



(HCC 863)

Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Thursday 10 January 2019

- 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:** Meilir Ceredig (Four Engage) – Item 2
Amy Rodricks (Four Engage) – Item 2
Gareth Wilson (Welsh Government)
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)
Julie Davies-Jones (Secretariat)
Kirsten Hughes, Red Meat Executive (Items 8a, 8b & 9)
- Management team:** Rhys Llywelyn (Market Development Manager)
Bryan Regan (Corporate Services Manager)
John Richards (Industry Development and Relations Manager)
Owen Roberts (Communications Manager)

1. **Chair's Comments**

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

13 November 2018 – The last of the HCC Board evaluation meetings was held by the Chair and Alison Wright with Illtud Dunsford (ID) partaking via Skype.

22 November 2018 – The Chair attended a meeting of the First Minister's EU Advisory Group where discussion continued on contingency planning post Brexit.

29 November 2018 – The Chair attended a meeting of the Minister's EPRA Brexit Stakeholder Roundtable.

12 December 2018 – The Chair addressed an audience of the Wye Grassland Society.

Following the Chair's update, discussion took place with regard to the latest developments on Brexit.

2. **To receive a presentation from Four Engage on the Mapper 360 methodology utilized for the HCC Consumer campaigns to target specific audiences for digital marketing**

The Chair welcomed all to the meeting in particular Meilir Ceredig and Amy Rodricks in attendance to present on the above.

The results from this activity would be evaluated before being utilized by the Market Development department for campaign planning going forward.

HCC's utilisation of the technology was well received by the Board and it was felt the outcomes / results from the application could be considered as a topic for HCC's 2019 conference to convey positive messages to stakeholders.

3. **Apologies for absence**

Illtud Dunsford.

4. **Declarations of Interest**

Board Member John Davies declared an interest in discussion that would take place regarding HCC's annual conference and the Winter Fair due to his association with the RWAS Ltd.

5. **To receive and approve the minutes of the Board meeting held on Wednesday 7 November 2018 (HCC 852)**

The minutes of the Board meeting held on Wednesday 7 November 2018 were taken as read, approved by the Board and signed by the Chair.

6. **Matters arising**

EIDCymru – Multispecies traceability system for Wales

It was noted that the Minister had in December 2018 announced the decision to develop Wales' first multispecies traceability system. This would be developed into the current system delivered by EIDCymru.

The aim of the Welsh Government was to develop a multispecies system for cattle, sheep and pigs.

This would be progressed between EIDCymru and Welsh Government over the coming months and the Board would be kept updated on developments.

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

It was noted that responses to the above were in the process of being evaluated by Defra. However, it was understood that Brexit preparedness work had taken precedence over the AHDB review and therefore the outcome may be subject to delay.

The issue of any changes in the red meat Statutory Levy in England that may arise as a result of the AHDB review and its consequences / impact on Wales had been included within the HCC Risk Register.

Welsh Red Meat Levy rates and recovery costs for 2019 / 2020

The CEO informed that Welsh Ministers had approved the Board's recommendation that the Levy Rates and Recovery Costs for 2019 / 2020 would remain as follows:-

Welsh Red Meat Levy Rates for 2019 / 2020			
<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

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

7. **HCC Reports**

a. Activities Report (HCC 853)

The above was taken as read.

Market Development

The Market Development Manager highlighted the positive news that Japan was to lift restrictions on the importing of beef and lamb from the UK.

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It was noted that HCC would have a shared presence with AHDB and Quality Meat Scotland (QMS) at the Foodex Fair (International Food and Beverage exhibition), Tokyo from the 5 – 8 March 2019. Exporters would be invited to join HCC at the exhibition in order to make new contacts and explore market opportunities.

It was noted that as part of the Ring-Fenced Funding, research into the Halal market had been undertaken covering headings such as out of home consumption, areas for growth and the preferences of Muslims for stunned / non-stunned. Initial findings would be disseminated in due course.

HCC had also met with representatives from RACS (Halal certification body) in order to develop a further understanding of issues facing trade in the Middle East and North Africa.

Industry Development

Red Meat Development Programme

An update was given on the above:-

- Following recent procurement exercises, companies had been appointed to deliver on a) the evaluation of the programme, b) Hill Ram Scheme / Technical Expertise in Sheep Genetics and Breeding Strategies and c) the provision of Genetic Evaluations to support the delivery of a Hill Ram project in Wales.
- Invitation to tenders were currently out for Veterinary Services (closing date 31 January 2019) and Frozen Storage of Meat Samples (closing date 1 February 2019).
- Meetings were currently being held with breed societies and arrangements were in hand for the Hill Ram Scheme Roadshow to be held at a number of locations during February 2019. 7 leader flocks had been recruited for the first year with a target of 35 flocks selected to partake by the end of the project.

Red Meat Benchmarking Project

It was noted that that the project had now closed with 1,600 respondents. The validation process was complete with follow up calls currently being undertaken by the Executive in order to rectify inaccuracies inputted by farmers.

Next steps: The data would be analysed and presented to the Welsh Government as a comprehensive report which would be used to inform policy decisions in the future.

Abattoir and Processing Sector

The Industry Development and Relations Manager informed that arrangements were in hand for the HCC regional meetings which would be held at Pencoed College, Bridgend (15 February 2019) and at Rhug Estate, Corwen (16 February 2019).

