Haresign, Bethan Jones, Gwynn Angell Jones
Graham Probert, Richard Rogers, Richard Tudor, Wyn Williams and
John Yeomans
- By Invitation:** Gary Haggaty (Welsh Government)
Dr. Helena Bird (Welsh Government)
- Executive Team:
in attendance** Gwyn Howells (Chief Executive Officer - CEO)
Prys Morgan (Head of Operations)
Julie Finch (Corporate Strategy and Policy Manager)
Rhys Llywelyn (Market Development Manager)
Bryan Regan (Corporate Services Manager)
Owen Roberts (Communications Lead)
- Julie Davies-Jones (Secretariat)

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

The Chairman welcomed all to the meeting. In particular, a welcome was extended to Dr. Helena Bird, Welsh Government.

On behalf of the Board, the Chairman congratulated Richard Tudor on being awarded Beef Farmer of the Year at the recent Farmers Weekly Awards.

Chairman's Re-appointment

The Chairman informed the meeting that he would not be seeking re-appointment at the end of his tenure (31 March 2017), but that he would remain committed to HCC during this time. The Cabinet Secretary for Environment and Rural Affairs, Lesley Griffiths, AM (Cabinet Secretary) would be notified accordingly.

The Chairman stated that it had been a privilege to serve as Chairman of HCC and an honour to work with the Board, CEO and the dedicated team of HCC staff over the past six years and thanked all for their undivided support.

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

September 2016

The Chairman and Head of Operations attended the Association of Independent Meat Suppliers' (AIMS) Annual Conference. Amongst themes for discussion at the conference were the future prospects for livestock production, trading implications in the wake of Brexit and ongoing working with the Food Standards Agency (FSA).

The Chairman attended the NFU Livestock Board where discussion took place on market prices and in particular the changing market dynamics for lightweight lamb and Levy Repatriation.

The Chairman and CEO met with the Cabinet Secretary to discuss issues currently encountered within the red meat industry including Levy Repatriation.

The Chairman and CEO attended a meeting of the Welsh Government's Food and Drink Board and gave a briefing on HCC's role and an update on activities.

October 2016

The Chairman and CEO attended the Environment and Rural Affairs Round Table Brexit Forum Workshop on the 3 October 2016.

The Chairman and CEO attended the annual Farmers' Union of Wales (FUW) conference entitled Farming Matters – Opportunities for Growth post Brexit.

The Chairman attended the formal launch of Aldi's introduction of branded PGI Welsh Lamb products in 29 stores in South and West Wales. The Cabinet Secretary and senior Farming Union representatives were also present.

The Chairman and CEO attended SIAL where a discussion took place with The Rt Hon Andrea Leadsom, MP, Secretary State for Environment, Food and Rural Affairs on the single market access post Brexit, markets outside the EU and Free Trade Agreements.

November 2016

The Chairman chaired an industry meeting on the current market for Light weight lambs. The meeting was attended by representatives from the FUW, National Sheep Association (NSA) and NFU Cymru. Concerns regarding the demand issues for this lamb category were discussed in detail along with the challenges and uncertainty facing the sector post Brexit.

The Chairman spoke at the annual NFU Cymru conference where the key topic of discussion was Brexit and its impact on Welsh Agriculture.

2. **Apologies for absence**

Apologies for absence was received from Andy Richardson, Chair of the Welsh Government Food and Drink Board for Wales who was unable to attend to present to the Board on this occasion due to other commitments.

3. **Declarations of Interest**

Declarations of Interest were noted as follows:-

Credit Control – John Brereton and Wyn Williams.

4. **To receive and approve the minutes of the Board meeting held on Friday 9 September 2016 (HCC 715)**

The minutes of the Board meeting held on Friday 9 September 2016 were taken as read, approved by the Board and signed by the Chairman.

5. **Matters arising**

The Annual Monitoring Report 2015 / 2016 of the Strategic Action Plan (2020 Vision) (HCC 713)

It was noted that the report had been submitted to the Cabinet Secretary for approval.

