



(HCC 595)

**Minutes of a meeting of the Directors of Hybu Cig Cymru held at
10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 5 September 2014**

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

By Invitation: Mark Alexander and Helen Minnice-Smith, Welsh Government

In Attendance: Gwyn Howells (Chief Executive Officer - CEO)
Siôn Aron Jones (Industry Development Manager)
Alan Morris (Communications Manager)
Laura Pickup (Market Development Manager)
Bryan Regan (Corporate Services Manager)

Julie Davies-Jones (Secretariat)
Jo Horder (Red Meat Policy and Strategy) – Item 13

1. **Welcome and Chairman's Comments**

The Chairman welcomed all to the meeting.

The Chairman gave a verbal update on the key events and meetings he had attended since the previous meeting:-

July 2014

The Chairman was a member of the panel for the interviews of appointing the HCC's Scholars for 2014 / 2015.

The Chairman and CEO attended the Meat Trades Journal Supermeat and Fish Awards in London. The event provided opportunity for networking with major retailers and processors.

The Chairman attended the Royal Welsh Show and represented HCC at numerous functions.

The Chairman on behalf of the Board thanked HCC staff for their professionalism and hard work throughout the week. This contributed greatly towards another successful show for HCC.

The Chairman and CEO attended the NSA Sheep event held at the Three Counties Showground, Malvern.

2. **Apologies for absence**

Apologies were received from Board members Will Haresign, Richard Tudor and Gary Haggaty, Welsh Government.

3. **Declarations of Interest**

Declarations of Interest were noted as follows:-

Discussion that may arise in relation to Credit Control – John Brereton, Prys Morgan and Wyn Williams.

4. **To receive and approve the minutes of the Board meeting held on Monday 7 July 2014 (HCC 588)**

The minutes of the Board meeting held on Monday 7 July 2014 were taken as read, approved by the Board and signed by the Chairman.

5. **Matters arising**

Welsh Government Food Division – Protected Food Name Status for Lamb and Beef sub brands in Wales

The Market Development Manager informed that HCC had met with ADAS, the organization contracted to Welsh Government to stimulate Protected Food Name (PFNs) applications to discuss “proposed” PFN applications relating to red meat.

HCC strongly emphasized that progressing with such sub brand applications could potentially dilute and damage the positioning of the PGI Welsh Lamb and PGI Welsh Beef brands.

It was agreed that the issue should be raised directly with the Welsh Government’s Food Division.

Welsh Purchasing Consortium Tender and PGI Welsh Lamb and PGI Welsh Beef in Local Authority and Health establishments

A meeting was held with a representative from the National Procurement Service (NPS).

It was revealed that £74.5 million is spent on food by the Public Sector in Wales - the largest proportion of this is on red meat which is worth £11 million. Of that, 40% is Welsh origin.

Dialogue continued between the NPS and the Welsh Government regarding a proposal to increase proportion of Welsh origin foods to the Public Sector in Wales but also to reduce costs. This would involve:

- Working with producers to get them 'market ready'
- Taking the purchasing of all public sector food in-house (NPS)
- Setting up systems and processes (eg ordering against set menus)

HCC would keep this area under review.

Splitting of Lamb Carcasses for two tooth ewes

A letter had been sent to Tim Bennett, Chair of FSA with regard to the above. A response was awaited.

6. **HCC Reports**

a. Activities Report (HCC 589)

The report was taken as read.

Communications

HCC's presence at a reception for NATO journalists at Tredegar House, Cardiff organized by the Welsh Government was a success. HCC had a demonstration kitchen at the function and offered tasters of PGI Welsh Lamb and PGI Welsh Beef to guests.

PGI Welsh Lamb was also on the menu for the main course at the official dinner for all the Heads of State held at Cardiff Castle, including US President Barack Obama and Prime Minister David Cameron.

