



(HCC 852)

**Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Wednesday 7 November 2018**

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

**Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)  
Julie Davies-Jones (Secretariat)  
Kirsten Hughes, Red Meat Executive (Items 7, 8 & 10)

**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: -

20 September 2018 – The Chair and CEO attended the NFU Cymru Livestock Board meeting.

2 October 2018 – The Chair and CEO attended the Welsh Government / HCC Quarterly Governance meeting. Updates were given by both parties with regard to reporting on activities and areas of collaborative working.

4 October 2018 – HCC Board update teleconference.

5 and 6 October 2018 – The Chair and Industry Development and Relations Manager represented HCC at the annual AIMS conference.

15 October 2018 – The Chair attended a lunch meeting with NZ Embassy Officials. Dialogue had taken place on current markets and the implications of a hard Brexit.

21 - 23 October 2018 – The Chair and Board Members Rachael Madeley Davies and Helen Howells joined the Executive team at the SIAL Trade Show, Paris (Item 11c refers). On the Monday of SIAL, the Chair, CEO and Market Development Manager had also attended the annual British Meat Dinner.

24 October 2018 – The Chair and CEO attended a joint briefing organized by NFU Cymru and the FUW where messages were conveyed to Assembly Members regarding concerns on the future of the farming industry post Brexit.

1 November 2018 – The Chair and CEO attended the NFU Cymru annual conference.

2. **Apologies for absence**

Apologies had been received from Illtud Dunsford, Ogwen Williams, Gary Haggaty and Gareth Wilson.

3. **Declarations of Interest**

There were no new Declarations of Interest.

The Chair on behalf of the Board congratulated Helen Howells on her appointment to serve on the National Infrastructure Commission for Wales (NICfW).

4. **To approve the minutes of the Board meeting held on Thursday 13 September 2018 (HCC 839)**

The minutes of the Board meeting held on Thursday 13 September 2018 were taken as read, approved by the Board and signed by the Chair.

5. **Matters arising**

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

It was noted that HCC's response to the above had been submitted.

*Request for Views on the Agriculture and Horticulture Development Board (AHDB)*

The CEO summarized HCC's draft response which had previously been shared with the Board on the 2 November 2018.

It was noted that given the remit of HCC, it was not considered appropriate for HCC to respond to the specific questions posed in the consultation survey. However, HCC in its response, raised the matter of market failure in the red meat sector and the need for a Statutory Levy to continue. The need to capitalize on the opportunity to correct the inequity of the GB Red Meat Levy distribution was also raised.

HCC's response highlighted that it was crucial that work continued in effecting the necessary legislative changes at the earliest opportunity to bring about the reapportionment of Levy to ensure an equitable and long-term solution.

The Board agreed with the content of HCC's response.

The Management team and Red Meat Executive joined the meeting.

6. **To receive feedback following the evaluation process of the HCC Chair and Non-Executive Directors**

Item withheld – commercial in confidence.

7. **To consider the 6-month review of the HCC Operational Plan 2018 / 2019 Performance against KPIs April – September 2018 (HCC 840)**

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

The indicators of success (KPIs) within the document were highlighted as a means of measuring progress during 2018 / 2019. Where new KPIs had been set, baselines would be established during the current financial year which would allow for progress to be measured in subsequent years.

It was noted that the majority of measurements would be progressed during the second half of the financial year.

The Board was content with the current situation.

8. **To consider and approve the Welsh Red Meat Levy rates and recovery costs for 2019 / 2020 (HCC 841)**

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

The Executive recommended to the Board that given the uncertainty surrounding Brexit alongside repatriation of Levy and funding support from other sources, that it was considered appropriate that the Welsh Red Meat Levy rates should remain the same for 2019 / 2020 as follows: -

<b>Welsh Red Meat Levy Rates for 2019 / 2020</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</b> (up to 68kg)	£ 0.17	£ 0.085	£ 0.085
<b>Pigs</b>	£ 1.30	£ 1.05	£ 0.25

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<b>Levy Recovery Costs for 2019 / 2020</b>	
<b>Species</b>	<b>Levy Recovery (per head)</b>
Sheep	£0.010
Cattle	£0.030
Pigs	£0.013

Following discussion, the Board agreed with the recommendation.

Next steps: The recommendation of the Board would be presented to the Cabinet Secretary and subsequently Welsh Ministers who are responsible for setting the Welsh Red Meat Levy rates.

9. **To receive an update on the planning process for the HCC Corporate Plan 2019 / 2022 and HCC Operational Plan 2019 / 2020**

A paper on the above was tabled and presented by the Red Meat Executive.

