



(HCC 625)

**Minutes of a meeting of the Directors of Hybu Cig Cymru held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 6 March 2015**

**Present:** Dai Davies (Chairman)  
John Brereton, Will Haresign, Bethan Jones, Gwynn Angell Jones, Prys Morgan, Graham Probert, Richard Rogers, Glyn Roberts, Wyn Williams and John Yeomans

**By Invitation:** Mark Alexander and Daniel Thomas, Welsh Government

**Executive Team:** Gwyn Howells (Chief Executive Officer - CEO)  
**in attendance** Julie Finch (Corporate Strategy and Policy Manager)  
Alan Morris (Communications Manager)  
Laura Pickup (Market Development Manager)  
Bryan Regan (Corporate Services Manager)

Julie Davies-Jones (Secretariat)

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:-

January 2015

The Chairman and CEO attended the EU Commission New Year Reception held in Cardiff.

The Chairman and CEO attended a meeting with the Deputy Minister to provide an update on HCC's activities and to discuss current industry issues.

The Chairman attended a dinner hosted by the FSA Board.

A meeting of the Red Meat Levy Group was held and attended by the Chairman and CEO (Item 9 refers).

February 2015

The Chairman represented HCC at the NFU Conference, Birmingham where the success of PGI Welsh Lamb in Europe and the Middle East was referred to.

March 2015

The Chairman and CEO travelled to Brussels for meetings with Commission Officials and to attend the Welsh Government's St David's reception hosted by Jane Hutt, AM, Minister for Finance and Government Business.

2. **Apologies for absence**

Apologies were received from Richard Tudor (HCC Board) and Gary Haggaty, Helen Minnice-Smith and David Morris, Welsh Government.

3. **Declarations of Interest**

Declarations of Interest were noted as follows:-

Credit Control – John Brereton, Prys Morgan and Wyn Williams.  
Paper HCC 618 – Prys Morgan and Wyn Williams.

4. **To receive and approve the minutes of the Board meeting held on Friday 16 January 2015 (HCC 613)**

The minutes of the Board meeting held on Friday 16 January 2015 were taken as read, approved by the Board and signed by the Chairman.

5. **Matters arising**

**Agri – Tech Centre for Innovation and Excellence in Livestock (CIEL)**

There was no update to report. However, the Joint Levy Boards R&D Committee was scheduled to meet on the 12 March 2015 to discuss this further. The Board would be updated on progress at the next meeting.

**FSA – Splitting of Lamb Carcasses**

The CEO had raised the above during a recent meeting with the Director of FSA Wales, Nina Purcell.

It was noted that an amendment to TSE legislation to allow alternative methods of spinal cord removal (subject to the methods being effective, safe and approved by the FSA) would be proposed as a consolidation exercise led by Defra.

The FSA, Defra and the Devolved Administrations were willing to explore alternative methods with industry to find an appropriate means of determining the age of sheep. However, any proposal provided by industry would need to be at least as robust as the current system with regards to controls on splitting of carcasses which enter the food chain.

The process was ongoing.

Replenishment of the HCC Board Members

The Chairman informed the Board of progress with the HCC Board appointments process. The Minister of Natural Resources' (Carl Sergant AM) was currently reviewing all appointments to the Publicly Appointed Boards (PAB). The Board would be kept informed of developments.

6. **HCC Reports**

a. Activities Report (HCC 614)

The above was taken as read.

Porc

It was noted that HCC was currently working on developing a website for pork activity that would target consumers, the hotel, restaurant and catering sector (HoreCa) and retailers. The wording "Porc" had been purposely adopted as a marketing tactic as Welsh Pork does not currently have PGI status.

Objective Carcase Management for Beef and Lamb

The feasibility work in relation to the above was ongoing and would be reported upon in due course.

b. Market Bulletin (HCC 615)

The above was taken as read.

c. Forthcoming Events (HCC 616)

The above was taken as read.

d. Financial – Income and Expenditure and Balance Sheet to 31 December 2014 (HCC 617)

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

It was noted that Levy income was below budget in the year to date. There was currently a surplus of £46k against a budgeted deficit of £249k due to higher Levy income and lower Levy expenditure.

The projected forecast for the year-end indicated Levy remaining above budget. Expenditure was close to budget with a resulting estimated surplus of approximately £100k.

7. **To receive a presentation on the evaluation of the 2014 PGI Welsh Beef advertising campaign**

The Market Development Manager presented the above.

