



(HCC 942)

**Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am via Microsoft Teams on Thursday 7 May 2020**

- Present:** Kevin Roberts (Chair)  
Melody Chapman, Huw Davies, Gareth Wynn Davies, John Davies, Rhys Davies, Rachael Madeley Davies, Prys Morgan, Nadine Porter, Catherine Smith and Claire Williams
- By Invitation:** Minister for Environment, Energy and Rural Affairs, Lesley Griffiths, MS  
Maria Richards, Welsh Government
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)  
Julie Davies-Jones (Secretariat)  
Kirsten Hughes (Red Meat Executive) Items 6b and 7d  
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 in particular the four newly appointed Non-Executive Directors to the Board namely Melody Chapman, Rhys Davies, Prys Morgan and Nadine Porter.

It was noted that this was the first formal Board meeting to be held virtually given the Coronavirus / Covid-19 pandemic and resulting Government lockdown restrictions which came into force from the 23 March 2020.

The Executive had responded to working in crisis mode immediately meeting both Government requirements and business needs with staff working from home. The Executive had referred to HCC's Business and Incident Management plans with necessary adjustments made accordingly and swiftly. The CEO informed the Board that staff had adapted to the changes and settled well to working from home.

On behalf of the Board, the Chair thanked all staff for continuing with business as usual during an extremely difficult and worrying time.

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

16 March 2020 – The Chair attended a meeting of the Minister's EERA EU Transition Roundtable meeting in Cardiff. A summary of the meeting had been shared with the Board by the Chair on the 18 March 2020.

It appeared that the UK Government was determined to meet the EU exit date of 31 December 2020 and it was highly unlikely that the Brexit transition period would be extended despite the Covid-19 outbreak. The deadline for the UK Government to request the EU for an extension was 1 July 2020.

It was agreed to include an update on Brexit on the agenda for the 2 July 2020 Board meeting.

1 April 2020 – The Chair partook in the First Minister’s EU Exit Advisory Group to discuss implications of UK’s exit from EU following the end of the transition period.

9 April 2020 – The Chair and CEO partook in a Teams meeting led by the Chair of the Food Standards Agency (FSA) Board, Heather Hancock. The meeting was held to give opportunity for an open discussion on how the industry was dealing with issues arising as a result of Covid-19.

14 April 2020 – The Chair partook in a meeting of the Minister’s EERA EU Transition Roundtable. Discussion was mostly around Covid-19 and an update was given on Sustainable Farming and Our Land.

21 – 22 April 2020 – The Chair, Executive and Welsh Government officials gave a succinct induction programme to the new Non-Executive Directors. This was undertaken virtually.

23 April 2020 – The Chair and CEO attended a virtual meeting of the NFUCymru Livestock Board.

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 5 March 2020 (HCC 933)**

The minutes of the Board meeting held on Thursday 5 March 2020 were taken as read, approved by the Board and signed by the Chair.

5. **Matters arising**

**HCC’s Corporate Plan 2020 / 2023 and Operational Plan 2020 / 2021**

It was noted that the Welsh Government’s remit letter for HCC for 2020 / 2021 had been received from the Minister.

The CEO had acknowledged the remit letter highlighting that 2020 / 2021 would undoubtedly be extremely challenging for the Welsh red meat industry, both in terms of responding to the current Covid-19 pandemic and also in preparing for a future relationship between the UK and the EU. The CEO had confirmed that the actions highlighted within the remit letter for HCC to undertake during this financial year aligned with the activities highlighted in HCC's Operational Plan for 2020 / 2021.

The Minister and Welsh Government officials would be kept informed of any adjustments that may be necessary in terms of delivery during these challenging times (Item 6b refers).

### EIDCymru

The CEO would engage with Welsh Government with regard to the Board receiving a briefing on EIDCymru / Multi Species Wales at a future meeting.

## 6. Coronavirus (Covid-19)

### a. Update on the implications of Covid-19 on the Red Meat Industry

The CEO gave an update in terms of reporting to the Board, HCC's operational aspect and industry implications: -

- Weekly teleconferences between the Board and the Executive had been convened since lockdown and would continue for the foreseeable future.
- Disruption in the Dairy and Beef sectors continued and it appeared this would be the case for some time. The Beef sector was currently under pressure with unsustainable prices. Discussion took place with regard to ongoing carcass balance issues with consumers preferring to purchase cheaper low-end meat products such as mince as opposed to the more expensive hindquarter and high value cuts.

It was hoped that balance in demand and purchases would become stronger over the coming weeks assisted by the new and substantial HCC and RFF Beef marketing campaigns. The ongoing fine weather was also a bonus for retailers and the meat industry with families enjoying BBQ meals at home.

- It was likely that the Sheep / Lamb market would be disrupted over the coming months given the closure of foodservice establishments and potential export and trade implications more specifically in the EU established markets. However, it was noted that supply was not outstripping demand at the moment and therefore market prices were stable.
- HCC had commenced work on scenario planning for the Sheep sector in terms of effects on the supply chain, forecast prices, what HCC could

do to influence consumers further etc. The Board would be updated further on this at the 2 July 2020 meeting.

