



# Hybu Cig Cymru

## Response to the ETRA Committee report

(October 2025)

15/10/2025

## **Contents**

<b>1.    <i>Introduction</i></b>	<b>2</b>
<b>2.    <i>Response to the 9 recommendations</i></b>	<b>2</b>
i. <u>Recommendation 1</u>	2
ii. <u>Recommendation 2</u>	3
iii. <u>Recommendation 3</u>	3
iv. <u>Recommendation 4</u>	4
v. <u>Recommendation 5</u>	5
vi. <u>Recommendation 6</u>	5
vii. <u>Recommendation 7</u>	6
viii. <u>Recommendation 8</u>	7
ix. <u>Recommendation 9</u>	8

## 1. Introduction

On 3 September 2025 the Economy, Trade and Rural Affairs Committee submitted its report on Hybu Cig Cymru – Meat Promotion Wales (HCC) and I thank the committee for undertaking this inquiry.

The report includes 9 recommendations, and this is the Welsh Government's response to those recommendations.

**Huw Irranca-Davies AS/MS**

Deputy First Minister and Cabinet Secretary for Climate Change & Rural Affairs

## 2. Response to the 9 recommendations

### **Recommendation 1**

The committee recommends that:

The Welsh Government should review the governance of HCC with the aim of enhancing representation of levy payer's views and increasing wider industry involvement within the organisation. As part of this review, they should consider all options ranging from reserving specific positions on the board for levy payers and the wider industry to returning full ownership of the organisation to the levy payers.

### **Welsh Government Response: Reject**

The Welsh Government and Hybu Cig Cymru (HCC) acknowledge the importance of ensuring that HCC's governance structures reflect the views and interests of levy payers and the wider industry. With five out of eleven board members, including the Chair being levy payers, the contribution made by our public appointees is critical in ensuring a continually improving board that is passionate about the agricultural sector and is committed to promoting, developing, and marketing Welsh red meat in Wales.

The current HCC board is also composed of members with a diverse range of skills and external perspectives. The board members bring essential expertise in areas such as knowledge exchange, governance, marketing, finance, animal health, research, and environmental sustainability. My officials will be shortly advising me on the reappointment and /or recruitment options for those board members whose terms end in March 2026. I will take the Committee's recommendation into account and will continue to ensure there is a varied skill-set and continue to provide a robust and diverse board.

The new Chief Executive has been in position since January 2025. Conducting an extensive review (as recommended by the Committee), while significant work related to the Vision is underway is a longer-term task that should be considered by the next Government once the Vision has been finalised and the Chief Executive has had sufficient time to implement any necessary changes.

**Financial Implications - None**

## **Recommendation 2**

The committee recommends that:

The committee fully support the continued use of the statutory levy as a method for funding HCC, however the evidence received, including from HCC, was clear that levy income alone is not sufficient to cover the current remit and workload of the organisation. The Welsh Government should set out how they intend to continue funding HCC or how they expect HCC to continue to operate financially.

## **Recommendation 3**

The committee recommends that:

It is evident that for HCC to fulfil its extensive mandate, additional funding will be necessary. The Welsh Government and HCC should explore all possible avenues to increase HCC's budget, including identifying work that HCC could perform to complement other Welsh Government policies and securing financial support from the Welsh Government for such initiatives. Furthermore, they should identify other funding sources that HCC could apply for including grants and possibly provision of services to other organisations. However, any increase in funding for HCC must be accompanied by enhanced accountability and performance measures.

### **Welsh Government response to recommendation 2 and 3:**

**Accept:** In principle

The Welsh Government recognise the challenging financial situation for HCC due to several factors including a reduction in the red meat levy income and look forward to working with them as they develop their priorities through the Vision for 2026 through to 2030.

We are committed to a sustainable, vibrant and successful agricultural sector and food chain which helps to underpin the wider rural economy. We need to provide the right support to our farmers throughout the transition to a decarbonised food system and ensure Wales's land is fit for the future.

The introduction of the Sustainable Farming Scheme (SFS) provides opportunities for working with a cross section of organizations to deliver bespoke research and innovative solutions etc to farmers. HCC is integral to that process, and we will work collaboratively to make sure the SFS and the development of HCCs Vision for 2026 are aligned. Once this work is complete we will update the Committee.

HCC have now applied for the Welsh Government Dynamic Purchasing Framework which may provide alternative funding opportunities for them in the future. Any funding that HCC may receive in future through the Dynamic Purchasing Framework will be subject to the governance and monitoring set out in the Welsh Government's

procurement rules.

**Financial Implications** - this work is ongoing and will be accommodated within existing budgets.

#### **Recommendation 4**

The committee recommends that:

In order to support both farmers' and processors' business planning, the Welsh Government should make its position on future livestock numbers clear. If the Welsh Government decides to support a reduction in livestock numbers, it should set out the anticipated impact of this on the processing industry and provide any support that may be required.

#### **Welsh Government response:** Accept

The Welsh Government recognises that a stable and sufficient supply of livestock is essential to the viability of the red meat and dairy processing sectors in Wales. The 2024 June Agricultural and Horticultural Survey revealed recent livestock numbers in Wales have shown notable changes, with declines in cattle, sheep, and pigs, but an increase in poultry. These trends are significant in the context of climate change goals and projections for future livestock populations.

