



(HCC 787)

**Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 9.00am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Thursday 2 November 2017**

- Present:** Kevin Roberts (Chair)  
Gareth Wynn Davies, Huw Davies, John Davies, Illtud Dunsford, Helen Howells, Barrie Jones, Rachael Madeley Davies, Catherine Smith and Claire Williams
- By Invitation:** Gareth Wilson (Welsh Government)
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)  
Julie Davies-Jones (Secretariat)
- Management team from Item 6:** Julie Finch (Corporate Strategy and Policy Manager)  
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 and gave an update on the key events and meetings he had attended:-

- 2 September 2017 - the Chair presented at the FUW Grand Council followed by engagement with stakeholders.
- 11 September 2017 – Welsh Government meeting regarding Brexit.
- First Minister's Brexit Advisory meeting.
- 7 – 9 October 2017 – The Chair attended the Anuga Trade Show.
- 9 October 2017 – The Chair and Industry Development and Relations Manager attended the Livestock Auctioneers Association (LAA) Reception at the House of Lords, London.
- 12 October 2017 – HCC Communications Advisory Committee.
- 13 October 2017 – Board update teleconference. This meeting was well received by the Board and would be held bi-monthly going forward.
- 19 October 2017 – The Chair participated on a panel of speakers discussing the future of grassland farming under a Brexit scenario at the Annual Conference of the Welsh Federations of Grassland Societies. The

same day, the Chair met with the group “Merched Mewn Amaeth Cymru” and gave an insight on the role of HCC.

- 25 October 2017 – The Chair attended a meeting of the Cabinet Secretary’s Brexit Stakeholder Roundtable.
- 27 – 28 October 2017 - The Chair and Industry Development and Relations Manager represented HCC at the Association of Independent Meat Suppliers (AIMS) Annual Conference, Leeds.

The Chair thanked the Board for attending the meeting held at HCC on Wednesday 1 November 2017 in order to consider and progress with the following Corporate documents:-

HCC’s draft Vision and Strategic Direction to 2025  
HCC’s draft Corporate Plan 2018 / 2021

Following in depth discussion it was agreed that the content of the Vision document to 2025 was appropriate but some additional work was required on the presentational aspects of the document; in particular highlighting the ambition and direction for the industry.

Both the revised Vision and Corporate Plan documents would be available for discussion at the December teleconference.

During this meeting, the Board was also given a briefing on the Q&A Levy Forum which was to be held at HCC’s Annual Conference on the 9 November 2017 (Item 6e refers).

2. **Apologies for absence**

Apologies for the meeting had been received from Ogwen Williams.

3. **Declarations of Interest**

There were no Declarations of Interest to note for the meeting.

4. **To receive and approve the minutes of the Board meeting held on Thursday 7 September 2017 (HCC 776)**

The minutes of the Board meeting held on Thursday 7 September 2017 were taken as read, approved by the Board and signed by the Chair.

5. **Matters arising**

*Review of SQQ Lamb Weight Ranges*

It was noted that the consultation was now live and the closing date for feedback was the 31 December 2017.

The Board would be updated on the outcome of the above at the 11 January 2018 meeting.

6. **HCC Reports**

a. Activity Report (HCC 777)

The above was taken as read.

It was noted that the Activity Report had been modified to include budget headings as agreed at the previous meeting.

**Communications**

Covered under Item 6e - Forthcoming events.

**Industry Development**

Welsh Government Rural Communities – Rural Development Programme 2014 – 2020

HCC was working with Welsh Government and industry bodies with regard to the development of sheep and beef projects relating to Genetic Improvement, Animal Health and Beef Efficiency as part of the Agriculture Strategic Initiative (SI).

It was noted that HCC was in the process of drafting project plans for funding covering the headings noted above under the SI to the value of £9m over a period of 5 years.

It was confirmed that there would be no duplication in terms of work currently delivered by Farming Connect.

The applications would be submitted to Welsh Government for consideration in due course.

Responsible Use of Medicines in Agriculture Alliance (RUMA)

The Industry Development and Relations Manager had attended the RUMA Annual Conference entitled “Antibiotic Resistance – Facing up to the AMR challenge” held in London.

A key session of the day included publishing RUMA’s sector specific objectives to reduce, refine or replace antibiotic use.

Targets set for the red meat sector were as follows:-

**Sheep Sector**

- 10% year-on-year fall in routine antibiotics 2016 – 2021
- 5% year-on-year increase in foot rot and abortion vaccines 2016 – 2021
- 10% reduction in antibiotic use overall by 2020
- Halving the highest priority antibiotic use by 2020.

**Beef Sector**

- 10% reduction in antibiotic use or usage level of 10mg/PCU by 2020 – whichever lower
- 50% reduction in use of highest priority antibiotics by 2020
- Year-on-year increase in vaccines for respiratory disease
- A standard way to collect data and calculate on-farm antibiotic use.