Application to register the “Cambrian Mountains Lamb” as a Protected Designation of Origin (PDO) under the EU Protected Food Name Scheme (HCC 714)

HCC’s comments on the above had been submitted and acknowledged.

Responsible use of Medicines in Agriculture Alliance (Ruma) Committee

The Head of Operations would seek to establish whether Welsh Government was represented on the Committee.

6. **HCC Reports**

a. *Activities Report (HCC 716)*

The above was taken as read.

Driving Beef Profitability through Innovation

The Board commended HCC staff for the organization and the quality of the “Driving Beef Profitability through Innovation” conference held on the 3 October 2016 at the Royal Welsh Showground.

The conference focused on improving the efficiency of the suckler beef herd in Wales and was very well attended by breeders, farmers and industry representatives.

HCC Corporate Website

Work had commenced on reviewing the design and functionality of the HCC Corporate website.

The Communications Lead welcomed feedback from the Board on suggestions on how the website could be improved.

b. Market Bulletin (HCC 717)

The above was taken as read.

c. Financial – Income and Expenditure and Balance Sheet to 30 September 2016 (HCC 718)

The above was tabled and summarized by the Corporate Services Manager.

The draft budget for 2017 / 18 would be circulated to the Board in advance of the forthcoming Business Planning Session Wednesday, 9 November 2016.

d. Forthcoming Events (HCC 719)

The above was taken as read.

It was noted that the Moredun Roadshow was scheduled to be held on the 8 November 2016 and not on the 1 November 2016 as noted in the paper.

e. To receive a verbal update on:-

HCC Board and Business Planning 2017 / 2018 session – Wednesday 9 November 2016

The Corporate Strategy and Policy Manager briefed the Board:-

A draft agenda for this meeting was tabled covering the following:-

- Current market trends, production levels and farm incomes
- Review of challenges / opportunities facing the red meat sector 2017 / 2018 and beyond
- Main areas of activity in current / proposed Business Planning year
- Next steps

The meeting would provide an opportunity for discussion and input in relation to the drafting of the Business Plan for 2017 / 2018.

Apologies for this meeting were noted from John Brereton and John Yeomans.

HCC Board Q&A Forum with Levy Payers – Thursday 10 November 2016

The Communications Lead briefed the Board.

Following on from a recommendation within the HCC Review, the Forum would be streamed live via Facebook.

The press and media would be invited to attend.

HCC's Annual Conference – Thursday 10 November 2016

A draft programme for the conference was tabled and summarized by the Communications Lead:-

The conference theme was “Flying the Flag – Delivering Excellence in the New Economy”.

The programme included an address from the Cabinet Secretary followed with presentations by:-

Gwyn Howells, HCC CEO

Andrew Slade, Welsh Government

Professor David Hughes, Emeritus Professor of Food and Marketing (Imperial College, London)

Ken Sorenson, HCC's Export Agent in Scandinavia

Huw Williams, HCC Scholar 2015

Richard Roderick, HCC Scholar 2016.

Winter Fair – Monday 28 – Tuesday 29 November 2016

The Head of Operations briefed the Board:-

HCC's presence at the Winter Fair would commence with the annual industry breakfast to be held on Monday 28 November 2016 at the Hafod a Hendre.

On the consumer side, there would be cooking demonstrations with members from the Wales' Junior Culinary team, Michelin-Starred Chef Richard Davies and HCC's Welsh Lamb Club Ambassador (Celtic Manor Resort) along with HCC's Consumer Executive, Elwen Roberts. In

addition, there would be meat cutting demonstrations from HCC's Butcher Club Member, Mark McCardle.

For producers, technical literature would be available and an opportunity to enter a carcass competition.

7. **To receive a presentation on HCC's 2016 PGI Welsh Beef Consumer Campaign**

The Market Development Manager presented on the above.

This year's campaign would target ABC1 women (35+), with and without families and who shop at main supermarkets.

The communication strategy was based on increasing engagement with the target audience by aligning with and tapping into Welsh patriotism. The communications would evidence what lays behind the quality of the brand/product thereby Inspiring consumers with practical ideas and advice.

