



(HCC 715)

**Minutes of a meeting of the Directors of Hybu Cig Cymru held at
10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 9 September 2016**

- Present:** Dai Davies (Chairman)
John Brereton, Will Haresign, Bethan Jones, Gwynn Angell Jones
Graham Probert, Richard Rogers, Wyn Williams and John
Yeomans
- By Invitation:** Carol Driver (Welsh Government)
Gary Haggaty (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 Carol Driver, Welsh Government and Rhys Llywelyn, HCC's recently appointed Market Development Manager.

The Chairman thanked the Board for their attendance at the Royal Welsh Show. The Board thanked the staff for their hard work and efforts in making HCC's presence a success.

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

July 2016

The Chairman and Head of Operations met with representatives from the Soil Association where matters relating to the organic red meat sector were discussed.

The Chairman attended the Royal Welsh Show 2016 for the duration and represented HCC at numerous industry engagements and meetings.

August 2016

The Chairman joined HCC staff on the HCC Trailer Tour at retail stores in Carmarthen and Bangor.

The Chairman and CEO met with the Cabinet Secretary, Lesley Griffiths AM on the 8 August 2016. An update was given to the Cabinet Secretary on the GB Red Meat Levy Repatriation, HCC's remit and forthcoming activities.

The Chairman attended Sioe Môn and Pembrokeshire Show.

A thank you was noted for Richard Tudor for deputizing for the Chairman at the Denbigh and Flint Show.

2. **Apologies for absence**

Apologies for absence were received from Richard Tudor.

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 8 July 2016 (HCC 706)**

The minutes of the Board meeting held on Friday 8 July 2016 were taken as read, approved by the Board and signed by the Chairman.

5. **Matters arising**

Welsh Government Food and Drink Board for Wales

It was noted that the Chair of the above, Andy Richardson would present to the Board at the next meeting on Friday 4 November 2016.

EU Sheep Meat Forum

The CEO informed that the fourth and final meeting of the above with Commissioner Hogan in attendance would be held in Brussels on the 13 October 2016.

The Forum planned to review the recommendations that had emerged from previous meetings. The recommendations would provide a platform for a strong policy framework for an economically and environmentally sustainable European sheep meat sector and would be presented to Commissioner Hogan for consideration.

The CEO would update the Board at the next meeting.

6. **HCC Reports**

a. Activities Report (HCC 707)

The above was taken as read.

b. Market Bulletin (HCC 708)

The above was taken as read.

It was highlighted that there were concerns within both primary and processing sectors of the potential negative impact that Brexit could have on trade with the EU-27.

c. Financial – Income and Expenditure and Balance Sheet to 30 June 2016 (HCC 709)

The above was taken as read.

d. Forthcoming Events (HCC 710)

The above was taken as read.

HCC was currently in the process of organizing a briefing event on the export market for Assembly Members at the National Assembly for Wales during November 2016. The Board would be invited to attend.

e. To receive a verbal briefing on HCC's Annual Conference, Thursday 10 November 2016

The Communications Lead gave a briefing on proposed arrangements for HCC's Annual Conference to be held on Thursday 10 November 2016:-

A pre-conference dinner would be held for Board, speakers and Executive at Seiont Manor Hotel, Llanrug, Caernarfon, LL55 2AQ.

The conference this year; would be held at Tŷ Menai, Parc Menai, Bangor, LL57 4HJ.

Speakers included:-

- The Cabinet Secretary
- Professor David Hughes (Emeritus Professor of Food Marketing at Imperial College, London)
- Gwyn Howells
- Andrew Slade, Welsh Government

- Ken Sorenson, HCC's Export agent in Scandinavia
- Huw Williams and Richard Roderick, HCC Scholars

Ahead of the conference, the Executive proposed that an initial "blue sky thinking" exercise could be held with the Board during the afternoon of Wednesday 9 November 2016 on the 2017 / 2018 HCC Business Plan.

This was agreed by the Board and further information would be available in due course.

One recommendation from the HCC Review was for "HCC to hold a formal annual meeting which would be broadcast live permitting maximum engagement and understanding of the organization's work".