In line with Vision 2025, the Corporate Plan should set out the key areas of work that the Board prioritizes for the effective use of Welsh Red Meat Levy monies during the three-year period 2019 / 2022. The Executive proposed that the 2019 / 2022 Corporate Plan be based on the 2018 / 2021 Corporate Plan. However, it was highlighted that if the UK secured a non-favorable Brexit deal, there would be a requirement to revisit the Plans and possible considerable re allocation of resource and redrafting. Pending clarity on the outcome of the Brexit negotiations, the Board may be invited to a planning workshop during January 2019.

The 2019 / 2020 Operational Plan would outline the priorities of the Corporate Plan.

The following planning timeline was approved by the Board (assuming a favorable Brexit deal was secured). However, it was noted that timescales would be subject to change if this was not the case.

<b><u>Date</u></b>	<b><u>Milestone</u></b>
10 January 2019	First drafts presented to the Board
27 February 2019	Amended drafts presented to the Board for approval
15 March 2019	Plans sent to the Cabinet Secretary for approval
1 April 2019	Plans introduced (Corporate Plan published on HCC website)

The above was agreed by the Board.

10. **HCC Reports**

a. **Market Bulletin Summary (HCC 842)**

The above was taken as read.

b. **HCC Reports / Financial – Income and Expenditure and Balance Sheet to 30 September 2018 (HCC 843)**

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

It was highlighted that Levy income was higher than budget for the period due to the significant increase in sheep slaughterings driven by a strong export trade. Expenditure was currently tracking behind budget due to activities delivered later than anticipated. This would become more aligned in the next quarter.

c. Activities Report (HCC 844)

The above was taken as read.

**Market Development**

HCC's presence at the SIAL international food exhibition, Paris was successful in terms of engaging with potential new and existing customers. The Cabinet Secretary was present on HCC's stand on the Monday addressing a reception of international customers. The Cabinet Secretary also spent considerable time meeting with all exporters present discussing current industry issues and how Brexit impacted on the abattoir sector.

Two members of the Board and the Marketing Advisory Committee (Helen Howells, Chair of the Committee and Rachael Madeley Davies) attended the trade show in order to gain experience and further understanding of HCC's presence at international fairs showcasing PGI Welsh Lamb and PGI Welsh Beef as prominent brands worldwide. A report on their attendance was tabled for information.

Going forward, it was noted that arrangements were in hand for HCC to have joint presence with the Agriculture and Horticulture Board (AHDB) and Quality Meat Scotland (QMS) at a number of trade shows as part of the agreement of the ring-fenced fund: -

Sirah, Lyon (February 2019)  
Sial, Canada (April / May 2019)  
Hofex (May 2019)  
Anuga, Germany (October 2019)  
Foodex, Japan (March 2020)  
Tavola, Belgium (March 2020)

In addition, arrangements were in hand for HCC's presence at Gulfood, Dubai (February 2019) which would be HCC / Welsh Government funded.

**Industry Development**

The Industry Development department's work continued to focus around the Red Meat Benchmarking project and the Red Meat Development Programme.

Red Meat Benchmarking Project

It was noted that to date, 470 farmers had completed the process. The target was to sign up 2,000 farmers to the project with a closing date of 10 December 2018.

The project would be promoted further at forthcoming events such as the HCC annual conference and the Winter Fair and there would be further media activity over the coming weeks.

**Communications**

Covered under separate agenda items - 11f and 11g.

d. To receive a presentation on the PGI Welsh Beef Campaign 2018

The Market Development Manager gave a presentation on HCC's activity for the PGI Welsh Beef campaign 2018.

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

Activity had commenced and staff had been appointed to deliver the projects: -

Dr Rebekah Stuart, Flock and Herd Health Executive  
Gwawr Parry, Flock Genetics Officer  
Dr Eleri Price, Meat Quality Executive

Further recruitment would be undertaken in due course.

f. To receive a briefing on the HCC "Ask the Board" Session for Levy payers and HCC's Annual Conference – Thursday 8 November 2018 (HCC 845)

The above was taken as read and summarized by the Communications Manager. The Board was content with the information provided covering the headings Brexit, trade and marketing, corporate and farming and supply chain.

A pre-conference briefing would be organized for the Board ahead of the event on the 8 November 2018.

The Communications Advisory Committee would review the HCC annual conference including the timing of the event in the annual calendar at its next meeting.

g. Forthcoming events to include an update on HCC's presence at the Winter Fair 26 & 27 November 2018 (HCC 846)

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

HCC would have presence at the Nursing in Practice conference at the All Nations Centre, Cardiff on the 27 November 2018. It was anticipated that approximately 200 health professionals would be in attendance with HCC highlighting the importance of red meat in a balanced diet. Also, in attendance as part of HCC's presence and a keynote speaker would be Dr Carrie Ruxton who would address delegates on the theme of "Red meat: Friend or Foe".

HCC's presence at this year's Winter Fair would commence as usual with the industry breakfast reception to be held at the Hafod a Hendre with the Cabinet Secretary in attendance.

