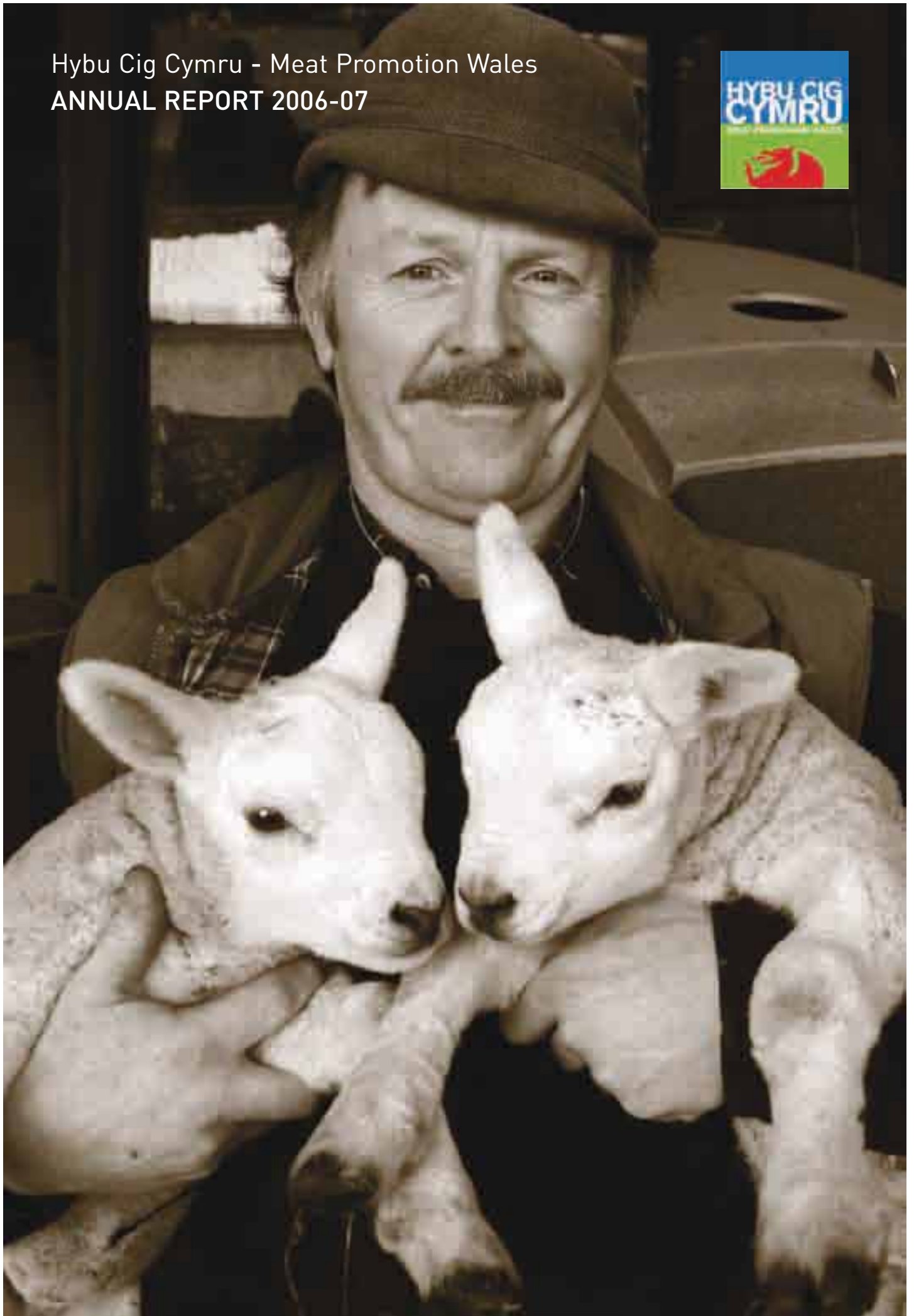


Hybu Cig Cymru - Meat Promotion Wales
ANNUAL REPORT 2006-07



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Hybu Cig Cymru

Annual Report and Accounts 2006-07

Volume I Meat and Livestock Commission Annual Report and Accounts 2007

Volume II Hybu Cig Cymru Annual Report and Accounts 2006-07

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Agriculture Act 1967

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ABOUT HYBU CIG CYMRU

Hybu Cig Cymru-Meat Promotion Wales (HCC) is the sole strategic body for the promotion and development of the Welsh red meat industry and its mission is to develop profitable and sustainable markets for the benefit of all stakeholders in the supply chain in Wales.

HCC represents the interests of the industry supply chain through a programme of activities to add value, inform and raise awareness of our excellent quality products.



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CHAIRMAN'S REPORT

Rees Roberts



HCC has now been in existence for four years – and following another strong twelve months of industry development, marketing and promotional activity, stakeholders in Wales have witnessed a fourth consecutive year of positive gains for the red meat sector.

In June, Carwyn Jones AM, Minister for Environment, Planning and Countryside, announced the retention of HCC as a separate red meat authority in Wales after a consultation in Wales of the outputs of an Independent Review of Agricultural and Horticultural Levy Bodies undertaken by Rosemary Radcliffe on behalf of UK and Devolved Administration Ministers.

The Minister's support and endorsement of HCC's performance to date and that the organisation was seen to be playing an important part in the industry's future was a great fillip for the directors and staff.

As a result of the Review of Levy Boards, some change in HCC will be undertaken to comply with new legislation. However, HCC will continue to be empowered to take to a higher level its already strong record on inclusivity and will be able to harness further support, encouragement, assistance, advice and interaction to maximise returns for Welsh farmers in the marketplace.

In the last twelve months, **six established strategic goals** underpinned HCC's work on behalf of stakeholders in Wales:

- HCC has sought to differentiate our red meat products on the basis of quality, emphasising their Protected Geographical Indication (PGI) credentials- the highly-prized European Union awards for a special regional food of quality;
- HCC's delivery strategies is at the heart of our marketing and promotional work in the retail markets at home and abroad as well as our work within the food service sector;

- HCC's work to reinforce the central brand messages for both Welsh Lamb and Welsh Beef ensuring sustained and widened awareness of Welsh red meat within the target markets;
- HCC has facilitated the pursuit of technical improvement and breeding excellence across the length and breadth of Wales by directing an influential and regional programme of strategic industry development that has contributed to improvements in animal health, the introduction of new technologies and a boosting of competitiveness;
- HCC has worked with key partners to strengthen the red meat supply chain;
- and HCC has continued to improve its communication of activities to stakeholders.

Driven by these strategic objectives, HCC delivers a rolling programme of marketing, promotional and industry development work to assist the industry in Wales to become stronger and more competitive

The year began with a period of some uncertainty – but also of considerable optimism. The ban on beef exports ended after months of efforts by the industry to bring the exemption to an end and the European markets for our PGI-Welsh Beef products were re-opened. It was a genuine cause for celebration, but also a time for hard work.

The original export ban had brought an end to over 250,000 tonnes of beef exports from UK, valued at £700 million and considerable ground had been lost to competitors. HCC immediately implemented its export re-launch strategy, less than 24 hours after the ban was lifted, at Cibus, an Italian trade show.

This began a period of intensive activity at other trade shows. HCC, with the support of exporters, were able to drive forward our beef sales efforts on the back of the sound reputation that had been meticulously built

TRADITIONAL VALUES AND MODERN TECHNIQUES
ARE THE BEDROCK OF OUR HIGHLY-REGARDED
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throughout Europe by the Welsh Lamb brand in the intervening years. The efforts bore fruit as the year progressed with sales of Welsh Beef becoming re-established.

Structurally, CAP reform and changes to the subsidy system meant that the industry, on a practical level, was moving into unknown territory but was still presented with a strong set of opportunities that gave grounds for optimism.

HCC moved to eliminate some unknown future factors by embarking on a substantial strategic analysis that sought to both review the existing strategic assumptions and also frame the way forward for the industry over the next 13 years – publishing the completed work, *The Situation and Outlook to 2020 for the Welsh Sheep and Beef Industry*, in March.

Headline conclusions suggested economic factors may well alter over the medium term, linking financial and environmental policy pressures to a likely reduction in sheep and cow numbers. Performance improvements were needed to ensure that production levels were maintained and profitability achieved.

One powerful advantage remains in the Welsh farmer's armoury – quality of production. Traditional values and modern techniques are the bedrock of our highly-regarded products – but we must constantly adapt to technological change and genetic benefits if we are to continue to succeed in the drive for profitability.

Our most recent beef costs of production survey indicated there is a wide discrepancy between farms in the top end and the bottom end of the survey. It is vital that all of our farmers begin to fully embrace the necessary change of approach to farming in the 21st century market - or our industry will face considerable economic hardship and perhaps even unwanted structural change in just a few years time.

In this climate HCC's technical, technology transfer and genetic improvement work is crucial in assisting the industry to move forward towards the elusive goal of profitability and this work continued apace in 2006-7. The EU Objective 1 assisted £2.2m *Welsh Beef Quality Improvement Project* is an example of a HCC-led, ground-breaking and wholly Welsh intervention.

However, we must also try to ensure that producers aiming to reach profitability have a level playing field on which to do so and that is why in January of this year I called for an immediate review of supermarket buying policy to help prevent the winter depression of Welsh Lamb prices, unnecessary imports and environmental damage because I strongly believed the retailers were too rigidly adopting a seasonal buying policy that favoured imports.

While I am pleased to report the good successes that HCC has recorded in exporting, branding, advertising, driving technological change and helping to improve UK consumption of our products, we know we have still a lot of work to do to assist with the very difficult process of helping farmers adapt to hard new market demands and subsidy changes.

Long term sustainability is paramount if we are to keep competitive, reach profitability and in doing so protect our traditions, our environment and our way of life in rural Wales. At the heart of this is the concept of producing lamb and beef that consumers want at a price that is sustainable.

With this in mind, it is important that we continue to remind our single biggest customer- the UK's multiple retailers- of their corporate and social responsibilities towards helping us achieve these goals. Supermarkets in the UK now account for two in every three lamb sales, therefore their buying policy has a serious affect on lamb prices. Quality Welsh Lamb is available for sale in the first half of the year and the industry needs to



encourage retailers not to turn their backs on home produced lamb in favour of importing cheaper alternatives.

The response from consumers to our Welsh Lamb and Welsh Beef branded products during 2006-7 was very positive. In November, our independent market research organisation released a set of very strong domestic red meat consumption statistics for Wales. Lamb sales rose by a substantial 17% in the relevant twelve-month period- against a GB rise of only one per cent in that time. The value of lamb purchased in Wales rose by a staggering 40% in the last two years, while in GB as a whole the figure was three per cent.

Spending in Wales on beef rose by more than seven per cent, compared to a rise of just under two per cent for GB as a whole – and that was despite the average price rise in Wales being around double that for GB.

These home sales reflected almost exactly the period when HCC's widescale advertising, marketing and promotion activities on behalf of branded Welsh Lamb and Welsh Beef had bedded in and were working at their most effective.

Overseas sales were also very healthy. In association with the Welsh Assembly Government, HCC developed new export markets. Environment, Planning and Countryside Minister, Carwyn Jones, announced the opening of the United Arab Emirates market to Welsh Lamb after leading a Team Wales WAG /HCC marketing drive and helping to persuade officials of the benefits of buying market-leading Welsh Lamb.

HCC reported during the year that exports of Welsh Lamb were showing marked gains in the established export markets of Italy, France, Belgium and other key European countries.

Between June and August, Welsh sheep meat exports – the total of fresh and frozen – to the World increased from 1,300 tonnes to nearly 1,900 tonnes – equating to a near one million pound increase in this short period.

It is clear that these upward changes are related to the fact that the Welsh industry is now confidently able – through the cohesive influence of HCC – to make an impact on important markets that just a few years ago would have seemed well beyond our existing capabilities.

Since its inception, HCC has led the movement calling for the procurement of fresh, quality local meat in public sector organisations. Alongside a programme of day-to-day endeavours to encourage more use of Welsh red meat products in the public sector, HCC made a single, high profile intervention to substantially raise awareness





in Welsh Beef public purchasing, namely the establishment of the media-friendly – and highly successful – National Beef Day throughout Wales on 04 October 2006.

HCC wants to do more to encourage the use of our quality local meat in our food service industry and we are in the process of bringing together an all-Wales food service project that will encourage and help to build links with tourism businesses and food outlets across Wales.

I would like to extend my thanks to Hybu Cig Cymru's Board members and staff for their valuable contributions to the organisation over the past twelve months.

Sincere thanks also to our partner organisations- the Farmers' Union of Wales, the Meat and Livestock Commission, National Farmers' Union Cymru, Welsh Assembly Government, Welsh Lamb and Beef Producers, The Welsh Livestock Auctioneers Association and The Guild of Welsh Lamb and Beef Suppliers.



HCC DELIVERS A ROLLING PROGRAMME OF
MARKETING PROMOTIONAL AND INDUSTRY
DEVELOPMENT WORK TO ASSIST THE
INDUSTRY IN WALES TO BECOME
STRONGER AND MORE COMPETITIVE



TOWARDS A MORE COMPETITIVE INDUSTRY: A YEAR OF CONSOLIDATION AND CONSTRUCTION

Gwyn Howells, HCC Chief Executive



The year that this report addresses – 2006-7 – was a period when firstly consolidation and then advancement were the watchwords.

It was important that HCC made the most of the gains of the previous twelve months and, in particular, was placed to expand on those areas that would be of most benefit for the industry in Wales.

I am pleased to report that in the past year our Board of Directors, partner organisations, stakeholders and staff have combined wisely and effectively to ensure that Hybu Cig Cymru has met and surpassed the wide set of delivery targets that were set at the beginning of the year.

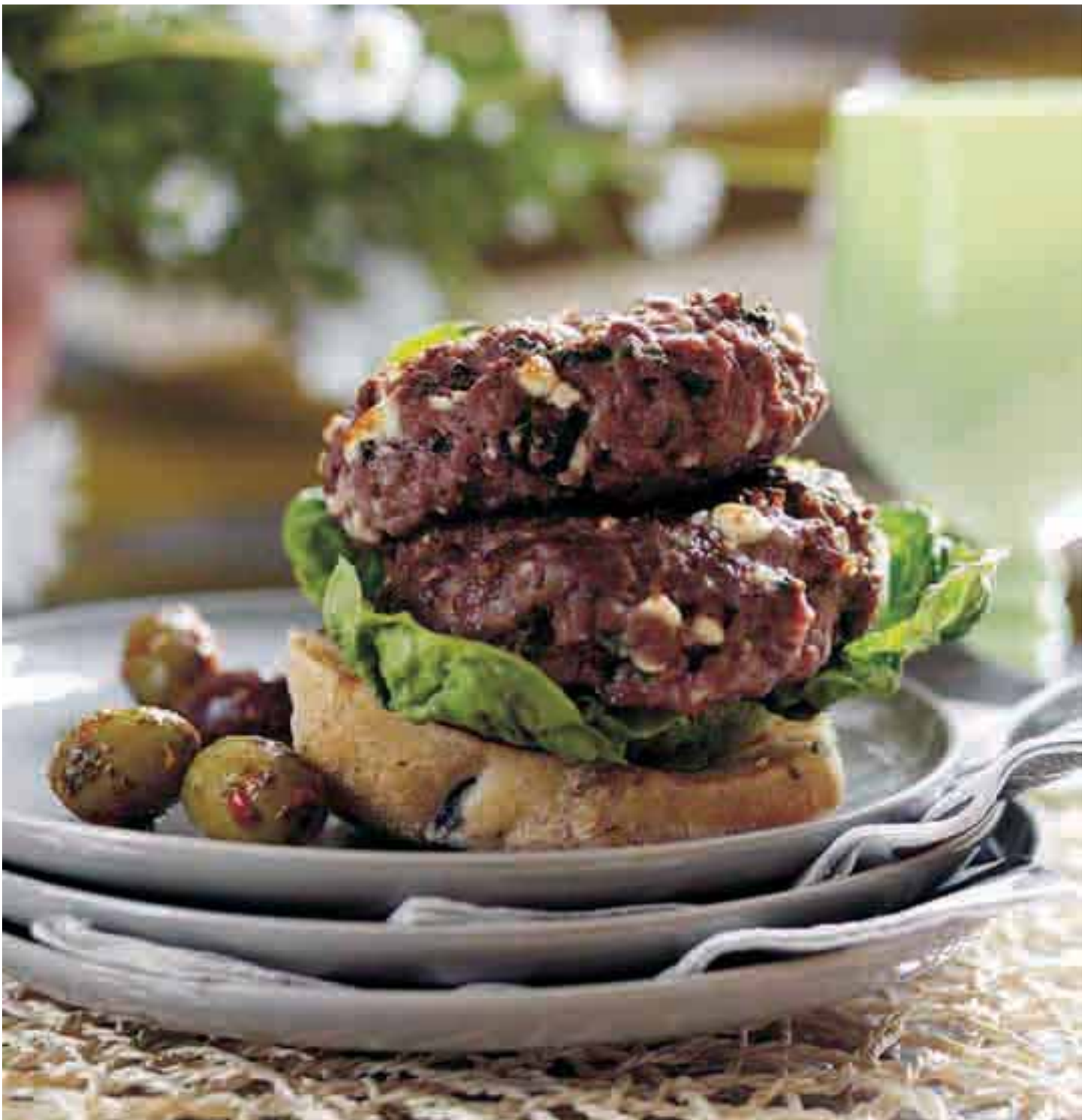
In particular, HCC's staff have worked tirelessly to deliver our long term strategy and programme of activities and I thank them for their support and for their efforts.

