



**Minute of Item 3 of the agenda of an update meeting
of the Directors of Hybu Cig Cymru (HCC) held at 9am via Microsoft Teams on
Thursday 7 October 2021**

Present: Cath Smith (Chair)
Melody Chapman, Gareth Wynn Davies, John T Davies, Rhys Davies,
Jack Evershed, Rachael Madeley Davies, Prys Morgan, Emlyn
Roberts and Claire Williams

**Executive
in attendance:** Gwyn Howells (Chief Executive Officer - CEO)
Julie Davies-Jones (Secretariat)
Rhys Llywelyn (Market Development Manager)
Bryan Regan (Corporate Services Manager)
Owen Roberts (Communications Manager)

3. Formal part of update meeting – Discussion on Pig Levy holiday in Wales

Paper Attachment 1 – Discussion on Pig Levy holiday in Wales was taken as read and summarized by the CEO.

The Covid pandemic and Brexit had both contributed to labour shortages across the UK red meat supply chain, impacting on production, processing and supply.

The UK pig sector in particular had been significantly affected,¹ with the lack of available labour to process livestock resulting in animals being kept on farms for longer than they should be. This market disruption and the inability to slaughter / process animals for the market was causing additional financial costs for businesses, putting additional pressure on staff and leading to animal welfare issues on farm. There were also increasing concerns that excess livestock may need to be culled on farm, both finished pigs that have no slaughter outlet, and young piglets where there was a backlog of pigs preventing the pigs from moving to a finishing farm.

These challenges had resulted in a request to UK Ministers by the Agriculture and Horticulture Development Board (AHDB) to implement a pig levy holiday in England (setting the pig levy rate to zero for both producers and processors) for one month (November 2021). It was understood that Quality Meat Scotland (QMS) had agreed to align their strategy on a pig levy holiday with AHDB in order to help support the industry.

The CEO highlighted that the pig sector in Wales was significantly different to that in England and Scotland, where large-scale commercial pig production was prevalent, supplying into large processing facilities for onward sale into GB multiple retailers

and export markets. The pig sector in Wales was small in comparison and largely focused on localised supply-chains and niche markets.

The CEO explained that the Executive had considered the matter in detail and requested that the Board considered the following recommendation:

Recommendation

The small-scale nature of the pig sector in Wales, which largely focused on localised supply-chains created an element of resilience to the labour shortage challenges facing the UK pig industry.

It was important to note that there was no evidence suggesting that there was any significant backlog of pigs on farms in Wales - a differing situation to England and Scotland.

There was a need to only consider the implementation of a levy holiday in extreme market disruption situations.

Following discussion and clarification to questions, the Board unanimously agreed for the recommendation to be presented to the Minister for consideration.

Signed.....
Chair of HCC