The creative strategy highlighted the provenance of the land and heritage that goes into producing premium quality Welsh Beef.

Given the lower budget compared to last year, the challenge was to maintain brand awareness at 2015 levels which were very successful. It was therefore proposed to lead the campaign with TV advertising (utilizing the same advertisement) with supporting messages via social media and PR to provide freshness and extend campaign longevity. The main campaign would run from early November until the first week of December.

8. **To receive a 6 month update on HCC's Business Plan Targets for 2016 / 2017 (HCC 720)**

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

The document outlined HCC's performance for the first six months against the 2016 / 2017 Business Plan targets.

It was noted that all activity was underway with no issues to highlight.

9. **To agree the Welsh Red Meat Levy rates and recovery costs for the next financial year 2017 / 2018 (HCC 721)**

The above was presented by the CEO.

For information, it was highlighted that the Agriculture and Horticulture Development Board (AHDB) and Quality Meat Scotland (QMS) had proposed to remain with existing levy rates for the next financial year.

Round table discussion ensued regarding the current economic climate, market trends and the significant challenges for livestock producers and processors alike.

The outcome of the vote to leave the EU would result in a significant period of uncertainty regarding the future farming support, policy, regulation and trading relationships with the EU and the rest of the world. It would be some time before the impact on farming in Wales and on red meat producers businesses in particular would be fully understood.

Notwithstanding this, it was clear that HCC's role in support of the red meat industry would be crucially important in the future in order to develop a profitable and sustainable sector. In order for HCC to deliver its responsibilities on behalf of the industry, it would need to be adequately funded.

However, taking the above into account along with the ongoing discussions around Levy repatriation and opportunities for funding support from other sources, it was considered appropriate that the Levy rates should remain the same for 2017/18.

The Board agreed to the Executive's recommendation that the Levy rates and recovery costs for 2017 / 2018 would remain as set for 2016 / 2017:-

Welsh Red Meat Levy Rates for 2017 / 2018			
<i>(per head)</i>	Total Levy Collected	Total Paid by Producer	Total Paid by Slaughterer/ Exporter
Sheep	£ 0.83	£ 0.63	£ 0.20
Cattle	£ 5.67	£ 4.34	£ 1.33
Calves (up to 68kg)	£ 0.17	£ 0.085	£ 0.085
Pigs	£ 1.30	£ 1.05	£ 0.25

Levy Recovery Costs for 2017 / 2018	
Species	Levy Recovery (per head)
Sheep	£0.010
Cattle	£0.030
Pigs	£0.013

The recommendation would be presented to the Welsh Ministers, who have the overall responsibility for setting and raising the Welsh Red Meat Levy rates.

10. **To discuss the next steps with regard to the Review of HCC**

It was noted that an additional recommendation had been included within the final report:-

“Welsh Government to look at levels of organic produce required in the food chain and the potential for this to be improved with promotion.”

The Chairman gave a brief update on progress made between HCC and the Welsh Government on the recommendations to date. Some of the recommendations had been implemented. Work was ongoing to implement others such as a Framework Document which was currently being drafted which would set out the broad framework under which HCC and WG would operate. This would be shared with the Board in due course.

11. **To receive an update on the Welsh Government meetings regarding the EU Referendum result**

The Chairman and CEO had attended a recent meeting which sought to take into consideration feedback from the previous Welsh Government workshop meetings which were held in late summer.

The ultimate aim of this forum was to develop common themes that could be advanced to provide a basis for future industry support packages.

There would be a series of these stakeholder meetings over the coming months.

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

There was no update to report.

It was noted that the Cabinet Secretary was scheduled to meet with George Eustice, MP, Minister for Agriculture, Fisheries and Food week commencing 7 November 2016 where this matter would be an item for discussion.

13. **To receive an update on the EU Sheep Meat Forum meeting – Thursday 13 October 2016**

The CEO attended the final meeting of the EU Sheep Meat Forum held on the 13 October 2016 where the final report with recommendations from the Forum were presented and discussed.

