



(HCC 661)

**Minutes of a meeting of the Directors of Hybu Cig Cymru held at  
10.00am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 6 November 2015**

- 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:** Christianne Glossop and David Lloyd-Thomas  
(Welsh Government)
- Executive Team:  
in attendance** Gwyn Howells (Chief Executive Officer - CEO)  
Prys Morgan (Head of Operations)
- Julie Finch (Corporate Strategy and Policy Manager)  
Laura Pickup (Market Development Manager)  
Bryan Regan (Corporate Services Manager)
- Julie Davies-Jones (Secretariat)

**To welcome the Chief Veterinary Officer for Wales (CVO), Christianne Glossop**

The Chairman welcomed the CVO to the meeting.

The CVO briefed the Board on:-

- The Welsh Government's priorities and challenges for the control and the eradication of animal disease in Wales to improve the health and welfare of animals
- An update on the Bovine TB Strategy
- An update on the work of the Animal Health and Welfare Framework.

**HCC Board Meeting**

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

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

**September 2015**

The Chairman chaired a meeting between HCC and the FUW Standing Committee Chairmen and County Chairmen at HCC on the 8 September 2015. The meeting was held as part of a series of meetings with producers concentrating on the problems encountered in the lamb industry. The meetings provided a forum to discuss the main causes of the downturn and to

communicate what HCC's activities were on behalf of the sector. The Chairman and CEO along with HCC staff attended a similar meeting with NFU Cymru Members in Llanrwst and Builth Wells.

The Chairman represented HCC at the Association of Independent Meat Suppliers (AIMS) Annual Conference held in Cheshire.

The Chairman chaired a meeting of the Red Meat Levy Group on the 22 September 2015 (Item 11 refers).

October 2015

The Chairman attended the NSA Regional event "Make More of Mutton" hosted by the Rhug Estate, Corwen.

The Chairman attended the FUW / HSBC dinner, organized to coincide with the Welsh Dairy show.

The Chairman and CEO met with the exporters and key customers during the Anuga International Trade Fair in Cologne.

The Chairman and CEO attended the NFU Cymru Conference held at Llandrindod Wells.

The Chairman was joined by members of NFU Cymru and the FUW at HCC's PGI Welsh Lamb trailer tour at Tesco, Carmarthen.

2. **Apologies for absence**

Apologies received from Gary Haggaty (Welsh Government).

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 4 September 2015 (HCC 651)**

The minutes of the Board meeting held on Friday 4 September 2015 were taken as read, approved by the Board and signed by the Chairman.

5. **Matters arising**

Replenishment of HCC Non-Executive Directors (NED's)

It was noted that arrangements were in hand to issue letters of reappointment for a further term to 30 September 2016 to Board members by the Minister. In addition, communication would be issued to the Board by the Welsh Government regarding the “Nolan Principles” which sets the standard of behavior and expectations for undertaking a public role. This was an exercise that the Welsh Government would be undertaking to remind all holders of public office of their obligations.

Objective Carcase Management for Beef and Lamb

There was no update to report.

A meeting of the Lamb Carcase Evaluation Group would be held at the Winter Fair on Monday 30 November 2015.

Welsh Government – Food Division

It was confirmed that Keith Smyton, Head of Food Division, Welsh Government would be attending the Board meeting on Friday 15 January 2016.

HCC Review

There was no update to report.

It was anticipated that the Deputy Minister would make an announcement during the next few weeks regarding the Review which would commence in the New Year.

Strategic Action Plan for the Welsh Red Meat Industry - Annual Monitoring Action Plan Report 2014 - 2015

It was noted that the above had been approved by the Deputy Minister.

Sheep Spinal Cord removal / Splitting of Lamb Carcasses

FSA had invited the industry to draft proposals for setting a cut-off date of May or June for any sheep born in the previous year. This would potentially be an alternative to the current method of identifying sheep born in the previous year which was currently based on mouthing sheep and checking for erupted incisors.