**HCC Scholarship Reception**

It was noted that a reception would be held on the Monday afternoon at the Winter Fair for HCC's Scholarship Association to celebrate 20 years since its formation. The event would also provide an opportunity to raise the profile of the Scholarship. The Board was invited to attend the function.

**Market Development**

HCC had developed a range of video recipes using PGI Welsh Beef, PGI Welsh Lamb and pork. The videos would be shared on HCC's Consumer website and social media channels over the coming months.

**HCC Funding Proposal for an Enhanced Export Development Programme**

It was noted that the Welsh Government had awarded HCC £1.5 million for an Enhanced Export Development Programme over three years, commencing in April 2018.

The announcement was made during the HCC reception at Anuga in Cologne, the world's largest food tradeshow on Monday 9 October 2017.

The funding would be critical in retaining vital European markets during the uncertainty of the next three years and would also assist in terms of developing potential new business outside the European Union.

b. To receive a presentation on the PGI Welsh Beef Campaign 2017

The Market Development Manager presented on HCC's PGI Welsh Beef Campaign for 2017.

The campaign featured the Wales international rugby union player Dan Lydiate to promote the approach to healthy eating and would feature on outdoor advertising space in Cardiff during the autumn internationals. The campaign also aimed to demonstrate how a natural diet to include red meat can improve health.

A competition would feature on social media via HCC's PGI Welsh Beef Facebook page and Twitter profile with an opportunity to win tickets to Wales' final autumn international against South Africa.

c. Summary of October Market Bulletin (HCC 778)

The above was taken as read.

d. Financial – Income and Expenditure and Balance Sheet to 30 September 2017 (HCC 779)

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

Levy income to 30 September 2017 was lower than budget by £181K due to fewer slaughterings in Wales compared to the rest of GB. Expenditure was running ahead of the budgeted profile for the first 6 months (timing), but within the scope of the overall annual budget.

In order to inform the position further a forecast outturn for the year ending 2017 / 2018 would be prepared for consideration at the pre-conference meeting on the 8 November 2017.

Post meeting note

A forecast outturn was prepared and discussed and ultimately approved by the Board on the 8 November 2017 showing a deficit of £19K for the year end 2017 / 2018.

e. Forthcoming events to include an update on HCC's presence at the Winter Fair 27 – 28 November 2017 (HCC 780)

The above was taken as read.

The paper highlighted Farming Union meetings that the Chair and Executive were attending. The Board Members were welcome to attend these meetings if they wished.

***HCC Board Q&A Forum with Levy Payers – Thursday 9 November 2017***

A Briefing for the Board would be prepared and circulated via email followed by a run through session on Wednesday 8 November 2017.

The Forum would be streamed live via Facebook on the day.

***HCC's Annual Conference – Thursday 9 November 2017***

The Communications Manager gave an update on arrangements for the above.

***Winter Fair – Monday 27 – Tuesday 28 November 2017***

HCC's presence at the Winter Fair would commence with the annual industry breakfast to be held on Monday 27 November 2017 at the Hafod a Hendre with the Cabinet Secretary in attendance.

On the consumer side, arrangements were in hand for some novel activity to include the task of creating a three course Christmas dinner using only Welsh produce. HCC would be working with Jason Hughes from the Culinary Association of Wales Senior Team and Head Chef at Chateau Rhianfa in Anglesey.

HCC would also be showcasing the best of Welsh produce with social media star Chris Roberts from Caernarfon who would be cooking PGI Welsh Lamb on an asado.

For producers, the Industry Development team would providing advice on meeting market requirements, benchmarking and genetic improvement. There would also be an opportunity to enter a carcass competition.

7. **HCC Committees**

***Communications Advisory Committee - To adopt the minutes of the Committee held on Thursday 12 October 2017 (HCC 781)***

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

***To receive the draft minutes of the Research and Development and Knowledge Exchange Committee meeting held on Monday 16 October 2017 (HCC 782)***

The draft minutes were tabled for the Board's information. Given that this Committee comprised of external members, the minutes would need to be formally approved by the Committee at its next meeting on the 29 January 2018 and subsequently shared with the Board for adoption.

The Committee received a presentation on the Sustainable Intensification Platform (SIP) from Dr Prysor Williams, Bangor University.

It was noted that proposed nominations for additional external Members on the Committee would be presented to the Board for consideration at the December 2017 teleconference.

Marketing Advisory Committee – To adopt the minutes of the Committee held on Tuesday 17 October 2017 (HCC 783)

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

The meeting largely focused on the HCC Marketing context and received a full briefing on HCC's campaign work on the PGI Welsh Lamb and PGI Welsh Beef brands to date.

Various activities were suggested in order to reach consumer audiences. Further consideration would be given to these by the Executive in planning for the Operational plan for 2018 / 2019.

