



(HCC 839)

**Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Thursday 13 September 2018**

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

**By Invitation:** Peter McDonald (Welsh Government) – Item 13  
Llinos Roberts (Welsh Government)  
Gareth Wilson (Welsh Government)  
Alison Wright (Calland Wright Consulting) – Item 9

**Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)  
Julie Davies-Jones (Secretariat)  
Kirsten Hughes, Red Meat Executive (Items 10 & 13)

**Management team:** Rhys Llywelyn (Market Development Manager)  
Bryan Regan (Corporate Services Manager)  
John Richards (Industry Development and Relations Manager)  
Owen Roberts (Communications Manager)

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

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

6 July 2018 – The Chairman was present at HCC for the ongoing Board evaluations

12 July 2018 – The Chair attended a meeting of the First Minister's EU Exit Group. The Cabinet Secretary was in attendance and a presentation was given on the Welsh Government Consultation – Brexit and our land: Securing the future of Welsh Farming.

18 July 2018 – The Chair and CEO attended the National Sheep Association Sheep Event at Malvern. Useful discussions took place with a delegation from New Zealand (NZ) with regard red meat trade between the UK and NZ.

20 July 2018 – Board update teleconference.

23 and 24 July 2018 – The Chair attended the Royal Welsh Show and represented HCC at a number of key receptions and events.

14 August 2018 – The Chair attended Pembrokeshire Show.

2. **Apologies for absence**

None.

3. **Declarations of Interest**

There were no new Declarations of Interest.

4. **To receive and approve the minutes of the Board meeting held on Thursday 5 July 2018 (HCC 832)**

The minutes of the Board meeting held on Thursday 5 July 2018 were taken as read, approved by the Board and signed by the Chair.

5. **Matters arising**

Matters arising from the previous minutes were covered under the agenda for the meeting.

6. **HCC Reports**

a. **Market Bulletin Summary (HCC 833)**

The above was taken as read.

It was highlighted that cattle prices at auction markets in England and Wales had seen a slight uplift during August 2018. Cull cattle prices had also improved, this following a decline in July 2018 due to high throughput during the summer month as farmers adjusted stock numbers to cope with the drought.

In terms of sheep, the recent dry weather had impacted the finishing rates of new season lambs in recent months. Despite prime lamb throughput levels increasing significantly during July 2018, the latest figures were almost 3% below the same period for 2017 which impacted on sheep meat production volumes.

This manifested itself in a decline in sheep Levy up to the end of July 2018. However, high sheep slaughterings in August 2018 meant that Levy income had recovered and was generally in line with budgeted income.

b. **Financial – Income and Expenditure and Balance Sheet to 30 June 2018 (HCC 834)**

The above was taken as read.

A revised budget was tabled by the Corporate Services Manager.

It was noted that the budget had been adjusted to incorporate the Rural Development Plan 2014 – 2020 Red Meat Development Programme (£9.2m over a 5-year period) and the EU Transition Fund Benchmarking project (£150k), both recently awarded by Welsh Government to HCC for delivery.

The revised budget was approved by the Board.

It was agreed to provide the Board with Levy income information on a monthly basis.

Full financial reporting to the Board with regard to Income and Expenditure and Budget updates would remain as scheduled and would be presented on a quarterly basis.

c. Activities Report (HCC 835)

The above was taken as read.

Market Development

Arrangements were in hand for HCC's presence at the SIAL international food exhibition, Paris to be held from 21 – 25 October 2018. Planning was in the final stages with key exporters in order to showcase their businesses and products. HCC's presence at SIAL this year would be funded from the Ring-Fenced Levy fund.

HCC would host a reception on stand on Monday 22 October 2018 with the Cabinet Secretary in attendance.

It was noted that Board Members, Helen Howells and Rachael Madeley Davies as Members of the Marketing Advisory Committee had accepted the invitation to visit SIAL in order to have first hand insight of HCC's presence at an international trade show. There would also be opportunity for both to meet HCC's in-market agents.

HCC was currently in dialogue with Agriculture and Horticulture Board (AHDB) and Quality Meat Scotland (QMS) with regard to commissioning research work via the Ring-Fenced Levy fund on the demand for Halal product in home and export markets. This information would be shared with the Board when available.

The Market Development Manager would accompany exporting processors and Welsh Government Officials on a trade development mission to Qatar at the end of September 2018.