I am pleased to be able to report in detail here on a busy year of promotional, marketing and industrial development activity. This work, completed on your behalf in the past twelve months, is listed on the following pages.

I would also like to thank those who have helped Hybu Cig Cymru-Meat Promotion Wales to sustain its growth in the past twelve months – those funding and project partners that have come together to enable such an effective performance from this set of all-Wales support schemes to produce considerable benefits for our supply chain stakeholders.



HCC HAS WORKED HARD TO MAINTAIN STRONG CONNECTIONS WITH EUROPEAN MARKETS ON THE BACK OF A GOOD PERFORMANCE BY WELSH LAMB WHICH SAW ANNUAL SALES SOAR BY ALMOST 60 PER CENT IN SOME EU COUNTRIES



FOR THE RECORD - ACTIVITIES AND ACHIEVEMENTS IN 2006-07



1. Promotion of Welsh Lamb and Welsh Beef and Red Meat Products In Wales, The UK and Europe

The ban on over thirty month beef ended in May – and within 24 hours of the announcement, HCC and exporters attended Cibus a top trade show in Italy, to relaunch Welsh Beef into the market and to exploit the promotional advantages emerging from HCC's sponsorship of the Italian national rugby team.

While the latter days of the ban operated, HCC worked hard to maintain strong connections with European markets on the back of a good performance by Welsh Lamb which saw annual sales soar by almost 60 per cent in some EU countries.

Cibus was one of a number of key exhibitions and events around Europe that HCC attended on behalf of the industry – and often with representatives of the industry – to help boost sales of Welsh Lamb and Welsh Beef during the year.

Environment, Planning and Countryside Minister, Carwyn Jones, announced the opening of the United Arab Emirates market to Welsh Lamb after leading a Team Wales WAG /HCC marketing drive and helping to persuade officials of the benefits of buying market-leading Welsh Lamb. Later in the year, HCC attended the renowned Gulf Food Fair in Dubai.

To elevate the profile of both brands in Europe, HCC enlisted the support of two double Michelin star chefs – Parisian Alain Ducouturier, of the highly regarded Carré des Feuillants restaurant and Carlo Cracco, of Milan's Cracco-Pek restaurant. Both chefs helped out with





promotional and media events in their own restaurants and, in Carlo's case, at the Royal Welsh Show.

HCC continued to strongly support independent butchers across Wales. A successful spring Point-of-Sale and recipe booklet series preceded an "Autumn/ Winter Warmer" campaign, a "Twelfth Day Of Christmas" theme for the seasonal market and a St David's Day promotion under the banner of "Especially For You..."

A comprehensive, six-week long, UK-wide campaign featured in the colour magazines of leading quality national papers- The Times, Sunday Times, Observer, Mail on Sunday and Independent on Sunday, among others – as well as other top, glossy consumer and trade publications.

It was followed by a second campaign in the run up to St David's Day and Welsh Beef adverts also featured in the Wales v England rugby match at the Millennium Stadium, Cardiff.

The well-received Welsh Lamb and Welsh Beef television advertisements ran for three month-long seasons – in the Autumn (lamb) and in the run up to Christmas and to St. David's Day (beef) and for the first time, HCC advertised both red meat brands on television in France. The four-week series of 15-second commercials, appeared around the popular daily cooking programme Bon Appetit Bien Sur on FR3 IdF: Regional, a station that particularly targets the key consumer market of Paris.



2. Building Strongly Differentiated Products

The much-prized PGI status of both Welsh Lamb and Welsh Beef brands remains a strong element of HCC's activity to clearly differentiate its red meat products from those of its competitors.

PGI plays a leading part in enhancing sales opportunities in the UK and in Europe, is a centrepiece of HCC's new food service project plans and is regularly the focal point of HCC's advertising and export work.

HCC previously appointed an independent inspectorate to provide authenticity of assurance and protection of the integrity of Welsh Lamb and Welsh Beef's PGI status.

Product development is another important part of differentiation and the Royal Welsh Show stand was host to a set of Welsh butchers who were crowned All-Wales Champions in the 2006 final of the annual HCC Product Evaluation Awards. Earlier in the year, a record 342 independent butcher product entries had been submitted for the south Wales heat of HCC's annual awards competition.



PERFORMANCE MUST IMPROVE TO ENSURE
THAT PRODUCTION IS MAINTAINED AND
PROFITABILITY ACHIEVED





3. Improving The Quality and Cost-Effectiveness of Primary Production and 4. Strengthening The Red Meat Supply Chain

A major strategic analysis projecting and analysing anticipated trends and movements in the red meat industry in Wales for the next thirteen years was published by HCC in March.

The Situation And Outlook to 2020 For The Welsh Sheep And Beef Industry examined the need for a unified approach that could effectively harness existing technical knowledge to exploit the inherent strengths of the Welsh industry, while addressing any weak areas and meeting the challenges facing the industry.

The report, launched by the Minister for Environment, Planning and Countryside, Carwyn Jones, at a National Assembly for Wales reception staged by HCC at the Senedd in Cardiff, examined the key influences of the Welsh sheep and beef industry – management, current market forces, the breeds used, climate, farm type and topography – and suggested future impacts on these key points.

It was the view of the report that environmental factors would not change rapidly in the short term but economic factors may well alter over the medium term. It suggested the most effective way for producers to improve the industry is to improve the technical performance of Welsh sheep and cattle and this can be achieved in the short and medium term.

The report also stated that Welsh producers have the resources to produce lamb and beef and the tools to market their products. However, financial and environmental policy pressures are likely to reduce sheep and cow numbers. Performance must improve to ensure

that production is maintained and profitability achieved. This needs to be done in conjunction with a cost-reduction strategy that ensures lamb and beef production is financially sustainable.

Output per head, measured as lambs/calves reared and kg of lamb/beef produced, is a crucial indicator of the profitability of enterprises. By combining the correct genetics, nutrition and management the output can be optimised for prevailing conditions while controlling costs.

During the course of the year, HCC delivered all its targeted outputs on its core activity.

HCC infrastructure for management and administration has provided a dedicated team of experienced staff to underpin the three key pillars of Farming Connect – namely promoting business development and awareness; environmental safeguarding; and enhancement and improving market focus and awareness.

At the forefront of much of the work carried out in this twelve month period was the ever-coinciding interrelationship between the livestock industry and the care of and issues surrounding the environment in Wales.

In 2006/07, HCC facilitated the centralised coordination of the Farming Connect Sheep and Beef Development Programme across Wales, enabling the cost effective delivery of a full range of support and technology transfer activities to beef and sheep farmers, maximising benefits and generating significant outputs.

Furthermore, it has provided the opportunity to bring together these principles whenever possible and to promote them holistically within the beef and sheep sectors. The projects and activities undertaken have also been able to take forward new technologies and methodologies, which have been developed through the pipeline of HCC research and development projects as well as from other mainstream research.



This has meant that considerable progress has been made through this phase of the Sheep and Beef Development Programme at a time when farm incomes are under significant pressure and against the backdrop of uncertainties regarding the changes to the structure of support payments.

For some, the principles of business development, environmental safeguarding and market focus have been welcomed and have been implemented with visible success in terms of improved gross margins and sustainability.

The continuing background of change and progress within the industry means that ongoing provision of up to date information, innovative approaches to knowledge transfer and a dedicated hub to drive forward the key messages are integral to ensuring that farmers in Wales continue to increase productivity and more closely meet their market requirements.

HCC's long-established principle of widening industry involvement by group learning vehicles – a model trailblazed by HCC's Demonstration Farm discussion groups – was extended to impart current information at a variety of farm-based get-togethers during the year in an extension to HCC's "bottom-up" approach that is proving highly effective in communicating and imparting knowledge.

Over the year, HCC used project-based support to bring together partners across the industry and maximise returns. The co-ordinated Parasitology Action Plan for Wales, where a representative group responded to the increasing threat of anthelmintic resistance to sheep production in Wales, was a successful example of this partnership approach, generating a widely spread communications strategy including 24 General Articles and Press Releases and direct dialogue with more than 1050 farmers.

The final phase of Farming Connect (Phase 2) which began in October 2003, was completed in March 2007. The full phase delivered more than 600 events and some 150 meetings. These were attended by 13,000 farmers. As part of this programme, HCC staged 28 public farm Open Days to disseminate practical information within the network of 18 Demonstration Farms and their associated Discussion Groups. More than 4,700 farmers have attended the various meetings and open days and approximately half of the attendees indicated their intention to utilise new approaches to production on their enterprise. More than 1000 farmers have taken up training opportunities during the period with the 85 carcass selection courses covering the whole supply chain proving popular. HCC staff coordinated the request for the provision of technical advice to more than 345 farmers.

Paul Morris from Gilfach, Narberth and Emyr Wyn Owen from Bronferiaeth, Colwyn Bay were the two winners of HCC's 2006 Farming Connect scholarship.

Looking at some of the leading projects, *The Welsh Beef Quality Improvement Project* trains farmers in modern approaches to health management and breed improvement and to help enterprises introduce premier genetics into their herds. The second winter period of HCC's innovative Woodchip for Bedding project was undertaken, aiming to demonstrate the practicality and potential benefits of using woodchip for indoor bedding for cattle and sheep, as an alternative to straw.

Hybu Cig Cymru funded trials carried out by nine sheep farmers from the Llangwryfon area near Aberystwyth who started to feed their lambs on an entirely natural product that offered higher levels of Omega 3 fatty acids, recognised as an aid in preventing heart disease.

HCC again worked with the abattoir sector in Wales to improve feedback to farmers on carcass and offal condemnation, allowing farmers to make informed



management decisions that will lead to efficiency improvements.

HCC assisted farmers to check their competitiveness by benchmarking – an enterprise-based business improvement assessment and, in addition, Welsh farmers are encouraged to look carefully at their day-to-day costs and each year HCC conducts a snapshot of the costs of production in both lamb and beef farms across Wales and the survey results are widely disseminated.

HCC sponsored places on a 12-month Masters course in Meat Science and Technology based at the University of Bristol and HCC also support 12 studentships at any one time (both PhDs and MScs).

Current HCC R&D projects include:

- Evaluation of an automated sheep carcass classification and meat yield prediction system;
- Development of a multi-trait selection index for improving longwool sheep;
- Use of gene markers to make effective and earlier sheep selection decisions;
- Development of procedures to identify differences in genetic resistance to foot rot in sheep;
- Provision of information on the reproductive performance, growth and subsequent carcass conformation of crossbred ewes in the uplands;
- Determining the performance benchmarks of the modern Holstein cull cow fed on an autumn/winter forage-based feeding systems;
- The assessment of the economic, welfare and environmental impacts of the double muscling gene in cattle;
- Determining the relationship between meat protein and the feeling of fullness after eating;

- Determining the effect on iron status in women through regular consumption of red meat;
- Gender Effects on Quality in Lamb; and
- Benchmarking pH temperature relationship in commercial beef plants.

Project funding made available through the Sheep and Beef Development Programme has enabled the following projects to be undertaken:

- Demonstration Farm Projects;
- The Crossbreds Project – an evaluation of crossbred ewe and lamb performance in the Welsh hills;
- Parasitology Action Plan for Wales;
- Benchmarking;
- Cattle Health Schemes;
- Bio diverse habitats;
- Development Projects;
- Parasitology Monitor Farms;
- Occurrence of Internal Parasites in Sheep Meat in Wales;
- Sheep Ectoparasites Survey;
- Practical Alternatives to Straw bedding; and
- Winter Management Options for Welsh Livestock (IGER lead partner).

HCC'S HEALTH AND NUTRITION TEAM'S
ROADSHOWS VISITED MORE THAN 3,000 PUPILS
IN SECONDARY SCHOOLS ACROSS WALES TO
INFORM THEM ABOUT HEALTHY EATING DIET
AND NUTRITION RELATED MATTERS





5. Communicating Activities and Issues

There was another good industry turnout for the HCC's third annual Autumn conference at the Metropole Hotel, Llandrindod Wells, in November 2006.

Chaired by HCC Chairman Rees Roberts, the conference's keynote speaker was Carwyn Jones AM, Minister for the Environment, Planning and Countryside and speakers included enterprising beef farmer Simon Frost and Welsh Country Foods representative Trevor Hanger.

HCC will run a fourth Autumn conference for stakeholders on 15 November 2007.

Schools and hospitals from Porthmadog to Pembroke and Mold to Monmouth participated in the first-ever National Beef Day on 04 October 2006. The day sought to draw attention to the public sector's use of Welsh Beef on in-house menus in a move co-ordinated by Hybu Cig Cymru/Meat Promotion Wales and strongly backed by Minister Carwyn Jones, farming unions, processors and butchers in Wales.

HCC further reinforced its role as the "Knowledge House" of the red meat industry in Wales, facilitating day-to-day policy implementation through a single, informed access point and worked closely – and successfully – in partnership with the re-formed Welsh Assembly Government's Department of Environment, Planning and Countryside in the wake of the merger of the Welsh Development Agency with the Department.

The Royal Welsh Show and Winter Fair 2006 provided HCC with the opportunity to once again engage with thousands of stakeholder visitors and inform them of work completed on their behalf.

The July Show saw the launch of a multifunctional and multilingual consumer CD Rom offering a choice from Welsh, English, French, Spanish, Italian and Arabic and

containing downloads and reference sections on Welsh Beef and Welsh Lamb production, Farm Assurance, PGI status and beef and sheep carcass classification.

A new interactive computer game was also produced by HCC to increase children's awareness of the importance of a healthy diet.

During the course of the year, HCC's Health and Nutrition Team's roadshows visited more than 3,000 pupils in secondary schools across Wales to inform them about healthy eating and diet and nutrition related matters.





At a reception at the Senedd, an eight-point plan to enable schools across Wales to improve children's knowledge of diet, nutrition and food preparation was unveiled to National Assembly for Wales Members.

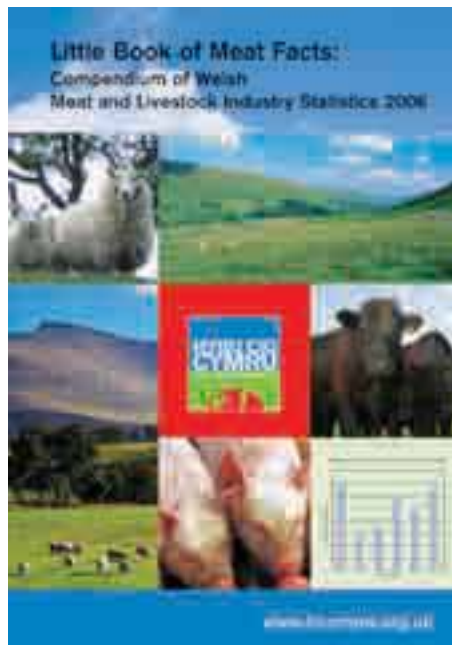
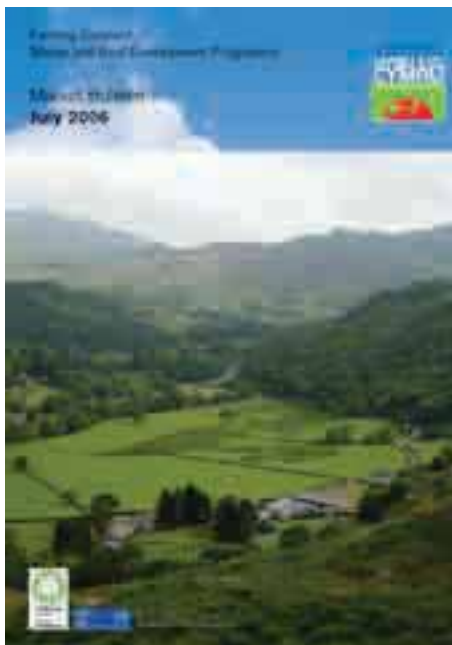
The HCC blueprint advocated a range of measures including compulsory food education for 11-14 year olds and calls for the introduction of curriculum changes to create double practical sessions of 100 or 120 minutes to give children more "hands-on" experience.

In the past twelve months HCC have produced an array of useful technical publications aimed at assisting producers towards profitability. These include the Little Book of Meat Facts, 2006, which offered an in-depth look into the industry's key role in the economy of Wales and the vital part it plays in defining our geography, our culture and our national positioning within a European perspective.

HCC also produced a series of A4 leaflets for producers that explains in concise terms preventative measures, symptoms and treatments for seasonal diseases and an attractive, colour wall chart, mapping the locations of livestock auction markets, abattoirs, meat processors and meat traders in Wales.

HCC supported the Young Farmers Clubs centenary celebrations and sponsored The Welsh Curry House of the Year competition.

HCC's website www.hybuicgymru.org and the popular monthly Market Bulletin gives farmers the latest news from the industry as well as the average market prices for livestock.

