



Hybu Cig Cymru
Meat Promotion Wales

Business Plan

Hybu Cig Cymru - Meat Promotion Wales (HCC) 2026 - 2030



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1. EXECUTIVE SUMMARY

Agriculture in Wales remains a cornerstone of national resilience, providing food security, delivering economic activity and growth together with securing rural employment while safeguarding natural resources and cultural traditions. By positioning food production as a strategic driver, the industry can ensure sustainable development, enhance competitiveness and secure long-term rural prosperity.

The Welsh red meat industry is built on strong sustainability credentials, recognised provenance and deep cultural heritage. These strengths position the industry to capitalise on significant domestic and global growth opportunities. By leveraging its grass-based production systems, cultural significance and strong consumer recognition, Welsh red meat can transform these attributes into long-term competitive differentiation.

HCC will adopt a strategic approach to support the industry in maximising the benefits of its unique attributes by focusing, showcasing and strengthening Welsh credentials. By emphasising provenance, traceability and sustainability, HCC aims to build consumer trust and loyalty, ensuring increased market presence, economic resilience and global competitiveness while delivering positive environmental outcomes.

Three priority areas have been identified to support the industry, namely:

Priority 1: Increase the volume and value of branded Welsh red meat sold by supporting listings in domestic markets, developing export markets and increasing consumer recognition for Welsh red meat brands.

Priority 2: Develop and lead initiatives that improve economic and environmental sustainability by measuring the current position, identifying activities to drive improvements, seeking research opportunities to improve productivity, and collaborating with appropriate partners to ensure adoption.

Priority 3: Provide proactive, robust and evidence-based advocacy for the industry highlighting the economic and social importance of the industry as well as championing the interests of the Welsh red meat industry within Welsh and UK public policy.

To deliver on these priorities, HCC will adopt a data-driven and collaborative approach across the entire supply chain. By strengthening industry-wide data collection and interpretation capabilities, and fostering partnerships across stakeholders, HCC aims to enhance transparency, improve decision-making and drive sustainable growth. This integrated strategy will ensure alignment of activities, deliver cost-effective outcomes and position the industry for long-term competitiveness.

This Business Plan sets out how HCC will deliver on these priorities through 2026–2030 with targeted programmes, measurable objectives and clearly defined outcomes. It details the actions required to strengthen industry competitiveness, drive sustainability, and secure long-term demand growth for Welsh red meat across domestic and global markets.

2. ABOUT HCC

Vision

HCC's vision for the Welsh red meat industry is for a competitive, profitable, efficient and sustainable industry which embraces its social and environmental responsibilities. This will result in a productive, resilient, and growing industry that delivers for levy payers, consumers and the wider Welsh society.

HCC's Mission

HCC will lead and support the Welsh red meat industry to increase its market presence, economic resilience and global competitiveness whilst striving to have a positive environmental impact.

HCC will drive and enable improved productivity, expand trade opportunities and promote the distinctive quality of Welsh red meat through authoritative leadership and collaboration across the supply chain.

Purpose

HCC is the industry-led levy body organisation responsible for the development, promotion and marketing of red meat from Wales.

HCC collaborates with all sections of the red meat industry, from farmers to retailers, with an aim to develop and grow the industry through seeking profitable markets, both established and emerging, for Protected Geographical Indication (PGI) Welsh Lamb, PGI Welsh Beef and pork from Wales.

In the UK and in strategically important markets worldwide, HCC collaborates with retailers, processors and food service operators to strengthen business opportunities and undertakes regular promotional activities for PGI Welsh Lamb and PGI Welsh Beef.

HCC seeks opportunities to advance research, training, and collaboration across Wales's red meat supply chain to raise quality, efficiency, and value while protecting and enhancing the nation's sustainability credentials. It identifies initiatives that improve economic and environmental outcomes and support its objective of evidence-based advocacy and defence for the industry.

Funding

HCC's core funding is from the Welsh Red Meat Levy. Since April 2021 HCC has also been in receipt of repatriated levy (levy that is calculated on livestock born and reared in Wales, that is slaughtered in England or Scotland).

To augment and complement levy income, HCC proactively pursues alternative funding and collaborates with government, other GB levy bodies, research organisations and relevant partners to secure resources and implement programmes that benefit the entire supply chain.

Measurement of Success

This Business Plan serves as the foundation for an annual Operational Plan, which will define the specific activities, performance indicators and targets for each delivery year.

As part of the fulfilment of its objectives and remit, HCC has an established monitoring framework which:

- Enables HCC to track progress toward its objectives;
- Allows for multi-year planning to achieve the stated objectives;
- Supports clear communication of HCC's performance to external stakeholders; and
- Forms a foundation for evaluation of HCC's performance and can highlight value to the industry.

The monitoring framework extracts the actions and targets from within the Operational Plan and monitors the performance against these KPIs throughout the year. The targets are reviewed and evaluated on a six-month and annual basis by the HCC Board.

3. INTRODUCTION

Red Meat Industry Vision: Delivering Growth for Wales

The Red Meat Industry Vision: Delivering Growth for Wales (*Vision*) was launched in March 2026; the document presents HCC's strategy for the industry from 2026 to 2030. The document outlines the direction in which the HCC Board believes Welsh Red Meat Levy funds should be focused, enabling the organisation to discharge its statutory functions effectively, efficiently and in a manner that secures the greatest possible benefit for the industry as a whole.

To prepare the *Vision* and this Business Plan, HCC engaged extensively with stakeholders, levy payers and others within the supply chain to achieve an accurate representation of how the industry currently performs, together with its key challenges, opportunities and priorities for future success.

HCC's vision for the Welsh red meat industry is:

A competitive, profitable, efficient and sustainable industry which embraces its social and environmental responsibilities. This will result in a productive, resilient, and growing industry that delivers for levy payers, consumers and the wider Welsh society.

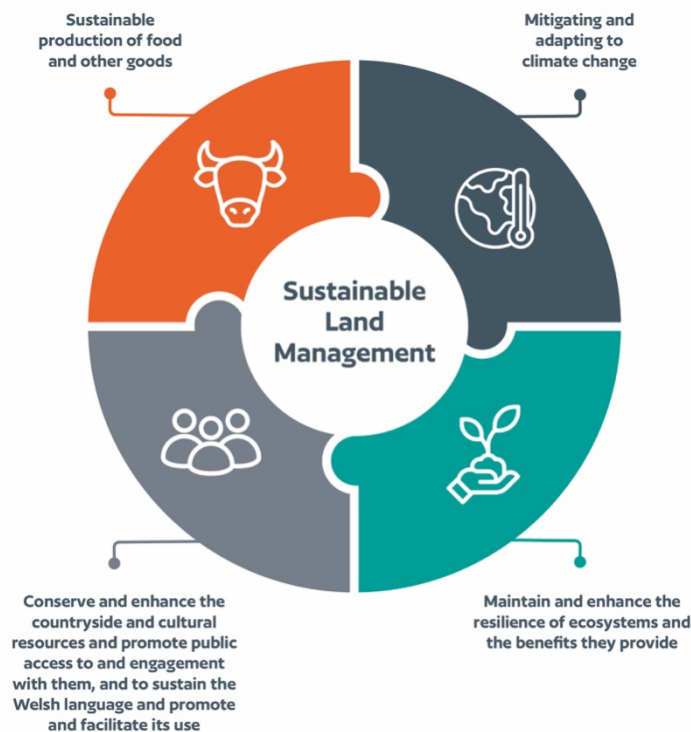
Competitiveness, sustainability, premiumisation, trade success and enhancing the industry's reputation are all at the heart of the *Vision* as it seeks to establish an ambitious and progressive outlook for Wales as a world leader in red meat production.