With regard to gaining access to the market in Japan, there were no further developments to report following the systems audit delegation visit to Wales in July 2018. A further visit was anticipated for during December 2018 /

January 2019 but this would be subject to a satisfactory report following systems audit.

HCC was currently in discussions with AHDB and QMS with regard to trade missions to potential key markets under the Ring-Fenced Levy fund and Japan was being considered as one of the countries.

In the UK, HCC's presence at Countryfile Live and Borough Market to promote PGI Welsh Lamb had proven very successful in terms of engagement and the collection of data for HCC's consumer database. The utilization of Chris Roberts and the Asado / BBQ style cooking continued to be popular amongst consumers.

HCC had been involved in promotional work during Love Lamb week (1 – 7 September 2018) with a number of activities held across the UK to include brand partnership with AGA which included PGI Welsh Lamb cooking demonstrations at selected AGA stores. Other activities included a pop-up restaurant at the Lost Lands Rooftop cinema with dinner prepared by Masterchef finalist Imran Nathoo and a slot on PGI Welsh Lamb had featured on Nadiya's British Food Adventure on BBC2 where filming took place on the farm of previous HCC Scholar Richard Roderick.

### Industry Development

The Industry Development department's work currently focused around the Red Meat Benchmarking project and the Red Meat Development Programme (Item 8).

HCC had been appointed to oversee the Benchmarking project with funding from the £50m EU Transitional fund.

The project would involve the collection of data from farmers to gain further understanding of current farm businesses and performances. The information collected would be utilized towards preparing for the future and a resilient red meat sector.

Funding would be available for up to 2,000 farmers with sheep and cattle breeding businesses and would open from the 8 October 2018 to 10 December 2018.

An online questionnaire would require to be completed which would present financial and physical details of farms.

In return, farmers would receive: -

- a detailed written analysis of the data, evaluating the performance of their businesses against others within the sector;

- £1,000 to compensate for time and effort.

It was noted that all information provided by farmers would be treated in strict confidence.

Communications

Items covered under Items 6d, 6e and 6f.

d. To receive feedback on HCC's presence at the Royal Welsh Show 2018

The Board agreed that HCC's presence at the Show had been successful in particular in terms of engagement with consumers and stakeholders from across the supply chain and also for gaining considerable media coverage.

The breakfast once again had been very well attended and was a good platform to enable the Board to engage with key industry stakeholders.

The refreshed stand design to include the BBQ area was welcomed by the Board and the number and range of activities throughout the duration in particular utilizing Chris Roberts was commended.

The Board and Executive thanked Board Member John Davies for his assistance with organizing political and VIP visitors to the HCC stand.

The detailed feedback was noted by the Communications Manager and would be discussed at a forthcoming Communications Advisory Committee meeting.

e. Forthcoming events (HCC 836)

The above was taken as read.

f. To receive a briefing on HCC's Annual Conference – Thursday 8 November 2018

The Communications Manager gave an update on HCC's plans for the conference following previous feedback from the Board and the Communications Advisory Committee: -

The conference would this year be held at the Member's Centre, the Royal Welsh Showground, Builth Wells.

The proposed theme was "The Challenge of a Changing World" taking into account Brexit and looking into the future.

The conference would commence at 3pm with a view that a late afternoon / evening session would assist with gaining more numbers in terms of a farmer audience.

A keynote speaker was in the process of being confirmed, however, confirmed contributors to the conference were the Cabinet Secretary, Tim Render, Welsh Government, Grant Cochrane, Oritain and Dr Prysor Williams, Bangor University.

7. **HCC Committees**

**Marketing Advisory Committee**

**To receive a verbal report of the Marketing Advisory Committee meeting held on Thursday 5 July 2018**

The Chair of the Committee reported to the Board as follows: -

- A presentation was given by the Brand Marketing Executive on marketing activities undertaken since the previous meeting and a summary of results from the 2017 / 2018 PGI Welsh Lamb and PGI Welsh Beef campaigns.
- A presentation was given on the 360 Mapper technology which was being utilized for the PGI Welsh Lamb campaign. The methodology allowed HCC to listen to consumers online through various channels and tracks #tags and popular conversations to then target specific people for content marketing.

8. **To receive a verbal update on HCC's Strategic Initiative – The Red Meat Development Programme (funded from the Rural Development Programme 2014 – 2020)**

The Cabinet Secretary had announced the £9.2m funding programme to be delivered by HCC at the Royal Welsh Show.