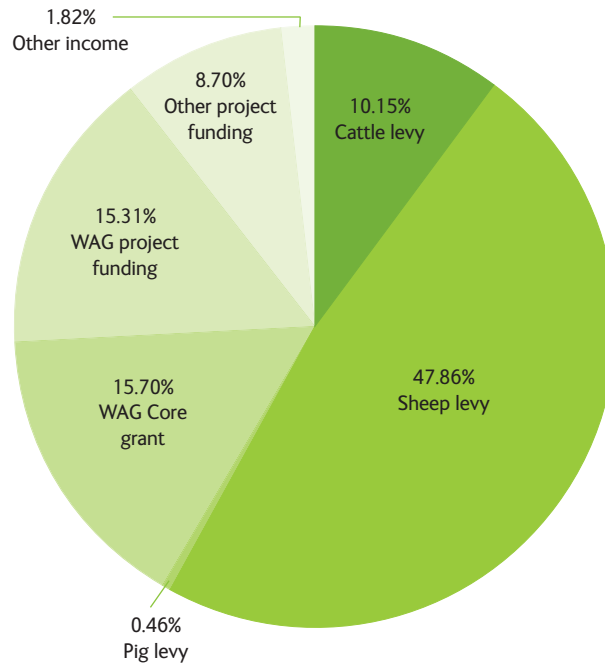


PERFORMANCE AGAINST TARGETS

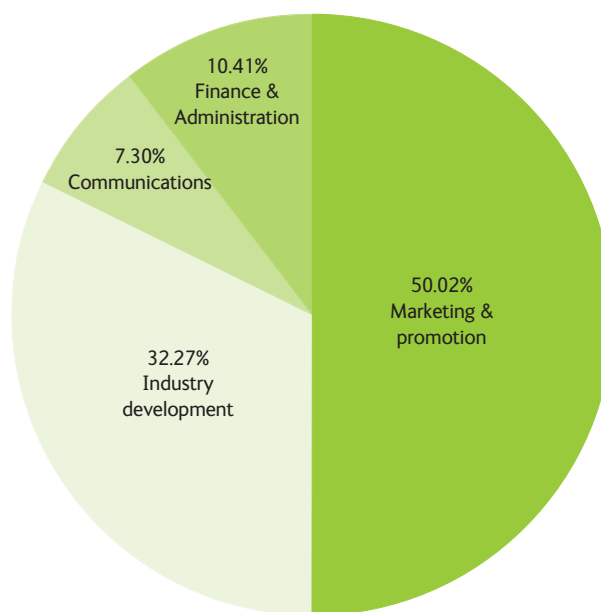
Strategies	Targets	Performance
Effective promotion of Welsh Lamb products in order to maintain value and volume in target markets and sub-sectors		
1. UK market: Consumer advertising/trade campaigns/business to business campaigns	Increasing % of consumer awareness from HCC commissioned U&A study by 5%	Achieved. Awareness rose over the year by 11%
2. Export: develop trade/consumer programmes for PGI Welsh Lamb	Increasing trade/consumer awareness and enhance market share/value by 5%	Achieved. Export volumes increased by 16%
Effective promotion of Welsh Beef products in order to maintain value and volume in target markets and sub-sectors		
1. UK market: Consumer advertising/trade campaigns/business to business campaigns	Increasing % of consumer awareness from HCC commissioned U&A study by 5%	Achieved. Awareness rose over the year by 6%
2. Export: develop trade/consumer programmes for PGI Welsh Beef	Increasing trade/consumer awareness and enhance market share/value by 5%	Achieved. Export volumes increased above this level
Improve the quality and cost effectiveness of Welsh red meat products		
1. Develop research and development programme	Undertake 10 projects over next five years	Achieved. Further 10 commenced this year, 19 undertaken to date
2. Set up technology transfer mechanism to discuss new developments	Regular advice to further 2,500 farmers advised in the year	Achieved. Further 2,500 farmers advised
3. Develop a programme of genetic and health improvement for sheep and beef sectors	Further 180 farms involved in improvement schemes	Achieved. 185 farms involved
4. Develop a framework to collect information for farm to farm comparison	Reports by end of July (lamb) and September (beef)	Achieved. Reports issued at appropriate times
5. Guardian of PGI for Welsh Lamb and Beef	Maintain audit exercise through abattoir visits to all 27 abattoirs in Wales	Achieved. Only 25 abattoirs operating but all have been visited
Strengthen the red meat supply chain		
1. Introduce training schemes for farmers to understand requirements of processors	300 farmers trained on appropriate courses, ie selection for slaughter	Achieved. 470 have attended training courses
2. Facilitate projects to increase efficiency within supply chain	Communicate with all 27 abattoirs in Wales; communicate with stakeholders in supply chain	Achieved. Only 25 abattoirs operating now
Effective communication of HCC activities and industry issues		
1. Coverage in all relevant print and media	Over 75% of outputs achieved	Achieved. Over 80% adopted
2. Publications and resource materials	Provide industry with appropriate material dealing with the prevailing market conditions	Achieved
3. Face to face communication	Achieve 65% stakeholder awareness of activities	Achieved. Over 70% aware of HCC activities
4. Industry issues affecting supply and demand	All issues dealt with appropriately	Achieved. Monthly reports made to board

FINANCIAL SUMMARY

INCOME



EXPENDITURE



Levy Income

HCC's principle source of income is derived from the MLC levy collected from animals slaughtered in Wales.

As the levy is collected under statute, HCC are required to prepare the financial statements in accordance with the Government Financial Reporting Manual. These financial statements are reviewed by the National Audit Office in discussion with HCC's independent auditors.

Levy Income (£000)	2006-7		2005-6		2004-5		2003-4	
	General	Promotional	General	Promotional	General	Promotional	General	Promotional
Cattle	289	325	320	358	286	321	293	328
Sheep	1,427	1,470	1,588	1,681	1,472	1,469	1,370	1,410
Pig	11	17	10	16	8	13	8	12
	1,727	1,812	1,918	2,055	1,766	1,803	1,671	1,750

Financial Summary

	2006-7	2005-6	2004-5	2003-4
Income	£000	£000	£000	£000
Levy	3,539	3,973	3,569	3,421
Grants	2,403	1,462	1,658	1,451
Services	45	23	36	11
Interest	65	42	42	25
	6,052	5,500	5,305	4,908
Expenditure				
Marketing & Promotion	3,015	2,738	2,273	1,933
Industry Development	1,945	1,379	1,321	1,167
Communications	440	602	532	487
Finance & Administration	628	716	533	483
	6,028	5,435	4,659	4,070

At the year end the accumulated surplus was £969k. The Board has reviewed the reserve and consider it prudent to maintain this surplus in order to cover any unexpected crises and fluctuations in the number of animals slaughtered. The reserve will ensure that the company is able to continue to operate for at least 6 months without receiving any income, whilst still undertaking a significant amount of its activities.

FINANCIAL STATEMENTS

Hybu Cig Cymru-Meat Promotion Wales Company Limited By Guarantee

DIRECTORS' REPORT

Year Ended 31 March 2007

The directors present herewith their annual report, together with the audited financial statements of the company, for the year ended 31 March 2007.

1. Results

The surplus for the year was £11,423

2. Principal Activity

The company's principal activity during the year was that of the development and promotion of Welsh red meat. A full review of the year is provided in the Chairman's Report and Maintaining Growth and Reviewing Our Targets.

3. Directors and their Interests

The directors of the company throughout the period were as follows:

		Other Directorships/Interests
E Bailey	app. 4 April 2007	Director of Dyffryn Seaside Estates Limited and NFU Mutual
J H Brereton		Partner in Jones Peckover, Brereton Dalby and Oswestry Cattle Auctions
A F Gardner	res. 14 July 2006	
W J Goldsworthy		Chair of Welsh Assembly Government, Agri-Food Partnership, WEFO Rural Thematic Group and Bridgend College
A S Horine	app. 14 July 2006	
W P Hughes	res. 4 April 2007	
J R Roberts (Chairman)		Commissioner of Meat and Livestock Commission
K J Roberts		Director general of Meat and Livestock Commission (until March 2007); Director of Meat and Livestock Commercial Services Ltd, Assured British Meat and Assured Food Standard; Interim Chief Executive Officer of Levy Board UK (Under secondment from MLC) (from March 2007)
W G Roberts	app. 14 July 2006	
G Shortland	res. 2 June 2006	
D K Thomas		Director of Welsh Farm Suppliers Limited, Border Distribution Limited, Border Distribution (2000) Limited, Livestock Marketing Ltd, Welsh Lamb & Beef Producers Ltd and Quality Welsh Food Certification Ltd. Member of governing board of IGER
Alternates		
R J Bansback	res. 4 May 2007	(for K Roberts)
R M Howells		(for D K Thomas)
A M Owen	res. 31 May 2007	(for W G Roberts)
J M Thomas		(for E Bailey)

DIRECTORS' REPORT (Cont.)

Year Ended 31 March 2007

4. Members

On 4 April 2007, the Welsh Assembly Government became the sole member of the company.

5. Share Capital

The company is limited by guarantee and does not have any share capital. The liability of the member is limited to £100.

6. Auditors

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

7. Statement on Internal Control

Scope of responsibility

HCC is funded by grant income, invoiced sales and levy, collected under statute by the Meat and Livestock Commission. Under a delegation agreement the Meat and Livestock Commission have delegated their statutory functions in relation to Wales to HCC. Responsibility for maintaining a sound system of internal control that supports HCC's policies, aims and objectives and safeguards the public funds and organisational assets lies with its Board of Directors.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of HCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to handle risk

Leadership is given to the risk management process through the Board of Directors, audit committee and executive team.

The company continues to make advances in its risk management framework and this will be continually reviewed.

The Risk Framework

The company's risk management policy is a key element within its internal control and corporate governance framework. It covers HCC's approach to risk management, roles and responsibilities, risk management process and its review. HCC's risk appetite is determined upon the assessed impact the risk has on the goals, objectives and financial resources of the company.

Risk Register

A risk register is in existence, identifying risks and ranking them for risk and effect. The register is examined regularly by the executive team and reviewed by the audit committee.

Business Continuity Plan

A draft plan has been prepared to consider ways and means for HCC to continue to operate its core activities should a disaster occur. This will be finalised in the forthcoming year.

Corporate Plan

HCC contribute to MLC's annual corporate plan which provides an outline of key factors influencing the industry, detailed plans and background financial information.

A corporate plan and Annual Report and Accounts Requirement document has been produced in conjunction with Defra. This sets out the required form and content of both the Corporate Plan and Annual Report and Accounts documents and the timescales within which Defra require these to be finalised and delivered.

Business Plan

The company presents an annual business plan and budgets to its board. The plan for 2007/8 was approved at the March board meeting.

Financial Reporting

Financial reports are presented to the Board monthly, with additional information provided quarterly.

Non Financial Reporting

HCC has developed a monitoring and evaluation system which monitors outcomes and outputs against targets set at the business planning stage. Regular reviews are undertaken by each department and the executive team to ensure that outcomes are being achieved, resources are applied in appropriate areas and that HCC are delivering value for money for its levy payers.

DIRECTORS' REPORT (Cont.)

Year Ended 31 March 2007

7. Statement on Internal Control

(Cont.)

Review of effectiveness

HCC has conducted its own review of the effectiveness of the system of internal control. The review took account of the external auditors' comments, following a system review, and was overseen by the audit committee. The implications of the result of the review of the effectiveness of the system of internal control have been advised to the Board of Directors. The company's systems are under constant review.

The Board of Directors

The Board of Directors has a number of key roles in the management of risk, including setting the tone and influencing the culture of risk management within HCC and determining the level of risk that is acceptable in specific areas of activity. It does this by its policy and overall approach.

HCC's Audit Committee

The remit of the Audit Committee is defined to include considering the planned activity and results of both internal and external audit. In reviewing the effectiveness of HCC's system of internal control the Audit Committee has undertaken the following key activities:

- **Internal Control**
Gained an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- **Financial Reporting**
Gained an understanding of the current areas of greatest financial risk and how management is managing them effectively.
- **Annual Financial Statements**
Reviewed the annual financial statements and determined whether they are complete and consistent with the information known to committee members; assessed whether the financial statements reflect appropriate accounting principles. Met with management and the external auditors to review the financial statements and the results of the audit.
- **Internal Audit**
Certain reviews were undertaken internally by the company. These were reviewed by the audit committee.
- **External Audit**
Reviewed the external auditors' proposed audit scope and approach and ensured no unjustified restrictions or limitations had been placed on the scope.

8. Payment Policy

The company's policy is to make payment to suppliers not more than 30 days after receipt of the invoice, unless alternative payment terms have been agreed with suppliers. The ratio, expressed in days, between the amount invoiced to the company by its suppliers during the year and the amount owed to its trade creditors at the end of the year was 30 days.

9. Remuneration Report

Remuneration Committee

The Remuneration Committee of the Board of Directors recommends the remuneration of the chairman, directors and chief executive. The composition of the committee is as follows:

K Roberts
J R Roberts
W J Goldsworthy

Statement Of Remuneration Policy

All directors of the company are non-executive and, in view of the company being limited by guarantee, have no share interest in the company.

The Chairman's remuneration is set at £25,000pa for the duration of his term of office. The remuneration of the non-executive directors is set at £250 per day for attendance at board meetings and HCC events.

Directors Emoluments

Emoluments of the directors who served throughout the year to 31 March 2007 are as follows:

	£
J R Roberts	25,000
A J Gardner	1,000
W J Goldsworthy	2,500
W P Hughes	3,625
K Roberts	0
W G Roberts	2,750
D K Thomas (1)	3,250
J H Brereton (2)	2,750
A Horine	1,250
G Shortland	250

Alternate directors are not entitled to receive any fees.

None of the directors received any benefits in kind or were eligible for membership of the company pension scheme. Expenses, being mileage incurred on company business, were re-imbursed at Inland Revenue approved rates.

(1) fees due in relation to Mr Thomas' services were paid to Welsh Lamb and Beef Producers Limited, a company of which he is a director.

(2) fees due in relation to Mr Brereton's services were paid to Jones Peckover, a business of which he is a partner.

DIRECTORS' REPORT (Cont.)

Year Ended 31 March 2007

Attendance Records

The Board met 10 times during the period April 2006 to March 2007. The number of Board meetings attended by the directors are as follows:

J H Breretton	8
A F Gardner	3
W J Goldsworthy	10
A Horine	5
W P Hughes	9
J R Roberts	10
K Roberts	8
W G Roberts	6
G Shortland	1
D K Thomas	10

10. Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By Order of the Board.

T G Howells
Secretary

Company Registration Number: 4635113
Registered Office:
21a North Parade, Aberystwyth SY23 2JL

Independent Auditors' Report To The Members of Hybu Cig Cymru-Meat Promotion Wales

We have audited the financial statements, which comprise the Income and Expenditure account, Balance Sheet, Cash Flow statement and related notes (1 to 18), which have been prepared under the historical cost convention and the accounting policies set out in note 1.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements. In addition we report to you, if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, Towards a More Competitive Industry: A Year of Consolidation and Construction, Performance Against Targets and Financial Review. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error, and that in all material respects, the expenditure and income have been applied to the purposes intended by parliament and the financial transactions conform to the authorities which govern them. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of the surplus of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- The information given in the Director's Report is consistent with the financial statements.
- In all material respects the expenditure and income have been applied to the purposes intended by parliament and the financial transactions conform to the authorities which govern them.

Baker Tilly UK Audit LLP

Registered Auditor
Chartered Accountants, Elgar House,
Holmer Road, Hereford HR4 9SF

INCOME AND EXPENDITURE ACCOUNT

Year Ended 31 March 2007

	NOTES	2007 £	2006 £
Income	2	5,987,206	5,458,319
Expenditure			
Marketing and promotion		3,015,463	2,737,795
Industry Development		1,945,051	1,379,315
Communications		440,131	601,856
Finance and administration		627,515	715,652
		6,028,160	5,434,618
Operating (Deficit)/Surplus	3	(40,954)	23,701
Interest receivable		64,662	41,545
Excess of Income Over Expenditure on Ordinary Activities Before Taxation		23,708	65,246
Taxation	6	12,285	7,492
Surplus for the year	11	11,423	57,754

The surplus for 2007 and 2006 arises from continuing operations. There are no recognised gains and losses in 2007 or 2006 other than the surplus for the year.

BALANCE SHEET

31 March 2007

	Notes	2007		2006	
		£	£	£	£
Fixed Assets					
Tangible assets	7		31,270		36,600
Current Assets					
Debtors	8	818,038		1,295,097	
Cash at bank and in hand		2,033,476		1,761,853	
		2,851,514		3,056,950	
Creditors - amounts falling due within one year	9	1,339,833		1,562,022	
Net Current Assets			1,511,681		1,494,928
			1,542,951		1,531,528
Represented by:					
Reserves	11		1,542,951		1,531,528

The financial statements, which comprise the Income and Expenditure account, Balance Sheet, Cash Flow statement and related notes (1 to 18), were approved and authorised for issue by the Board of Directors on 1 June 2007 and signed on its behalf by

J R Roberts

The financial statements were authorised for issue on 12 July 2007 by the Chief Executive.

CASH FLOW STATEMENT

Year Ended 31 March 2007

	2007		2006
	£		£
Net cash from Operating activities	220,338		511,760
Interest received	64,662		41,545
Purchase of plant & equipment	(4,999)		(8,927)
Corporation tax paid on interest received	(8,378)		(8,207)
Increase in cash	271,623		536,171
Reconciliation of operating surplus to cash flow from operating activities			
Operating (deficit)/surplus	(40,954)		23,701
Depreciation	10,329		12,147
Decrease/(increase) in debtors	477,059		(350,515)
(Decrease)/increase in creditors	(226,096)		826,427
	220,338		511,760
Reconciliation of net cash flow to movement in net funds			
	1 April 2006	Cash Flow	31 March 2007
	£	£	£
Cash in hand and at bank	1,761,853	271,623	2,033,476

NOTES AND ACCOUNTING POLICIES

Year Ended 31 March 2007

1. Accounting Policies

The principal accounting policies of the company are as follows:

A) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Government Financial Reporting Manual.

B) Income

The income of the company for the year represents levy income, grants and invoiced sales, exclusive of value added tax.

