



(HCC 373)

**Minutes of a meeting of the Directors of Hybu Cig Cymru held at 10.00am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 21 January 2011**

- Present:** Dai Davies (Chairman)  
John Brereton, Rhodri Evans, Alan Gardner, Will Haresign,  
William Jenkins, Nic Lampkin, Graham Probert, Glyn Roberts,  
Wyn Williams and John Yeomans
- By Invitation:** Wynfford James (WAG)  
Lionel Walford (WLB)
- In Attendance:** Gwyn Howells (Chief Executive Officer)
- Laura Dodds (Market Development Manager)  
Sion Aron Jones (Industry Development Manager)  
Alan Morris (Communications Manager)  
Bryan Regan (Corporate Services Manager)
- Julie Davies-Jones (Secretariat)  
Kirsten Smith (Red Meat Executive).

**Welcome**

The Chairman welcomed all to the first Board meeting under his leadership and expressed his honour at being appointed as HCC's Chairman.

1. **Apologies for absence**

Apologies were received from John Collins and Huw Evans.

2. **Declaration of Interests**

There were no declarations of interest.

3. **To approve and adopt the minutes of the Board meeting held on Monday 25 October 2010 (HCC 360)**

The minutes of the Board meeting held on Monday 25 October 2010 were taken as read, adopted and signed by the Chairman.

4. **Matters Arising**

**Credit Control**

Item withheld – commercial in confidence.

EU Promotional Project Application

Item withheld – commercial in confidence.

Tracking Report – HCC's Welsh Lamb Advertising Campaign 2010

The Market Development Manager summarised the research undertaken on the impact of HCC's recent Welsh Lamb advertising campaign. The awareness of Welsh Lamb in the Meridian TV area had declined compared to 2009 as no TV campaign had been run due to budgetary constraints.

5. **HCC Reports**

a. Activities Report (HCC 361)

The above was taken as read.

b. Market Bulletin (HCC 362)

The above was taken as read.

c. Financial Papers

Income and Expenditure (HCC 363)

The above was taken as read.

The Corporate Services Manager provided a verbal report on accounts up to the end of September 2010.

Balance Sheet (HCC 364)

The above was taken as read.

d. Forthcoming Events (HCC 357)

The above was taken as read.

6. **To consider the consultation responses on the proposed increase in Welsh Red Meat Levy Rates (HCC 366)**

The Chief Executive Officer expressed his thanks to HCC staff and Board members for their input and support during the consultation process.

The summary paper reviewing the responses received in relation to the consultation on the proposed increase to Welsh Red Levy Rates was taken as read.

A full consultation with industry had commenced on the 14 October 2010 and closed on the 16 December 2010.

The consultation had been widely publicised via the press and on HCC's Corporate web site.

In addition to the five open meetings across Wales organised by HCC, the Executive supported by Board members had attended numerous industry meetings.

It was noted that only 59 stakeholders had attended the open meetings, but the majority of those present had indicated support towards a Levy increase.

All four producer representative organizations (Farmers Union of Wales (FUW), National Beef Association (NBA), National Sheep Association Wales (NSA) and NFU Cymru) expressed the opinion that continued good work by HCC to ensure that there were strong export markets available for both Welsh Lamb and Welsh Beef and Pork was essential for the long-term success and profitability of the Welsh sheep, beef and pig sector. There were also favourable comments made on HCC's work to develop existing and explore potential markets within GB. Two of these respondents made direct statements with regards to how HCC should continue developing ethnic markets.

There was also the belief from these four respondents that the R&D projects funded - both solely and collaboratively - by HCC were essential to the industry, particularly the work on 'near market' projects, such as on-farm disposal of fallen stock at Bangor University and HCC's research into skin-on sheep meat (Smokies). Collaborative HCC work with other devolved levy bodies and commercial companies within the industry was encouraged in responses as this demonstrates efficiencies and value for money.

A clear message that came out of the responses was that the industry organisations valued the information or knowledge gained from work conducted by HCC (R&D, marketing and industry development) and that this should continue to be disseminated to levy payers in an easily understandable and relevant format.

Three of the producer representative organisations – FUW, NSA and NFU Cymru - expressed a view that any future levy rate changes should be reviewed on a more frequent basis.

The responses from the two organisations representing processors that responded to the consultation – the Association for Independent Meat Suppliers (AIMS) and the British Meat Processors Association (BMPA) – and an individual processor company that responded to the consultation – Dunbia (Llanybydder) - praised HCC's work for the industry. The AIMS response to the consultation praised HCC's work with abattoirs/ processors and stated that for this work to continue a levy increase was necessary. The BMPA and Dunbia however

highlighted concerns about the additional cost burden a levy increase will have on the processing sector. The BMPA expressed the view that in general any increase in cost faced by its members would be unwelcome, although this came with the caveat that in practice any higher levies are likely to be shared or passed back to producers.

