



(HCC 344)

Minutes of a meeting of the Directors of Hybu Cig Cymru held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 4 June 2010

Present: Rees Roberts (Chairman)
John Brereton, Huw Evans, Rhodri Evans, Will Haresign,
Graham Probert, Glyn Roberts, Wyn Williams and John Yeomans.

By Invitation: Joey Hughes (WAG)
Lionel Walford (WLB).

In Attendance: Gwyn Howells (Chief Executive Officer)
Sion Aron Jones (Industry Development Manager)
Alan Morris (Communications Manager)
Bryan Regan (Corporate Services Manager)

Julie Davies-Jones (Secretariat)
Kirsten Smith (Red Meat Executive).

1. **Apologies for absence**

Apologies were received from John Collins, Alan Gardner, Wynfford James, William Jenkins and Nic Lampkin.

2. **Declaration of Interests**

Board Members John Brereton, Huw Evans and Wyn Williams declared an interest in Item 4 on the agenda.

3. **Minutes of the Board meeting – Friday 7 May 2010 (HCC 330)**

The minutes of the Board meeting held on Friday 7 May 2010 were taken as read, adopted and signed by the Chairman.

4. **Matters Arising**

Export Development – China

HCC continued to liaise with Defra with regards to developing market access for red meat into China and North America.

The office of China's Minister Counsellor, Mr Zhou Xiaoming at the Chinese Embassy in London had confirmed acceptance of the Chairman's invitation to visit the Royal Welsh Show in July 2010.

Subsequently, plans were in hand for a proposed meeting at the show to be hosted by the First Minister to include the presence of the Chinese delegation group, HCC and exporters. The delegation group would also be invited to HCC's stand for a press photocall and to taste Welsh lamb.

Credit Control

Item withheld – commercial in confidence.

Red Meat Measure (Wales)

It was noted that the Red Meat Industry (Wales) Measure had received Royal Assent by HM the Queen at a meeting of the Privy Council held on the 11 May 2010.

5. HCC Reports

a. Activities Report (HCC 331)

The above was taken as read.

In addition to the content within the report, the Board were updated on the following:

Communications

Royal Welsh Show 2010

The Board were briefed on HCC's presence and proposed activities for the duration of the show.

The aspect and size of HCC's Corporate stand would differ this year due to the RWAS having to accommodate for the World Shearing Championships.

Industry Development

Elite Ram Project

The Industry Development Manager briefed the Board on the new initiative that would be launched on the 6 July 2010 at Gelli Goll Farm, Cowbridge.

The initiative supported by a £450,000 grant under the Rural Development Plan for Wales would encourage sheep farmers to improve the breeding qualities of their livestock. Producers would be required to complete an online training course before becoming eligible for financial assistance of 50% (up to a maximum of £400) towards purchasing a premium quality ram for their flocks. On completion of the training course, participants

would be required to prepare a breeding plan to help identify which traits they need to focus on when selecting a ram. Rams would need to be in the top 25 per cent of their breed in muscle depth, scan weight or maternal ability.

Market Development

SIAL

Plans were in hand for HCC's presence at the above trade fair to be held in Paris from 17 – 21 October 2010.

b. Market Bulletin (HCC 332)

The above was taken as read.

Although lamb prices remained robust, it was noted that the sheep market continued to be vulnerable. Results from the UK December 2009 agricultural survey showed a decline in the breeding flock of 1% with projections indicating a similar trend for 2010.

c. Forthcoming Events (HCC 333)

The above was taken as read.

6. **Audit Sub Committee**

a. To receive a verbal update and adopt the Minutes of the Audit Sub Committee held on Friday 21 May 2010 (HCC 334)

The minutes of the Audit Sub Committee meeting held on Friday 21 May 2010 were taken as read and adopted by the Board.

b. To approve the Financial Statements for 2009/10 (HCC 335)

The Financial Statements for 2009/10 were taken as read.

The Corporate Services Manager presented the report of accounts and findings for the year ending 31 March 2010 and provided an update of amendments made to the document previously issued to the Board.

