



Minutes of a meeting of the Directors of Hybu Cig Cymru held at 10.30am at Tŷ Rheidol, Parc Merlin, Aberystwyth on Friday 7 May 2010

Present: Rees Roberts (Chairman)
John Collins, Huw Evans, Rhodri Evans, Alan Gardner,
Will Haresign, William Jenkins, Nic Lampkin, 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)
Bill Joyce (Market 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 Brereton and Wynfford James.

2. **Declaration of Interests**

There were no declarations of interest.

3. **Minutes of the Board meeting – Friday 5 March 2010 (HCC 322)**

The minutes of the Board meeting held on Friday 5 March 2010 were taken as read, adopted and signed by the Chairman.

4. **Matters Arising**

Export Development – China

A response to the Chairman's invitation to China's Minister Counsellor to visit this year's Royal Welsh Show was awaited.

Lamb VIA

It was noted that it was unlikely that HCC would receive funding towards the above project under the current Supply Chain Efficiencies Scheme (SCE), as monies had been fully committed for the time being. It was envisaged that there would be an opportunity for WAG to consider further applications at some point in the future. The Industry Development Manager would continue liaising with the WAG on the matter.

Parasitology Steering Group for Wales

The Industry Development Manager informed that the organic sector was represented by Organic Centre Wales on the above.

5. HCC Reports

a. Activities Report (HCC 323)

The above was taken as read.

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

Communications

Consumer web site

Work was progressing with the overhaul of HCC's Consumer web site. The aim was for the site to be more interactive and appealing to consumers with the inclusion of video recipe demonstrations, competitions and educational resources covering nutrition, diet and health.

Cool 2 Cook 2

Following the success of the first publication, a new edition "Cool 2 Cook 2" was currently in the process of being produced. The publication would be launched in the near future and be widely distributed specifically to those associated with the education sector including all local authorities in Wales.

HCC Bulletin

The latest edition of the above was being prepared. The WAG had agreed that the Bulletin could be included within the mailing distribution of the August edition of GWLAD.

Industry Development

HCC Scholarship

The above had received wide press and media coverage as a result of the successful press day and launch held recently.

Each year HCC seeks applications from those who work full time in the Welsh red meat industry to travel overseas to learn new ideas that could benefit their businesses and contribute to making livestock production in Wales more sustainable.

A flyer with details of the scholarship was tabled for information and Board Members were requested to encourage potential applicants to apply.

The closing date for applications was 17 June 2010.

Welsh Sheep Quality Improvement Project (WSQIP)

The Industry Development Manager informed that HCC were currently developing a new scheme under the Rural Development Plan Genetic Improvement Project.

The Welsh Sheep Quality Improvement Project (WSQIP) would be offered to commercial farmers and would entail participants completing a bespoke training programme covering breed improvement.

The total spend for the project would be approximately £450,000 and would be available to approximately 800 farmers who would be trained in modern approaches to health management and breed improvement with the aim of introducing premier genetics into their flocks by 30 October 2012.

Approval for the scheme to proceed was currently awaited from Defra and the WAG.

Market Development

As the meeting would be his last prior to leaving the employ of HCC at the end of May 2010, the Market Development Manager gave an “end of term report” on areas of work undertaken within Market Development during the past three years.

The Chairman on behalf of the Board thanked the Market Development Manager for the work undertaken, his commitment and professionalism to HCC and the industry during the last three years and wished him well for the future.

b. Market Bulletin (HCC 324)

The above was taken as read.

Although sheep prices remained robust, it was worrying to note that UK clean sheep slaughterings for the first quarter of 2010 were 19% lower than the first quarter in 2009.

The continued decline in slaughter numbers would have an impact on HCC finances and therefore the CEO highlighted that HCC's budgets would need to be reviewed on an ongoing basis.

Another concern for the industry was that the EU was currently in negotiations with South American suppliers with regards to re-negotiating regulations for imports into the EU. HCC would keep this issue under review and report to the Board on any developments.

c. Financial update

Income and Expenditure (HCC 325)

The above was taken as read.

The Corporate Services Manager presented the draft accounts for the year ending 31 March 2010.

A copy of the disclosure listing Board Members and their declaration of interests was tabled.

The Corporate Services Manager requested that the Board were required to confirm any amendments compared to 2008-2009 that were necessary so that the information could be disclosed within the financial statements section of the 2009-2010 Annual Report.