The proposal (led by NFU) would be subject to scrutiny by the EC as the UK was the first EU Member State proposing an alternative system to the dentition system. The proposal was being progressed and the earliest that the system could be adopted was 2017.

6. **HCC Reports**

a. Activities Report (HCC 652)

The above was taken as read.

It was noted that the identity of processors and retailers were omitted from Board reports in order to protect Board Members from any conflicts of interests that may arise.

It was agreed to prepare an information paper on carcass cuts and trend preferences for the various export destinations for the next meeting.

Welsh Government Rural Communities – Rural Development Programme 2014 – 2020 (RDP 2014 – 2020)

It was noted that HCC had submitted an Expression of Interest (EOI) to the RDP 2014 – 2020 to develop an initiative on behalf of the red meat industry in Wales. The outcome of this initial exercise was expected during December 2015.

b. Paper for information: Rural Development Plan funding 2007 – 2013 Report on findings – Removing barriers to the uptake of electronic recording to improve flock performance project (HCC 653)

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

An independent evaluation had been undertaken on the project with pleasing results.

In summary, the project had facilitated the opportunity for over 1,700 sheep farms in Wales to take the first step towards utilizing EID recording as part of their flock management and to enhance IT capabilities. It successfully removed one of the main (financial) barriers to uptake and helped producers to better understand how EID could be used to help them to record flock management information.

The pilot project had therefore provided a platform upon which future initiatives could be built so that the sector can move towards developing skills and capabilities that would support improvements in on farm efficiency. In doing so, the project had started to make some progress in helping to start address the recommendations from the Review into the Resilience of Welsh Farming and to move towards meeting the strategic objectives set out by the Welsh Government and industry in the Strategic Action Plan for the Red Meat Industry in Wales and in supporting the Welsh Government's Working Smarter Directive.

c. Market Bulletin (HCC 654)

The above was taken as read.

d. Financial – Income and Expenditure and Balance Sheet to 30 September 2015 (HCC 655)

The above was taken as read and summarized by the Corporate Services Manager with no particular issues to highlight.

e. Forthcoming Events including HCC's Annual Conference and presence at the RWAS Winter Fair (HCC 656)

The above was taken as read.

HCC's Annual Conference Thursday 12 November 2015

The Head of Operations confirmed the arrangements for the above.

The conference theme was "Engage! Gaining ground together – Solutions for a Sustainable Red Meat Supply Chain in Wales".

There would be a pre-conference dinner for the Deputy Minister, Board, speakers, Government Officials and HCC Senior Managers at the Metropole, Llandrindod Wells on the 11 November 2015.

Invitations for the conference had been issued with over 120 delegates confirmed to date.

The programme included an address from the Deputy Minister followed by presentations from the Head of Operations, Richard Brown, Director, Gira, Patricia Czerniak, HCC's agent in Germany and Ed Garner, Communications Director, Kantar Worldpanel. There would also be breakout sessions to include a lamb carcass butchery demonstration and addresses from the HCC Scholars 2014, Eleri Price, Carwyn James and James Powell.

Winter Fair 2015

Arrangements were in hand for HCC's presence at the above.

HCC would host a breakfast reception at Hafod a Hendre at 8am on Monday 30 November 2015 in the company of the Deputy Minister. The stand would be at the usual venue within the Glamorgan Hall with numerous activities arranged to include a carcass competition and cookery demonstrations.

7. **To receive a presentation on HCC's 2015 PGI Welsh Beef Consumer Campaign**

The above was presented by the Market Development Manager.

8. **To receive a 6 month update on HCC's Business Plan Targets for 2015 / 2016 (HCC 657)**

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

The document outlined HCC's performance for the first six months against the 2015 / 2016 Business Plan.

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

9. **To agree the Welsh Red Meat Levy rates and recovery costs for the next financial year 2016 / 2017 (HCC 658)**

The above was taken as read and presented by the CEO.