The meetings would provide an opportunity for representatives from the abattoir and processing sector to engage with HCC on topics such as the new Welsh Lamb traceability technology (Oritain) and brand activity work. Speakers would include representation from the Association of Independent Meat Suppliers (AIMS), the Food Standards Agency (FSA) and Food Innovation Wales.

The meetings would be chaired by Board Members Helen Howells (Bridgend) and Rachael Madeley Davies (Corwen).

The above was welcomed by the Board in terms of HCC engagement with the abattoir and processing sector in particular the small and medium-sized businesses.

Communications

The above would be covered under separate agenda item 10f.

HMRC Compliance Visit

The Corporate Services Manager informed that HCC had recently received a visit from HMRC officials to review PAYE procedures.

One matter that had been raised by HMRC was the Board's expenses. The HMRC treated Board Members as "officers" of the company i.e. that HCC was deemed as the Board's permanent place of employment (this was confirmed in the Board's appointment letter from Welsh Government).

It was explained that as "officers", it would be considered that the Board regularly travel to a particular place to undertake business (that place was considered to be the permanent place of employment). The effect of this was that any expenses claimed for travel to that place would be taxable at the basic rate. The Board would still be able to be paid expenses for travel to other locations without the deduction of tax.

It was noted that the HMRC would be raising demands for the year to 31 March 2018 but HCC would need to implement this policy for this current tax year.

Adjustments from September 2018 claims would be incorporated into the March 2019 claims.

The Corporate Services Manager was happy to take any queries from the Board regarding the above outside the meeting.

b. Market Bulletin Summary (HCC 854)

The above was taken as read.

c. Forthcoming Events (HCC 855)

The above was taken as read.

8. **Corporate**

The CEO highlighted that the drafts of the Corporate Plan 2019 / 2022 and Operational Plan 2019 / 2020 had been drafted whilst Brexit negotiations continued and therefore the Board was requested to assume a status quo in terms of trade and policy arrangements for the time being. The documents would be kept under review subject to Brexit developments.

a. To consider HCC's draft Corporate Plan 2019 / 2022 (HCC 856)

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

Feedback was noted and a revised draft would be presented to the Board for approval at the meeting of 27 February 2019.

b. To consider HCC's draft Operational Plan 2019 / 2020 (HCC 857)

The above was taken as read and presented by the Red Meat Executive and the Board's observations were discussed and noted.

The draft Plan required approval by the Board at the 27 February 2019 meeting and would be shared with the Welsh Government's sponsor division for feedback thereafter.

A revised draft of the Plan would be issued to the Board in advance of the next meeting along with a summary of the changes incorporated from discussions at the 10 January 2019 Board meeting.

9. **To receive and approve the Work Plan for the Board for 2019 / 2020 (HCC 858)**

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

A revised copy was tabled to reflect the change in the Marketing Advisory Committee's next meeting to the 11 February 2019.

The CEO highlighted that it would be helpful where possible to adhere to the proposed Board and Committee meetings dates in order that the Work Plan could be followed and delivered in a timely manner.

Subject to the minor amendments noted, the Work Plan was adopted by the Board and would be re-circulated in due course.

It was proposed by the Executive that the minutes of the Board and Committee meetings be drafted, issued and approved by the Board / Committees within a three / four-week timescale which would improve on the current process.

The proposal was agreed by the Board.

10. **HCC Committees**

Flock and Herd Health Working Group (FHHWG)

- a. To adopt the minutes of the FHHWG meeting held on Wednesday 31 October 2018 (HCC 859)

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

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

- b. To receive a verbal report of the R&D&KE Committee teleconference meeting held on Wednesday 5 December 2018

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

- c. To adopt the minutes of the R&D&KE Committee meeting held on Tuesday 2 October 2018 (HCC 860)

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

Marketing Advisory Committee

- d. To receive a verbal report of the Marketing Advisory Committee meeting held on Monday 10 December 2018

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

- e. To adopt the minutes of the Marketing Advisory Committee meeting held on Thursday 5 July 2018 (HCC 861)

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

Communications Advisory Committee

- f. To receive a verbal report of the Communications Advisory Committee meeting held on Thursday 10 January 2019

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

- g. To adopt the minutes of the Communications Advisory Committee meeting held on Thursday 13 September 2018 (HCC 862)

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

11. **Any other business**

Gareth Wilson

The Chair on behalf of the Board conveyed best wishes to Gareth Wilson in his new role with the department for Business, Energy and Industrial Strategy (BEIS) and thanked him for his support to HCC during his time of employment with Welsh Government.

Sheep Scab Eradication

The Board welcomed the announcement from the Minister of £5m Government funding for an industry led project towards tackling sheep scab eradication in Wales.

HCC Industry Liaison Group

The Minister had agreed to bring the work of the Strategic Action Plan (SAP) Monitoring Committee to an end as the document had been superseded by the recently published Vision 2025 document.

At the final SAP meeting there was a desire expressed by the Farming Unions to continue to be involved in reviewing and monitoring the Vision 2025 strategy.

This was agreed and in order to facilitate this, an initial set up meeting would be held with industry representatives to discuss the appropriate structure and membership for this Group. Arrangements were in hand for the first meeting to be held during February 2019.

HCC Board – Confidentiality, Conflict of Interest and Anti Bribery Disclosure

Letters for the Board regarding the above were tabled.

The Board was requested to complete the relevant section within the letter and return to the Corporate Services Manager in the envelope provided.

12. **Date of next meeting** – Wednesday 27 February 2019.

Signed.....
Chairman of HCC