Given the difficulties and challenges encountered during the past financial year, the Board congratulated the Executive for managing the budgets effectively.

Balance Sheet (HCC 326)

The above was taken as read.

d. Forthcoming events (HCC 327)

The above was taken as read.

6. **To receive a verbal update on Credit Control**

Item withheld – commercial in confidence.

7. **To receive a verbal update on Levy Distribution**

Proposed Red Meat (Wales) Measure

It was noted that the Measure was discussed and approved by Assembly Members at Plenary on the 10 March 2010.

The final stage of the Measure's passage through the National Assembly for Wales would be to seek Royal Assent. The outcome on this was awaited.

Levy Distribution

Item withheld – commercial in confidence.

8. **To receive a briefing paper on the Welsh Lamb and Welsh Beef Protected Geographical Indication (PGI) designations (HCC 328)**

The above was taken as read.

The Red Meat Executive presented the paper.

The EU Protected Food Name Scheme identifies regional and traditional foods whose authenticity and origin can be guaranteed. Under this system a named food or drink registered at a European level is given legal protection against imitation throughout the EU. Products with protected name status fall into three categories - PDO, PGI and TSG.

Applications to protect Welsh Lamb and Welsh Beef as PGI designations were made on behalf of the Welsh red meat industry in 1999. Approval of Welsh Beef was received in November 2002 and approval of Welsh Lamb was received in July 2003.

The main requirements of the PGI specifications are that lamb and cattle must be:

- Born and reared in Wales;
- Fully traceable; and
- Slaughtered and processed in an HCC approved abattoir/ processor. Abattoirs and processors eligible for scheme approval are not restricted to Wales.

Since July 2004 at the request of the Welsh Assembly Government, HCC accepted the role of guardian of the PGI Welsh Lamb and Welsh Beef designations. In order to maintain the integrity of the designations through adequate control and monitoring, HCC:

- Implemented a certification scheme for abattoirs and processors; and
- Developed a relationship with enforcement authorities, who have responsibility for the control and monitoring throughout the rest of the supply chain.

To date, there were currently 51 abattoirs and / or processors approved to use the PGI Welsh Lamb and / or Welsh Beef designations.

The reputation of Welsh Lamb and Welsh Beef at home and amongst countries around the world continues to grow year-on-year with more leading retailers, hotels and restaurants demanding it for their consumers.

During 2006 a review was undertaken by HCC to determine the adequacies of the PGI Welsh Lamb and Welsh Beef designations. Industry representatives were consulted to determine the value, limitations and future potential of the PGIs.

As an outcome of the consultation, HCC proposed a number of amendments to the PGI specifications which would ensure they reflected the Welsh red meat industry and ensured appropriate monitoring and control. These amendments were agreed by the HCC Board, the Welsh Assembly Government and DEFRA before being forwarded to the European Commission (EC) in 2007.

It was agreed during the 2006 consultation that the PGI Welsh Lamb and Welsh Beef designations should be kept under review on an ongoing basis as the specifications should be kept up to date to reflect the current industry situation.

The Board was requested to consider reviewing the situation, to determine the adequacies of the current PGI Welsh Lamb and Welsh Beef designations particularly the location of approved premises.

Following discussion, the Board agreed to the above.

9. **To agree a response to the National Assembly for Wales Rural Development Sub Committee Inquiry into the Reform of the Common Agricultural Policy (HCC 329)**

The above was taken as read.

The Board agreed to HCC's response on the above subject to the amendments noted and seeking clarification from the WAG on:

- whether the CAP industry stakeholder group continued to exist; and
- the situation with regard to Dual Payments in Wales.

It was also agreed for the Chairman to formally write to the Minister highlighting the Board's concerns with regard to the Glastir Agri-Environment Scheme.

10. **Any other business**

HCC Chair

The Chairman informed that he would be stepping down at the end of his tenure in October 2010.

The advert for the Chairperson would be placed in relevant publications from the week ending 14 May 2010 and further details would also be available on the HCC web site. The Board would receive a copy of the advertisement electronically in due course.

11. **Date of next meeting**

The next Board meeting would be held on Friday 4 June 2010.

12. **To receive verbal report of the Remuneration Sub Committee meeting of Friday 5 March 2010**

Item withheld – commercial in confidence.

Signed.....
Chairman of HCC