When developing this Business Plan, HCC has considered the long-term impacts of planned activities in relation to people, communities and the wider environment. This has been done to ensure that while delivering for the Welsh red meat industry HCC will also deliver against the Sustainable Land Management framework, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, whilst aligning and supporting the strategies outlined in the Anti-racist Wales Action Plan 2024.

Sustainable Land Management

Sustainable Land Management (SLM) is the framework for agricultural support and regulation within Wales.

SLM is built around four objectives which celebrate the contributions the agricultural industry makes to Wales. The objectives capture the sustainable production of food and other goods while also addressing the declared climate and nature emergencies and recognising the role farmers play in the environmental and cultural health of Wales.



This Business Plan and the priorities and activities identified within it meet and deliver against the SLM framework by promoting food production as a strategic driver of economic resilience while safeguarding and enhancing natural resources and cultural heritage. Through grass-based, low-input farming systems the Welsh red meat industry delivers environmental stewardship, biodiversity protection and climate change mitigation. HCC's priorities - enhancing market share and value, improving sustainability through evidence-based initiatives, and advocating for the industry - ensure that economic, environmental, and social outcomes are balanced. This approach meets current needs responsibly, while strengthening rural communities and preserving the ability of future generations to thrive.

Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act aims to improve the social, economic, environmental and cultural well-being of Wales.

Seven Well-being Goals



HCC has developed this plan with consideration of and in accordance with the five ways of working outlined in the Well-being of Future Generations (Wales) Act. The implementation of the priorities identified highlight a collaborative approach that ensures coordinated support for the red meat supply chain in Wales.

Sustainable Development Principles and Aligned Priorities

Five Ways of Working	Description	Aligned HCC Priorities
Collaboration	Acting in collaboration with others to meet objectives	Priority 1, 2
Integration	Considering how objectives may impact upon one another	Priority 1
Involvement	Involving all parties with an interest in achieving the objectives	Priority 3
Long-term	Balancing short-term needs with the need to safeguard the long-term needs	Priority 1, 2, 3
Prevention	Acting to address challenges	Priority 3

Environment (Wales) Act 2016

The Environment (Wales) Act 2016 sets out the requirement for the sustainable management of natural resources in Wales. The Act also requires Welsh Ministers to meet targets for reducing emissions of greenhouse gases from Wales. Within the Act there is a recognition that biodiversity and a well-functioning ecosystem provide natural solutions that build resilience, adapt to the adverse impacts of climate change and contribute to sustainable development.

This Business Plan supports the Act by promoting the sustainable management of natural resources, enhancing biodiversity and improving ecosystem resilience. Through promoting and advancing climate smart practices, evidence-based sustainability initiatives, and sustainable production systems HCC aligns with statutory duties to reduce environmental impact while delivering economic and social benefits.

Anti-racist Wales Action Plan 2024

The Anti-racist Wales Action Plan is a national strategy designed to confront and eliminate systemic and institutional racism in Wales by delivering measurable improvements in the lives of Black, Asian and Minority Ethnic people. HCC will align with and support this Plan by embedding its evidence-based, rights-focused approach into organisational policies and everyday practice. By working collaboratively across sectors, as emphasised in the updated Plan, HCC will contribute to delivering the systemic improvements needed in Wales by 2030.

Sustainability Statement

Wales is recognised globally for sustainable red meat production, thanks to its farming systems built on natural resources - abundant rainfall, fertile soils and grass growth - which minimises reliance on imported inputs.

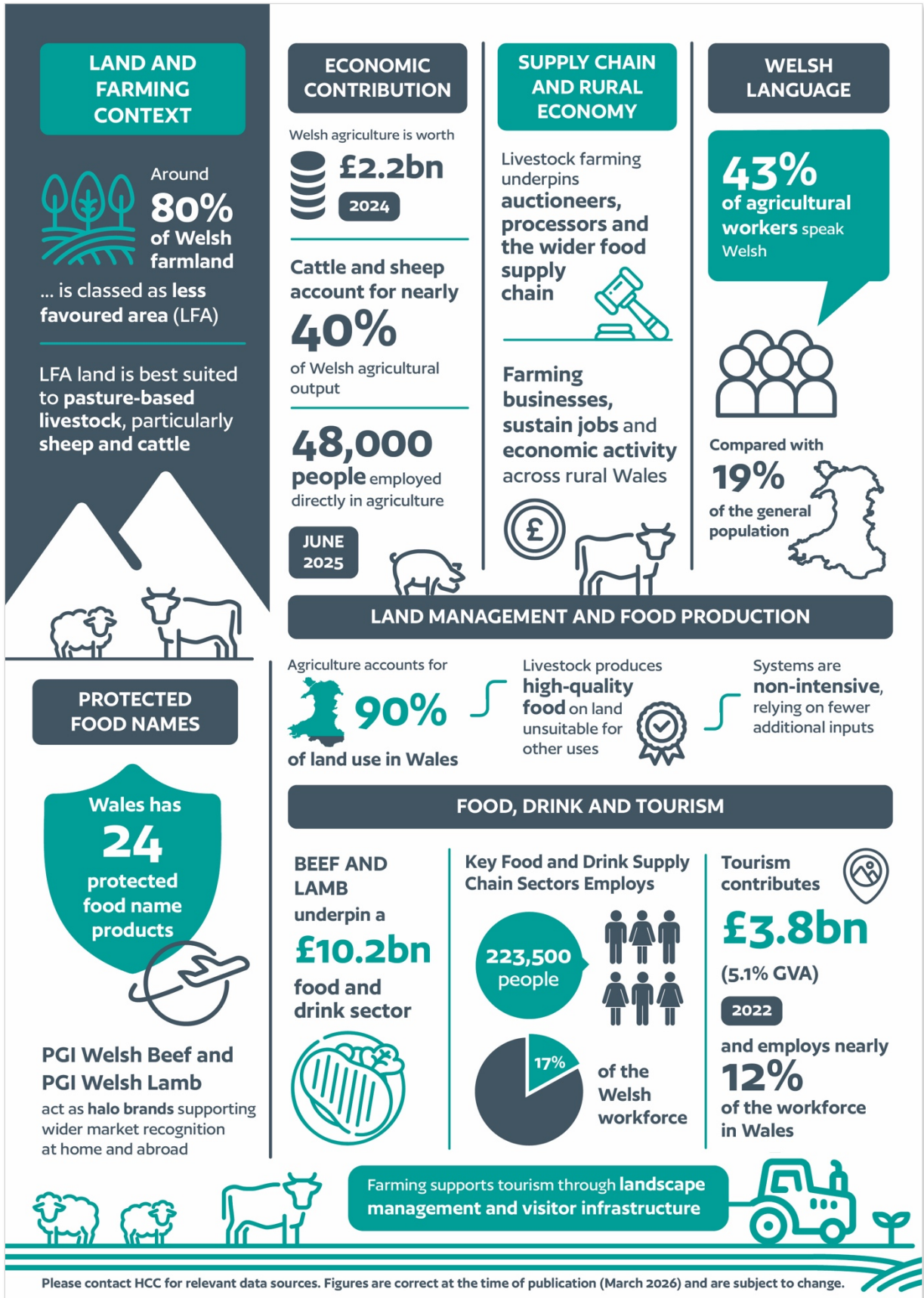
HCC's ambition for the industry is to produce high quality Welsh red meat sustainably and competitively for global markets. This commitment is underpinned by the three pillars of sustainability - economic, environmental, and societal - to deliver long-term resilience and competitiveness.