The Board agreed that although it was five years since the previous increase, on balance and with particular regard to the economic challenges facing the sector and taking into account the Levy repatriation discussions and opportunities for funding support from other sources, it was recommended that the levy rates should remain the same for 2016 / 2017.

Therefore the following Levy rates and recovery costs for 2016 / 2017 would be presented by the Board to the Deputy Minister for consideration.

<b>Welsh Red Meat Levy Rates for 2016 / 2017</b>			
<i>(per head)</i>	<b>Total Levy Collected</b>	<b>Total Paid by Producer</b>	<b>Total Paid by Slaughterer/ Exporter</b>
<b>Sheep</b>	£ 0.83	£ 0.63	£ 0.20
<b>Cattle</b>	£ 5.67	£ 4.34	£ 1.33
<b>Calves (up to 68kg)</b>	£ 0.17	£ 0.085	£ 0.085
<b>Pigs</b>	£ 1.30	£ 1.05	£ 0.25

<b>Levy Recovery Costs for 2016 / 2017</b>	
<b>Species</b>	<b>Levy Recovery (per head)</b>
Sheep	£0.010
Cattle	£0.030
Pigs	£0.013

10. **R&D Advisory Committee**

To adopt the minutes of the R&D Advisory Committee held on Wednesday 3 June 2015 (HCC 659)

The minutes of the R&D Advisory Committee held on Wednesday 3 June 2015 were taken as read and adopted by the Board.

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

A meeting of the next Red Meat Levy Group was held on the 22 September 2015.

Further work was required on utilising GB sheep databases (looking at how movement data can inform the residency of sheep). A “Short Life Technical” Sub Group consisting of representatives from Levy Boards and Government Officials had been established in order to progress this.

Simultaneously, a briefing document for respective Ministers was being drafted.

The next meeting of the Red Meat Levy Group was scheduled for the 23 November 2015.

12. **EIDCymru**

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

The Corporate Strategy and Policy Manager updated the Board:-

Data was already feeding in from several livestock markets and test information had been sent from the high throughput abattoirs. The EIDCymru technical team was working closely with each of the smaller throughput marts and abattoirs and all of the collection centres in Wales to assist them with the new system.

A pilot phase for the web-based system was underway and many of the farmer user Group Members would also be involved in this process.

A series of farmer and industry meetings were scheduled for January 2016 onwards so that those farmers who wished to use EIDCymru to report or confirm their sheep movements could do so.

The electronic reporting of sheep movements by livestock markets, abattoirs and collection centres would be compulsory with effect from 18 January 2016.

A communications plan had been prepared and EIDCymru would have presence at the Winter Fair.

In terms of staffing, the recruitment exercise for Helpdesk Assistants was complete and appointed staff would commence in post during December 2015.

It was agreed to organize a visit to the EIDCymru offices for the Board following the January 2016 meeting.

13. **Any other business**

*Organic Trade Board – Request for funding*

The Head of Operations informed the Board that a request had been received from the Organic Trade Board for a levy contribution from HCC to support a generic organic food and drink application which would draw down EU promotional funds.

It was agreed for the Executive to consider this request further and update the Board at the next meeting.

*EU Reflection Group on Sheep Meat*

The CEO informed the Board that in light of the significant challenges that the sheep sector has been exposed to recently, the EU Commission, at the behest of Commissioner Hogan had formed the “EU Reflection Group on Sheep Meat”.

The CEO had been invited to represent the Welsh Government and industry on the Group.

The first meeting of the Group was scheduled for the 12 November 2015 and therefore the CEO tendered his apologies for the HCC Annual Conference.

An update on the above would be given at the next Board meeting.

*Multiple Cattle Movements / penalties for beef producers*

It was agreed to provide an information paper for the next meeting on the number of beef animals which fall outside certain retailers’ specification with regard to multiple movements on BCMS passports.

14. **Date of next meeting**

Friday 15 January 2016.



Signed.....  
Chairman of HCC