Two priority recommendations were summarized:-

1. Strong CAP Support for Sheep

“The EU Sheep Meat Forum recommends strong future CAP support for the sheep producers, including coupled supports as well as prioritized and enhanced Rural Development measures. Recognizing the key role sheep play in enhancing the environment in extensive grassland systems, the Forum recommends the Commission consider a New Environmental payment.”

2. New Sheep Meat Communication and Promotion Programme

“The EU Sheep Meat Forum recommends a New Sheep Meat Communication and Promotion Programme with a strong focus on the internal market aimed at positioning EU lamb as the automatic choice amongst EU consumers. Within EU promotion measures specific ring-fenced funding should be targeted to sheep.”

The EU Sheep Meat Forum advocated that the recommendations be adopted by the relevant parties and implement at EU and national level. The recommendations had been presented to Commissioner Hogan and the Chairman of the Forum, John Bryan had recommended that the Commission informs the Council on the outcome of the EU Sheep Meat Forum.

It was agreed to share the report of recommendations with the Board for information.

14. **To receive a verbal update on HCC’s application for RDP funding 2014 – 2020 on behalf of the Red Meat Industry**

The Corporate Strategy and Policy Manager updated the Board:-

Meetings continued to be held between Welsh Government Officials and a number of government bodies / contractors.

The UK Government had now extended its commitment to funding until such time as the UK leaves the EU. As a result the requirement for projects to be approved before the Autumn statement had been removed.

This would give HCC the opportunity to revisit the scale of the proposed Strategic Initiative (SI) to deliver the original aspirations that were envisaged and its integration with other programmes.

Work on this area was ongoing by the Executive and an update was expected from Government during January 2017.

15. **R&D Advisory Committee**

To adopt the minutes of the R&D Advisory Committee held on Wednesday 1 June 2016 (HCC 722)

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

16. **To receive a verbal update on EIDCymru – the sheep movement database**

The Corporate Strategy and Policy Manager gave an update on the above:-

The end of the peak sheep movement season had seen 14,000 sheep movements through the system in September and 12,000 during October 2016.

The Technical and Bureau team continued to encourage sheep keepers to input data on line.

In addition, the Technical team continued to work in liaison with the Central Point Recording Centres (CPRC) and a series of meetings had been held with Farming Connect.

It was noted that EIDCymru would have presence at Winter Fair.

17. **Paper for information:- The importance of exports to the Welsh Red Meat Industry (HCC 723)**

The above was taken as read and well received by the Board.

18. **Any other business**

HCC Board Appointments

The Welsh Government's Public Appointments Unit (PAU) would lead on the process for the above and the advert was expected to be released over the coming weeks with a new Board in place with effect from 1 April 2017.

It was noted that some Board members would have reached their maximum tenure of 9 years (as noted within HCC's Board Replenishment policy) on the 31 March 2016.

The Cabinet Secretary was keen to see a more appropriate gender balance on the Board.

IBERS – Beulah Llanarth Speckle Flock

It was noted that despite some objections, it appeared that IBERS would be selling the pedigree Beulah, Texel and Suffolk breeding flocks. It was understood that the flocks would be replaced by a commercial sheep enterprise.

FUW – Use of the term “Hogget” Term

Communication had been received from Glyn Roberts, President of the FUW regarding the above.

The subject had been discussed at a recent meeting of the FUW’s Council where it was agreed that where appropriate the term hogget should not be used to describe animals before they are approximately 12 months of age. This would also be in line with proposals to introduce a fixed calendar date for the splitting of carcasses. The Council also agreed that this should not preclude individuals and businesses describing their produce as hogget before any cut-off date where this was believed to be desirable in terms of marketing etc.

The FUW requested HCC’s support on the above.

The Board agreed with the sentiments expressed by FUW. It was agreed to respond accordingly and discuss how in practical terms, the use of the term “hogget” could be defined more accurately.

19. **Date of next meeting**

Friday 13 January 2017.

Signed.....
Chairman of HCC