



(HCC 1005)

Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am via Microsoft Teams on Thursday 6 May 2021

- Present:** Cath Smith (Chair)
Melody Chapman, Gareth Wynn Davies, Huw Davies, John T Davies, Rhys Davies, Jack Evershed, Rachael Madeley Davies, Prys Morgan, Emlyn Roberts and Claire Williams
- By Invitation:** Michael Freedman (The Institute of Grocery Distribution - IGD)
Maria Richards, Welsh Government
Ben Scott (IGD)
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)
Julie Davies-Jones (Secretariat)
Kirsten Hughes (Red Meat Executive) (Items 6d & 6e)
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 seventh formal Board meeting to be held virtually since the Coronavirus (Covid-19) pandemic.

In particular welcome was extended to newly appointed Non-Executive Directors (NEDs), Jack Evershed and Emlyn Roberts attending their first formal HCC Board meeting.

The Chair thanked the Executive and Welsh Government for delivering the informative induction programme for herself and the new NEDs which were held on the 12, 13 and 15 April 2021.

The Chair gave an update on the key virtual events and meetings she had attended since her commencement as Chair of HCC: -

1 April 2021 - HCC Board update meeting

8 April 2021 – The Chair attended a feedback meeting with the Industry Development Manager with the Chair and Secretariat of the RHWG following the Ruminant Health and Welfare Four Nations event held on the 24 March 2021.

28 April 2021 – The Chair attended her last meeting as Chair of the HCC Flock and Herd Health and Welfare Working Group (FHHWWG)

Chair Introductory meetings

16 April 2021 – National Farmers Union Cymru (NFU) President and Officials

19 April 2021 – Farmers Union of Wales (FUW) President and Officials

21 April 2021 – Association of Independent Meat Suppliers (AIMS – Norman Bagley, Founder and Head of Policy)

23 April 2021 – Livestock Auctioneers Association (LAA Wales - Vice Chair, Simon Jones and Chris Dodds, Executive Secretary)

28 April 2021 – Representatives from the British Meat Processors Association (BMPA)

29 April 2021 – Representatives from Farmers Fresh

30 April 2021 – Officials from the National Sheep Association (NSA)

2. **Apologies for absence**

Apologies for the meeting had been tendered from Mark Alexander, Welsh Government.

3. **Declarations of Interest**

Board Member Huw Davies informed that he was now employed by Cottagequinn Farms LLP.

6c. **Financial – Income and Expenditure and Balance Sheet to 31 March 2021 (HCC 999)**

Due to the necessary early departure of the Corporate Services Manager, agenda item 6c was brought forward.

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

The Corporate Services Manager departed the meeting.

4. **To approve the minutes of the Board meeting held on Thursday 4 March 2021 (HCC 996)**

The minutes of the Board meeting held on Thursday 4 March 2021 were taken as read, approved by the Board and signed by the Chair.

The formal part of the Board meeting was paused at this stage in order to receive a presentation from Michael Freedman, Senior Shopper Insight Manager, IGD who provided an insight into the impact of the Covid-19 pandemic on the economy,

Foodservice and Retail sectors in addition to information on shopper attitudes and trends.

It was acknowledged that recovery of the Foodservice sector was difficult to forecast. However, it was anticipated that there would be growth in the market place as the unlocking of Covid-19 regulations continued and employees commenced returning to working locations.

The Chair thanked Michael Freedman for the informative presentation and questions were taken from the Board.

5. **Matters arising**

Increased supply of Dairy Calves

The Industry Development and Relations Manager informed that the above had been discussed amongst the Levy Boards. Discussion ensued on whether the supply of male black and white calves was currently negatively distorting the market. There was no evidence to suggest that there had been an increase in black and white calves onto the market, principally due to the wide spread adoption of sexed semen in the dairy sector. It would appear that the dairy industry had responded and adapted well to the challenge of producing increased calf numbers without a decrease in quality.

The matter would remain under review and the Board kept informed of any developments.

Red Meat Levy Scheme

It was noted that joint communication had been issued on the 22 March 2021 by the three Levy bodies, AHDB, Quality Meat Scotland (QMS) and HCC notifying the industry that the redistribution of red meat Levies to take account of cross-border livestock movements between England, Wales and Scotland had been agreed by Ministers and would be implemented with effect from 1 April 2021.

HCC's Corporate Plan 2021 / 2024 and Operational Plan 2021 / 2022 (HCC 988)

The CEO confirmed that a remit letter dated 23 March 2021 had been received from the Minister. The CEO had acknowledged this communication and confirmed that the actions highlighted by the Minister for HCC to undertake during 2021 / 2022 corresponded with the activities highlighted in HCC's Operational Plan for the year.

