



(HCC 974)

Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am via Microsoft Teams on Wednesday 4 November 2020

Present: Kevin Roberts (Chair)
Melody Chapman, Gareth Wynn Davies, Huw Davies, John T Davies, Rhys Davies, Rachael Madeley Davies, Prys Morgan, Nadine Porter, Catherine Smith and Claire Williams

By Invitation: Laura Hughes, Welsh Government
Maria Richards, Welsh Government

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

To receive a briefing on EIDCymru and Multi Species Wales (MSW)

The Chair welcomed Laura Hughes, Head of Animal Policy and Delivery, Welsh Government to the meeting to give an overview on EIDCymru and Multi Species Wales (available via Sharepoint / Board / Information / Presentations).

The Chair thanked Laura Hughes for the update and the formal part of the Board meeting commenced.

1. Welcome and Chair's Comments

The Chair welcomed all to the fourth formal Board meeting to be held virtually since the Coronavirus (Covid-19) pandemic.

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

8 September 2020 – The Chair and CEO attended the HCC and Welsh Government Quarterly Governance meeting

22 September 2020 – Pre conference planning meeting with the CEO and Communications Manager

24 September 2020 - First Minister's EU Exit Group

1 October 2020 – HCC Board update and Welsh Government Trade Policy Group meetings

5 October 2020 - Farming Connect Strategic Advisory Board meeting

6 October 2020 - HCC Marketing Advisory Committee meeting (Item 10b refers)

8 October 2020 – Public Leaders Forum with the CEO

12 October 2020 - Minister’s EERA EU Transition Roundtable meeting

22 October 2020 – The Chair and CEO gave evidence to the Trade & Agriculture Commission

27 October 2020 – HCC Marketing Advisory Committee meeting

2 November 2020 – HCC Chair appointment sifting exercise

3 November 2020 – HCC Board planning session (Item 9 refers)

2. **Apologies for absence**

There were no apologies.

3. **Declarations of Interest**

There were no new Declarations of Interest.

4. **To approve the minutes of the Board meeting held on Thursday 3 September 2020 (HCC 961)**

The minutes of the Board meeting held on Thursday 3 September 2020 were taken as read, approved by the Board and signed by the Chair.

5. **Matters arising**

There were no matters arising.

6. **Brexit Update – To discuss the latest developments with regard to the UK departing the EU**

It was noted that Brexit negotiations continued between the UK Government and the EU with no progress to report. It seemed unlikely that a trade deal would be agreed in the near future, however, discussions would need to be resolved ahead of the UK’s departure from the EU on the 31 December 2020.

Discussion took place with regard to the continued concerns and uncertainty and the potentially major disruption to the livestock supply chain.

The Welsh Government and HCC continued to work on Brexit preparedness.

It was agreed that an emergency meeting of the Board would be convened ahead of the scheduled Board meeting of 14 January 2021, if there were significant developments that needed to be discussed.

7. **HCC Operational Plan 2020 / 2021**

- a. To consider the 6-month review of the HCC Operational Plan 2020 / 2021 Performance against KPIs (HCC 962)

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

Following discussion, the Board was content with the current situation.

- b. To approve the amendments to the KPIs for the HCC Operational Plan 2020 / 2021 due to the impact of the Covid-19 pandemic (HCC 963)

In relation to paper HCC 962, the above was taken as read and presented by the Red Meat Executive.

The proposed three adjusted targets highlighted in the paper would prove challenging to achieve due to the Covid-19 pandemic.

The changes were noted and agreed by the Board.

8. **To consider the Red Meat Levy rates and recovery costs for 2021/ 2022 (HCC 964)**

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

The negotiations over the UK's exit from the EU and the potential disruption from a non-favorable trade deal from 1 January 2021 continued to bring uncertainty, which was further heightened by the challenges brought by the Covid-19 pandemic.

Furthermore, the Agriculture Bill (currently progressing through the Parliamentary process) presented an opportunity to correct the Levy inequity. It was currently anticipated that the Bill would receive Royal Assent in this Parliamentary term and that from April 2021 Wales would benefit from a repatriation of Levy in the region of £1 million per annum.

Taking the above into consideration, the Executive recommended to the Board that Levy rates be retained for 2021 / 2022:

| Welsh Red Meat Levy Rates for 2021/2022 | | | |
|--|-----------------------------|-------------------------------|--|
| <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 2021/2022 | |
|--|---------------------------------|
| Species | Levy Recovery (per head) |
| Sheep | £0.010 |
| Cattle | £0.030 |
| Pigs | £0.013 |

Following discussion, the Board agreed to the recommendation.

Next Steps

The recommendation of the Board would be presented to the Minister for Environment, Energy and Rural Affairs for setting Welsh Red Meat Levy rates for 2021 / 2022.

9. **To receive an update on the planning process for the HCC Corporate Plan 2021 / 2024 and HCC Operational Plan 2021 / 2022**

A planning meeting of the Board to discuss the above was held via Teams on Monday 3 November 2020.