Flock and Herd Health and Welfare Working Committee – To receive a verbal report of the first meeting of the Committee held on Wednesday 25 October 2017

The Chair of the Committee gave a verbal report on the above:-

The first meeting outlined how the Committee would compliment and support the work and targets set out in the Welsh Government's Wales Animal Health Framework.

The Committee received presentations from representatives of the Animal and Plant Health Agency (APHA) and the Food Standards Agency (FSA) on surveillance and condemnation data. A presentation was also given by Welsh Government on the BVD Eradication Programme.

As an action from the meeting, a review would be undertaken to establish whether membership reflected the breadth of the Committee's work. In particular, consideration would need to be given to representation from the Livestock Auctioneers Association (LAA).

Strategic Action Plan Monitoring Committee

The Strategic Action Plan for the Welsh Red Meat Industry Annual Monitoring Report for 2016 / 2017 and the minutes of the Committee meeting held on the 7 September 2017 had been circulated previously.

Both documents were adopted by the Board.

The report would be submitted to the Cabinet Secretary for consideration together with a paper outlining the advice and recommendations of the Committee.

Subject to approval by the Cabinet Secretary, the report would be published by HCC and the Welsh Government. The anticipated timeline for this was December 2017.

8. **To consider and approve the Welsh Red Meat Levy Rates and Recovery Costs for 2018 / 2019 (HCC 784)**

The above was presented by the CEO.

Round table discussion ensued regarding the current political climate around the EU exit and the uncertainty and potentially significant challenges for livestock producers and processors alike. The progress made by Levy Boards on Levy repatriation was also discussed.

Notwithstanding this, it was clear that HCC's role in support of the red meat industry would be crucially important in the future in order to develop a profitable and sustainable sector. In order for HCC to deliver its responsibilities on behalf of the industry, it would need to be adequately funded.

However, taking the above into account, the Board agreed to the Executives recommendation that the Levy Rates and Recovery Costs for 2018 / 2019 would remain unchanged:-

<b>Welsh Red Meat Levy Rates for 2018 / 2019</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 2018 / 2019</b>	
<b>Species</b>	<b>Levy Recovery (per head)</b>
Sheep	£0.010
Cattle	£0.030
Pigs	£0.013

The recommendation would be presented to the Welsh Ministers, who have the overall responsibility for setting and raising the Welsh Red Meat Levy rates.



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

The CEO updated the Board:-

Meetings and teleconferences continued between all parties with dialogue progressing in a positive direction.

The Chair and CEO were prioritizing this area of work in order to achieve the best outcome for HCC.

10. **To receive a paper on the role and duties of the HCC Non-Executive Directors (NEDs) (HCC 785)**

The above was taken as read and summarized by the CEO.

The Board had been provided with information on their role and duties as NEDs in their appointment letters and Terms of Conditions from the Cabinet Secretary. This topic was also covered as part of the NEDs' induction programme in April 2017. However, following six months in post, it was opportune to refresh the Board of their duties and consequently it had been agreed to draft a paper which captured the main responsibilities.

The key responsibilities of NEDs were highlighted:-

NEDs should request sufficient information to allow them to discharge their obligations appropriately but be mindful of possible conflicts of interest and that their involvement does not stray into the day-to-day operation of HCC.

As outlined by the HCC Board Member Terms and Conditions issued by the Cabinet Secretary, the roles and responsibilities of HCC's NEDs are to:

- Support the delivery of the key recommendations from the Independent Review of HCC (October 2016);
- Support the delivery of the 2020 Vision: Strategic Action Plan for the Welsh Red Meat Industry;
- Attend Committees of the Board as appropriate;
- Contribute to the development of the HCC Corporate Plan and HCC Operational Plan;
- Ensure that systems are in place to monitor the effectiveness of HCC;
- Maintain sound Corporate Governance;
- Communicate and attend meetings where appropriate with stakeholders and the Welsh Government; and
- Play a key role in promoting the views of HCC to the general public.

**Evaluation of NEDs**

In accordance with HCC’s obligations to demonstrate probity, transparency and sound Governance, both the performance of the Board as an entity, and the individual performance of its constituent Members would be assessed and evaluated. This would be undertaken by the Chair during 2018 / 2019.

11. **To receive a presentation on “Cultured Meat” – Illtud Dunsford**

An informative presentation was given by Board Member, Illtud Dunsford on “Cultured Meat”, which gave the Board an insight on the development of the product produced from individual animal cells.

Discussion ensued regarding how this technology could potentially be used to satisfy the protein needs of a growing world population. Discussion also arose on whether this technology would be perceived by the red meat industry as a threat to its existence.

In light of the discussion, consideration would be given to whether this technology conflicted with HCC and if so, how this could be managed.

It was agreed for the Chair and CEO to discuss further outside the meeting.

12. **Any other business**

There was no other business raised.

13. **Date of next meeting**

Board update teleconference - date in December to be confirmed.

HCC Board meeting – Thursday 11 January 2018.

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