Income is recognised as follows:

Levy and services - invoices raised in respect of the period;

Grants - grants of a revenue nature are credited to the Income and Expenditure account in the year in which they accrue and matched with the appropriate expenditure. Repayments of grant are only made where, as informed by the grant provider, the terms of the grant have not been met.

C) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of tangible fixed assets over their expected useful lives at the following annual rates:

Office equipment 25%-33%

D) Pensions

The company makes contributions to individual pension plans for some of its employees. Contributions payable for the year are charged to the income and expenditure account.

The company makes contributions for other employees to a defined benefit pension scheme. The regular pension cost is charged to income and expenditure account and is based on the expected pension costs over the service lives of the employees.

E) Taxation

Taxation is provided on interest receivable in the period. No tax liability is provided for on the company's operating surplus as this is not considered to be a taxable trading activity.

F) Leases and Hire Purchase

Costs under operating leases are charged to income and expenditure account on a straight line basis over the lease terms.

G) Foreign Currency

Normal trading activities denominated in foreign currencies are recorded in sterling at the exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate prevailing at the year end.

2. Turnover

	2007	2006
	£	£
Levy	3,538,492	3,973,152
Grants received: WAG - core	950,000	850,000
- project	926,364	546,467
EAGGF	526,808	65,394
Services	45,542	23,306
	5,987,206	5,458,319

All income is generated in the United Kingdom and relates to continuing operations.

NOTES AND ACCOUNTING POLICIES (Cont.)

Year Ended 31 March 2007

3. Excess of Income Over Expenditure on Ordinary Activities before Taxation

The result is stated after charging the following:

	2007	2006
	£	£
Auditors - audit	14,375	22,855
Auditors - non audit fees	4,100	750
Staff costs (note 4)	625,719	570,316
Directors fees (note 5)	46,520	44,618
Depreciation	10,329	12,147
Operating lease rentals - equipment	63,276	45,582
- property	24,000	20,750
Exceptional item:		
Bad debts re levy due	88,833	128,347

Staff costs, postage and stationery are assigned to the department to which they relate.

4. Staff Costs

Staff costs comprised;

	2007	2006
	£	£
Wages and salaries	546,677	494,684
Social security costs	57,282	57,281
Other pension costs	21,760	18,351
	625,719	570,316
The average number of persons employed, on UK employment contracts, during the year was:		
	2007	2006
Development, promotion and administration:		
Core	14	14
Project	6	4
	20	18

5. Directors' Emoluments

Directors' emoluments were as follows:

	2007	2006
	£	£
Fees	42,375	41,500
Expenses	4,145	3,118
	46,520	44,618

NOTES AND ACCOUNTING POLICIES (Cont.)

Year Ended 31 March 2007

6. Taxation

Taxation is provided on interest receivable in the period.

	2007	2006
	£	£
Taxation charge for the period	12,285	7,492
Reconciliation of tax charge:		
Interest received	64,662	41,545
Corporation tax at 19%	12,285	7,894
Marginal rate relief	-	(402)
	12,285	7,492

7. Fixed Assets - Tangible

Tangible fixed assets comprised:

	Office Equipment
Cost	£
1 April 2006	60,435
Additions	4,999
At 31 March 2007	65,434
Depreciation	
1 April 2006	23,835
Charge for the year	10,329
At 31 March 2007	34,164
Net Book Value	
At 31 March 2007	31,270
At 31 March 2006	36,600

8. Debtors

Debtors comprised:

	2007	2006
	£	£
Other debtors	152,746	364,494
Outstanding levy income	578,591	729,138
VAT	4,984	65,317
Prepayments and accrued income	81,717	136,148
	818,038	1,295,097

All amounts included above are receivable within one year of the balance sheet date.

NOTES AND ACCOUNTING POLICIES (Cont.)

Year Ended 31 March 2007

9. Creditors

Creditors comprised:

	Amounts falling due within one year	
	2007	2006
	£	£
Corporation tax	8,463	4,556
Other taxation and social security	21,302	22,594
Other Creditors	847,190	870,358
Accruals and deferred income	462,878	664,514
	1,339,833	1,562,022

10. Share Capital

The company is limited by guarantee and does not have any share capital. The liability of the members is limited to £100 per member.

11. Reserves

	Income & Expenditure	Building Development Reserve	Total
	£	£	£
At 1 April 2006	973,530	557,998	1,531,528
Surplus for the year	11,423	-	11,423
Transfer between reserves	(15,982)	15,982	-
At 31 March 2007	968,971	573,980	1,542,951

Both reserves represent realised surpluses of the company.

The transfer to the building reserve represents a reserve designated by the Board for the development of an office building. This is non levy income comprising interest received.

12. Financial Commitments

Operating Leases

At the year end the company was committed to making the following annual payments in respect of operating leases:

	2007	2006
	£	£
Operating leases which expire:		
Within one year - property	-	-
- other	10,578	38,280
Between one and two years	-	-
Within two to five years - property	24,000	24,000
- other	41,816	8,518
	76,394	70,798

NOTES AND ACCOUNTING POLICIES (Cont.)

Year Ended 31 March 2007

13. Capital Commitments

There were no capital commitments at 31 March 2007 (2006: nil).

14. Contingent Gain

The Board of Commissioners of the Meat and Livestock Commission have agreed that a proportion of MLC's pre-devolution combined operating reserves be made available to devolved bodies. A formal request to MLC is required to draw down these reserves, which will include accrued interest. MLC have advised that this amount is in the region of £500,000. No such request has yet been made by the company.

In addition, following the review of levy bodies in the UK, MLC will cease to exist from April 2008. It is anticipated that HCC may be due a proportion of any surplus assets on cessation. But it is not possible to estimate that figure at present.

15. Contingent Liabilities

Following a review by HM Revenue & Customs, HMRC are querying the ability of the company to reclaim input VAT on expenditure funded by grant. The company had sought advice from Customs and Excise national advice line when the business first started and are currently in negotiations with HMRC. This matter has now been in the hands of HMRC for over a year. Should the company have to pay the input tax, this could amount to approximately £96,000.

16. Post Balance Sheet Event

On 4 April 2007, the Welsh Assembly Government became the sole member of the company.

17. Related Party Transactions

Throughout the year to 31 March 2007, the Meat and Livestock Commission and Welsh Assembly Government were members of the company and appointed representatives to the board.

The company receives funding from the Welsh Assembly Government, which amounted to £1,876,364 (2006: £1,396,467, received from Welsh Development Agency, a sponsored body of the Welsh Assembly Government until March 2006).

The Meat and Livestock Commission collect levy on the company's behalf, amounting to £3,538,492 (2006: £3,973,152). The company procured services on normal trading terms from the Meat and Livestock Commission totalling £1,178,864 (2006: £1,276,652) and the Meat and Livestock Commission Commercial Services Limited totalling £62,644 (2006: Nil).

At 31 March 2007 the company owed £268,755 (2006: £442,327) to the Meat and Livestock Commission and were owed £578,591 (2006: £822,950) from the Meat and Livestock Commission. The company also owed £7,914 (2006: Nil) to Meat and Livestock Commission Commercial Services Limited.

No transactions were undertaken with directors.

18. Pension Scheme

The company made contributions to individual personal pension plans for some of its employees. Contributions are charged to the profit and loss account as incurred and amounted to £13,807 (2006: £7,807). Contributions amounting to £1,029 (2006: £721) were outstanding at the year-end.

The company also made contributions to a defined benefit pension scheme which is operated by the Meat and Livestock Commission. The employees of Hybu Cig Cymru who are members form only part of the scheme. The contributions paid in the year amounted to £7,953 (2006: £8,480) and there were outstanding contributions at the year end of £678 (2006: £785). This cost is based on the actuarial valuation made as at 31 March 2006.

Information regarding the split of the scheme's assets between the Meat and Livestock Commission and Hybu Cig Cymru is not available. The market value of the entire pension scheme assets at 31 March 2007 was £211.3m (2006: £221.8m) and this was sufficient to cover 113.2% (2006: 116.8%) of the value of the benefits that had accrued to members, after allowing for earnings increases.

NODIADAU A PHOLISIÂU CYFRIFO (Parhad)

Y Fflyddyn yn Diwedd 31 Mawrth 2007

13. Ymrwymiadau Cyfalaf

Nid oedd unrhyw ymrwymiadau cyfalaf ar 31 Mawrth 2007 (2006: dim).

14. Cynnydd Amodol

Mae Bwrdd Comisiynywyr y Comisiwn Cig a da Byw wedi cytuno y dylai cyfran o Gronfeydd gweithredol cyfunol MLC cyn datganioli fod ar gael i'r cyrff datganolledig. Mae angen cais ffurfiol i MLC er mwyn trosglwyddo'r cronfeydd hyn, sy'n cynnwys llog cronedig. Mae'r MLC wedi cynghori bydd y swm oddeutu £500,000. Nid yw'r cwmni wedi gwneud cais hyd yma.

Yn ogystal, yn dilyn yr adolygiad o gyfrif ardoll yn y DG, bydd MLC yn peidio â bod o Ebrill 2008. Rhagwellir y bydd cyfran o unrhyw asedau a fydd yn weddill bydd hynny yn daladwy i HCC. Ond nid yw'n bosibl amcangyfrif ar hyn o byd faint fydd hynny.

15. Dyledion Amodol

Yn dilyn adolygiad, mae Cyllid a Thollau Ei Mawrthidi yn amau gallu'r cwmni i adennill TAW mewnbwn ar wariant a gyllidir gan grant. Roedd y cwmni wedi gofyn am gyngor gan linell gyngor geneadaethol Tollau Tamor a Chartref pan ddechreuodd y busnes ac mae yna drafoadaethau ar hyn o byd â Chyllid a Thollau Ei Mawrthidi. Mae'r mater hwn yn nwylio Cyllid a Thollau Ei Mawrthidi ers dros flwyddyn erbyn hyn. Pe digwydd i'r cwmni orfod talu'r drefh fewnbwn, fe allai'r swm fod oddeutu £96,000.

16. Digwyddiad ar ôl dyddiad y Fantolen

Ar 4 Ebrill 2007, daeth Llywodraeth Cynulliad Cymru yn unig aelod o'r cwmni.

17. Trafodion Sefydliadau Perthynol

Trwy gydol y flwyddyn tan 31 Mawrth 2007, roedd y Comisiwn Cig a Da Byw a Llywodraeth Cynulliad Cymru yn aelodau o'r cwmni a phenodwyd cynrychiolywyr i'r bwrdd ganddynt. Mae'r cwmni'n derbyn cyllid gan Llywodraeth Cynulliad Cymru, a oedd yn £1,876,364 (2006: £1,396,467 oddi wrth Awdurdod Datblygu Cymru sy'n gorff a nodwyd gan Llywodraeth Cynulliad Cymru hyd mis Mawrth 2006).

Mae'r Comisiwn Cig a Da Byw yn casglu ardoll ar ran y cwmni, sef £3,538,492 (2006: £3,973,152). Cafodd y cwmni wasanaethau yn ôl telerau masnachu arferol gan y Comisiwn Cig a Da Byw, sef cyfanswm o £1,178,864 (2006: £1,276,652) a Gwasanaethau Masnachol y Comisiwn Cig a Da Byw Cylfyngedig, sef cyfanswm o £62,644 (2006: Dim).

Ar 31 Mawrth 2007 roedd gan y cwmni ddyled o £268,755 (2006: £442,327) i'r Comisiwn Cig a Da Byw ac roedd £578,591 (2006: £822,950) yn ddyledus gan y Comisiwn Cig a Da Byw. Hefyd, roedd gan y cwmni ddyled o £7,914 (2006: Dim) i Wasanaethau Masnachol y Comisiwn Cig a Da Byw Cylfyngedig.

Ni wnaed unrhyw drafodion a'r cyfarwyddwyr.

18. Y Cynllun Pensiwn

Cyfrannodd y cwmni at gynlluniau pensiwn unigol ar gyfer rhai o'i weithwyr. Tynnir y cyfraniadau o'r cyfrif elw a cholled fel y maent yn digwydd. Roedd y cyfanswm yn £13,807 (2006: £7,807). Roedd cyfraniadau gwerth £1,029 (2006: £721) yn ddyledus ar ddiwedd y flwyddyn. Yn ogystal, cyfrannodd y cwmni at gynllun pensiwn budd diffiniedig sy'n cael ei redeg gan y Comisiwn Cig a Da Byw. Mae gweithwyr Hybu Cig Cymru sy'n aelodau yn rhan yn unig o'r cynllun. Yn ystod y flwyddyn talwyd cyfraniadau gwerth £7,953 (2006: £8,480) ac roedd cyfraniadau gwerth £678 (2006: £785) yn ddyledus ar ddiwedd y flwyddyn. Mae'r gost yn seiliedig ar brisiad yr actiwari a wnaed ar 31 Mawrth 2006.

Nid oes gwybodaeth ar gael ynghylch sut mae asedau'r cynllun yn cael eu rhannu rhwng y Comisiwn Cig a Da Byw a Hybu Cig Cymru. Roedd gwerth marchnad holl asedau'r cynllun pensiwn ar 31 Mawrth 2007 yn £221.3m (2006: £221.8m) ac roedd hyn yn ddigon ar gyfer 113.2% (2006: 116.8%) o werth y buddion cronedig i'r aelodau, ar ôl rhoi ystyriaeth i gynnydd mewn enillion.

NODIADAU A PHOLISIÂU CYFRIFO (Parhad)

Y Fflyddyn yn Diwedd 31 Mawrth 2007

9. Credydwyr

Roedd y credydwyr yn cynnwys:

Symbiau'n daladwy o fewn blwyddyn		2007	2006
Treth gorfforaeth	8,463	4,556	£
Trethiant arall a nawdd cymdeithasol	21,302	22,594	£
Credydwyr eraill	847,190	870,358	£
Croniadau ac Incwm Gohiriedig	462,878	664,514	£
TOTAL	1,339,833	1,562,022	£

10. Cyfalaf Cyfranddaliadau

Mae'r cwmni'n gyflyngedig trwy warant ac nid oes ganddo unrhyw gyfalaf cyfranddaliadau. Cyfngir atebolrwydd yr aelod i £100 yr aelod.

11. Cronfeydd Wrth Gefn

Adeliadau		Incwm a Gwarant	Wrth Gefn Datblygu	Cyfanswm
Ar 1 Ebrill 2006	973,530	£	£	£
Gwarged ar gyfer y fflyddyn	11,423			
Trosiwyddo rhwng cronfeydd wrth gefn	(15,982)			
Ar 31 Mawrth 2007	968,971	£	£	£

Mae'r ddwy gronfa wrth gefn yn wargedau cyflawnedig i'r cwmni.

Mae'r trosiwyddo i'r gronfa adeliadau wrth gefn yn gofygu cronfa a ddyfnodwyd gan y Bwrdd i ddatblygu adeilad ar gyfer swyddfeydd. Nid yw hwn yn incwm ardoll ac mae'n cynnwys llog a dderbyniwyd.

12. Ymrwymïadau Ariannol

Prydles Gweithredol

Ar ddiwedd y fflyddyn roedd y cwmni wedi ymrwymo i wneud y taliadau blynyddol a ganlyn mewn perthynas â phrydles gweithredol:

Prydles gweithredol sy'n dod i ben:		2007	2006
O fewn blwyddyn - eiddo	-	£	£
Rhwng blwyddyn a dwy flynedd	10,578	38,280	-
O fewn dwy i bum mlynedd - eraill	24,000	8,518	-
TOTAL	34,578	46,800	£

NODIADAU A PHOLISIÂU CYFRIFO (Parhad)

Y Ffilyddyn yn Diwedd 31 Mawrth 2007

6. Trethiant

Darperir trethiant ar y llog derbynadwy yn ystod y cyfnod.

2006	2007	
£	£	Y trethiant ar gyfer y cyfnod
7,492	12,285	
		Cysoniad y trethiant:
		Llog a dderbyniwyd
	64,662	
41,545		
		Treth Gortforaeth o 19%
	12,285	
7,894		Gostyngiad treth ffiniol
(402)	-	
7,492	12,285	

7. Asedau Sefydlog - Diriaethol

Roedd yr asedau sefydlog diriaethol yn cynnwys:

Cyfarpar Swyddfa		Cost	
	£	1 Ebrill 2006	Ychwanegadau
	60,435		
	4,999	Ar 31 Mawrth 2007	
	65,434		
			Dibrsiad
		1 Ebrill 2006	Tal ar gyfer y ffilyddyn
	23,835		
	10,329	Ar 31 Mawrth 2007	
	34,164		
			Gwerth Net ar Bapur
		Ar 31 Mawrth 2007	
	31,270		
		Ar 31 Mawrth 2006	
	36,600		

8. Dyledwyr

Roedd y dyledwyr yn cynnwys:

2006	2007	
£	£	Dyledwyr eraill
364,494	152,746	
729,138	578,591	Incwm ardoli dyledus
65,317	4,984	TAW
136,148	81,717	Rhagalladau ac incwm cronodig
1,295,097	818,038	

Mae'r holl symiau a gynhwysir uchod yn dderbynadwy o fewn ffilyddyn i ddyddiad y fantolen.