It was noted that the NATO summit, coupled with earlier events in Brussels for which HCC supplied PGI Welsh Lamb and PGI Welsh Beef had resulted in positive publicity for the brands.

Royal Welsh Show 2014

The Communications Manager welcomed feedback from the Board in relation to HCC's presence at the Royal Welsh Show.

The Board commended the design of the Corporate and Industry Development stands and praised the activities held and the hard work by staff during the show.

HCC's Annual Conference

The Board would be invited to HCC's pre-conference dinner to be held at the Stradey Park Hotel, Llanelli the evening of Wednesday 12 November 2014.

The conference, this year, would be an all day event and held at Parc y Scarlets, Llanelli on Thursday 13 November 2014.

Speakers included:-

The Deputy Minister, Rebecca Evans AM
Kate Humble - TV presenter, author and Monmouthshire farmer
Jeff Martin – HCC’s Agent, Italy
Sion Aron Jones, HCC’s Industry Development Manager
Shaun Hall Jones and Thomas Jones, HCC Scholars

Two workshop sessions would be organized based on Market Intelligence and a Butchery demonstration.

Market Research – Netherlands

An executive summary on opportunities for the Welsh red meat industry in the Netherlands would be prepared for the next Board meeting.

b. Market Bulletin (HCC 590)

The above was taken as read.

c. Financial – Income and Expenditure and Balance Sheet to 30 June 2014 (HCC 591)

The above was taken as read.

The Corporate Services Manager presented the Income and Expenditure summary, which had a revised format. Comparative historical data had been reanalyzed to provide meaningful comparisons under the new format.

HCC had been awarded RDP 2007 – 2013 grant funding from Welsh Government to the sum of £900k and the budget had been realigned to reflect this.

Quarter 1 – was as presented in comparison with budget figures approved in the Business Plan.

Quarter 2 – was presented to reflect the amended budget figures, taking account of the revision to the budgets reflecting the additional RDP funding.

The Board approved the revised budget for the 2014 / 2015 Business Plan year.

d. Forthcoming Events (HCC 592)

The above was taken as read.

7. **To receive a presentation on HCC's 2014 PGI Welsh Beef Consumer Campaign**

The Market Development Manager presented on the above which would this year run from October to mid December 2014.

It was noted that the campaign had been brought forward to reflect the concerns and difficulties currently facing the industry. This was welcomed by the Board.

The strategic objectives of the campaign were:-

- To raise awareness of the Welsh Beef brand
- Influence perceptions of the Welsh Beef brand – perception of PGI Welsh Beef as a quality product
- Gain consumer engagement through social media and website
- Stimulate sales of PGI Welsh Beef

In order to continue raising awareness and perception with consumers, the 2014 campaign delivery plan included:-

- TV advertising on S4C
- Supermarket posters
- Digital, social media and website activity
- POS materials and an exclusive on pack competition to with 6 Nations rugby tickets

The campaign would be monitored and evaluated independently and reported to the Board in due course.

8. **To receive a verbal update on HCC's Review of the Beef Sector in Wales**

A final draft of the report had been received and would be reviewed in due course.

An event to communicate the outcome of the review and next steps would be held in conjunction with the Welsh Government during October 2014.

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

There was no update to report.

A meeting of the Red Meat Levy Group (AHDB, HCC, LMCNI and QMS) was scheduled to be held in Cardiff on the 29 September 2014. The CEO would report to the Board thereafter.

10. **To receive a verbal briefing on projects approved for additional funds made available under the RDP 2007 – 2014**

Two RDP Extension Projects submitted by HCC – “Meeting Market Requirements” £540k and “Optimising Animal Health” £280k had been approved by the Welsh Government.

The former project would include an enhancement of the Quality Management Procedures (QMP) training at SME abattoirs and cutting plants. There would also be Livestock Selection events undertaken on farm and at auction markets to complement the delivery of these events at abattoirs. The latter project would give sheep producers in Wales an opportunity to find out the anthelmintic resistance status of their farm. In addition, HCC would be undertaking a health surveillance project with farmers and their veterinary surgeons to highlight how health planning can increase both efficiency and cost effectiveness.