Given this, the Executive proposed on this occasion, that a Levy Payers Forum was held ahead of the conference on Thursday 10 November 2016. This would provide an opportunity for the HCC Board to engage directly with Levy payers in a question and answer session on HCC activities.

This was agreed by the Board and further information would be issued in due course.

7. **To discuss the EU Referendum outcome – Brexit**

Round table discussion took place regarding the above.

Gary Haggaty summarized the objectives and role of Amaeth Cymru in providing a strategic lead for the agriculture industry in Wales. Kevin Roberts had been appointed as Chair of this Partnership Group. The Group would play a key role with others in providing evidence to inform the Brexit agenda.

The Cabinet Secretary had held initial round table meetings with a number of stakeholders to discuss the implications of the referendum result.

Going forward, a number of workshops were in the process of being organized by the Welsh Government to further gain a clear understanding of industry / stakeholders' perceptions of the key opportunities, risks and threats to creating a sustainable future for Wales' agriculture, fisheries and environment sectors following the UK's exit from the EU.

The themed workshops that had been held so far were as follows:-

- Workshop 1 – Primary production and land use and sea management
- Workshop 2 – Markets and supply chains
- Workshop 3 – Consumers and services
- Workshop 4 – Resource efficiency and waste minimization.

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

There was no update to report. However, it was noted that the Cabinet Secretary had been given a briefing on Levy Repatriation by the Chairman and the CEO and had indicated her full support with regard to progressing the matter with the Westminster Government.

9. **To receive a verbal update on the Welsh Government's Review of HCC**

It was noted that the review undertaken by Kevin Roberts had now concluded.

The Chairman summarized the recommendations from the report and reminded the Board that any matters discussed within the meeting were in confidence:-

SUMMARY OF RECOMMENDATIONS

- HCC to continue as a company wholly owned by the Welsh Government.
- The statutory Red Meat Levy to remain in place within the Welsh red meat industry.
- A greater focus to be given to export promotion alongside continued promotion in the domestic market.
- HCC should conduct a survey to establish the levels of and success of new product development within the red meat sector and seek as a priority to address any shortcomings.
- HCC must work in partnership with Farming Connect delivery contractors if it is to deliver towards its knowledge transfer remit in an integrated and cost effective way.
- The HCC Board should conduct a fundamental review of its investment decisions every three years and ensure they are likely to deliver maximum impact based on the most recent return on investment data collected. This includes the investment on knowledge transfer.
- Welsh Government should consider in conjunction with relevant stakeholders the inclusion of a trust status for farmer Levy in the Red Meat Industry (Wales) Measure 2010.
- HCC to hold a formal AGM annually which is broadcast live over the internet permitting maximum engagement and understanding of the organization's work.
- HCC should increase cost effective collaborative working with other GB Levy Boards, the Farming Connect Programme and FAWL to deliver more

on behalf of Levy payers.

- Welsh Government to lead the recruitment process to the HCC Board with a representative from HCC and an appropriate independent representative to assist.
- The HCC Board to be actively involved in developing the Strategic Plan to ensure ownership throughout.
- All future appointees to the Board must, as part of their remit, actively play their part in communicating the work of HCC and the Board to Levy payers.
- The HCC Board should include members who have professional experience / qualifications of marketing and promotion and of financial matters to ensure robust scrutiny and challenge to the Executive.
- The Board should in future be more balanced in gender terms.
- Welsh Government to review all current incorporation documentation, ensure that there is a formal relationship framework document in place and that incorporation documents reflect this framework. This should be accompanied with an annual remit letter.
- A programme of formal meetings between the Welsh Government and HCC to be held and minuted. These meetings would include co-ordination of activities between HCC and the Welsh Government to avoid duplication of effort and spend.
- Chair of HCC to meet formally with the Cabinet Secretary once a year.
- There should be much greater integration of HCC's work with partner organizations' programmes of activity at the planning stages to avoid duplication.
- HCC and Welsh Government to continue to seek an early resolution to the Red Meat Levy distribution exercise.
- Welsh Government to look at the levels of organic produce required in the food chain and the potential for this to be improved with promotion
- Welsh Government and HCC to work together to explore options for retaining a quality mark for Welsh Lamb and Beef following the UK's exit from the European Union.