NODIADAU A PHOLISIÂU CYFRIFO (Parhad)

Y Ffwyddyn yn Diwedd 31 Mawrth 2007

3. Incwm yn Fwy na Gwariant ar Weithgareddau Cyffredin Cyn Trehiant

Nodir y canlynad ar ôl codi'r canlynol:

2007	2006	£	£
Archwiliad - archwiliad	14,375	22,855	750
Archwiliad heb fod yn ymwneud ag archwiliad	4,100	750	
Costau staff (nodyn 4)	625,719	570,316	
Ffioedd y Cyfarwyddwyr (nodyn 5)	46,520	44,618	
Dibrsiad	10,329	12,147	
Rhenti prydesi gweithredol - cyfarpar	63,276	45,582	
- eiddo	24,000	20,750	
Eitem eithriadol:			
Dyledion gwael (ardoll ddyledus)	88,833	128,347	

Mae costau staff, post a deunydd ysgrifennu yn cael eu gosod o dan yr adran berthynol.

4. Costau Staff

Roedd y costau staff yn cynnwys:

2007	2006	£	£
Cylogau	546,677	494,684	
Costau nawdd cymdeithasol	57,282	57,281	
Costau penswn eraill	21,760	18,351	
Nifer gyfartalog y bobl a gyflogwyd yn ystod y ffwyddyn oedd::			
Datblygu, hyrwyddo a gweinyddu:			
Cradd	14	14	
Prosiect	6	4	
	20	18	

5. Taliadau i'r Cyfarwyddwyr

Roedd y taliadau i'r Cyfarwyddwyr fel a ganlyn:

2007	2006	£	£
Ffioedd	42,375	41,500	
Treuliau	4,145	3,118	
	46,520	44,618	

NODIADAU A PHOLISIAU CYFRIFO

Y Fflyddyn yn Diwedd 31 Mawrth 2007

1. Polisiau Cyfrifo

Prif bolisiau cyfrifo'r cwmni yw'r rhai a ganlyn:

A) Sail y Cyfrifo

Cafodd y datganiadau ariannol eu paratoi o dan y Confensiwn Cost Hanesyddol ac yn unol â Llawlyfr Adrodd Ariannol y Llywodraeth 2005-06.

B) Incwm

Mae incwm y cwmni ar gyfer y fflyddyn yn cynrychioli incwm ardoll, grantiau a gwerthiannau wedi eu hanfonbu, heb gymnwys treth ar werth.

Cydnabyddir incwm fel a ganlyn:

Ardoll a gwasanaethau – anfonbau a baratowyd ar gyfer y cwmni;

Grantiau - credydgrantaau o natur refereniwr i'r cyfrif

Incwm a Gwarant yn y fflyddyn y maent yn digwydd a chant eu cyweddau a'r gwarant prifodol. Caiff grant ei ad-dalu ond os yw darparwr y grant yn rhoi gwybod na chafodd telerau'r grant eu diwallu.

C) Asebau Sefydlog Diriaethol

Nodir asebau sefydlog diriaethol yn ôl y gost llai

dirisriad croniedig. Darperir dirisriad i ddileu cost yr

asebau sefydlog diriaethol sefydlog dros gyfnod eu ho es ddefnyddioi ddisgwyliedig yn ôl y cyfraddau

blynyddol a ganlyn:

Cyfarpar swyddfa

25%-33%

D) Pensiynau

Mae'r cwmni'n cyfrannu at gynlluniau pensiwn unigol ar gyfer rhai o'i weithwyr. Rhoddir y cyfraniadau sy'n daladwy ar gyfer y fflyddyn ar y cyfrif incwm a gwarant.

Mae'r cwmni'n cyfrannu ar gyfer gweithwyr eraill at gynllun pensiwn diffiniedig. Rhoddir cost reolaidd y pensiynau ar y cyfrif incwm a gwarant ac mae'n

seiliedig ar y costau pensiwn disgwyliedig dros gyfnod gwasanaeth y gweithwyr.

E) Trethiant

Darperir trethiant ar y llog derbynadwy yn ystod y

cyfnod. Ni ddarperir ar gyfer unrhyw atebolrwydd am

dreth ar warged gweithredol y cwmni am nad yw hyn yn cael ei ystyried yn weithgaredd masnachol trethadwy.

F) Prydlasu a Hurbwrcasu

Caiff codiannau o dan brydlasi gweithredol eu rhoi ar y cyfrif incwm a gwarant ar sail llinol dros gyfnod y brydlas.

G) Ariannu Tamor

Cofnodir gweithgareddau masnachu normal ag arian tamor fel sterling yn ôl y cyfraddau cyfnewid ar

dddyddiad y trafodion. Caiff asebau a dyledion ariannol mewn arian tamor eu newid i sterling yn ôl y gyfraddau

sy'n bodoli ar ddiwedd y fflyddyn.

2006	£	2007	£
5,458,319	5,987,206	5,987,206	5,458,319
23,306	45,542	45,542	23,306
65,394	526,808	526,808	65,394
546,467	926,364	926,364	546,467
850,000	950,000	950,000	850,000
3,973,152	3,538,492	3,538,492	3,973,152
£	£	£	£
2006	2007	2007	2006

2. Troiant

Cynhyrchir yr holl incwm yn y Deyrnas Gyfunol ac mae'n berthynol i weithredadau.

Nodiadau		2007		2006	
		£	£	£	£
Asedau Sefydlog	7	31,270		36,600	
Asedau diriaethol					
Asedau Cyfredol	8	818,038	1,295,097		
Dyledwyr					
Arrian yn y banc ac wrth gefn		2,033,476	1,761,853		
Credydwyr - symiau sy'n					
ddyladwy o fewn blwyddyn	9	1,339,833	1,562,022		
Asedau Net Cyfredol		1,511,681	1,494,928		
Sef:					
Cronfeydd	11	1,542,951	1,531,528		

Cafodd y datganiadau ariannol, sy'n cynnwys y cyfrif Incwm a Gwarant, y Fantolen, y datganiad Llif Arrian a'r nodiadau perthynol (1-18), eu cymeradwyo a'u hawdurdodi i'w cyhoeddi gan y Bwrdd Cyfarwyddwyr ar 1 Mehefin 2007 a chawsant eu llofnodi ar ei ran gan

J R Roberts

Cymeradwydd y datganiadau ariannol ar gyfer eu cyhoeddi ar 12 Gorffennaf 2007 gan y Prif Weithredwr.

CYFRIF INCWM A GWARIANT

Y Ffilyddyn yn Diveddu 31 Mawrth 2007

NODIADAU		2007	2006
Incwm		£ 5,987,206	£ 5,458,319
Gwariant			
Marchnata a hyrwyddo	3,015,463	2,737,795	
Datblygu'r Diwydiant	1,945,051	1,379,315	
Cyfarrebu	440,131	601,856	
Arannol a gweinyddiaeth	627,515	715,652	
	6,028,160	5,434,618	
Gwaged (Diffyg) Gweithredu	3	(40,954)	23,701
Log derbyniodwy	64,662	41,545	
Incwm yn Fwy na Gwariant			
ar Weithgareddau Cyffredin Cyn Treth	23,708	65,246	
Trethiant	6	7,492	
Gwaged ar gyfer y ffilyddyn	11	11,423	57,754

Mae'r gwaged ar gyfer 2007 a 2006 yn deillio o weithredadau parhaus. Nid oes unrhyw enillion a cholledion cydnabyddedig yn 2007 neu 2006 ac eithrio'r gwaged ar gyfer y ffilyddyn.

Adroddiad yr Archwilywr Annibynnol i Aelodau Hybu Cig Cymru - Meat Promotion Wales (HCC)

Rydym wedi archwilio'r datganiadau ariannol, sy'n cynnwys y cyfrif Incwm a Gwarant, y Fantolen, y datganiad Llif Arian a'r nodiadau perthynol (1-18), a gafodd eu paratoi yn unol â'r confensiwn cost hanesyddol a'r polisiau cyfrifto a nodir yn nodyn 1. Gwnaeth yr adroddiad hwn i aelodau'r cwmni yn unig, fel cofrff, yn unol ag Adran 235 o Ddeddf Cwmnïau 1985. Gwnaeth ein gwaiſh archwilio fel y gallwn ddatgan i aelodau'r cwmni y materion hynny y mae gofyn i ni eu datgan iddynt yn adroddiad yr archwilywr ac at ddim diben arall. I'r graddau llawaf a ganiateir gan y gyfrifath, nid ydym yn derbyn nac yn cymryd cyfrifoldeb i neb heb law'r cwmni ac aelodau'r cwmni, fel cofrff, am ein gwaiſh archwilio, ar gyfer yr adroddiad hwn, nac am unrhyw farn yr ydym wedi ei llunio.

Cyfrifoldebau Priodol y
Cyfarwyddwyr a'r Archwilywr

Nodir cyfrifoldebau'r cyfarwyddwyr ar gyfer paratoi'r Adroddiad Blyneddol a'r datganiadau ariannol yn unol â'r gyfrifath berthnasol a Safonau Cyfrifto'r Deyrnas Gyfunol (Arferion Cyfrifto Derbyniol y Deyrnas Gyfunol) yn Datganiad o Gyfrifoldebau'r Cyfarwyddwyr.

Ein cyfrifoldeb yw archwilio'r datganiadau ariannol yn unol â rheolau a gofynion cyfrifathol a rheoleiddiol a Safonau Archwilio Rhyngwladol (y DG ac Iwerddon). Yr ydym yn adrodd i chi a yw'r datganiadau ariannol, yn ein barn ni, yn rhoi darlun gwir a theg ac a ydynt wedi eu paratoi yn gywir yn unol â Ddeddf Cwmnïau 1985. Rydym hefyd yn adrodd i chi os nad yw Adroddiad y Cyfarwyddwyr, yn ein barn ni, yn gyson â'r datganiadau ariannol. Yr ydym hefyd yn adrodd i chi os nad yw'r adroddiad y cyfrifath berthnasol a Safonau Cyfrifto'r Deyrnas Gyfunol, o gyfrifto'r Deyrnas Gyfunol, o gyfrifto'r Deyrnas Gyfunol, yn unol ag Arferion Cyfrifto Derbyniol y Deyrnas Gyfunol, o gyfrifto'r Deyrnas Gyfunol, yn unol â Ddeddf Cwmnïau 1985. Mae'r datganiadau ariannol yn rhoi darlun cywir a ym mhob ffordd berthnasol bu'r gwarant a'r incwm yn unol â'r pwrpasau a benwyd gan y llywodraeth Blyneddol ac yn ystyried a yw'n gyson â'r datganiadau ariannol a'rchwilwyd. Nid yw'r wybodaeth arall hon ond yn cynnwys Datganiad y Cadeirydd, Tuag at Ddiwydiant Mwy Cystadleuol: Blyddyn o Gyfrifath ac Adeiladu, Perfformiad yn ôl Targedau a'r Adolygiad Ariannol, Ystyriwn y goblygiadau i'n hadroddiad os ydym yn ymwybodol o unrhyw gamdatganiadau neu anghysonderau amlwg yn y datganiadau ariannol. Nid yw ein cyfrifoldebau yn ymwneud ag unrhyw wybodaeth arall.

Sail Barn yr Archwiliad

Fe wnaeth ein harchwiliad gennyf yn unol â'r Safonau Archwilio Rhyngwladol (y DG ac Iwerddon) a gyhoeddwyd gan y Bwrdd Arferion Archwilio. Mae archwiliad yn cynnwys astudiaeth, ar sail prawf, o dystiolaeth sy'n berthnasol i'r symiau a datgeliadau yn y datganiadau ariannol. Mae hefyd yn cynnwys asesiad o'r amcangyfrifon a'r barnau arwyddocaol a wnaeth gan y cyfarwyddwyr wrth baratoi'r datganiadau ariannol, gan ystyried a yw'r polisiau cyfrifto yn briodol i amgylchadau'r Gymdeithas, ac wedi'u gweithredu'n gyson a'u datgelu'n ddigonol.

Cynllunwyd a gweithredwyd ein harchwiliad gennyf er mwyn dod o hyd i'r holl wybodaeth ac esboniadau a oedd yn angenrheidiol yn ein barn ni i roi digon o dystiolaeth inni allu rhoi sicrwydd rhesymol bod y datganiadau ariannol yn rhydd o gam-ddatgan sylweddol, boed wedi'i achosi gan dwyll neu afreoleidd-dra neu gamsyniad arall, bod y gwarant a'r incwm wedi bod yn unol â'r pwrpasau a benwyd gan y llywodraeth, a bod y trafodion ariannol yn cydymffurfio â'r awdurdodau sy'n eu llywodraethu. Wrth luno ein barn buom hefyd yn gwerthuso pa mor ddigonol yn gyffredinol yw cyfrifath yr wybodaeth yn y datganiadau ariannol.

Barn

Yn ein barn ni:

- Mae'r datganiadau ariannol yn rhoi darlun cywir a theg, yn unol ag Arferion Cyfrifto Derbyniol y Deyrnas Gyfunol, o gyfrifto'r Deyrnas Gyfunol, yn unol â Ddeddf Cwmnïau 1985.
- Mae'r wybodaeth a roddir yn Adroddiad y Cyfarwyddwyr yn gyson â'r datganiadau ariannol.
- Ym mhob ffordd berthnasol bu'r gwarant a'r incwm yn unol â'r pwrpasau a benwyd gan y llywodraeth Blyneddol ac yn ystyried a yw'n gyson â'r datganiadau ariannol a'rchwilwyd.

Baker Tilly UK Audit LLP

Archwiliwr Cofrestredig
Cyfrifwyr Siartredig, Elgar House,
Holmer Road, Hereford, HR4 9SF

ADRDDIAD Y CYFARWYDDWYR (Parhad)

Y Fflwyddyn yn Diweddau 31 Mawrth 2007

Cofnodion Presenoldeb

Cyfarfwr Bwrdd ddeg o weithiau yn ystod y cyfnod Ebrill 2006 tan Fawrth 2007. Roedd nifer y cyfarfoddydd a fynychwyd gan y cyfarwyddwyr fel a ganlyn:

J H Breton	8
A F Gardner	3
W J Goldsworthy	10
A Horne	5
W P Hughes	9
J R Roberts	10
K Roberts	8
W G Roberts	6
G Shortland	1
D K Thomas	10

10. Datganiad o Gyfrifoldebau'r Cyfarwyddwyr

Yn ôl cyfrith cwmnïau, rhaid i gyfarwyddwyr baratoi datganiadau ariannol ar gyfer pob blwyddyn ariannol a fydd yn rhoi darlun gwir a theg o sefyllfa'r cwmni ac o elw neu golled y cwmni ar gyfer y cyfnod hwnnw. Wrth baratoi'r datganiadau ariannol hyn, mae'n ofynnol i'r rheolwyr:

- Dewis polisiau cyfrifto addas ac yna'u defnyddio'n gyson;
- Bod yn rhesymol a doeth wrth farnu ac amcangyfrifio; Paratoi'r datganiadau ariannol ar sail busnes hyfwrdd on!

bai ei bod yn amhriodol i ddybio y bydd y cwmni yn parhau i weithredu.

Mae'r cyfarwyddwyr yn gyfrifol am gadw cofnodion cyfrifto priodol sy'n datgelu a chywirdeb rhesymol i unrhyw adeg sefyllfa ariannol y cwmni a'u galluogi i sicrhau bod y datganiadau ariannol yn cydymffurfio â Deddf Cwmnïau 1985. Mae'n gyfrifol hefyd am ddiogelu asedau'r gymdeithas ac mewn canlyniad am gymryd camau rhesymol i atal a darganfod twyll ac anghysondebau eraill.

Rhif Cofrestru'r Cwmni: 4635113

Swyddfa Gofrestredig:

21a Rhodfa'r Gogledd, Aberystwyth SY23 2JL

T G Howells
Ysgrifennydd

Trwy Orchymyn y Bwrdd.

Mae'r cyfarwyddwyr a oedd yn eu swyddi ar y dyddiad y cafodd y datganiadau ariannol hyn eu cymeradwyo wedi cadarnhau, hyd eithaf eu gwytbod, nad oes unrhyw wybodaeth archwilio berthnasol nad yw'r archwilywyr yn ymwybodol ohoni. Mae pob un o'r cyfarwyddwyr wedi cadarnhau eu bod wedi cymrdd yr holl gamau y dylent fod wedi eu cymrdd fel cyfarwyddwyr er mwyn gwneud eu hunain yn ymwybodol o unrhyw wybodaeth archwilio berthnasol ac er mwyn gwneud yn siŵr y cafodd yr wybodaeth ei throsglwyddo i'r archwilywr.

ADRDDIAD Y CYFARWYDDWYR (Parhad)

Y Fflwyddyn yn Diveddu 31 Mawrth 2007

7. Datganiad ar Reolaeth Fewnol

(Parhad)

Adolygiad o Effeithiolrwydd

Mae HCC wedi cynnal ei adolygiad ei hun o

effeithiolrwydd y system reolaeth fewnol. Bu'r

adolygiad yn ystyried sylwadau'r archwilywyr allanol,

yn dilyn adolygiad o'r system, a gorchuwylwyd hyn

gan y pwyllgor archwilio. Hysbyswyd y Bwrdd

Cyfarwyddwyr am oblygiadau canlyniad yr adolygiad

hwnn o effeithiolrwydd y system reolaeth fewnol.

Mae systemau'r cwmni'n cael eu hadolygu drwy'r amser.

Y Bwrdd Cyfarwyddwyr

Mae gan y Bwrdd Cyfarwyddwyr nifer o swyddogaethau

allweddol o ran rheoli risg; gan gynnwys gosod y cywair

a dylanwadu ar y diwylliant rheoli risg oddi mewn i HCC

a phennu lefel y risg sy'n dderbyniol mewn meysydd

gweithgareddau penodol. Bydd yn gwneud hyn trwy

gyfrwng ei bolisi ac ymagwedd gyffredinol.