The meeting commenced with Dr Tim Render, Director for Environment and Rural Affairs, Welsh Government who led a discussion on the impact of Brexit on the Welsh red meat industry. This was followed by a presentation and discussion with

Richard Brown, Director, Gira on the opportunities for Welsh red meat domestically and internationally.

Following the above, the Board discussed HCC's Vision 2025 to consider its appropriateness in light of current (and future) challenges and opportunities.

It was agreed that discussions around a possible no-deal should be delayed until the type of EU-exit deal was known.

Strategic focus

At this time, within the context of Brexit and Covid-19, it was agreed that the nine areas of strategic focus in the Vision 2025 remain relevant:

1. Positioning red meat from Wales as a premium product.
2. Developing EU trade opportunities for Welsh red meat.
3. Optimising domestic (GB) consumption of red meat from Wales.
4. Seeking new consumers for Welsh red meat in established global markets.
5. Securing a greater percentage of Welsh red meat exports outside the EU.
6. Developing a competitive Welsh red meat industry.
7. Reducing the impact of Welsh red meat production and processing on the climate, the environment and waste.
8. Contingency planning in terms of future trade, production and processing post-Brexit.
9. Effective communication throughout the industry to ensure unity of purpose.

Specifically, the Board agreed that the premium offering remained the correct positioning for Welsh red meat.

It was also agreed that the continuation of the multi-market development approach was needed, i.e. to maintain trading opportunities within the EU market, continue to target developing markets and seek opportunities in new markets.

The Board agreed however, that there was a need to further integrate the challenges and opportunities sustainability presents the Welsh red meat industry, both in responding to climate change and enhancing the provenance messaging – which was applicable across the supply chain. Focused communications on the positive sustainability messaging would also need targeting in retail, food service and in export markets.

In addition to the above, the Board agreed that opportunities in the Halal sector needed exploiting further.

The opportunity of capitalizing on the data captured through EIDCymru was highlighted as a significant opportunity, adding value to the industry's performance and efficiency.

The Executive noted the above would be considered during the drafting of the HCC Corporate Plan 2021 / 2024 and the Operational Plan 2021 / 2022 which would be available for the Board to review at the 14 January 2021 meeting.

HCC Reports

a. Activities (HCC 965)

The above was taken as read.

Welsh Red Meat Procurement in Public Sector establishments

The Market Development Manager informed that the HCC commissioned report on the above was now complete.

Work was progressing with partners to identify measurements from the report in order to establish KPIs.

A summary paper of the report would be prepared for the 14 January 2021 Board meeting.

“The Welsh Way: Towards Global Leadership in Sustainable Lamb and Beef Production”:

The Communications Manager gave an update on HCC’s report.

b. Market Bulletin Summary (HCC 966)

The above was taken as read with no issues to report. It was reassuring to note that market prices remained stable.

It was agreed to prepare an information / analysis paper of factors affecting farmgate prices in 2020 for the 14 January 2021 meeting.

c. Financial – Income and Expenditure and Balance Sheet to 30 September 2020 (HCC 967)

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

d. To receive a presentation on the results of the Ring Fence Levy Funded “Make It! Steak” campaign

The Market Development Manager presented on the above.

e. To receive an update on HCC’s Annual Conference 2020

The Communications Manager gave an update on arrangements for HCC’s Virtual Conference from the 10 – 12 November 2020.

This year, delegates would hear the perspectives of farmers, butchers and retailers as well as internationally-renowned experts on the turbulent COVID-influenced year of 2020, and look ahead to the major challenges that will face the industry in 2021 such as sustainability and international trade.

f. Forthcoming events (HCC 968)

The above was taken as read.

10. **HCC Committees**

Communications Advisory Committee

- a. To adopt the minutes of the Communications Advisory Committee meeting held on Thursday 3 September 2020 (HCC 969)

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

Marketing Advisory Committee

- b. To receive a verbal report and adopt the minutes of the Marketing Advisory Committee meeting held on Tuesday 6 October 2020 (HCC 270)

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

The minutes were utilized as a report to the Board with no issues raised.

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 7 October 2020 (HCC 271)

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

The minutes were utilized as a report to the Board with no issues raised.

Flock and Herd Health Working Group (FHHWG)

- d. To receive a verbal report and adopt the minutes of the FHHWG Group meeting held on Wednesday 7 October 2020 (HCC 272)

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

The minutes were utilized as a report to the Board with no issues raised.

Audit and Risk Committee

- e. To receive a verbal report of the Audit and Risk Committee meeting held on Wednesday 4 November 2020

The Chair of the Committee gave a brief verbal update on the above.

11. **Paper for information: EIDCymru Financial Statements year ended 31 March 2020 (HCC 973)**

The above was taken as read.

12. **Any other business**

Resignation

The Chair informed that Nadine Porter had tendered her resignation as HCC Board Non-Executive Director and wished her well for the future in New Zealand.

13. **Dates of forthcoming meetings**

Board Teams update – Thursday 19 November 2020 at 10.30am
HCC Board meeting – Thursday 14 January 2021 at 10.30am.

Signed.....
Chairman of HCC