

Mr Paul Edwards

██████████@[dunbia.com](mailto:info@dunbia.com)

18th March 2025

Dear Nicole,

Ref: Request for written evidence

Evidence to Environment, Trade, and Rural Affairs Committee Inquiry into Hybu Cig Cymru/Meat Promotion Wales (HCC).

We understand the Committee is reviewing the effectiveness of HCC in delivering on its priorities and providing value for money to levy payers. Our written evidence is in line with the Committee members agreed focus of the enquiry, namely:

▪ **HCC's performance in delivering against its current priorities.**

It is our assessment that HCC's ability to achieve its current priorities has been significantly impacted by the absence of senior leadership over the past 12-18 months. The interim Chief Executive and Chair have had minimal engagement with Dunbia, and with a substantial number of executives, support staff and 2 key board members having departed from the organisation, the capacity of HCC to fulfil its priorities appears compromised given reports that most positions are yet to be filled.

▪ **The appropriateness of HCC's purpose, priorities and activities, and whether they should be revised.**

HCC's purpose is to promote red meat and sustain productivity in the agricultural sector. However, HCC has faced significant challenges in recent years, failing to meet these objectives due to a lack of leadership and experience, along with the departure of key personnel. This has affected the organisation's ability to execute its core functions and priorities effectively.

The primary goals of HCC include promoting Welsh Red Meat both domestically and internationally and highlighting the dedication of Welsh farmers. Unfortunately, recent efforts have resulted in considerable duplication of tasks previously performed by other levy boards or major processors. HCC marketing budgets have often been allocated to events that have made little or no impact on red meat sales, suggesting that these funds could be better utilised in more established markets where Welsh Lamb and Beef are already recognised.

Moreover, HCC's engagement with farmers, particularly young farmers, has been insufficient to retain them in agriculture or attract new entrants. The decline in the sheep flock and suckler herd presents an alarming trend for the processing industry, which will have substantial repercussions in the coming months and years. Reduced availability of finished livestock means less product for processing and marketing, thereby risking the loss of established markets for Welsh Beef and Lamb.

Given the evolving challenges faced by the farming and red meat sectors in Wales and globally, it is prudent to review HCC's strategies. This is particularly pertinent in light of the financial implications of leaving the EU. Promoting red meat amidst rising consumer prices and encouraging producers to restock their farms amid future uncertainties remains a significant challenge. Maintaining a critical mass of livestock is essential to safeguard the numerous jobs within the slaughter and processing sectors in Wales.

■ **The relationship between HCC and the farming and meat processing/exporting sector, including whether HCC is delivering value for money to levy payers.**

The relationship between HCC and Dunbia as a processor, levy payer, and exporter has deteriorated. There has been minimal contact with the Senior Team within HCC over the last 12 months. The departure of staff in key roles such as Marketing and Environment has impacted their ability to advance the red meat agenda. Additionally, several very capable and hardworking support staff have left, resulting in a significantly reduced organisation that appears rudderless.

HCC's primary objectives have always been to promote the Welsh Red Meat brand domestically and internationally and to include other industry stakeholders such as Welsh Government, Farmer Unions, the FSA, among others. Historically, HCC has been successful in achieving this, but in the last 12-18 months, there has been a decline in their capacity to lead the Welsh Red Meat Industry.

Rebuilding this reputation and delivering for the levy payers will be challenging. The appointment of a new Chief Executive is a starting point. Further key appointments need to be made, and the rebuilding of the support team needs to occur at pace to regain credibility in those key areas.

We feel it is essential the HCC Board comprises non-executive directors with a comprehensive understanding of the industry, including farming, processing, environment, legislation, and marketing. The Board needs to provide the Chief Executive with strategic guidance on how the red meat levy should be spent to achieve the set goals.

Since the departure of the previous CEO, HCC's relationship with levy payers has become more distant. The numerous media articles and television documentaries about ongoing issues may suggest that it is time for a new body and brand to be established for a fresh start.

■ **The relationship between HCC and the Welsh Government, including whether the Welsh Government should have more oversight.**

We believe that HCC should remain under industry control, as it is primarily funded by the Welsh red meat levy. We recommend increased collaboration between HCC and other levy bodies such as AHDB and QMS to reduce costs and promote a unified voice for the industry.

It may also be time to consider clearly defining or possibly separating the relationship between HCC and the Welsh Government, allowing levy payers to assume greater control over any future red meat levy body.

■ **Whether HCC is the most effective vehicle for developing, promoting and marketing red meat from Wales, and whether a red meat levy is the most effective means of funding this activity.**

We believe that Hybu Cig Cymru (HCC), with appropriate terms of reference and governance supported by the Welsh Government, is the suitable vehicle for developing, promoting, and marketing red meat for and within Wales.

Nevertheless, over the past 12 months, HCC has significantly underperformed, which has been quite disappointing for our business, especially given our positive experiences with HCC in the past. It is crucial to understand why both the Welsh Government and HCC have not adequately addressed the declining agricultural economy in Wales and the increasingly concerning reduction in flock and herd numbers.

While a red meat levy and promotional body are essential for the industry, the question remains whether HCC in its current format, is properly equipped or the appropriate entity to continue this vital work, considering the negative publicity, staffing, and funding issues it has faced.

I intend to be at your offices on 27th March 2025 to provide oral evidence. However, I may have a personal conflict that I will keep you informed about.

Could you please provide me with a list of topics and points that your department would like to discuss at this meeting?

Kind Regards



Paul Edwards
Dunbia Llanybydder