Pwyllgor Archwilio HCC

Mae cylich gwaith y Pwyllgor Archwilio yn cynnwys

ystyried gweithgaredd arfaethedig a chanlyniadau'r

archwilio mewnol ac allanol. Wrth adolygu

Pwyllgor Archwilio wedi ymgymryd â'r gweithgareddau

allweddol a ganlyni:

• Rheolaeth Fewnol

Cafwyd dealltwriaeth yn ymwneud ag a gafodd

argymhellion gan archwilywyr mewnol ac allanol

ynghylch rheolaeth fewnol eu gweithredu gan y

rheolwyr.

• Adrodd Ariannol

Cafwyd dealltwriaeth o'r meysydd cyfredol a'r risg

ariannol fwyaf a sut mae'r rheolwyr yn eu rheoli'n

effeithiol.

• Datganiadau Ariannol Blyneddol

Adolygwyd y datganiadau ariannol blyneddol a

phenderfynwyd a ydynt yn gyflawn ac yn gyson â'r

wyboddeith sy'n hysbys i aelodau'r pwyllgor, aseswyd

a w'r datganiadau ariannol yn adlewyrchu

egwyddortion cyfrifo priodol. Cafwyd cyfarfod â'r

rheolwyr ac archwilywyr allanol er mwyn adolygu'r

datganiadau ariannol a chanlyniadau'r archwiliaid.

• Archwiliad Mewnol

Gwnead adolygiadau penodol yn fewnol gan y cwmni.

Adolygwyd y rhain gan y pwyllgor archwilio.

• Archwiliad Allanol

Adolygwyd cwrpas a dulliau arfaethedig archwiliaid

yr archwilywyr allanol a sicrhawyd na chatodd unrhyw

amodau neu gyfyngiadau eu gosod ar gam ar y cwrpas.

8. Polisi Taliu

Polisi'r cwmni yw talu cyflenwyr heb fod yn hwyrach

na 30 niwrnod ar ôl derbyn yr antonob, oni bai bod

terfniadau talu eraill wedi'u cytuno â chyflenwyr. Y

gyrmardeb, wedi'i datgan mewn diwrnodau, rhwng dyddiad

antonobu'r swm i'r cwmni gan ei gyflenwyr yn ystod y

ffwyddyn a'r swm a oedd yn ddiwydedus i'w gredydwy'r

masnachol ar ddiwedd y ffwyddyn oedd 30 niwrnod.

9. Adroddiad Taliadau

Pwyllgor Taliadau

Mae Pwyllgor Taliadau'r Bwrdd Cyfarwyddwyr yn

argymhell y taliadau i'r Cadeirydd, cyfarwyddwyr a

phrif weithredwr. Aelodau'r pwyllgor yw:

K Roberts

J R Roberts

W J Goldsworthy

Datganiad ar y Polisi Taliadau

Mae holl gyfarwyddwyr y cwmni'n anweithredol ac,

am fod y cwmni'n gyfyngedig trwy warant, nid oes

ganddynt unrhyw gyfranddaliadau yn y cwmni.

Tal y Cadeirydd yw £25,000 y ffwyddyn drwy gydol ei

dymor yn y swydd. Tal y cyfarwyddwyr anweithredol yw

£250 y dydd am fynychu cyfarfoddydd y bwrdd a

digwyddiadau HCC.

Taliadau i'r Cyfarwyddwyr

Roedd y taliadau i'r cyfarwyddwyr a fu'n gwasanaethu

drwy gydol y ffwyddyn tan 31 Mawrth 2007 fel a ganlyn:

J R Roberts	25,000
A J Gardner	1,000
W J Goldsworthy	2,500
W P Hughes	3,625
K Roberts	0
W G Roberts	2,750
D K Thomas (1)	3,250
J H Breton (2)	2,750
A Horine	1,250
G Shortland	250
F	25,000

unrhyw dal.

Nid oes hawl gan gyfarwyddwyr sy'n eillyddion i dderbyn

Ni dderbyniodd yr un o'r cyfarwyddwyr unrhyw fuddion

cyfatebol ac nid oedd dynt yn gynnwys i fod yn aelodau o

gyllun pensiw'n y cwmni. Cafodd treuliau, yn seiliedig ar

y millitroedd a deithiwyd ar ran y cwmni, eu talu yn unol

â chyfraddau wedi'u cymeradwyo gan Gyllid y Wlad.

(1) cafodd y taliadau i Mr Thomas am ei wasanaeth eu

talau i Cynhyrchwyr Cig Oen ac Eidion Cymru

Cyfyngedig, sef cwmni y mae'n gyfarwyddwr ohono.

(2) cafodd y taliadau i Mr Breton am ei wasanaeth eu

talau i Jones Peckover, sef busnes y mae'n bartner ohono.

4. Aelodau

Ar 2 Ebrill 2007, daeth Llywodraeth Cynulliad Cymru yn unig aelod o'r cwmni.

5. Cytalat Cyfranddaliadau

Mae'r cwmni'n gyfyngedig trwy warant ac nid oes ganddo unrhyw gyfranddaliadau. Cyfyngir atebolrwydd yr aelod i £100.

6. Archwiliwyr

Penderfynodd y cyfarwyddwyr, ar ôl clywed am ddatryddiad partneriaeth Baker Tilly, y dylid penodi Baker Tilly UK Audit LLP yn archwiliwr i olynu'r partneriaeth o 1 Ebrill 2007, yn unol â darpariaethau Deddf Cwmnïau 1989, a26(5). Dywedodd Baker Tilly UK Audit LLP y byddai'n fodlon parhau yn y swydd.

7. Datganiad ar Reolaeth Fewnol

Cwmpas cyfrifoldeb

Cyllidir HCC gan incwm grant, gwerthiannau wedi eu hanfonneu ac ardoli, a gesgir yn statudol gan y Comisiwn Cig a Da Byw. O dan gyntundeb dirprwyo, mae'r Comisiwn Cig a Da Byw wedi dirprwyo ei swyddogaethau statudol mewn perthynas â Chymru i HCC. Cyfrifoldeb Bwrdd Cyfarwyddwyr HCC yw cynnal system gadarn o reolaeth fewnol sy'n cefnogi polisiâu, nodau ac amcanion HCC ac sy'n diogelw'r cyllid cyhoeddus ac asedau cyfundrefnol.

Pwrpas Y System o Reolaeth Fewnol

Bwrdd Y System o Reolaeth Fewnol yw rheoli risg i raddau rhesymol, yn hytrach na dilieu pob risg o fethu cyflawni polisiâu, nodau ac amcanion; felly, ni all ond darparu sicrwydd rhesymol ac nid sicrwydd llwyr o effeithiolrwydd.

Mae'r system reolaeth fewnol yn seiliedig ar broses barhaus sydd i fod i adnabod a blaenoriaethu'r risgiau i gyflawni polisiâu, nodau ac amcanion HCC, gwerthuso'r tebygolrwydd o'r risgiau hynny'n digwydd ac effaith hynny, a'u rheoli'n effeithlon, effeithiol a darbodus. Rhoddir arweinyddiaeth i'r broses o reoli risg trwy'r Bwrdd Cyfarwyddwyr, y pwylgior archwilio a'r tim gweithredol.

Mae'r cwmni'n dal i wneud cynydd o ran ei fframwaith rheoli risg a chaiff hyn ei adolygu drwy'r amser.

Y Fframwaith Risg

Mae polisi rheoli risg y cwmni yn elfen allweddol o'r reolaeth fewnol a fframwaith llywodraethu corfforaethol. Mae'n cynnwys ymagwedd HCC at reoli risg.

swyddogaethau a chyfrifoldebau, y broses rheoli risg a'i hadolygiad. Penir archwaeth risg HCC yn unol ag asesiad effaith y risg ar nodau, amcanion ac adnoddau ariannol y cwmni.

Corffestr Risg

Sefydlwyd corffestr risg sy'n nodi risgiau ac yn eu graddio yn ôl risg ac effaith. Caiff y gorffestr ei harchwilio'n rheolaidd gan y tim gweithredol a'i hadolygu gan y pwylgior archwilio.

Cynllun Dilyniant Busnes

Paratowyd cynllun drafft i ystyried sut y dylai HCC barhau i gynnal ei weithgareddau craidd pe bai trychineb yn digwydd. Cwblheir y gwaith yn ystod y flwyddyn sy'n dod.

Cynllun Corfforaethol

Mae HCC yn cyfrannu at Gynllun Corfforaethol MLC sy'n darparu amlinelliaid o'r ffactorau allweddol sy'n dylanwadu'r diwydiant ynghyd â chynlluniau manwl a gwyboddaeth ariannol gefndir.

Cynhyrchwyd Cynllun Corfforaethol ac adroddiad blynyddol a dogfen Gofyniad Cyfrifon ar y cyd â Ddra. Mae hwn yn nodi rhagofynion ffurf a chynnwys y Cynllun Corfforaethol a'r Adroddiad Blynyddol a Chyfrifon a'r graddfeydd amser a bennwyd gan Ddra ar gyfer eu cwblhau a'u cyflwyno.

Cynllun Busnes

Mae'r cwmni'n cyflwyno cynllun busnes blynyddol a chyllidebau i'w fwrdd. Cafodd y cynllun ar gyfer 2007/8 ei gymeradwyo yng nghyfarfod y cyfarwyddwyr ym mis Mawrth.

Adrodd Ariannol

Cyflwynir adroddiadau ariannol i'r Bwrdd bob mis, a rhoddir gwyboddaeth ychwanegol bob chwarter.

Adrodd Anariannol

Mae HCC wedi datblygu system fonitro a gwerthuso sy'n monitro canlyniadau ac allbwnau yn ôl targedau a nodwyd yn y cyfnod cynllunio busnes. Cynhelir adolygiadau rheolaidd gan bob adran a'r tim gweithredol i wneud yn siŵr fod canlyniadau'n cael eu cyflawni, bod adnoddau'n cael eu defnyddio'n briodol a bod HCC yn rhoi gwerth yr arian i'r rhai sy'n talu ardoll iddo.

DATGANIADAU ARIANNOL

Hybu Cig Cymru (HCC)

Cwmni Cyfyngedig gan Warant

ADRDDIAD Y CYFARWYDDWYR

Y Fwyddyn yn Diveddu 31 Mawrth 2007

Mae'r cyfarwyddwyr yn cyflwyno gyda hyn eu hadroddiad blynyddol, ynghyd â datganiadau ariannol archwilledig y cwmni, ar gyfer y fwyddyn yn diwedd 31 Mawrth 2007.

1. Canlyniadau

Y gwarged ar gyfer y fwyddyn oedd £11,423

2. Prif Weithgaredd

Prif weithgaredd y cwmni yn ystod y fwyddyn oedd datblygu a hyrwyddo cig coch Cymru. Mae adolygiad llawn o'r fwyddyn i'w gael yn Adroddiad y Cadeirydd ac yn Cynnal Tŵf ac Adolygu Ein Targedau.

3. Y Cyfarwyddwyr a'u Buddiannau

Drwy gydol y cyfnod, y cyfarwyddwyr oedd y rhai a ganlyn:

Enw	Ymdd. / Pen.	Swyddi Cyfarwyddwyr/Buddiannau Eraill
E Bailey	pen. 4 Ebrill 2007	Cyfarwyddwr Dyffryn Seaside Estates Cyfyngedig ac NFU Mutual Partner yn Jones Peckover, Breton Dalby ac Oswestry Cattle Auctions
J H Breton	ymdd. 14 Gorffennaf 2006	Cadeirydd Partneriaeth Bwyd-amaeth Llywodraeth Cynulliad Cymru, Grŵp Themateg Gwledig WFFO a Choleg Pen-y-bont ar Ogwr
A S Horine	pen. 14 Gorffennaf 2006	ymdd. 4 Ebrill 2007
W F Hughes		Comisiynydd, y Comisiwn Cig a Da Bwy
J R Roberts		(Cadeirydd)
K J Roberts		Cyfarwyddwr, y Comisiwn Cig a Da Bwy (tan fis Mawrth 2007);
W G Roberts	pen. 14 Gorffennaf 2006	Gwasanaethau Masnachol y Comisiwn Cig a Da Bwy Cyfyngedig Cyf, Assured British Meat ac Assured Food Standard; prif swyddog dros dro Bwrdd Ardoliau'r DG (secondiad o MLC) (o fis Mawrth 2007)
G Shortland	ymdd. 2 Mehefin 2006	Cyfarwyddwr Welsh Farm Suppliers Cyfyngedig, Border Distribution Cyfyngedig, Border Distribution (2000) Cyfyngedig, Livestock Marketing Cyf, Cynhyrchwyr Cig Oen ac Eidion Cymru Cyf ac Ardystio Bwyd Gymreig o Ansawdd Cyf, Aelod o Fwrdd llywodraethwyr IGFR
D K Thomas		
R J Bansaack	ymdd. 4 Mai 2007	(yn lle K Roberts)
R M Howells		(yn lle D K Thomas)
A M Owen	ymdd. 31 Mai 2007	(yn lle W G Roberts)
J M Thomas		(yn lle E Bailey)

Eiyyddion

Incwm Ardoll

Daw'r rhan fwyaf o incwm HCC o ardoll MLC sy'n cael ei chasglu o anifeiliaid sy'n cael eu lladd yng Nghymru. Am fod yr ardoll yn cael ei chasglu'n statudol, mae'n ofynnol i HCC i baratoi'r datganiadau ariannol yn unol a Llawlyf Adroddiad Ariannol y Llywodraeth. Caiff y datganiadau ariannol hyn eu hadolygu gan y Swyddfa Archwilio Genedlaethol mewn trafodaethau ag archwiliwyr annibynnol HCC.

Incwm Ardoll (£000)	Cyffredinol Hrywddo		Cyffredinol Hrywddo		Cyffredinol Hrywddo	
	2006-7	2005-6	2004-5	2003-4	2006-7	2003-4
Gwartheg	289	320	286	321	293	328
Defaid	1,427	1,588	1,472	1,469	1,370	1,410
Moch	11	10	8	13	8	12
1,727	1,812	1,918	1,766	1,803	1,671	1,750

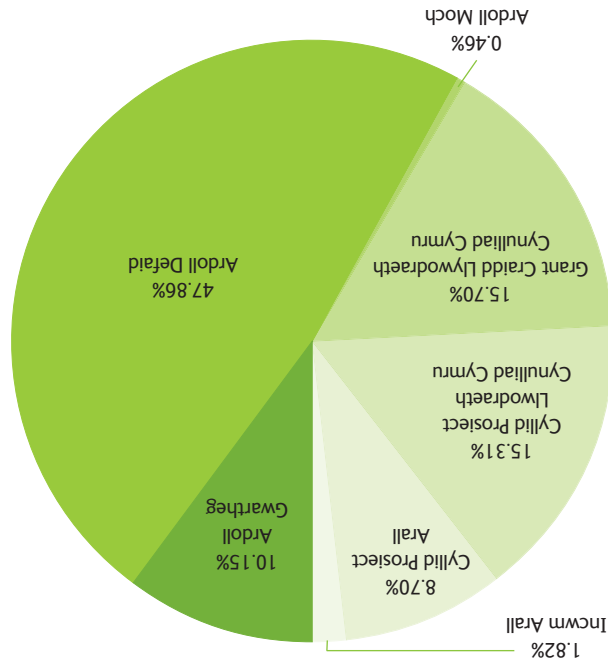
Crynodeb Ariannol

Incwm	2006-7	2005-6	2004-5	2003-4
Ardoll	3,539	3,973	3,569	3,421
Grantiau	2,403	1,462	1,658	1,451
Gwasanaethau	45	23	36	11
Llog	65	42	42	25
6,052	5,500	5,305	4,908	
Gwariant				
Marchnata a Hrywddo	3,015	2,738	2,273	1,933
Dablygu'r Diwydiant	1,945	1,379	1,321	1,167
Cyfarrebu	440	602	532	487
Cyllid a Gweinyddu	628	716	533	483
6,028	5,435	4,659	4,070	

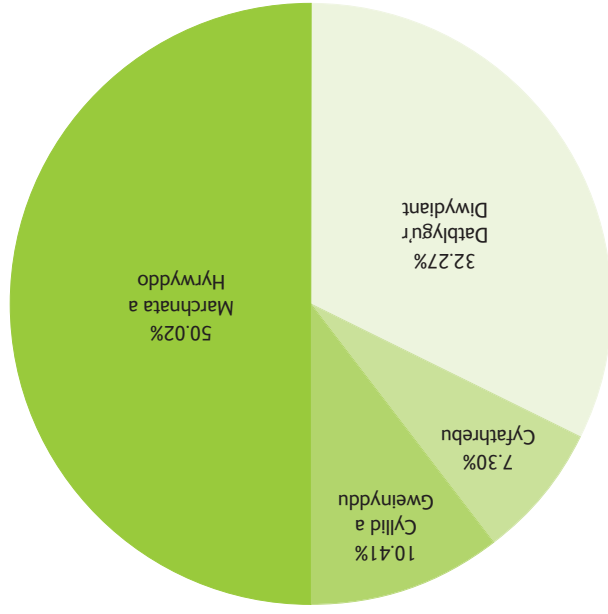
Ar ddiwedd y flwyddyn, roedd y gwarged cronodig yn £969k, mae'r Bwrdd wedi adolygu'r gronfa wrth gefn ac mae o'r farn y byddai'n ddoeth hwn i ddelio ag argyfwng annisgwyl neu amrywiad yn nifer yr anifeiliaid sy'n cael eu lladd. Bydd y gronfa wrth gefn yn sicrhau y gall y cwmni ddal i weithredu am o leiaf 6 mis heb dderbyn unrhyw incwm, a hynny wrth ymgymryd a chyfran sylweddol o'i weithgareddau.