In its latest advice to Wales, the UK Climate Change Committee (UKCCC, Welsh Government's statutory adviser on climate) recommends a 19% reduction in ruminant livestock numbers by 2033 (particularly cattle and sheep), to cut methane emissions, which is a major contributor to the agriculture greenhouse gas inventory. The reductions suggested by the UKCCC are part of an economy wide, Balanced Pathway, which they deem to be a cost-effective and balances the need to decarbonise in all sectors of our economy at different rates. In determining the recommendation, the UKCCC use a baseline which commences in 2025, and estimates cattle and sheep numbers to be 10.9 million, falling to 9.7 million in 2030, which they describe as largely being driven by market forces.

The latest published June Survey statistics for 2024 confirm that livestock numbers in Wales are already lower than the UKCCC estimation for 2025. This means that livestock numbers were, in 2024, almost at the level suggested by the UKCCC in 2030 within their Balanced Pathway. The Welsh Government will continue monitoring the next iteration of the June survey statistics for 2025 (which are due to be published in November 2025) and also with the other Governments through the UK Market Monitoring Group.

The Sustainable Farming Scheme (SFS) is designed to incentivise responsible production, which in turn supports the supply chain to meet sustainability standards. The SFS aims to support Welsh Agriculture to more sustainable practises. This is inclusive of livestock production.

**Financial Implications** - None

## **Recommendation 5**

The committee recommends that:

HCC should regularly report to the Welsh Government outlining progress on producing and maintaining a healthy corporate culture for the next three years. The Welsh Government should continue to monitor the culture at HCC and keep this Committee and its successor in the next Senedd informed on HCC's progress in this area.

### **Welsh Government Response:** Accept

A healthy corporate culture is crucial for the success of any organisation. It drives engagement, productivity, happiness and revenue growth. HCC implements several initiatives to enhance employee well-being.

Ministerial meetings are held on a regular basis with the HCC Chair and Chief Executive to discuss a broad range of topics, including organisational culture. We will ensure that 'corporate culture' is a standing agenda item in the quarterly Governance meetings, which can be monitored appropriately.

### **Financial Implications – None**

## **Recommendation 6**

The committee recommends that:

HCC has a very wide remit, however the Committee believes HCC must focus its work to match its reduced budget. To achieve this the Welsh Government should agree new, measurable and transparent KPIs with HCC. Progress against these KPIs should be regularly measured by the Welsh Government and the outcome of that review should be published in a manner that is clear and transparent to levy payers and other stakeholders. The new KPIs should include indicators which:

- Set clear expectations around engagement with stakeholders and levy payers including meeting levy payers where they are and ensuring clear visibility and accessibility of HCC staff including senior leadership;
- Ensure best value for levy payers and any additional public money HCC may receive; and
- Ensure strong outcomes from promotional activities which is measured in a clear and open way.

### **Welsh Government Response:** Accept

Welsh Government continues to support HCC in ensuring the organisation continues to deliver its important work for the red meat sector in Wales.

The Welsh Government, through its Board Members, regularly monitors HCC's key performance indicators against delivery and also through the quarterly Governance

meetings. These meetings provide a formal opportunity to share information and ensure the work of HCC is monitored and undertaken effectively to enable HCC to be resolutely focused on delivering value for money to levy payers and promoting our red meat industry.

We will work closely with HCC in developing their Vision for 2026-2030. In conjunction with the Vision, we will also continue to develop the Business plan within the policy framework set by the Welsh Government to cover the period of the strategic agenda.

This will include agreeing the annual operational plan which sets out the level of service to be achieved in key areas and the performance and output of information which will be collected to monitor progress. Welsh Government will review the KPIs to ensure they are specific, measurable, achievable, realistic and timebound (SMART).

**Financial Implications - None**

### **Recommendation 7**

The committee recommends that:

The Welsh Government should undertake a review to identify areas where HCC could increase joint working and/or resource sharing with other levy boards and other relevant devolved organisations such as Farming Connect. This should include looking for areas where they can minimise duplication of effort and take advantage of potential economies of scale. The purpose of this review should be to identify areas where savings could be made which can be reinvested into HCC's core business of promoting Welsh meat and developing the red meat sector. This review should not be limited in scope and must extend beyond simple information sharing to aspects like joint procurement and sharing back-office functions.

**Welsh Government Response:** Reject

### **HCC and other Levy bodies**

HCC has built up an excellent working relationship with the other levy boards and through continuing collaboration, will continue to work together to amplify activity where relevant and, access funding to establish programmes which maximise value for money that benefit the whole supply chain.

The supplementary letter sent to the ETRA Committee on 30 May 2025, lists all the activities and collaborative projects between the levy bodies.

### **Farming Connect**

Farming Connect suppliers have established effective partnerships with HCC across numerous contracts, with HCC supplying market intelligence and Farming Connect developing targeted interventions to enable producers to meet processor requirements.

The Welsh Government is currently procuring a new Farming Connect contract, which will commence on 1 April 2026.