The projects would be monitored and evaluated and all activity was required to be delivered by June 2015.

Confirmation was awaited from the Welsh Government with regard to a separate submission by HCC on Supply Chain Efficiencies Technical Development project variation - *Removing Barriers to the Uptake of Electronic Recording in Sheep* (£970k).

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

The RDP 2014 – 2020 represented an important opportunity for the red meat industry to achieve a step change across the supply chain in order to improve efficiency and profitability.

Hence, HCC would be proposing a sector specific approach for the red meat industry in Wales; an ambitious, market led suite of interventions that would be highly targeted, business focused; that engage the whole supply chain and that geared specifically to the strategic needs of the Welsh red meat sector. HCC was currently working with the Welsh Government to develop thinking and collective working in order to progress this.

This approach was welcomed by the Board.

12. **To receive a verbal update on EIDCymru – The sheep movement database Agenda Item**

The Welsh Government’s consultation “EIDCymru: an electronic movement reporting system for sheep and goats – the identification of sheep and the current slaughter derogation” had ended. An announcement by the Deputy Minister on the outcome from the consultation was awaited.

13. **To receive a discussion document outlining the Strategic Action Plan for the Welsh Red Meat Industry 2014 – 2020 (HCC 593)**

A presentation on the review process for the Strategic Action Plan for the red meat industry was given and paper referenced HCC 593 was taken as read.

The current Strategic Action Plan for the Welsh Red Meat Industry was launched in 2009 and considerable progress had been achieved against the vision and objectives set out at that time.

In developing the Strategic Action Plan for the Welsh Red Meat Industry for 2014 – 2020, the Welsh red meat industry had been reviewed and the vision for the red meat sector going forward had been considered in the light of significant challenges that currently faced all parts of the supply chain.

The Strategic Priorities for the Action Plan 2014 / 2020 were:-

- To increase demand for Welsh red meat products (thereby increasing sales and returns)
- To improve production efficiency (thereby increasing quality supply) whilst maintaining the environment and landscape of Wales

The Strategic Objectives for the Action Plan 2014 / 2020 were:-

- Increase sales revenue (value) from Welsh red meat products
 - Increase British retail market share of Welsh lamb in the premium tier
 - Increase annual British retail premium value of Welsh red meat
 - Increase export sales value of Welsh red meat
- Increase the contribution of the Welsh red meat sector to Welsh agricultural output
 - Increase the number of carcasses meeting market requirements
 - Increase the national average sheep flock performance
 - Increase the average national cattle herd performance
 - Increase the number of finished pigs in Wales

The timeline for the review was noted as follows:-

2014

October	-	Informal consultation with key stakeholders
November	-	First draft for HCC Board
	-	Consultation with Welsh Government

2015

- December / - Formal consultation with industry
- January
- February - Final draft
- March - Approval and sign off by HCC Board and Welsh Government
- April / May - Launch

A draft would be presented to the Board for consideration at the 7 November 2014 meeting.

14. **R&D Advisory Committee**

- a. To receive a verbal report of the R&D Advisory Committee held on Thursday 4 September 2014

The Chairman gave a verbal report on the matters discussed at the meeting.

- b. To adopt the minutes of the R&D Advisory Committee held on Wednesday 11 June 2014 (HCC 594)

The minutes of the R&D Advisory Committee meeting held on Wednesday 11 June 2014 were taken as read and adopted by the Board.

15. **Board Matters**

Board Training – pm of 12 November 2014 (preceding the Annual Conference)

Arrangements were in hand for training to be held during the afternoon of Wednesday 12 November 2014. Further details would be shared in due course.

16. **Any other business**

There was no other business.

17. **Date of next meeting**

Friday 7 November 2014.

Signed.....
Chairman of HCC