CRYNODEB ARIANNOL

INCWM



GWARIANT



PERFFORMIO YN ÔL TARGEDAU

Perfformiad

Targedau

Strategaethau

Hyrwddo cynhyrchion Cig Oen Cymru yn effeithiol er mwyn cynnal gwerth a chyfaint mewn marchnadoedd targed ac is-sectorau

1. Marchnad y DG: Hysbysbeion i'r defnyddwyr/ymgyrchwedd masnach/ymgyrchwedd o fusnes i fusnes
2. Allfforio: datblygu rhagleni i'r fasnach/defnyddwyr ar gyfer Cig Oen Cymru PGI

Hyrwddo cynhyrchion cig eidion Cymru yn effeithiol er mwyn cynnal gwerth a chyfaint mewn marchnadoedd targed ac is-sectorau

1. Marchnad y DG: Hysbysbeion i'r defnyddwyr/ymgyrchwedd masnach/5% o astudiaeth Defnydd ac Agwedd wedi'i chomisiynu gan HCC
2. Allfforio: datblygu rhagleni i'r fasnach/defnyddwyr ar gyfer Cig Eidion Cymru PGI

Gwella ansawdd a chost-effeithiolrwydd cynhyrchion cig coch Cymru

1. Datblygu rhaglen Ymchwil a Ymgymryd a deg prosiect dros y bum mlynedd nesaf
2. Seffidli mecanwaith trosglwyddo technoleg i drafod datblygiedau newydd
3. Datblygu rhaglen i wella geneleg ac iechyd i'r sectorau defaid a chig eidion
4. Datblygu fframwaith i gasglu gwypodaeth ar gyfer cymharhaeth rhwng fferm a fferm
5. Gwarcheidiad PGI ar gyfer Cig Oen Cymru a Chig Eidion Cymru

Cyfnethu'r gadwyn gyflenwi ar gyfer cig coch

1. Cyflwyno cynlluniau hyfforddi i ffermwyr er mwyn deall gofynion prosiectau
2. Hwyluso prosiectau i wella effeithlonrwydd yn y gadwyn gyflenwi

Bod yn effeithiol wrth gyfathrebu gweithgareddau HCC a materion y diwydiant

1. Cael sylw yn yr holl gyhoeddiadau a chyfrngau perthnasol
2. Cyhoeddiadau a deunydd adnoddau
3. Gyfathrebu wneub yn wneub
4. Materion y diwydiant yn effeithio ar gyflenwad a gair

Cyflawni dros 75% o'r hyn a fwrddwyd
Cyflawni dros 80%
Cyflawniwyd. Cyflawniwyd.
Cyflawniwyd. Dros 70% yn ymwybodol o weithgareddau HCC
Cyflawniwyd. Cyflawniwyd
Cyflawniwyd. Cafwyd llwyddiant o adroddiadau misol i'r bwrdd



hanfodol yn diffinio ein daeryddiaeth, ein diwylliant a'n seyllfa genedlaethol mewn cyd-destun Ewropeaidd.

Yn ogystal, cynhyrchodd HCC gyfres o dafenni A4 i

gynhyrchwyr sy'n rhoi esboniad cryno ynghlŷn â mesurau

atalïol, symptomau a thriaiathau ar gyfer clefydau

tymhorol, ynghyd â start wal llwgar a deniadol sy'n

dangos lleoliadau marchnadoedd da byw, lladd-dai,

canofannau prosesu cig a masnachwyr cig yng

Nghyrru.

Bu HCC yn cefnogi dathliadau canmlwyddiant Clybiau'r

Ffermwyr Itainc a noddodd gystadieuath Ty Cymr'r

Flyyddyn yng Nghyrru.

Mae gwefan HCC www.hybuicigymru.org a Bwletin y

Farchnad misol yn cynnig y newyddion diweddaraf y

diwydiant i ffermwyr ynghyd â'r prisiau cyfartalog ar

gyfer da byw.

ysgolion uwchradd ledled Cymru i roi gwybod am fwyta'n iach a materion yn ymwneud â diet a maeth.

Mewn derbyniad yn Senedd i Aelodau Cynulliad

Genedlaethol Cymru, dadlennwyd cynllun wyth-pwynt i

alluogi ysgolion ledled Cymru i wella gwyboddaeth plant

am ddiēt, maeth a pharatoi bywyd.

Mae glasbrint HCC yn cynnig amrediad o fesurau, gan

gynnwys addysg fwyd orfodol i blant 1-14 oed, ac

mae'n galw am newid y cwticwlwm er mwyn creu

sesynau ymarferol dwbl o 100 - 120 munud er mwyn

rhoi mwy o brofiad ymarferol i blant.

Yn ystod y deuddeng mis diwethaf, mae HCC wedi

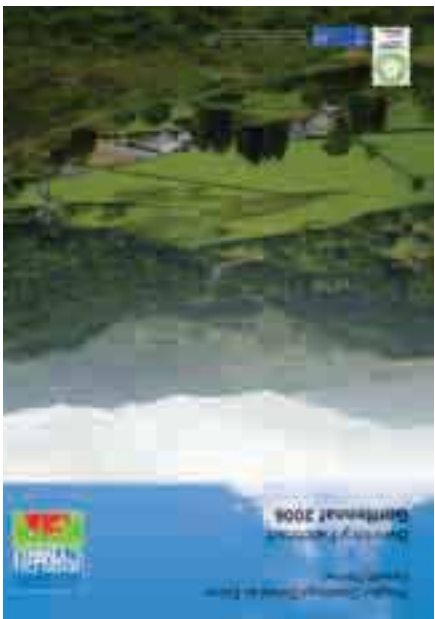
cynhyrchu amryw o gyhoeddadau technegol defnyddiol

gyda'r nod o helpu cynhyrchwyr i fod yn broffidiol.

Mae'r rhain yn cynnwys Llyfr Bach o Ffeithiau am Gig,

2006, sy'n ystyried yn fanwl y rhan bwysig y mae'r

diwydiant yn ei chwarae yn economi Cymru a'i ran



5. Trosglwyddo Gwybodaeth am Weithgareddau a Materion Perthnasol



Yn ystod y Sioe ym mis Gorffennaf, lanswyd CD Rom amlswyddogaethol ac amlieithog (Cymraeg, Saesneg, Ffrangeg, Sbaeneg, Eidaleg ac Arabeg) sy'n cynnwys deunydd i'w lawrwytho a ffeithiau ac ystadegau ynglŷn â chynhyrchu Cig Eidion Cymru a Chig Oen Cymru, Gwarant Fferm, statws PGI a dosbarthu carcasau cig eidion a defaid.

Hefyd, cynhyrchwyd gêm gyfrifiadurol ryngweithiol newydd gan HCC er mwyn gwneud plant yn fwy ymwybodol o bwysigrwydd diet iach.

Yn ystod y flwyddyn, bu sioeau teithiol timau Technol a Maeth HCC yn ymweld â dros 3,000 o ddisgyblion mewn

Cafwyd cynulleidfra dda eto ar gyfer trydedd gynhadledd yr hydref HCC yng Nghosty'r Metropole, Llandrindod, ym mis Tachwedd 2006.

Cadeiriwyd y gynhadledd gan Gadeirydd HCC, Rees

Roberts, a'r prif siaradwr oedd Carwyn Jones AC, y

Gweinidog dros yr Amgylchedd, Cynllunio a Chefn

Gwiad. Roedd y siaradwyr eraill yn cynnwys y ffermwr

cig eidion arloesol, Simon Frost, a chynrychiolydd Welsh

Country Foods, Trevor Hanger.

Bydd HCC yn cynnal pedwaredd gynhadledd yr hydref i

fudd-ddeiliaid ar 15 Tachwedd 2007.

Bu ysgolion ac ysbysai o Borthmadog i Benfro ac o'r

Wyddgrug i Drefynwy yn cymryd rhan yn Diwrnod Cig

diwrnod oedd tynnu sylw at ddefnydd y sector

cyhoeddus o Gig Eidion Cymru. Cydlynwyd yr ymgyrch

gan Hybu Cig Cymru a chatwyd cefnogaeth gref gan y

Gweinidog Carwyn Jones, yr undebau amaethyddol,

proseswyr a chiggyddion yng Nghymru.

Atgyfnerthodd HCC ei swyddogaeth fel "Ty

Gwybodaeth" y diwydiant cig coch yng Nghymru, gan

hwylusor polisi i ddydd drwy bwylt mynediad

senegol a bu'n gweithio'n agos, ac yn llwyddiannus, mewn

partneriaeth ag Adran yr Amgylchedd, Cynllunio

a Chefn Gwiad Llywodraeth Cynulliad Cymru, sef Adran

a ail-ffurfiwyd ar ôl cyfuno Awdurdod Datblygu Cymru

â hi.

Rhododd Sioe Frenhinol Cymru a'r Ffair Aeat gyfie

unwaith eto i HCC gysylltu â'r miloedd o fudd-ddeiliaid

sy'n ymweld â'r dda ddigwyddiad a rhoi gwylbod iddynt

am y gwaith a gwblhawyd ar eu rhan.





YN YSTOD Y FLWYDDYN, BU SIOEAU
TEITHIOL TIMAU IECHYD A MAETH HCC YN
YMWELD Â DROS 3,000 O DDISGYBLION
MEWN YSGOLION UWCHRADD LEDLED
CYMRU I ROI GWYBOD AM FWYTA'N IACH A
MATERION YN YMWNEUD Â DIET A MAETH.



- Bu HCC yn cynorthwyo ffermwyr i weld pa mor gystadleuol ydynt, trwy feincnodi, sef asesiad gwella busnes y fenter. Helyd, anogir ffermwyr yng Nghymru i edrych yn ofalus ar eu costau o ddydd i ddydd. Bob blwyddyn bydd HCC yn cymryd cipfun o gostau cynhyrchu ar ffermydd cig oen a chig eidion ledled Cymru, a chaffi canlyniadau'r arolwg eu lledaenu'n eang. Nododd HCC helydd ar gwrs 12-mis ar gyfer gradd Meistr mewn Gwyddor a Thechnoleg Cig ym Mhrifysgol Bryste, ac mae HCC helyd yn cefnogi 12 o ysgoloriaethau ymchwil (PhD ac MSc).
- Mae prosiectau Ymchwil a Datblygu HCC ar hyn o bryd yn cynnwys:
 - Gwerthuso system awtomatidd ar gyfer dosbarthu carcasau a rhagfnygri cymnyrch cig
 - Datblygu mynegri dewis ami-nodwedd ar gyfer gwella defaid hirwlanog;
 - Defnyddio marcwyr genynnau i wneud penderfyniadau mwy effeithiol a chynharach wrth ddevis defaid;
 - Datblygu gweithdrefnau i ddarganfod gwahaniaethau mewn ymwrthedd genedig i fraenedd y traed mewn defaid;
 - Darparu gwybodaeth am berfformiad atgenhedlu, twf a chydffurfriad carcasau mamogiald croesfrid ar diroedd uchel;
 - Fennu meincnodau perfformiad y ffwch ddifa Holstein fodern sy'n cael ei bwydo ar bortfwyd yn yr hydref/gaeaf;
 - Asesu effeithiau economaidd, lles ac amgylcheddol y genyn cyhyredd-dwbl mewn gwartheg;
 - Fennu'r berthynas rhwng protein cig a themlo'n llawn ar ol bwyta;
 - Fennu effaith bwyta cig coch yn rheolaidd ar statws haearn menywod;

- Effaith rhyw'r anifail ar ansawdd cig oen;
- Meincnodi'r berthynas rhwng pH a thymheredd mewn canolfannau cig eidion masnachol.
- Mae cyllid trwy'r Rhaglen Datblygu Defaid ac Eidion wedi galluogi ymgymryd â'r prosiectau a ganlyn:
 - Prosiectau Ffermydd Arddangos
 - Y Prosiect Croesfridiau - gwerthusiad o berfformiad mamogiald ac wryn croesfrid ar fynyddoedd Cymru
 - Cynllun Gweithredu Parasitoleg i Gymru
 - Meincnodi
 - Cynlluniau Iechyd Gwartheg
 - Cynfeinioedd bioamrywiol
 - Prosiectau Datblygu
 - Ffermydd Monitro Parasitoleg
 - Parasitiaid Mewnol mewn Cig Defaid yng Nghymru
 - Arolwg o Ectoparasitiaid Defaid
 - Dewisiadau Ymarferol yn lle Gwasarn Gwellt
 - Dewisiadau Rheoli Da Byw yng Nghymru yn y Gaeaf (IGER yn bartner arweiniol)



methodolegau newydd, a gafodd eu datblygu drwy gyfrwng prosiectau ymchwil a datblygu HCC a thrwy ymchwil prif ffrwd arall.

Golygodd hyn y gwnaed cynydd sylweddol yn ystod y cam hwn o'r Rhaglen Datblygu Defaid ac Eidion ar adeg pan fu incwm ffermydd dan bwysau sylweddol a phan fo ansicrwydd ynghŷn â'r newidiadau i strwythur cymorthdaliadau.

I rai, croesawyd yr egwyddorion o ddatblygu busnes, diogelu'r amgylchedd a chanolbwyntio ar y farchnad a chawsant eu gweithredu â llwyddiant amwng o ran gwell elw a chynnaladwydd.

Mae'r newid a chynydd parhaus o fewn y diwydiant yn goiygu ei bod yn hanfodol darparu'r wybodaeth ddiweddaraf, defnyddio dulliau newydd i gyfathrebu a chael canolbwynt yn unswydd ar gyfer trosglwyddo negesau allweddol. Rhaid gwneud hyn drwy'r amser er mwyn gwneud yn siŵr fod ffermyr yng Nghymru'n dal i gynhyrchu mwy ac yn diwallu gofynion y farchnad yn well.

Mae egwyddor HCC o gael cyfranogiad ehangach gan y diwydiant trwy gyfrwng dysgu mewn grwpiau megis grwpiau tafod Ffermydd Arddangos HCC wedi hen enill ei bwyf. Yn ystod y flwyddyn cafodd ei ddatblygu fwyfwy i drosglwyddo gwybodaeth gyfrdol mewn amryw o o gyfarfoddydd ar ffermydd - a bu hyn yn effeithiol o ran derbyn a throsglwyddo gwybodaeth.

Hefyd, yn ystod y flwyddyn, defnyddiodd HCC gymorth prosiectau i ddod â phartneriaid at ei gilidd ar draws diwydiant a chael yr enillion gorau posibl. Enghraifft lwyddiannus o weithredu drwy bartneriaeth oedd y Cynllun Gweithredu Parasitoleg i Gymru, pan fu grwp cynrychiadol yn ymateb i fygythiad cynyddol ymwrthedd gwrthlyngryol i gynhyrchu defaid yng Nghymru. Cynhyrchwyd strategaeth gyfathrebu eang gan gynnwys 24 o o erthygliau a datganiadau newyddion cyffredinol a delialog uniongyrchol â dros 1050 ffermyr.

Cafodd cam olaf Cyswilt Ffermio (Cam 2) a ddechreuodd ym mis Hydref 2003, ei gwblhau ym mis Mawrth 2007. Cynhaliwyd dros 600 o ddiwyddiadau ac ooddeutu 150 o gyfarfoddydd. Mynychwyd y rhain gan 13,000 o ffermyr. Fel rhan o'r rhaglen hon, cynhaliodd HCC 28 o Ddiwmodau Agored ar ffermydd er mwyn lledaenu gwybodaeth ymarferol oddi mewn i'r rhydwraith o 18 o Ffermydd Arddangos a'u Grwpiau Tafod cysylltoli. Mae dros 4,700 o ffermyr wedi mynychu'r gwahanol gyfarfoddydd a diwmodau agored a dywedodd tua hanner y rhai a fu'n bresennol eu bod yn bwriadu defnyddio dulliau newydd o o gynhyrchu ar eu ffermydd. Mae dros 1000 o ffermyr wedi manteisio ar gyfie i dderbyn hyfforddiant yn ystod y cyfnod; roedd yr 85 o gyrstau dewis carcassau ar gyfer y gadwyn gyflenwi gyfan yn boblogaidd. Bu staff HCC yn cydlynu'r cais i ddarparu cyngor technegol i dros 345 o ffermyr.

Paul Morris, Giffach, Arberth ac Emyr Wyn Owen, Bronferiaeth, Bae Colwyn, oedd dau enillydd ysgoloriaeth Cyswilt Ffermio HCC ar gyfer 2006.

Gan droi at rai o'r prif brosiectau, mae Prosiect Gwella *Ansawdd Cig Eidion Cymru* yn hyfforddi ffermyr mewn dulliau modern o reoli technyd a gwella brid ac yn helpu mentrau i gyflwyno geneteg uwchraddol i'w buchesi. Cafwyd all gyfnod gaef prosiect arloesol HCC, *Naddion Fren yn Wasarn*; y nod yw dangos ymarferoldeb a'r manteisio posibl o o ddefnyddio naddion pren yn lle gwellt yn wasarn dan do i watheg a defaid.

Bu Hybu Cig Cymru yn ariannu arborfion a wnaed gan naw ffermyr defaid o ardal Llangwryfton ger Aberystwyth a ddechreuodd fwydo'u hwy'n ar gynnyrch cwbl naturiol sy'n cynnig lfeleau uwch o asidau brasterog Omega 3, sy'n help i atal clefyd y galon.