HCC's approach will seek to provide a clear competitive advantage for Welsh red meat through:

- Driving a resilient rural economy and strengthening the entire red meat supply chain
- Safeguarding and enhancing natural resources and biodiversity
- Implementing climate-smart practices to reduce environmental impact and mitigate climate change
- Building community resilience while preserving the Welsh language and our cultural heritage
- Meeting today's needs responsibly while enabling future generations to thrive

This strategy positions Welsh red meat as a benchmark for sustainable production, aligning with global consumer expectations and reinforcing Wales's reputation for quality and responsibility.

4. OVERVIEW OF THE WELSH RED MEAT INDUSTRY



INDUSTRY AT A GLANCE

FARMING AND PRODUCTION



Breeding ewe numbers in Wales (June 25) is **4.1m**

10% below the figure recorded in June 2016.

Current beef breeding cow population **133,500 head**, 21% below the figure 10 years previous. In June 2025 there were **2,150** breeding pigs on Welsh holdings.

NUMBER OF HOLDINGS (June 2024)



6,341



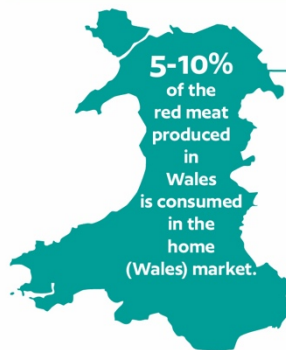
13,625



1,271

In 2024-25 the average farm business income for a cattle and sheep LFA farms increased by **68%** at current prices to

£37,200 per farm from the previous year.



It is estimated that nearly **two-thirds** of the sheep meat and approximately **80%** of the beef produced in Wales will be consumed in England.

PROCESSING



15 red meat abattoirs in Wales (2025)

In 2025, the abattoirs employed a combined, circa.



2,000 people

In 2025, the 15 abattoirs processed:



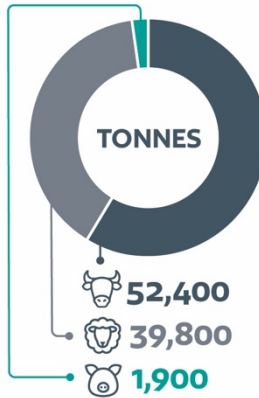
176,000 head



1,995,900 head



21,000 head



Potential markets



Global population of **8.3bn** and growing

TRADE

GB RETAIL IN 2025*

PRIMARY LAMB

Sales 50,200 t (-9.6% year-on-year)

Average Price £12.27/kg (+4.1%)

Spend £615.8m (-5.9%)



PRIMARY BEEF

Sales 235,000 t (-6.4%)

Average Price £11.52/kg (+17.6%)

Spend £2.7bn (+10.1%)



PRIMARY PORK

Sales 138,700 t (+2.7%)

Average Price £6.39/kg (+2.2%)

Spend £885.9m (+5.0%)



* Retail data for 52 w/e 28 Dec 2025

EXPORT

In 2025

Exports of sheepmeat from Wales -

£230.5m



Exports of beef from Wales -

£112.4m



94%

of Welsh red meat exports go to EU countries



Please contact HCC for relevant data sources. Figures are correct at the time of publication (March 2026) and are subject to change.

Red Meat Production

From January 2026, the Welsh Government's Sustainable Farming Scheme (SFS) replaced the Basic Payment Scheme (BPS), with the latter being phased out in 2029. This represents a fundamental change in government support structures, moving from a land-based system. The impact of the change to support is unclear, however there will still be a need for red meat businesses to seek technical efficiencies for optimum production whilst lowering, or minimising, the cost of production.

Research has highlighted that improvements in technical efficiency, such as improved animal health and welfare, increased use of superior genetics and optimal grassland management and utilisation, can help reduce and mitigate greenhouse gas emissions within red meat production. When achieved, these improvements need to be measured and communicated, highlighting Wales's commitment to ensuring that it continues to support food security while also increasing climate resilience. Combining these two core principles of food security and climate resilience will give red meat production in Wales a positive message for established and new customers, whilst making the industry more competitive in the marketplace. In 2020, HCC's *'The Welsh Way'* recognised that Wales has significant advantages compared to global competitors in the production of red meat. Over the coming years, this needs to be further strengthened and evidenced.

The interconnected nature of the Welsh red meat industry is distinct, and alongside HCC's *Red Meat Industry Vision: Delivering Growth for Wales* and this Business Plan it is important to stress how maintaining a critical mass of livestock and increasing productivity can support the diversity and variety of Welsh farming systems and auxiliary businesses that currently exist.

Red Meat Processing

The diversity of processing systems in Wales supports the red meat sector, with many of the lower throughput sites providing an invaluable service to local independent businesses, whilst the larger throughput sites allow for scalability and economically viable routes into domestic and global export markets. A resilient and diverse processing sector is essential to the long-term strength of the red meat industry in Wales. Maintaining this capability underpins food security and traceability, supports secondary processing within Wales, broadens producer and consumer choice, reduces animal transport times and contributes to sustaining employment and local economies

HCC undertook a survey of the Welsh abattoir sector in 2025 which indicated that there is capacity for expansion and additional throughput, however, opportunities remain limited. The key ongoing challenges are securing a steady, consistent supply of livestock, and driving innovation and investment across the sector. Other challenges facing Welsh processors include rising production and operational costs, labour shortages, succession challenges, increased legislation and changing consumer preferences

A fundamental challenge is how to secure product and supply chain innovation, market intelligence and effective marketing in an industry where primary production is spread between a large number of small businesses, many of which are already under financial pressure, and where the processing industry is dominated by a small number of companies, most of which have their headquarters outside of Wales. Continued co-operation and collaboration across the red meat sector will be essential to help meet this challenge. HCC's role within this will be to strengthen the market position of Welsh red meat through trade support activity, evidence of environmental sustainability and industry collaboration.