The majority of respondents, although showing concern for the proposed relatively large increases in levy rates, recognised that there had been no increase for 10 years and that in order to continue its various activities in support of the red meat industry in Wales, HCC needed to have the necessary level of resources to do so. Therefore the majority of respondents (individuals and organisations) were not opposed to the proposed increase in Welsh Red Meat Levy rates.

One important recurring theme within the responses, which is indirectly associated with the proposed increase in Welsh Red Meat Levy rates, was the need for a continued effort to ensure a more equitable GB levy distribution mechanism.

Another concern noted was from the LAA who indicated the difficulties that would be encountered by auctioneers in their role as collectors with different Levy rates across the UK.

Following discussion, the Board recommended increases to the Welsh Red Meat Levy rates for both producers and processors with effect from 1 April 2011 in line with the HCC consultation proposals. The Board voted by a majority to the proposed increases as follows:

£5.67 cattle  
£0.17 calves  
£0.83 sheep  
£0.25 pigs

Subject to the Welsh Levy Board approving the Board's recommendation, the Minister for Rural Affairs would subsequently be advised.

The Chairman and Board members congratulated the Executive on the work undertaken during the consultation process.

7. **To consider HCC's draft Business Plan for 2011 / 2012 (HCC 367)**

The above was taken as read.

An introduction to the document was given by the Red Meat Executive followed by an overview from the Executive on proposed departmental activities. Round table discussion followed.

Taking into account the Board's comments, a final draft of HCC's Business Plan for 2011 / 2012 would be presented to the Board for approval at the 4 March 2011 meeting. Subsequently, the document would be submitted to the Welsh Levy Board for approval.

HCC's Corporate Plan would also be updated and a draft presented for the Board to consider at the 4 March 2011 meeting.

8. **To receive a Work Plan for the Board 2011 / 2012 (HCC 368)**

The above was taken as read.

9. **To receive a verbal update on HCC Board appointments**

The Chairman informed the Board that under the current terms of appointment, the tenure of existing Board members would cease on the 31 March 2011.

The final decision as to the re-appointment of existing Board members lay with the Minister for Rural Affairs and Board members would be notified in due course.

It was noted that HCC together with the WAG's Food, Fisheries and Market Development Division were currently in discussion with the WAG's Public Appointments Unit with regards to developing a replenishment policy for HCC's Board Members. The policy would be shared with the Board at the 4 March 2011 meeting.

10. **To adopt the minutes of the Audit Sub Committee held on Monday 25 October 2010 (HCC 369)**

The minutes of the Audit Sub Committee meeting held on Monday 25 October 2010 were taken as read and adopted by the Board.

A copy of HCC's Internal Procedures document was tabled for information.

11. **To adopt the Minutes of the R&D Sub Committee meeting held on Wednesday 1 September 2010 (HCC 370)**

The minutes of the R&D Sub Committee meeting held on Wednesday 1 September 2010 were taken as read and adopted by the Board.

12. **To receive a verbal report of the R&D Sub Committee meeting held on Wednesday 1 December 2010**

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

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13. **To consider the FSA consultation:**  
**A new approach to charges for official controls on meat – delivering efficiency and reform**

The consultation document was taken as read.

Following discussion and taking into account the Board's concerns, it was agreed to circulate HCC's draft response to the Board for comments.

14. **Papers for information:**

Retail price spread of beef, lamb and pork (HCC 371)

The above was taken as read.

Update on Bio-reducer project (HCC 372)

The above was taken as read.

15. **Any other business**

Inclement Weather

Concerns were raised on the impact that inclement weather had on the supply chain. There were problems in particular at livestock markets where the washing down of premises could not be undertaken due to frozen water.

It was noted that rules appeared to be interpreted differently in Scotland to England and Wales. Given this, Wynfford James agreed to take the issue forward with colleagues within the WAG.

EID

Concerns were raised on problems encountered at livestock markets with regards to recording and identifying stock. It was agreed for HCC to facilitate an industry meeting to further understand the issues and explore appropriate solutions.

Farm Safety Summit – 19 January 2011

Following attendance at the above organised by NFU Cymru, the Chairman suggested that HCC contributed towards raising awareness on the importance of on farm safety and safer working environments. This was agreed.

The Industry Development Manager agreed to take this forward at HCC's activities held on farms.

16. **Date of next meeting**

The next Board meeting would be held on Friday 4 March 2011.

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