

Dear Andrew RT Davies MS,

Please find a stakeholder response from the National Sheep Association (NSA) to assist the Senedd's Economy, Trade and Rural Affairs Committee in its short inquiry into HCC and its effectiveness in delivering its priorities and providing value for money to levy payers.

The five topics as laid out in the Senedd's stakeholder letter are addressed chronologically. The NSA's points are merely to make observations and raise issues to support the Senedd investigation and are not allegations or remedies.

1 HCC's performance in delivering against its current priorities.

According to HCC's own mission statements, its overarching priority (see reference 1) is to boost levy payer returns through increasing cost-effectiveness and adding value to Welsh red meat, through:

- **Best practice** Describing itself as the industry's "knowledge house", undertaking research and development, supporting training, and knowledge transfer work.
- **Building brands** Working to ensure the HCC brand signposts traceable and sustainable premium products domestically and internationally
- **Global presence** Opening new doors to export opportunity for Welsh red meat
- **Communication** Relaying the good work of HCC to levypayers, stakeholders and consumers

It is the belief of NSA members that HCC cannot be delivering at an optimum level across such a broad remit for its levy payers due to significant disruptions to staffing in recent years. Farming and mainstream press have reported a "toxic culture" within the organisation and a "staff exodus" in which 13 of about 35 or so employees have left and not been replaced. NSA understands this includes three out of four managers vacating positions.

A report into 2021 finances showed £3.5m income from levy and £2m from additional government grants. The NSA would suggest that if a team of 30 or more are needed to effectively deliver HCC's intentions and deploy such capital, then efficacious spending will be challenged given the organisation's period of shorthandedness.

In terms of communication output, the HCC newsroom has published 7 press releases on its website (ref. 2) this year. In comparison, a similar organisation in England (remit is only beef and lamb, not pork) has published 49 to date (6/2/25). We would question if this were a sign output is lower than it might be.

Last year HCC produced 17 press releases over a similar timeframe. This would appear to show that the communications team is running below capacity. NSA understands there were usually four people in full-time positions, but this is currently one part-time position.

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

We believe the HCC's mission statement is relevant and support its aspirations.

Regarding the work on “best practice”, Welsh farmers benefit from the government-funded Farming Connect (FC) programme, and would question if there is duplication in the knowledge transfer (KT) effort or confusion as to where responsibilities lie.

Given the 25% contraction in sheep numbers in the past 30 or so years, NSA calls for more focus on maintaining and rebuilding a Welsh sheep flock that can:

- Deliver economic benefits to rural areas through the whole supply chain
- Support national health outcomes through the provision of nutritious foodstuffs and a rural landscape
- Meet consumer demands on welfare, sustainability, and net zero targets through expansion of a healthy and productive flock.

NSA understands there is a strained relationship between HCC and Farming Connect, the main provider of producer training and knowledge exchange initiatives. Previously, HCC and FC enjoyed a closer working relationship. A return to this would be of great benefit to the industry.

HCC’s remit for knowledge transfer includes “live to dead” days where farmers and processors are linked up to discuss product quality and consistency. This is something HCC is better placed to do than FC. However, NSA understands some of these workshop days held on abattoirs are no longer taking place due to tension between the two organisations.

NSA would urge Welsh Gov to review the relationship between HCC and FC, defining HCC’s KT responsibilities and explore how HCC and FC can dovetail better in the future.

3 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 farmers has come under pressure due to challenging headlines in farming and mainstream press (ref. 3) around the toxic work culture at HCC.

NSA understands a red meat processor did not provide carcasses to HCC for this year’s Winter Fair, which is surely a sign that relationships are strained.

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

NSA members feel that, given recent tumult, a wide range of options must be considered. We would argue a case for a strong producer voice in the future of the organisation.

The “arm’s length” relationship Welsh Gov has with HCC appears blurred, and perhaps closer than Welsh Gov officials or industry might think, for the following reasons:

- The HCC board is appointed by Welsh Gov
- Welsh Gov topped up the cost-of-living wage increase for HCC staff. The wage increase would be necessary and worthwhile to retain talented people, but suggests Welsh Gov’s relationship with HCC is not as arm’s length as believed

5 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.

NSA believes an effective levy board driven by motivated staff with direct governance from red meat producers and stakeholders throughout the supply chain is the most effective vehicle for red meat development and marketing.

However, the following issues suggest HCC has recently been unable to fulfil its potential:

- High staff turnover – including the ungraceful departure of a chief executive - has undermined farmer confidence in HCC
- The financial burden of workplace bullying investigations
- Failure to publish board meeting minutes (ref. 4)

In the words of one NSA member, “If you produce something, you must sell it, you must market it, and you must take charge of that process. The best way is through a levy.”

To conclude, the NSA hopes the Senedd review yields measures to make HCC a vibrant levy-funded organisation to promote the societal, environmental, health, and economic benefits of red meat livestock in Wales and beyond.

The NSA would suggest issues with staff morale must be addressed and that workplace bullying is not swept under the carpet. HCC cannot fulfil its brief without a motivated and content workforce.

References

1 [What We Do - Hybu Cig Cymru](#)

2 [Newsroom - Hybu Cig Cymru](#)

3 [Hybu Cig Cymru: Bullying claims at Welsh meat promotion company - BBC News](#)

4 [Welsh red meat body in turmoil after two directors resign - Farmers Weekly](#)