- HCC had reacted swiftly in terms of communicating and informing the industry, stakeholders and consumers. The Corporate website had been updated with a headline title “Coronavirus” on the front page of the site linking to information on the marketing campaigns and details of charitable organisations who offer support and guidance to farmers.
- HCC social media activities continued via a number of channels with particular focus on red meat marketing. The Board felt this was a key area and full focus should be given to communicating HCC and industry messages widely across the supply chain in a prompt and timely manner.
- In terms of the Red Meat Development Project, the team had been tasked to look at work schedules and short, medium and long terms risks with adjustments made accordingly. Farm visits and events had been cancelled or postponed.

b. Implications of Covid-19 on HCC’s Operational Plan delivery 2020 / 2021 (HCC 934)

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

The Covid-19 pandemic and enforced Government regulations would have an impact on HCC’s ability to deliver against the activities outlined within the Operational Plan for 2020 / 2021.

Therefore, the Executive had drafted the paper with key adjustments for the Board to consider.

The paper was an initial draft for discussion and would be expanded upon by the Executive in order to inform the Board further at the 2 July 2020 meeting.

The Board agreed with the steps that were being taken by the Executive and that this should be kept under review.

**To welcome the Minister for Environment, Energy and Rural Affairs, Lesley Griffiths MS**

The Chair welcomed the Minister to the meeting.

The Minister offered her apologies as her presence would be cut short due to another meeting but offered to partake in a future HCC Board update teleconference.

The Minister welcomed the new appointees to the HCC Board and thanked them for their involvement to date.

The Minister gave an update on areas of work within her remit during this unprecedented and challenging time as a result of Covid-19 and was being informed regularly of the work that HCC was undertaking.

A number of emergency meetings attended by the Minister continued to take place on a regular basis with the UK Government and within Welsh Government on matters affecting agriculture, the rural economy and the food supply chain.

The Minister attended the Welsh Government's Agriculture Resilience Group meetings and was being kept informed on issues on a regular basis by officials.

A number of measures had been introduced to support farmers and others were in the process of being considered: -

- A month's extension had been given in order to allow further time for farmers to submit their Single Farm Applications. The deadline had been extended to the 15 June 2020
- An additional £5.5m had been allocated to the BPS and Glastir 2019 support scheme
- A new information and advice resource had been launched "Farm Well Wales" offering information and advice for farm businesses

In terms of Brexit, the Minister had written to George Eustice, MP and Secretary of State for Environment, Food and Rural Affairs regarding her concerns of the UK departing the EU on the 31 December 2020 and the implications and serious consequences the effect of a no deal would have on the red meat sector. A response had not been received to date.

The Minister welcomed the work that HCC would be undertaking with regard to the Sheep sector scenario planning and thanked those involved with executing the Beef marketing campaigns in such as short space of time.

The Chair thanked the Minister for taking the time to join the Board meeting and took the opportunity to mention two key areas that concerned the Board:-

- Sustainability of Beef prices in the short-term which were below the 5-year average. On a more strategic note, the future of the Beef Suckler cow sector warranted serious consideration as the ongoing decline in cow numbers was a cause for concern.
- Sheep – there appeared to be a strong possibility that the sector would face serious challenges during the year, which would require significant planning to mitigate potential losses.

## **7. HCC Reports**

### **a. Activities (HCC 935)**

The above was taken as read.

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The Market Development Manager gave a brief update on the ongoing Beef campaigns (available via Sharepoint / Previous meetings / 07.05.20).

b. Market Bulletin Summary (HCC 936)

The above was taken as read.

c. Financial – Income and Expenditure and Balance Sheet to 31 March 2020 (HCC 937)

The above was taken as read and presented by the Corporate Services Manager with no issues to report.

d. To receive a paper on the Year End Review of the HCC Operational Plan 2019 / 2020 (HCC 938)

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

It was noted that an additional color code (purple) had been added to the performance against targets column to signify that the target could not be measured appropriately as a result of Covid-19 restrictions.

Following discussion and clarification on some areas, the Board was content with the year-end review.

e. Update on events (HCC 939)

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

Due to Covid-19 restrictions, a number of events that HCC had intended to partake in had been cancelled or postponed. The Executive was monitoring the situation and also looking at possibilities of holding future events virtually.

8. **HCC Committees**

**Marketing Advisory Committee**

a. To adopt the minutes of the Marketing Advisory Committee meeting held on Monday 11 February 2020 (HCC 940)

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

**Audit and Risk Committee**

b. To adopt the minutes of Audit and Risk Committee meeting held on Thursday 5 March 2020 (HC 941)

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

**Communications Advisory Committee**

- c. To receive a verbal update of the Communications Advisory Committee meeting held on Thursday 7 May 2020

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

9. **Any other business**

There was no other business.

10. **Dates of next meeting**

Thursday 2 July 2020.

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