HCC Board evaluations 2021

A report on the above had been prepared by the previous Chair. The report would be reviewed by the Chair with any actions or areas for development taken forward.

6. HCC Reports

a. Activities (HCC 997)

The above was taken as read with key HCC activities highlighted by the Executive.

b. Market Bulletin Summary (HCC 998)

The above was taken as read.

c. Financial – Income and Expenditure and Balance Sheet to 31 March 2021 (HCC 999)

Page 2 above refers.

d. To receive and approve the proposed changes to the Corporate Plan 2021 / 2024 and Operational Plan 2021 / 2022 KPIs in relation to export sales (HCC 1000)

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

It was highlighted that HM Revenue & Customs (HMRC) had informed data users of a change in the way GB to EU export statistics would be compiled. These changes would affect the Trade in Goods Statistics from March 2021, which HCC utilise to measure progress against KPIs relating to export activities. The changes meant that data would no longer be directly comparable to export statistics published previously.

Additionally, there had been a shift in trading patterns; with many UK exporters now exporting a consignment of product to one EU destination; for further internal EU transfer thereafter. This change in trading would have implications for data monitoring, as exports are only recorded by HMRC to the first destination / country (not the subsequent destinations / countries).

Therefore, the following changes were proposed to the export sales KPIs within the Corporate Plan 2021 / 2024 and the Operational Plan 2021 / 2022:

- Export sales would be measured in EU markets + Switzerland, Developing markets (Hong Kong, Singapore, Canada and UAE) and new markets (Japan, Qatar, Jordan, Kuwait and Saudi Arabia).
- Baselines for export sales have been established using 2019 / 2020 HMRC data.
- New targets had been set which were ambitious, yet realistic.

Following discussion, the Board approved the above.

- e. To receive a paper on the Year End Review of the HCC Operational Plan 2020 / 2021 (HCC 1001)

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

The 12-month review paper outlined the performance of HCC against the Key Performance Indicators (KPIs) set for the financial year 2020 / 2021. It was noted that the ability for HCC to deliver during this period had been affected in part by the Covid-19 pandemic.

The performance against targets were color coded within the document to show the progress of performance. The Red Meat Executive informed that there were 23 KPIs set within the Operational Plan for 2020 / 2021:

13 targets (in green) had been achieved

8 targets (in orange) were not fully achieved due to circumstances outside the control of HCC (Covid-19)

2 targets (in purple) not achieved due to the results not being comparable to 2019 / 2020 due to a change in measurement methodology.

The Red Meat Executive gave a detailed update on the targets which had not been fully achieved with clarification given to questions raised from the Board.

- f. Forthcoming events (HCC 1002)

The above was taken as read.

It was noted that HCC would be involved in the UN Food Systems Summit (13 September 2021) and the COP 26 Summit, Glasgow (1 – 12 November 2021) and would be in dialogue with the Welsh Government with regard to these events.

7. **HCC Committees**

Flock and Herd Health and Welfare Working Group (FHHWWG)

- a. To receive a verbal report of the FHHWWG meeting held on Wednesday 28 April 2021

The Chair of the Group gave a verbal report on the above:

- An update was given to the Group on the Ruminant Health and Welfare Group (RHWG) on key messages, priorities and collaborative working between the four UK nations. Wales had hosted the inaugural Four nations meeting on the 24 March 2021 which focused on animal health and welfare and training. Positive feedback had been received following the meeting from those in attendance.

- A presentation was given to the Group on the role and activities of the newly established Vet School located in Aberystwyth from Dr Darrel Abernethy, Aberystwyth University.
- Updates were given to the Group on the current work and activities from the Animal and Plant Health Agency (APHA), the Food Standards Agency (FSA), Gwaredu BVD, the Office of the Chief Veterinary Officer (OCVO) and the work of the HCC Stoc+ project.
- Board Member Huw Davies would take over the role of Chair of the Group going forward.

Industry Relations Manager (ILG)

- b. To adopt the minutes of the ILG meeting held on Thursday 25 February 2021 (HCC 1003)

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

Audit & Risk Committee

- c. To adopt the minutes of the Audit & Risk Committee meeting held on Thursday 4 March 2021 (HCC 1004)

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

Communications Committee

- d. To receive a verbal report of the Communications Committee held on Thursday 6 May 2021

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

8. **Any other business**

Welsh Government – Rural Development Programme 2014 – 2020

An update was given on the above.

9. **Dates of forthcoming meetings**

Board Teams update – Thursday 3 June 2021 at 9.30am
HCC Board meeting – Thursday 1 July 2021 time TBC