Trade in Red Meat from Wales

As trading patterns for red meat from Wales continue to be impacted by various socio-economic and political factors, the importance of achieving a multi-market approach which supports carcass balance remains critical, this has become increasingly important as market requirements sophisticate and evolve. Over the last decade red meat consumer prices, as with all food prices, have increased significantly which has led to many consumers seeking greater perceived value as their disposable income erodes with the higher cost of living.

For the UK and export markets, having diverse outlets for the product within retail, foodservice, manufacturing and the ethnic trade supports the whole industry. Over time the importance and share of these different outlets has changed and this will continually evolve as consumer preferences adapt but ensuring a multi-faceted, agile, evidence-driven approach to trade development will be key.

While premiumisation of Welsh products will continue to be a driving principle for HCC, having a diverse range of export markets also underpins the value of fifth quarter products. These markets for lower-value cuts and offal also deliver improved returns to the Welsh industry as these products currently have little or no value or demand on the domestic market. HCC will continue to work with other GB levy bodies to identify opportunities and secure access for fifth quarter markets.

Securing listings for Welsh red meat is vital to the industry's success. PGI status plays a key role, as Welsh Lamb and Welsh Beef are integral elements of Welsh food production, with the brand drawing on and consumers recognising Wales's distinctive landscapes and its unique social and cultural heritage. PGI designation allows for claims on provenance and signals quality, strengthening consumer confidence. Growth in both domestic and international markets will depend on the ability to differentiate and promote branded products. There is also opportunity to further develop the PGI brand by incorporating attributes such as production methods and environmental performance.

Red Meat Consumption

Global red meat consumption is forecast to increase over the coming decade, driven by population growth and rising incomes in developing regions, while demand in developed countries is expected to stabilise or decline. This presents a number of opportunities and challenges for the red meat sector as it attempts to develop emerging markets while also maximising access and listings in developed markets.

In the UK and Europe, red meat consumption has been relatively static with consumers seeking convenience and cost efficiency where possible. Current price sensitivities, particularly for higher value products, and health and environmental concerns linked to red meat are likely to continue. It will therefore be increasingly important to inform consumers about the nutritional benefits of red meat within a balanced diet and address any negative perceptions to secure share in a highly competitive protein market.

Emerging markets, most notably in Asia and the Middle East, are projected to experience substantial growth in red meat consumption. This expansion will likely be underpinned by overall population increase, rising incomes, rapid urbanisation, and growing middle-class populations, all of which will drive changes in dietary preferences towards higher-value protein. These shifts create considerable opportunities for the Welsh red meat industry both directly through building long-term relationships in these regions but also by being aware of the possible shifting patterns of supply.

Consumption data would suggest that consumers remain committed to including red meat in their diets, but their purchasing decisions are increasingly influenced by concerns over affordability, production methods, health implications, environmental sustainability and product quality. To meet consumer expectations HCC will seek to demonstrate transparency, become increasingly evidence driven and effectively communicate the positive credentials of red meat produced in Wales. By doing this, the industry will be able to further build consumer trust, differentiate products in competitive markets, and reinforce the value and reputation of red meat, supporting both domestic loyalty and export growth.

5. THE OPERATING ENVIRONMENT

The following SWOT analysis systematically explores each dimension - strengths, weaknesses, opportunities and threats - to provide a balanced perspective on the Welsh industry's strategic position.

SWOT Analysis

Strengths

- Predominantly grass-based production systems for lamb and beef deliver strong environmental credentials combined with high animal-welfare standards, which align with consumer and policy priorities.
- Optimum climate and topography for grassland production, supporting low-impact sustainable farming, both economically and environmentally
- Red meat proven to be nutrient-dense, offering a positive health proposition when communicated effectively.
- Production from a large base of family farms, bring intergenerational experience in good stockfarming coupled with environmental management. This supports rural communities, culture and local economies.
- Internationally recognised reputation for extensive, pasture-based production enhances market trust and supports premium positioning.
- Established sales channels and strong PGI brands provide differentiation, traceability assurance, and potential market resilience.
- Diverse abattoir sector enables flexible market access, supporting local and global supply routes.
- Robust and varied export markets—especially for lamb— create opportunities for optimal carcass utilisation, stable pricing, and reduced single market dependency.

Weaknesses

- Structural dependence on support payments exposes primary producers to policy shifts, reduces the incentive to improve competitiveness and constrains long-term business resilience and investment capacity.
- Comparatively high on-farm production costs heighten the need for sustained premium positioning to protect margins while lowering market competitiveness.
- Primary production is based on a large number of small businesses which limits scale efficiencies, constrains innovation, and reduces the ability to generate meaningful supply-side market insight.
- Challenges in attracting and retaining new entrants and workforce talent threaten long-term sector capacity, innovation potential, and succession planning.
- Seasonal lamb production can create supply variability and complicate supply chain planning, limiting commercial opportunities.
- Limited scale across the sector constrains market influence, reducing competitiveness and hinders opportunities in emerging markets.
- Political uncertainty and shifting policy attitudes toward trade and agriculture heighten operational risks and lowers investment confidence.
- Limited exploitation of advancements in animal and plant genetics restricts productivity gains, efficiency improvements, and business resilience.

Opportunities

- Position the 'Welsh Way' as globally recognised exemplar of sustainable, pasture-based red meat production. Leading to a strengthened brand position and allowing market differentiation
- Utilise PGI/GI status to differentiate product, highlighting its traceability and provenance attributes while developing its sustainability credentials.
- Develop an integrated centralised data infrastructure to substantiate brand claims, enhance transparency and support evidence-based decision making.
- Improve market intelligence capabilities for more informed business planning and competitiveness.
- Strategic expansion of upland cattle herds will increase product availability, while use of managed grazing techniques will enhance biodiversity and ecosystem services.
- Capitalise on global population growth and rising red meat demand, especially in emerging and premium markets which are aligned with Welsh production attributes.
- Invest in efficiency gains, training, and technology adoption to reduce production costs and improve sector resilience and competitiveness.
- Accelerate R&D, innovation, and automation to enhance productivity, consistency, and the sector's ability to adapt to market and regulatory change.
- Target health-conscious and ethically driven consumers through clear, evidence-based messaging on nutrition, animal welfare, and environmental performance.
- Collaborate across the supply chain to achieve greater product consistency and year-round availability, strengthening market reliability and competitiveness.