The Board confirmed that the information contained on page 2 under "Directors and their Interests" and page 26 "Related Party Transactions" was correct.

The Board were also briefed on the new reporting procedures that were required under the IFRS.

The Financial Statements for 2009/10 were approved by the Board.

- c. To approve a report of the HCC Business Plan targets 2009/10 (HCC 336)

The above was taken as read.

The Red Meat Executive briefed the Board on the document that highlighted HCC's progress against targets set for the 2009/2010 financial year.

The report was approved by the Board.

- d. To approve the Work Plan for the Audit Sub Committee 2010/11 (HCC 337)

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

- e. To adopt the Minutes of the Audit Sub Committee held on Friday 5 March 2010 (HCC 338)

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

7. R&D Sub Committee

- a. To receive a verbal report of the R&D Sub Committee held on Wednesday 19 May 2010

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

The R&D Sub Committee had been provided with an update on existing projects and had given consideration to new project proposals.

Technology Strategy Board (TSB) Representative

Present at the meeting was David Alvis, a representative from the TSB who provided a presentation on the role of the Sustainable Agriculture and Food Innovation Platform initiative.

The initiative had been launched by the TSB in partnership with Defra and the Biotechnology and Biological Sciences Research Council (BBRC) in 2009 and would seek to invest up to £75m spread over five years in technological research and development focussing on four interlinked areas:

- Crop productivity
- Sustainable livestock production
- Waste reduction and management

- GHG Reduction Technologies and Methodologies

Clarification was sought at the meeting on whether Levy Boards could act as industry partners for project consortia applying for funding. It was confirmed that Levy Boards collecting a compulsory Levy were raising a “parafiscal tax” and therefore the Levy was classed as public money and could not be utilized to match fund projects.

HCC would continue to liaise closely with the TSB to identify project areas of benefit to Wales and to ensure that HCC’s funding contributions were utilized effectively.

Elite Ram Project

The R&D Sub Committee had received a presentation on the Elite Ram Project. The initiative was well received.

- b. To adopt the Minutes of the R&D Sub Committee meeting held on Wednesday 17 February 2010 (HCC 339)

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

8. **Red Meat Strategy Monitoring Sub Committee**

- a. To receive a verbal report and adopt the Minutes of the Red Meat Strategy (RMS) Monitoring Sub Committee held on Friday 7 May 2010 (HCC 340)

The Chairman gave a verbal report on items discussed at the meeting:

It was noted that the new NFU Cymru representative on the Committee was Peter Davies, Livestock Board Chair.

The Annual Monitoring Report highlighting in detail HCC’s achievements and progress against targets for 2009-10 had been presented to the RMS Monitoring Sub Committee by the Red Meat Executive.

Following detailed discussion and subject to amendments, the RMS Monitoring Committee had agreed to present the Annual Monitoring Report to the Board for approval. Following this, the document would be issued to the Welsh Levy Board and the Minister for approval.

- b. To approve the Annual Monitoring Action Plan Report (HCC 341)

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

9. **To approve the consultation process and timetable on the Welsh Lamb and Welsh Beef Protected Geographical Indication (PGI) designations (HCC 342)**

The above were taken as read.

Subject to the Board's approval, the proposed consultation would commence in the summer of 2010 with HCC contacting representatives and organisations within the whole of the supply chain. A written questionnaire would be issued to seek opinions on the current system.

Following a review of the questionnaire feedback, industry meetings would be arranged. The Board would subsequently receive a summary of the review findings and consider possible changes to the designations.

Following discussion, the proposed consultation process and timetable were approved by the Board.

10. **Paper for information – Letter to the Minister with regard to the Glastir agri-environment scheme (HCC 343)**

The above was taken as read.

11. **Any other business**

Nuffield Farming Scholarships Trust

For information, a report produced by John Yeomans on "Developments in Carcase Classification of Beef and Lamb" was available for viewing at www.nuffieldinternational.org

12. **Date of next meeting**

The next Board meeting would be held on Friday 3 September 2010.

Signed.....
Chairman of HCC