The announcement was welcomed by the Board and the HCC Executive was commended for the work undertaken to achieve this.

The Programme would engage with all aspects of the supply chain, boosting farm productivity while ensuring that future red meat production met the demands of an ever-changing and increasingly discerning consumer, both at home and abroad.

HCC would work with industry partners on three strategic projects that would focus on animal health, genetics and meat quality.

Activity was currently at planning stage and a recruitment exercise was underway with a view of appointing specialized staff to deliver the project.

9. **To receive an update on the evaluation process of the Chair and Non-Executive Directors of HCC**

Item withheld – commercial in confidence.

10. **To consider HCC's draft framework of a response to the Welsh Government Consultation – Brexit and our land: Securing the future of Welsh Farming (HCC 837)**

The above was taken read and introduced by the Chair and summarized by the CEO.

The Red Meat Executive joined the meeting in order to capture key points from Board which would then be utilized towards HCC's formal response on the consultation.

The draft framework had been prepared to stimulate Board discussion so that agreement could be reached on the over riding principles prior to drafting HCC's formal response by the 30 October 2018 deadline.

Following discussion, the Board agreed that HCC's response should be based on protecting / increasing economic activity whilst simultaneously delivering public goods.

11. **EIDCymru**

*To receive for information the EIDCymru Annual Accounts for 2017 / 2018 (HCC 838)*

The above was taken read.

12. **Any other business**

*Review of the AHDB*

It was noted that the Department for Environment and Rural Affairs (Defra) had launched a "Request for Views on AHDB" on the 31 August 2018.

This was a joint exercise between Governments in England, Scotland, Wales and Northern Ireland. The exercise would seek views on AHDB's purposes, services, Levy payer representation, Governance and Levy funding systems.

A draft response would be prepared by the Executive for the Board to consider. The deadline for responses was the 9 November 2018.

The Agriculture Bill 2017 - 2019

It was noted that the above had been presented to Parliament (First Reading) by Government on the 12 September 2018. The Bill would be considered by Members of Parliament at a Second Reading on the 10 October 2018.

The introduction of the Agriculture Bill meant that all the necessary measures would be in place for the start of the post Brexit agricultural transition in 2021, delivering a smooth transition to the new domestic policy.

Amongst the Welsh provisions in the Agriculture Bill were: -

- New financial powers for future schemes
- Collection and sharing of data
- Powers to intervene in exceptional market conditions
- Setting of marketing standards
- Modification of retained EU law relating to the financing, management and monitoring of payments to farmers, including the CAP Basic Payment Scheme.

It was noted that the Welsh Government was generally supportive of the Agriculture Bill as drafted but there were two issues yet to be resolved: -

- Provisions relating to the World Trade Organization (WTO) Agreement on Agriculture; and
- The Red Meat Levy

The above would be kept under review by Welsh Government Officials and the HCC Executive.

HCC Strategic Action Plan Monitoring Committee

The Board was informed that following recent communication between Welsh Government and the HCC Executive, it had been agreed that delivery against the Strategic Action Plan for the Welsh Meat Industry would now be overseen by the Welsh Government whilst HCC would focus on its Vision 2025 document. This arrangement would avoid any potential confusion amongst the industry with HCC monitoring both documents.

Given the above, the HCC Strategic Action Plan Monitoring Committee would cease to exist as a Committee of the HCC Board and the secretariat and monitoring duties would be transferred to the Welsh Government. It had been agreed that the current Committee Membership would be retained.



Quality Meat Scotland (QMS)

It was noted that the Scottish Government had announced the appointment by Ministers of Kate Rowell (Beef and Sheep farmer and vet) as the new Chair of QMS. The current Chair, Jim McLaren would step down from post on the 1 October 2018.

13. **Welsh Government Consultation – Brexit and our land: Securing the future of Welsh Farming**

To receive a briefing on the consultation from Peter McDonald, Deputy Director Land, Nature and Forestry Division and Land Management Reform Unit, Welsh Government

The Chair welcomed Peter McDonald to the meeting who provided a summary of the principles in the consultation.

Discussion took place on the Board's views on the consultation which would form basis for a formal response by HCC for submission to the Welsh Government.

14. **Dates of future meetings: -**

HCC Board update teleconference – Thursday 4 October 2018 11am

HCC Board meeting – Wednesday 7 November 2018

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