Threats

- Public misconceptions and misunderstanding of red meat production methods and/or health narratives could erode consumer confidence, weakening demand and shaping unfavourable policy outcomes.
- Poorly designed climate or trade policies could drive carbon leakage, offshoring emissions and undermining the competitiveness of domestic, pasture-based production.
- Pressure on household spending power increases price sensitivity, challenging premium positioning and reducing consumption frequency.
- New and unfavourable trade agreements may expand market access for competitors, intensifying price competition and potentially displacing domestic products.
- Changes and greater unpredictability within weather patterns could impact production systems and long-term system resilience.
- Declining livestock numbers will weaken processing capacity and market visibility, eventually impacting overall sector influence.
- Shifts toward alternative proteins and flexitarian diets could structurally redefine demand and require proactive repositioning of red meat's value proposition.
- Economic pressures across the supply chain impacting investment, efficiency and competitiveness.
- Competing land-use priorities - such as forestry, renewable energy and other agricultural activities - risk reducing the land base available for livestock production.
- Animal health issues could pose both performance and reputational risks, with the potential to disrupt productivity and undermine consumer confidence.
- Shifts in climate patterns could exacerbate threats to animal health and welfare, including spread of vector borne and zoonotic diseases, undermining the One Health framework.

Summary

The Welsh red meat industry combines strong sustainability credentials, recognised provenance and cultural heritage with challenges of price competitiveness, fragmented scale and policy uncertainty. By leveraging and enhancing its advantageous grass-based production methods, cultural importance and favourable consumer recognition the industry can seize domestic and global opportunities while mitigating risks from shifting consumption patterns, climate variability and trade pressures. Positioned as a trusted, innovative and market-leading product, Welsh red meat has the potential to turn its strengths into long-term competitive advantage.

HCC will adopt an increasingly strategic approach to supporting the industry to achieve this competitive advantage focusing its activities on showcasing and strengthening Welsh credentials. By highlighting the qualities of Welsh red meat and reinforcing its reputation for provenance, traceability and sustainability, HCC aims to build consumer trust and loyalty. In parallel, HCC will invest in targeted research and development projects to enhance productivity and drive competitiveness across the supply chain. Collaboration with government, other levy bodies, industry partners and academic institutions will be central to encouraging the adoption of innovative practices and solutions.

Welsh red meat holds a compelling consumer proposition rooted in sustainability, welfare, provenance and nutritional quality; attributes valued in both domestic and global markets. To maximise impact, consumer messaging will emphasise the sector's pasture-based, low-impact production, strong community heritage and robust traceability credentials, while countering misconceptions through clear evidence-based communication. Strategic messaging will address any challenges of changing dietary trends by reinforcing red meat's role in balanced diets, its environmental strengths relative to global alternatives, and its contribution to rural vitality in Wales.

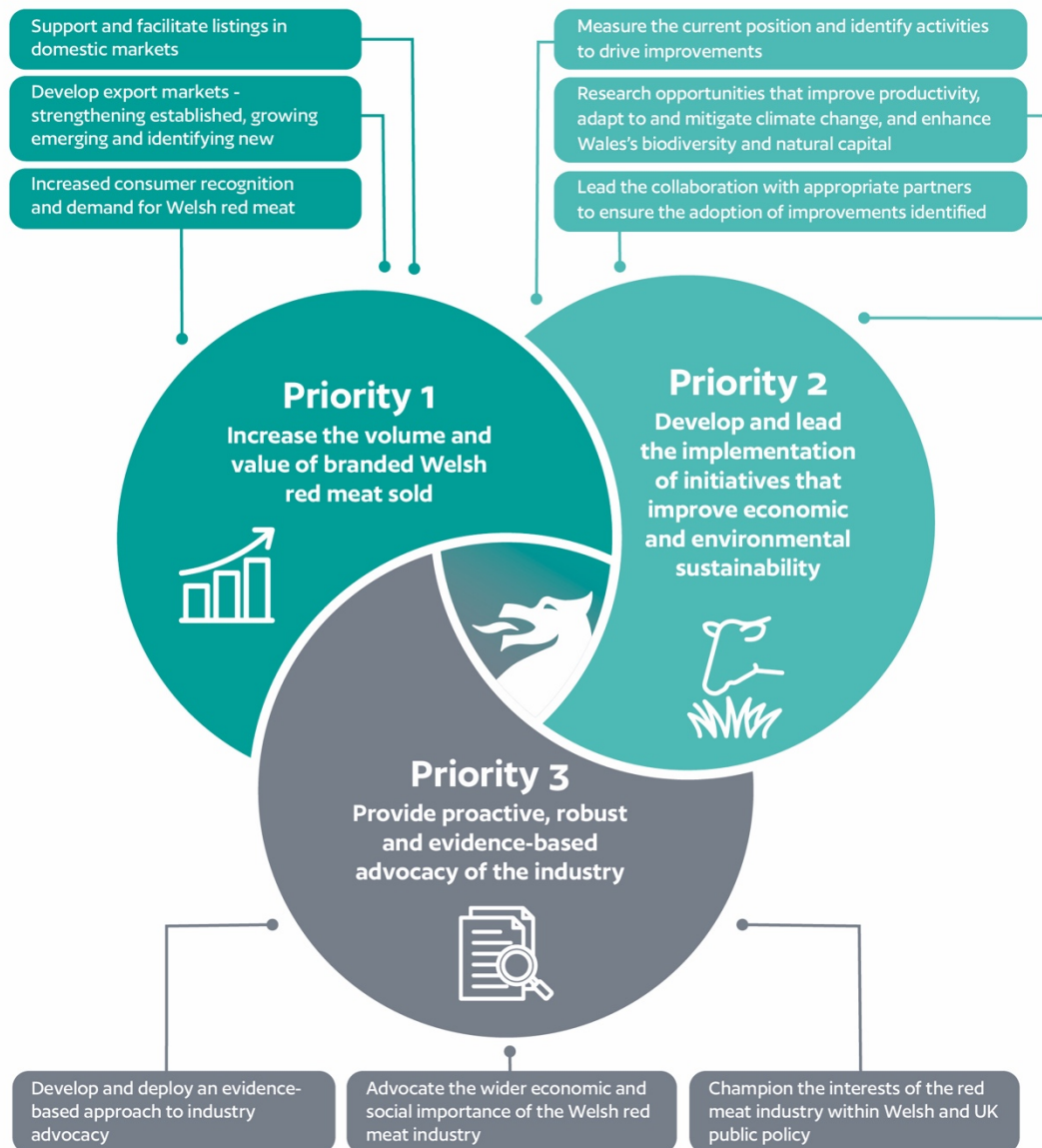
Through these combined efforts, HCC will deliver on its mission to lead and support the Welsh red meat industry in increasing market presence, economic resilience, and global competitiveness, while striving to achieve a positive environmental impact.

6. PRIORITIES

HCC's priorities for this Business Plan have been guided by the *Red Meat Industry Vision: Delivering Growth for Wales* and is focused on working efficiently and effectively to deliver meaningful outcomes to enhance the red meat industry in Wales. Collaboration, cooperation and communication across the industry is integral to achieving success.