Results from the evaluation indicated that in a crowded media space it was increasingly difficult to be seen and heard and with limited budget, integration was key.

Media channels were changing and consumers were taking a much more fragmented approach to media consumption meaning TV advertising must be complemented with significant budget allocated to other channels.

A more targeted approach to TV and digital had worked well to increase brand awareness in key regions.

Social media advertising had a positive impact on awareness.

8. **Welsh Red Meat Levy Rates and Recovery Costs 2015 / 2016**

It was noted that the Welsh Red Meat Levy Rates and Recovery Costs for 2015 / 2016 had been agreed by the Welsh Ministers as follows:-

<b>Welsh Red Meat Levy Rates for 2015/2016</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 2015/2016</b>	
<b>Species</b>	<b>Levy Recovery (per head)</b>
Sheep	£0.010
Cattle	£0.030
Pigs	£0.013

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

The Red Meat Levy Sub Group (CEOs' from AHDB, HCC, LMCNI and QMS) had met on the 26 February 2015.

In summary, discussion had taken place on progressing with Levy apportionment methodologies for sheep and pigs, differing Levy rates and joint working. A methodology for cattle had been discussed at an earlier meeting.

The principles of the apportionment of Levy were based on the producer and processor parts of the Levy:-

- Processor Levy would be collected and claimed by the Levy body of the geographical area of abattoir
- Producer Levy would be apportioned between Levy bodies based on where the animals had resided during their lifetime.

Work was ongoing and the next meeting of the full Red Meat Levy Group was scheduled for the 18 May 2015.

10. **To receive a paper on the method of slaughter and its potential impact on the reputation of the PGI Welsh Lamb and PGI Welsh Beef Brands (HCC 618)**

The above was taken as read and the area would be kept under review.

11. **HCC's Business Plan 2015 / 2016**

- a. **To approve the summary of changes to HCC's draft Business Plan 2015 / 2016 arising from the 16 January 2015 Board meeting (HCC 619)**

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

The Business Plan for 2015 / 2016 had been amended reflecting the changes noted from the previous meeting.

- b. **To approve HCC's Business Plan for 2015 / 2016 (HCC 620)**

The above was taken as read.

Subject to the minor amendments noted, the Board approved HCC's Business Plan for 2015 / 2016.

12. **To consider a draft of HCC's Corporate Plan 2015 / 2016 (HCC 621)**

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

13. **To receive a verbal update on the development of the Strategic Action Plan for the Welsh Red Meat Industry 2015 – 2020**

The draft Plan had been finalized and would be issued to industry for an eight week consultation during week commencing 9 March 2015. The deadline for responses was the 1 May 2015.

Responses from the consultation would be reviewed by the Executive following the closing date and any amendments to the draft Plan would be presented to the Board for consideration at the next meeting.

The draft Plan would subsequently be forwarded to the Deputy Minister for approval with an official launch proposed for during June / July 2015.

14. **To receive a verbal update on the development of the Red Meat Programme for the RDP 2014 - 2020**

There was no update to report. However, dialogue continued with Welsh Government with progress meetings scheduled for March 2015.

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

It was noted that EIDCymru had been established as a separate entity, wholly owned by HCC to deliver the industry facing service that would support the introduction of the sheep movement database in January 2016 and to encourage its uptake by users.

Recruitment for the first two technical posts was progressing and engagement with abattoirs and marts was expected to commence shortly.

The Board would be provided with a presentation on EIDCymru in a future meeting.

16. **Audit and Risk Committee**

a. **To receive a verbal report of the Audit and Risk Committee meeting held on Friday 6 March 2015**

The Chairman of the Audit and Risk Committee gave a verbal report on the matters discussed at the meeting.

17. **R&D Advisory Committee**

**To receive a verbal report of the R&D Advisory Committee meeting held on Wednesday 4 March 2015**

The Corporate Strategy and Policy Manager gave a verbal report on the matters discussed at the meeting.

18. **Information papers:**

a. *Retail Price Spreads for Beef, Lamb and Pork 2012 to 2014 (HCC 623)*

The above was taken as read.

b. *UK Production and Slaughtering 2014 (HCC 624)*

The above was taken as read.

19. **Any other business**

*HCC Non-Executive Director Resignation - Prys Morgan*

The Chairman thanked Prys Morgan for his contribution to the Board and wished him well in his new role as Head of Operations with HCC.

20. **Date of next meeting**

Friday 8 May 2015.

Signed.....  
Chairman of HCC