It was expected that the Cabinet Secretary would issue a Written Statement on the report during the next few weeks.

10. **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 meeting on the above.

It was noted that since the previous Board meeting, HCC had been notified that the application would need to be amended in order to scale down the number of participating farmers in the various projects. It had also been advised that recompensing producers for providing the project with business data in order to compile a comprehensive industry data set would not now be possible. Given this, the Executive would work to revise the application.

The revised application for the Red Meat Sector Programme would be submitted to WEFO online towards the end of September / beginning of October 2016 and would be entitled "New approaches to building a competitive, efficient and resilient Red Meat Sector in Wales".

11. **EIDCymru**

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

It was noted that additional temporary Bureau staff had been appointed to assist during this peak time for lamb movements. Up to 700 movement licenses were currently being received on a daily basis. Information slips had been produced for distribution to encourage farmers to input movements on line.

b. **Paper for information: EIDCymru Annual Accounts 2015 / 2016 (HCC 711)**

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

12. **R&D Advisory Committee**

To receive a verbal report of the R&D Advisory Committee held on Wednesday 7 September 2016

The Chairman gave a verbal report on the matters discussed at the meeting:-

- Clare Collett a current PhD KESS student presented on her project titled 'Penside detection of Triclabendazole efficacy against liver fluke parasites of livestock'.
- There were no projects presented for consideration.
- It was noted that HCC attended a meeting with Penny Dowdney the Welsh KESS studentship co-ordinator to discuss the relevant application windows for KESS 2. It was recommended that HCC via the KESS office put out a

call under their main business objectives. The call would run for 6 weeks from the end of August 2016.

- The threat of ticks to sheep systems was discussed. HCC was actioned to investigate the prevalence of ticks and their threat in Wales for the R&D Advisory Committee's next meeting.

13. **Red Meat Strategy Monitoring Committee**

- a. To receive a verbal report and adopt the minutes of the Welsh Red Meat Strategy Monitoring Committee held on Friday 8 July 2016 (HCC 712)

The Chairman gave a verbal report on the Committee meeting held on Friday 8 July 2016:-

The draft Annual Monitoring Report for 2015-2016 was shared with the Committee which highlighted the achievements against actions between April 2015 and March 2016.

The Committee discussed a number of matters in relation to the activities delivered.

The Committee had agreed the content of the report and for it to be presented the Board for approval.

The minutes of the Red Meat Monitoring Committee held on Friday 8 July 2016 were taken as read and adopted by the Board.

- b. To receive and approve the Annual Monitoring Report 2015 / 2016 of the Strategic Action Plan (2020 Vision) (HCC 713)

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

Following discussion, the Board approved the report.

The report would be sent to the Cabinet Secretary for approval.

14. **To authorize the HCC Executive to act as signatories in the process of registering the Designation of Certification Marks for PGI Welsh Lamb and PGI Welsh Beef in worldwide countries**

The above was agreed by the Board.

15. **To consider a draft consultation response for the application to register the name "Cambrian Mountains Lamb" as a Protected Designation of Origin (PDO) under the EU Protected Food Name Scheme (HCC 714)**

Following discussion, it was agreed that HCC's response was appropriate as it sought to inform the application with constructive comments around future collaboration and joint working. It was noted that HCC's response was not an objection to the Cambrian Mountains application.

The draft response was agreed by the Board.

16. **Any other business**

Responsible use of Medicines in Agriculture Alliance (Ruma) Committee

Given that the use of medicines in livestock production was becoming an increasingly prominent issue, the industry at large would need to work together to address the matter. The Ruma Committee was currently undertaking a great deal of work in this area but apparently had no representation from Wales.

It was agreed to investigate the membership of the Ruma Committee.

HCC PGI Welsh Lamb new POS material

The above was available at the meeting for the Board to peruse.

17. **Date of next meeting**

Friday 4 November 2016.

Signed.....
Chairman of HCC