A full programme of activity was in hand for HCC's stand this year. Former Wales rugby international Shane Williams and Wales Women's rugby professional Elinor Snowhill would be present to support the consumer campaigns and highlight key messages on the importance of red meat as part of a healthy and balanced diet. Cooking demonstrations, opportunities to sign up to the Red Meat Benchmarking Project and promotion of the Red Meat Development Programme would also be features of the stand.

## 11. HCC Committees

### Audit and Risk Committee

- a. To receive a verbal report of the Audit and Risk Committee meeting held on Wednesday 7 November 2018

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

- b. To adopt the minutes of the Audit and Risk Committee meeting held on Monday 18 June 2018 (HCC 849)

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

### Communications Advisory Committee

- c. To receive a verbal report of the Communications Advisory Committee meeting held on Thursday 13 September 2018 (HCC 848)

The draft minutes of the above Committee meeting were taken as read and summarized by the Committee Chair: -

- The Committee had discussed in detail feedback from the Royal Welsh Show which was noted by the Executive and would be taken into consideration when planning the 2019 show.

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- The Committee had agreed that the matter of pursuing options for a permanent location at the Showground would remain as an agenda item.
  - The Annual Conference and Winter Fair was discussed by the Committee (Item 11f and 11g refers).
  - Establishing a baseline for stakeholder engagement was discussed along with developing a consolidated events calendar.
- d. To adopt the minutes of the Communications Advisory Committee meeting held on Monday 18 June 2018 (HCC 849)

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

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

- e. To receive a verbal report of the R&D&KE Committee meeting held on Tuesday 2 October 2018

The Chair of the Committee gave a verbal report on the above: -

- The supported project 'Design and Development of a Targeted Selective Treatment (TST) Strategy for Nematodes in Peri-Parturient Ewes' had appointed PhD student Eryr Williams to undertake the work at IBERS.
- An update was given on the current project portfolio and the ring-fenced funded projects - The first call for projects 'Assessing efficiency of breeding enterprises' and 'Improving Neonatal survival of lambs and suckled calves'. Three tenders were presented for consideration for the 'Assessing efficiency of breeding enterprises'. After evaluation the tender was awarded to Abacus Bio. Four tenders were received for 'Improving Neonatal survival of lambs and suckled calves'; after evaluation the tender was awarded to Edinburgh University.

GrassCheckGB had also been incorporated under the ring-fenced fund. This project emulated the work of GrassCheckNI (Northern Ireland). All Levy bodies were currently collaborating to recruit up to 25 farms into the project to start measuring in the Spring.

- A PhD project concept was put forward to the Committee from the University of Liverpool titled – '*Identification of drug resistance genes in Fasciola hepatica using a combined in vitro phenotyping and pooled genotyping approach*'. The Committee was advised that this proposal was in its infancy and was planned to be put forward to the University's internal Council.
- R&D&KE Advisory Committee Workshop – a workshop element was hosted by the Chair of the Committee at the meeting to discuss the following questions:



1. Is the current format of the HCC R&D&KE Advisory Committee fit for purpose; does it meet the needs of the members and HCC?

The Committee agreed that they were happy with the current format.

2. What are the key objectives of R&D for HCC in terms of changing markets and the change in domestic trends?

It was agreed that the priorities were grasped within the RDP work plan but there was a desire to increase the number of projects in the portfolio that complements this.

The Chair of the Committee thanked Gwawr Parry for her work and support to the R&D&KE Committee over the years and wished her well in her new post.

- f. To adopt the minutes of the R&D&KE Committee meeting held on Wednesday 13 June 2018 (HCC 850)

The above was taken as read and adopted by the Board

### **Flock and Herd Health Working Group (FHHWG)**

- g. To receive a verbal report of the FHHWG meeting held on Wednesday 31 October 2018

The Chair of the Committee gave a verbal report on the above: -

- The meeting was well attended with 15 members present.
- A presentation was given by Sian Mitchell, APHA centered on results diagnosed at APHA labs during the last year. The most common disease diagnosed in cattle was Johne's, while in sheep it was Sheep Scab.
- There was also a discussion on the recent Salmonella outbreak linked to sheep meat that had been reported.
- Neil Paton gave an update on the GwarduBVD project and also gave an outline of how a Sheep Scab control programme could be developed. The Programme approach had been submitted as an industry paper to the Welsh Government. However, at this point no funding had been confirmed.
- An update was provided to the Committee on the Red Meat Development Programme, specifically the Flock and Herd Health Planning project. The appointment of Dr Rebekah Stuart was welcomed by the Committee.

13. **Paper for information: Practices to improve PGI Welsh Lamb shelf life (HCC851)**

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

14. **Any other business** - There was no other business.

15. **Date of next meeting** - Thursday 10 January 2019.

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