Strategic Focus

The following priorities form the foundation of HCC's *Vision*, with each priority having 3 key objectives.



For clarity the three priority areas will be referenced as the following in the Business Plan;

Priority 1: Trade & Market Development

Priority 2: Efficiency & Sustainability

Priority 3: Advocacy & Defence

7. FINANCE AND RESOURCES

HCC's financial strategy for 2026–30 is designed to ensure robust delivery of its priorities while maintaining transparency and efficiency. The plan reflects a balanced approach to core levy income, targeted government grants, and prudent expenditure management aligned with inflationary pressures and strategic objectives.

Welsh Red Meat Levy

HCC's core funding is derived from the Welsh Red Meat Levy, jointly paid by producers and slaughterers on all cattle, sheep, and pigs slaughtered in Wales. This statutory levy underpins activities that would not otherwise occur under normal market conditions, ensuring sector-wide benefits. Since April 2021, HCC has also received repatriated levy for livestock born and reared in Wales but slaughtered elsewhere in Great Britain.

To maintain financial resilience, levy rates are reviewed annually and, subject to Ministerial approval, adjusted in line with inflation (CPIH), safeguarding the organisation's ability to deliver against its remit while ensuring fairness and transparency for levy payers.

External Funding

To complement levy income, HCC actively pursues external funding through strategic partnerships with government, research institutions and other GB levy bodies. For the duration of this Business Plan, HCC will have targeted government grants to support a genetic improvement programme, with £1m per annum forecasted for sheep genetics activity in Years 1–3 (2026-29). This, and other, investments are pivotal to driving productivity, sustainability and competitiveness across the Welsh red meat sector. HCC will continue to explore additional funding opportunities (both from government and other funding streams) to enhance delivery capacity and maximise industry impact.

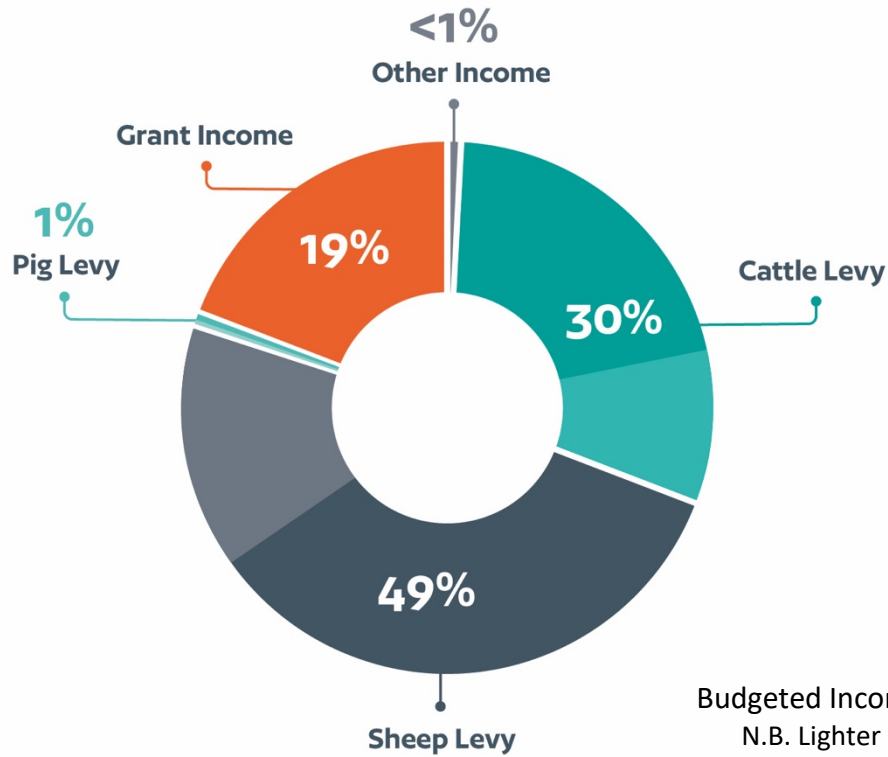
Key Salient Points

- Core Funding: Welsh Red Meat Levy will remain the primary income source, with continued repatriated levy from livestock slaughtered outside Wales.
- Forecasted Grants and Other Funding Streams:
 - Sheep Genetics: £1m annually for Years 1–3 (2026–29).
 - Additional grants will be sought to support industry from 2027-30 (forecasted at £1m per annum)
- Inflationary Adjustment: All levy funded budgets assume a 2% annual inflation increase across the four-year period.
- Strategic Allocation: Expenditure across the three priority areas - Trade & Market Development; Efficiency & Sustainability; and Advocacy & Defence.

Financial Overview

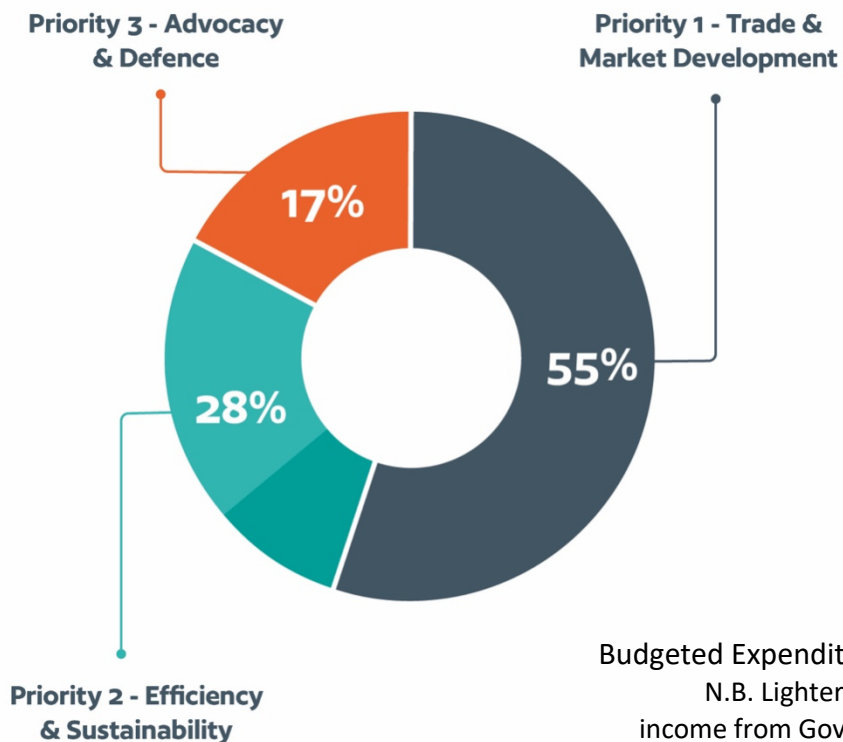
The below chart highlights HCC's forecast income and expenditure (against priority areas) for the first delivery year of this Business Plan (2026-27).