The updated procurement specification requires that all events and initiatives must complement activities delivered by the Welsh Government, its sponsored bodies, levy bodies, and other sector organisations. Evidence of how this will be achieved will be required as part of any bid from potential suppliers. The successful bidder will be expected to establish working protocols with these groups to avoid duplication within any aspect of delivery before the new contract commences. Bidding for the contract is a commercial decision for organisations, including HCC, and some may opt to collaborate as a consortium to optimise efficiencies.

Undertaking a review during the ongoing procurement process is not appropriate at this time and would be more suitably addressed as a longer-term objective.

**Financial Implications – None**

### **Recommendation 8**

The committee recommends that:

HCC must ensure it is measuring the impact of promotional activities through tangible and comparable data which will show outcomes not just activities. One option to achieve this would be building on the work it has done with retailers on the use of loyalty card data to understand the direct impact of their work. The details of this measurement and the outcomes should be communicated clearly and openly to levy payers.

**Welsh Government Response:** Accept

This recommendation is specifically aimed at HCC rather than the Welsh Government. However, we acknowledge that Welsh Lamb's 2024-25 integrated campaign combined TV, digital, social, press, and in-store media to boost brand awareness and sales, targeting 62 stores in Wales and South East England. The campaign used robust measurement tools including YouGov Direct surveys, a Sky brand uplift study, and Nectar360 sales data to assess its impact.

- **Integrated multi-channel activation:** The campaign partnered with Sky and Nectar360, focusing on 62 stores aligned with Sainsbury's Taste the Difference range, targeting lamb purchasers and meat buyers with tailored messaging to maximize engagement.
- **Robust measurement and insights:** Campaign effectiveness was tracked through a 3,000-person YouGov panel and Sky's brand uplift study, with Nectar360 providing first-time access to post-campaign sales data, enabling detailed consumer behaviour analysis.
- **Significant sales growth:** Welsh Lamb sales in Wales increased by 24% year-on-year for September and October, with total lamb sales rising by 70% and 101%, while targeted English stores saw a 21% uplift, demonstrating



successful retail support.

- **Enhanced consumer perceptions:** In Wales, brand awareness rose to 93%, with increases in perceptions of quality, taste, health, and sustainability; England also saw growth in awareness and purchase propensity despite some declines in logo recognition and sustainability perception.

Over the 2025-26 campaign HCC are building on previous success, the 2025–26 integrated consumer awareness campaign maintains existing objectives while continuing partnerships with Sky and Nectar360. A new addition – AdMaxim - enables precise footfall tracking into stores stocking Welsh Lamb, strengthening retailer collaboration and unlocking deeper insights.

This year's evaluation mirrors previous methodology, enabling meaningful year-on-year comparisons. By campaign end, data will include three years of brand tracking via Sky TV, six years of overall brand insights, and two years of retail sales data with specific retailer—forming a strong foundation for long-term strategic analysis.

**Financial Implications** - None

### **Recommendation 9**

The committee recommends that:

The Welsh Government and HCC must ensure industry voices are well represented in their work to update the HCC Framework Agreement. To achieve this the Welsh Government must consult with industry 'where they are' to ensure it is hearing all voices, not just those who have the time and ability to easily engage with the Welsh Government.

**Welsh Government response:** Reject

HCC and the Welsh Government have a clear understanding of their remits and responsibilities through the Delegation Agreement.

The Framework Agreement is an internal arrangement between Welsh Ministers and HCC which sets out the broad framework within which HCC operates, details the terms and conditions under which the Welsh Ministers may provide resources to HCC, and defines the roles and responsibilities of the Welsh Ministers and HCC as well as the relationship between them.

The recently agreed and published Framework Agreement provides more clarity in relation to roles and responsibilities, specifically of Ministers, the Chair of the board and board Members, the accounting officer, the Sponsorship team and Public Bodies Unit.

The existing Vision and Strategic Direction for the Welsh Red Meat Sector expires in 2025. HCC is initiating the development of a new Vision, which will guide the sector from 2026 through to 2030.

Since the appointment of a new Chief Executive in January 2025, engagement with the industry has been top priority. This is over and above ongoing engagement carried out by the organisation on a weekly basis via multiple owned, earned, shared and paid channels.

This enhanced engagement has been developed as part of a proactive campaign focusing on the future strategy for the industry (Vision 2030). Key highlights include:

- One-to-one meetings with key stakeholder organisations, including farming unions, processors and wider organisations
- HCC attendance across Wales at livestock markets (16 total) to directly engage with levy payers in order to support the development of HCC's strategy going forward.
- Wider levy payer 'survey' over May – July 2025
- 'Call for views' from stakeholder organisations from the industry and wider about the future strategy and needs of the industry.
- Strengthened presence and interaction at the Royal Welsh Show 2025 with particular emphasis on gathering views for Vision 2030.
- Enhanced engagement is ongoing over 2025-26 as HCC seek to finalise Vision 2030. Following its completion HCC plans to implement an integrated communications campaign to inform, as partners, the industry in its implementation from April 2026 onwards.

**Financial Implications** - None