Income



Budgeted Income 2026-27; £5.23m
N.B. Lighter colour shade indicates
levy redistributed funds from species

Expenditure



Budgeted Expenditure 2026-27; £5.23m
N.B. Lighter colour shade indicates
income from Government grant funding

The table below shows the forecasted income and expenditure summary for the period covered by the Business Plan. HCC budget forecast for income and expenditure is agreed annually by the HCC Board.

Summary Income and Expenditure (£)

INCOME				
	2026-27	2027-28	2028-29	2029-30
Total Levy Income				
Cattle	1,592,000	1,614,760	1,637,975	1,661,655
Sheep	2,545,000	2,580,640	2,616,993	2,654,073
Pigs	74,000	74,600	75,032	76,272
	4,211,000	4,270,000	4,330,000	4,392,000
Grants & Other Funding				
	1,000,000	2,000,000	2,000,000	1,000,000
Other Operating Income				
	20,000	20,000	20,000	20,000
Total Income	5,231,000	6,290,000	6,350,000	5,412,000
EXPENDITURE				
	2026-27	2027-28	2028-29	2029-30
Priority 1: Trade & Market Development				
	2,869,093	2,892,968	2,922,211	2,914,500
Priority 2: Efficiency & Sustainability				
	1,481,464	2,545,886	2,556,401	1,795,423
Priority 3: Advocacy & Defence				
	880,443	851,146	871,388	702,077
Total Expenditure	5,231,000	6,290,000	6,350,000	5,412,000
Surplus/(Deficit)	0	0	0	0

Embedding Efficiency Reviews

HCC will implement ongoing efficiency reviews to optimise resource utilisation and maximise value for levy payers. This includes:

- **Annual Budget Alignment:** Ensuring expenditure reflects strategic priorities and delivers measurable outcomes.
- **Long-Term Estates Strategy:** Exploring potential avenues for efficiencies and cost savings.
- **Continuous Improvement:** Leveraging technology, including the use of Artificial Intelligence, and process innovation to enhance delivery efficiency and reduce administrative costs.

8. DELIVERY PROGRAMME

HCC has established a comprehensive delivery programme designed to ensure the successful implementation of its strategic priorities and the effective allocation of Welsh Red Meat Levy funds. This programme reflects HCC's commitment to addressing industry challenges while driving sustainable growth. It integrates targeted activities and work streams within a continuous feedback framework, enabling agile adjustments and measurable progress.

Our delivery programme is designed to create a fully integrated approach across all priority areas, ensuring alignment and synergy throughout. This strategic cohesion will drive efficiency and strengthen the core workstreams. Insights and improvements generated through the Efficiency and Sustainability priority will provide critical evidence to underpin Trade initiatives and will be embedded within Market Development (or brand recognition) activities. Together, these efforts aim to increase the availability and visibility of branded Welsh products in key markets. These outputs will also form the foundation for Advocacy and Defence actions, reinforcing Wales's red meat production credentials and securing a strong position in both domestic and international markets.




At the core of this programme is the priorities of expanding branded product availability, promoting efficient and sustainable production practices, and strengthening the advocacy for the industry.





To ensure the successful and efficient delivery of the priority areas, specific objectives and outcomes have been clearly defined. This structured approach provides a robust framework for measuring progress and maintaining accountability, ensuring that resources are deployed effectively and that all activities contribute to long-term industry resilience and growth. Key performance indicators will guide implementation and enable continuous evaluation throughout the delivery period.

In addition, HCC’s Executive will report annually to the Board against the stated outcomes, reinforcing transparency and governance.

The planned HCC delivery objectives and outcomes for 2026-2030 is summarised below:

 Priority Area	 Objective	 Outcome
<p>Increase the volume and value of branded Welsh red meat sold</p>	<ul style="list-style-type: none"> • Support and facilitate listings in domestic markets • Develop export markets - strengthening established, growing emerging and identifying new • Increase consumer recognition and demand for Welsh red meat 	<ul style="list-style-type: none"> • Increased availability and sales of branded Welsh products at retail and foodservice in England and Wales • Increased availability and sales of branded Welsh products in export markets • Increased engagement and support of PGI approved processors to encourage sales of branded Welsh products • Measurable and impactful consumer brand activity that supports the increase in sales of branded Welsh products
<p>Develop and lead the implementation of initiatives that improve economic and environmental sustainability</p>	<ul style="list-style-type: none"> • Measure the current position and identify activities to drive improvements • Research opportunities that improve productivity, adapt to and mitigate climate change, and enhance Wales's biodiversity and natural capital • Lead the collaboration with appropriate partners to ensure the adoption of improvements identified 	<ul style="list-style-type: none"> • A robust model of the current economic and environmental performance of the red meat sector in Wales • Identification and prioritisation of the main initiatives to improve the economic and environmental performance of the red meat sector in Wales • Fully developed and collaborative deployment models for the identified initiatives • An established focal point of the latest research relevant to the improvement of the economic and environmental performance of the red meat sector in Wales
<p>Provide proactive, robust and evidence-based advocacy of the industry</p>	<ul style="list-style-type: none"> • Develop and deploy an evidence-based approach to industry advocacy • Advocate the wider economic and social importance of Welsh red meat industry • Champion the interests of the red meat industry within Welsh and UK public policy 	<ul style="list-style-type: none"> • Deliver robust market and industry analysis to underpin a comprehensive, evidence based advocacy programme • Develop relevant, recognised and evidenced PGI Welsh Lamb and PGI Welsh Beef brand characteristics that support a compelling and differentiated market proposition • A policy environment that is supportive of Welsh red meat production • Informed and engaged levy-payer community

The Impact of successful delivery of the three priorities can be summarised as follows;

Priorities 	Impact 
Priority 1	<p>HCC will increase the volume and proportion of branded PGI Welsh Lamb and PGI Welsh Beef sold by strengthening retail and foodservice partnerships. HCC will identify and develop complementary export markets for branded products to achieve increased carcass balance. This will be supported by identifying and reinforcing core brand attributes underpinned with insight-led evidence</p>
Priority 2	<p>HCC will accelerate sector-wide gains in productivity, profitability and environmental performance. HCC will work closely with partners to increase the uptake of best practice, embed data-driven decision-making and foster innovation and collaboration across the entire supply chain</p>
Priority 3	<p>HCC will lead a collaborative approach to driving a supportive policy and market environment by providing robust evidence, defining a clear and compelling brand narrative and coordinating effective advocacy. This will strengthen the reputation of sustainable Welsh red meat and unite stakeholders behind a shared strategic vision</p>

This Business Plan serves as the foundation for an annual Operational Plan, which will define the specific activities, performance indicators and measurement for each delivery year. The Operational Plan translates strategic priorities into actionable initiatives, ensuring alignment with the stated objectives and outcomes, enabling HCC to monitor progress, adapt to emerging challenges and deliver measurable impact across the industry.

9. RISK ASSESSMENT FOR DELIVERY

HCC’s operational and financial risks, as outlined below in this Business Plan, are directly aligned with the organisation’s Strategic Risk Register to ensure consistency, coherence and strong governance across all levels of risk management.

While the detailed internal Risk Assessment remains an operational document, the risks presented here are derived from, and map onto, the nine strategic risk themes (within HCC’s overarching Strategic Risk Register) including financial sustainability, data and infrastructure resilience, governance and organisational capability, external stakeholder expectations, and the integrity of the Welsh red meat brand. This alignment ensures that the risks to Business Plan delivery are not considered in isolation but are instead integrated with the organisation’s broader strategic risk framework, providing clear assurance that operational risks, financial exposures and mitigation actions are consistent with, and supportive of, HCC’s overarching strategic risk position.

The successful execution of the priorities set out in this Business Plan is subject to a range of risks and challenges. To ensure clarity and focus, these risks are grouped into two core categories: **Operational** and **Financial**, each requiring targeted strategies to safeguard delivery resilience.

A comprehensive risk assessment is conducted and reviewed by the HCC Executive on a quarterly basis, with the Audit & Risk Committee meeting at least three times per year and holding delegated responsibility for monitoring the organisation’s Board Assurance Framework, which incorporates the Strategic Risk Register. This governance structure ensures that delivery-level risks are systematically aligned with the organisation’s overarching strategic risk profile, providing the Board with consistent oversight and assurance.

The following section provides a summary of the key Operational and Financial risks for HCC’s successful delivery of this Business Plan.

Operational risks

Delivery Risk	Description	Potential Impact	Mitigation Actions
Trading Landscape Misinterpretation	Inaccurate analysis or misunderstanding of market dynamics leading to poor strategic decisions	<ul style="list-style-type: none"> - Strategic errors - Loss of competitiveness - Missed growth opportunities 	<ul style="list-style-type: none"> - Undertake regular market intelligence - Commission scenario planning and trade insight reports - Continuous engagement with external trade stakeholders to ascertain business priorities
Messaging Effectiveness	Weak or unclear marketing and campaign strategies	<ul style="list-style-type: none"> - Reduced visibility - Ineffective engagement - Slower growth 	<ul style="list-style-type: none"> - Conduct routine campaign testing prior to launch - Continuous analysis and consideration of differing messaging channels - Align messaging with consumer insights

Delivery Risk	Description	Potential Impact	Mitigation Actions
Differentiation of Wales's Characteristics	Failure to articulate Wales's unique strengths and competitive advantages	<ul style="list-style-type: none"> - Weak market positioning - Reduced stakeholder confidence - Loss of share in red meat sector 	<ul style="list-style-type: none"> - Development of a clear brand narrative - Market insight to ensure message resonates - Continually review brand narrative and effectiveness
PGI Designation Enforcement	Inadequate monitoring or compliance could undermine product integrity and consumer trust	<ul style="list-style-type: none"> - Loss of PGI value - Reputational damage - Weakened market confidence 	<ul style="list-style-type: none"> - Strengthen compliance audits - Increase supply chain monitoring - Increased market visibility and consumer awareness of PGI
Data Acquisition	Limited access to reliable data for decision-making and performance monitoring	<ul style="list-style-type: none"> - Weak evidence base - Poor adaptability - Restricted strategic agility 	<ul style="list-style-type: none"> - Invest in data partnerships - Seek opportunities for additional data collection mechanisms - Improve internal data and analysis systems
Industry Competitiveness	Failure to influence or adapt current practices to evolving research and efficiency measures	<ul style="list-style-type: none"> - Competitive disadvantage - Higher production costs - Reduced sustainability credentials 	<ul style="list-style-type: none"> - Collaborate with research institutions and other levy bodies - Steer knowledge transfer programmes - Develop robust feedback channels to monitor progress and uptake
HCC Reputation & Authority	Loss of stakeholder trust and credibility in representing Welsh red meat industry	<ul style="list-style-type: none"> - Reduced influence - Weaker collaboration - Reputational erosion 	<ul style="list-style-type: none"> - Transparent and proactive communication activity - Stakeholder engagement programmes - Undertake independent research and reports to reinforce credibility
Policy Influence	Inability to shape or respond to policy developments	<ul style="list-style-type: none"> - Unfavourable regulations - Reduced industry support - Long-term strategic disadvantage 	<ul style="list-style-type: none"> - Strengthen government relations - Engage in policy consultations - Build coalitions with industry partners
External Cooperation Failure	Lack of success in working with other organisations for effective delivery	<ul style="list-style-type: none"> - Reduced positive outcomes - Higher cost of delivery - Reduced impact of activity 	<ul style="list-style-type: none"> - Continuous communication and reviewing of deliverables - Clear objectives and targets at beginning of process - Clear partner identification
Staffing Capacity & Capability	Limited staffing levels or gaps in skills	<ul style="list-style-type: none"> - Reduced efficiency - Slower delivery - Compromised outcomes 	<ul style="list-style-type: none"> - Upskilling and training programmes - Ongoing reviews of internal skillset against priorities, with amends as required - Flexible resourcing for short term activity (contractors, partnerships)
Staff Motivation and Engagement	Having long-term goals without visible short-term outcomes could reduce staff motivation	<ul style="list-style-type: none"> - Reduced efficiency - Weakened delivery outcomes - Reduced stakeholder confidence and reputation 	<ul style="list-style-type: none"> - Goals reduced to smaller milestones with visible progress and incremental achievements recognised - Regular updates and dashboard development - Ensure strategic purpose and impact is communicated

Delivery Risk	Description	Potential Impact	Mitigation Actions
External Pressures & Stakeholder Expectations	Shifting demands or regulatory pressures diverting focus from core priorities	<ul style="list-style-type: none"> - Delivery inefficiencies - Reduced effectiveness - Weakened delivery against remit 	<ul style="list-style-type: none"> - Prioritisation framework - Regular stakeholder dialogue and feedback - Strong HCC leadership to ensure core activity prioritised

Financial risks

Delivery Risk	Description	Potential Impact	Mitigation Actions
Declining Levy Income	Diminishing levy base due to policy shifts, industry restructuring and profitability pressures	<ul style="list-style-type: none"> - Reduced core funding - Inability to sustain delivery priorities - Long-term financial instability 	<ul style="list-style-type: none"> - Scenario modelling for livestock trends - Diversify income streams - Engage policymakers to safeguard levy framework
Access to External Funding	Highly competitive and fragmented funding environment, with smaller available funding pools	<ul style="list-style-type: none"> - Constrained ability to supplement levy income - Reduced flexibility in delivery 	<ul style="list-style-type: none"> - Build strategic partnerships - Develop specific delivery proposition that would be attractive to funders - Strengthen bid-writing capacity
Budget Misalignment	Budget allocations not fully aligned with strategic objectives	<ul style="list-style-type: none"> - Resource gaps - Reduced delivery impact - Delivery inefficiencies 	<ul style="list-style-type: none"> - Annual budget review against strategy - Introduce priority-based budgeting - Ensure continued financial governance and oversight