Eto, bu HCC yn gweithio gyda'r sector lladd-dai yng Nghymru er mwyn rhoi gwell adborth i ffermyr ynghŷn â gwrthod carcassau ac offal, gan roi cyfle i ffermyr wneud penderfyniadau gwybodus er mwyn bod yn fwy effeithlon.



3. Gwella Ansawd a Chost Effeithlonrwydd Cynnyrch Sylfaenol a Cyfnewthu'r Gadwyn Gyflenwi Cig Coch

Ym mis Mawrth cyhoeddodd HCC ddadansoddiad strategol pwysig i ragfynegi a dadansoddi tueddiadau a symudiadau a ragweilir yn y diwydiant cig coch yng Nghymru ar gyfer y 13 blynedd nesaf.

Roedd "Y Setyllfa a'r Rhagolygon tan 2020 i'r Diwydiant Defaid a Chig Eidion yng Nghymru" yn ystyried yr angen am ymagwedd unedig a allai wneud defnydd effeithiol o'r wybodaeth dechnegol sy'n bodoli er mwyn manteisio ar gyfnewtiau cynhenid y diwydiant yng Nghymru, a mynd i'r afael ag unrhyw wendidau a'r heriau sy'n wynebu'r diwydiant.

Roedd yr adroddiad, a lanswyd gan y Gweinidog dros yr Amgylchedd, Cynllunio a Chefn Gwlad, Carwyn Jones, mewn derbyniad i Gynulliad Cenedlaethol Cymru gan HCC yn y Senedd yng Nghaerdydd, yn archwilio profi ddyliawadau'r diwydiant defaid a chig eidion yng Nghymru - rheolaeth, dylanwad cyfreidol y farchnad, y bridiau a ddefnyddir, yr hinsawdd, y math o fferm a'r dopographeg – ac awgrymmodd yr hyn a allai ddigwydd yn y dyfodol.

Ym marn yr adroddiad, ni fyddai'r ffactorau amgylcheddol yn newid yn gryflyn yn y tymor byr ond gall y ffactorau economaidd newid dros y tymor canolig. Awgrymwyd taw'r ffordd fwyaf effeithiol i gynhyrchwyr wella'r diwydiant yw gwella perfformiad technegol defaid a gwartheg Cymru, a bod modd gwneud hyn yn y tymor byr a'r tymor canolig.

Yn 2006/07, bu HCC yn hwyluso cydlyniant canolog Rhagen Ddatblygu Defaid ac Eidion Cyswilt Ffermio ar draws Cymru, er mwyn gallu bod yn gost effeithiol wrth gyflwyno amrediad llawn o weithgareddau cymorth a throsglwyddo technoleg i ffermwyr cig eidion a chael gan gymnig y manteision gorau posibl a chael cynhyrchedd sylweddol.

Yn ogystal, bu'n gyfte i gyfuno'r egwyddortion hyn pryd bynag y bu modd a'u hyrwyddo'n gyffanol yn y sectorau cig eidion a defaid. Hefyd, mae'r prosiectau a'r gweithgareddau a wnaed wedi hybu technolegau a modd i farchnata eu cynhyrchion. Fodd bynnag, mae Cymru'r adnoddau i gynhyrchu cig oen a chig eidion, a'r Dywedodd yr adroddiad hefyd fod gan gynhyrchwyr

Mae'r cynnyrch y pen, sef yr wyn/llol sy'n cael eu magu a phwysau'r cig oen/cig eidion a gynhyrchir, yn hollbwsig o ran dangos profffidoleb mentrau. Wrth gyfuno'r eneteg, maeth a rheolaeth gywir, mae modd cael y cynnyrch gorau dan yr amgylchiadau a rheolir costau yn ogystal.

Yn ystod y flwyddyn, llwyddodd HCC i gyrraedd yr holl dargedau cynnyrch ar gyfer ei weithgaredd craidd.

Mae rhwydwaith fewnol HCC ar gyfer rheoli a gweinyddu wedi darparu tîm ymroddedig o staff profidol i gynnal tri philer allweddol Cyswilt Ffermio, sef hyrwyddo datblygu busnes ac ymwybyddiaeth ohono; diogelu a gwella'r amgylchedd; a rhoi mwy o sylw i'r farchnad a chodi ymwybyddiaeth ohoni.

Ar flaen llawer o'r gwaith a wnaed yn ystod y deuddeg mis hyn, roedd y rhyngebwrthynas sy'n cyd-daro'n gynyddol rhwng y diwydiant da byw a gofalu am faterion yn ymwneud â'r amgylchedd yng Nghymru.



RHAID GWELLA PERFFORMIAD I WNEUD
YN SIŴR FOD CYNHYRCHEDD YN CAEL
EI GYNNAL A BOD PROFFIDIOLDEB YN
CAEL EI GYFLAWNI



Yn flaenorol, roedd HCC wedi penodi arolygaeath annibynnol i ddilysu sicrwydd a diogelu cywirdeb statws PGI Cig Oen Cymru a Chig Eidion Cymru.

Mae'r statws PGI gwerthfawr sydd gan frandiau Cig Oen Cymru a Chig Eidion Cymru yn dal i fod yn effen bwysig o weithgaredd HCC i wahaniaethu ei gynhyrchion cig coch yn amlwg oddi wrth gynhyrchion ei gystadleuwyr. Mae PGI yn chwarae rhan flaenllaw yn yr ymdrechion i wella'r cyfleoedd i werthu yn y Dg ac Ewrop, mae'n ganolbwynt i gynlluniau HCC ar gyfer prosiect newydd yn ymwneud â'r gwasanaeth bwyd ac mae'n ganolog i wath hysbysbu ac allforio HCC.

2. Adeiladu Cynhyrchion sy'n Amlwg yn Wahanol

Mae datblygu cynhyrchion yn rhan bwysig arall o wahaniaethu ac ar y stondin yn Sioe Frenhinol Cymru coronwyd nifer o gigyddion o Gymru yn Bencaampwr Cymru-gyfan yn rownd derfynol Gwobrau Gwerthuso Cynhyrchion HCC 2006. Yn gynharach yn y flwyddyn, cyflwynwyd 342 o gynhyrchion - mwy nag erioed o'r blaen - gan gigyddion annibynnol yn rownd ragbrofol de Cymru yn y gystadleuaeth flynyddol.





Bu'r ddau ben-cogydd yn cynorthwyo mewn digwyddiadau hyrwyddol a chyfrngol yn eu tai bwta eu hunain, a daeth Carlo i Sioe Ffrenhinol Cymru. Parhaodd HCC i roi cymorth mawr i gigyddion anniynnol ledled Cymru. Cafwyd cyfres lwyddiannus o lyfrnau rysetiau pwynt-talu yn y gwanwyn, ymgyrch prdau i gadw'n gynnes yn yr hydref a'r gaeaf, thema Nadoligaidd a hyrwyddiad "Yn Arbenig i Chri" ar gyfer Dydd Gŵyl Dewi.

Cafwyd ymgyrch cynhwysfawr dros gyfnod o chwe wythnos yng nghychronau llw'r papurau newydd *The Times*, *Sunday Times*, *Observer*, *Mail On Sunday* ac *Independent on Sunday* – yn ogystal ag mewn cyhoeddiadau blaenllaw eraill ar gyfer defnyddwyr a masnach.

Dilynwyd hyn gan ail ymgyrch yn y cyfnod cyn Dydd Gŵyl Dewi ac roedd hysbysion Cig Eidion Cymru i'w gweld hefyd yn ystod y gem rygbi rhwng Cymru a Lloegr yn Stadïwm y Mileniwm, Caerdydd.

Cafodd yr hysbysion teledu poblogaidd ar gyfer Cig Oen Cymru a Chig Eidion Cymru eu dangos yn ystod tair sesiwn o fis yr un - yn yr hydref (cig oen) ac yn y cyfnod cyn y Nadolig a Dydd Gŵyl Dewi (cig eidion). Am y tro cyntaf bu HCC yn hysbysbu'r ddau frand cig coch ar y teledu yn Ffrainc. Darlledwyd y gyfres o hysbysion 15-egoriaid boblogaidd Bon Appetit Bien Sur ar FR3 IdF: Regional, gorsaf sy'n targedu marchnad y defnyddwyr ym Mharis.



1. Hyrwyddo Cig Oen Cymru a Chig Eidion Cymru a Chynhyrchion Cig Coch yng Nghymru, y Dg ac Ewrop

Daeth y gwaharddiad ar gig eidion o anffiliaid dros 30 mis oed i ben ym mis Mai – ac o fewn 24 awr i'r cyhoeddiad, roedd HCC ac allforwyr yn sioe fasnachol bwysig Cibws yn yr Eidal i ail-lansio Cig Eidion Cymru ar y farchnad ac i fantaisio ar y ffaith fod HCC yn noddi tim rygbi cenedlaethol yr Eidal.

Yn ystod dyddiau olaf y gwaharddiad, bu HCC yn gweithio'n galed i gynnal cysylltiadau da â'r marchnadoedd Ewropeaidd gyda chymorth perfformiad da gan Gig Oen Cymru pan welwyd cynydd o ymron i 60 y cant yn y gwerthiant mewn rha! gwledydd UE.

Roedd Cibws yn un o bllith nifer o arddangosfeydd a digwyddiadau pwysig o amgylch Ewrop a fynychwyd gan HCC ar ran y diwydiant - yn aml gyda chynrychiolwyr o'r diwydiant - er mwyn hybu gwerthiant Cig Oen Cymru a Chig Eidion Cymru yn ystod y flwyddyn.

Cyhoeddodd y Gweinidog dros yr Amgylchedd, Cynllunio a Cherf Gwlad, Carwyn Jones, agoriad marchnad yr Emirataethau Arabaidd Unedig i Gig Oen Cymru ar ôl iddo arwain ymgyrch farchnata gan Dim Cymru Llywodraeth Cynulliad Cymru /HCC a helpu i berswadio swyddogion fod yna fantaisio o brynu Cig Oen Cymru. Yn ddiweddarach yn y flwyddyn bu HCC yn Fair Fwyd y Gwlff yn Dubai.

Er mwyn codi proffil y ddafrand yn Ewrop, cafodd HCC gymorth dau ben-cogydd a dwy seren Michelin, sef Alain Ducourner, o dy bwyta Carré des Feuillants ym Mharis a Carlo Cracco, o dy bwyta Cracco-Pek ym Milan.

ER GWYBODAETH I BAWB – GWEITHGAREDDAU A CHYFLAWNIADAU 2006-7





BU HCC YN GWEITHIO'N GALED I GYNNAL
CYSYLLTIADAU DA Â'R MARCHNADOEDD
EWROPEAIDD GYDA CHYMORTH PERFFORMIAD
DA GAN GIG OEN CYMRU PAN WELWYD
CYNNYDD O YMRON I 60 Y CANT YN Y
GWERTHIANANT MEWN RHAI GWLEDYDD UE



TUAG AT DDIWYDIANT MWY CYSTADLEUOL: BLWYDDYN O GYFNERTHU AC ADEILADU Gwyn Howells, Prif Weithredwr HCC

Rodd y flwyddyn sy'n cael sylw gan yr adroddiad hwn, sef 2006-7, yn gyfnod pan fuwyd yn cyfnerthu cyn symud ymlaen.

Rodd hi'n bwysig i HCC wneud y gorau o gynydd y deuddeng mis blaenorol ac, yn anad dim, i ehangu yn y meysydd hynny a fyddai fyaf manteisiol i'r diwydiant yng Nghymru.

Mae'n dda gennyf ddwed fod ein Bwrdd Cyfarwyddwyr, ein partneriaid, budd-ddeliliaid a staff, yn ystod y flwyddyn ddiwethaf, wedi cyfuno'n ddoeth ac yn effeithiol i wneud yn siwr fod Hybu Cig Cymru wedi cytraedd a gwneud yn well na'r amrediad eang o dargedau cyflawni a bennwyd ddechrau'r flwyddyn.

Yn benodol, mae staff HCC wedi gweithio'n ddiffino i weithredu ein strategaeth a rhaglen o weithgareddau

hirdymor, ac rwy'n diolch iddynt am eu cefnogaeth a'u hymdrechion.

Mae'n dda gennyf allu manylu yma ynghylch a blwyddyn brysur o weithgaredd hyrwyddo, marchnata a datblygu'r diwydiant. Mae'r gwaith hwn, a wnaed ar eich rhan yn ystod y deuddeng mis diwethaf, yn cael ei restru ar y tudalennau a ganlyn.

Hefyd, hoffwn ddiolch i'r rhai a fu'n helpu Hybu Cig Cymru (HCC) i gynnal ei dwf yn ystod y deuddeng mis diwethaf - y partneriaid cyllido a phrosiectau a ddaeth at ei gilydd i alluogi perfformiad mor effeithiol gan y casglad hwn o gynlluniau cymorth Cymru-gyfan, cynlluniau i gynig manteision sylweddol i'r budd-ddeliliaid yn y gadwyn gyflenwi.





MAE HCC YN DARPARU RHAGLEN DREIGL
O WAITH I FARCHNATA, HYRWYDDO A
DATBLYGU'R DIWYDIANT ER MWYN
HELPU'R DIWYDIANT YNG NGHYMRU
I FOD YN GRFYFACH A MWY CYSTADLEUOL



fres o ansawdd da. Ochr yn ochr â rhaglen o ymdrechion parhaus i gymell mwy o ddefnydd o gynhyrchion cig coch o Gymru yn y sector cyhoeddus, gwnaeth HCC un ymriad profïl uchel i godi ymwybyddiaeth o Gig Eidion Gymru yn sylweddol ymhith y cyhoedd, sef cynnal Diwrnod Cig Eidion Cenedlaethol ledled Gymru ar 4 Hydref 2006.

Mae HCC yn dymuno gwneud mwy i gymell ein diwydiant gwasanaeth bwyd i ddefnyddio ein cig lleol o ansawdd da. Rydym wrthi ar hyn o bryd yn dod â phrosiect gwasanaeth bwyd Gymru gyfan at ei gilysedd er mwyn ysgogi a helpu i feithrin cysylltiadau â busnesau twristiaeth a manau gwerthu bwyd ledled Gymru.

Hoffwn ddolich i aelodau Bwrdd a staff Hybu Cig Gymru am eu cyfraniad gwerthfawr at y sefydliad dros y deuddeg mis diwethaf.

Dioich o galon hefyd i'n partneriaid - Undeb Amaethwyr Gymru, y Comisiwn Cig a Da Byw, NFU Gymru, Llywodraeth Cynulliad Gymru, Cynhyrchwyr Cig Oen ac Eidion Gymru, Cymdeithas Arwerthwyr Da Byw Gymru a Chymdeithas Cyflenwyr Cig Oen a Chig Eidion Gymru.





ngweth y cig oen a brynwyd yng Nghymru yn ystod y ddwy flynedd ddiwethaf, pan gafwyd cynnydd o dri y cant yn unig ledled Prydain.

Gwariwyd dros saith y cant yn fwy ar gig eidion yng Nghymru mewn cymharfaeth â chynnydd o ddim ond dau y cant ledled Prydain – a hynny er bod y cynnydd cyfartalog yn y pris yng Nghymru oddeutu ddwywaith yn fwy nag ym Mhrydain gyfan.

Mae'r gwerthiannau cartref hyn yn adlewyrchid cywir ymrwn o'r cyfnod pan oedd gweithgareddau eang gan HCC i hysbysu, marchnata a hyrwyddo brandiau Cig Oen Cymru a Chig Eidion Cymru yn cael yr effaith fwyaf. Roedd y gwerthiannau dramor hefyd yn dda iawn. Ar y cyd â Llywodraeth Cynulliad Cymru, datblygodd HCC farchnadoedd allforio newydd. Cyhoeddodd y Gweinidog dros yr Amgylchedd, Cynllunio a Chetn Gwlad, Carwyn Jones, agoriad marchnad yr Emirataethu Arabaidd Unedig i Gig Oen Cymru ar ôl iddo arwain ymgyrch farchnata gan Dim Cymru Llywodraeth Cynulliad Cymru/HCC a helpu i berswadio swyddogion fod yna fanteision o brynu Cig Oen Cymru.

Cyhoeddodd HCC yn ystod y flwyddyn fod allforion Cig Oen Cymru wedi cynyddu'n sylweddol ym marchnadoedd sefydledig yr Eidal, Ffrainc, Gwlad Belg a gwledydd allweddol eraill yn Ewrop. Rhwng mis Mehefin a mis Awst gafwyd cynnydd o 1,300 tunnell fetrig i ymrwn i 1,900 tunnell fetrig yn allforion cig defaid o Gymru i'r Byd – sy'n golygu cynnydd gweith ymrwn i fillwn o bunnau yn ystod y cyfnod byr hwn.

Mae'n amlwg fod y cynnydd hwn yn berthynol i'r ffraith fod y diwydiant yng Nghymru erbyn hyn, trwy ddylanwad cydlynol HCC, yn dylanwadu ar farchnadoedd pwysig, a oedd y tu hwnt i'n cyrraedd rai blynyddoedd yn ôl.

Ers ei sefydlu mae HCC wedi arwain y ffordd wrth alw ar sefydliadau yn y sector cyhoeddus i ddefnyddio cig lleol

Oen Cymru o ansawdd ar werth yn ystod hanner cyntaf y flwyddyn ac mae angen i'r diwydiant annog mán-werthwyr i beidio â chefnu ar gig oen cartref er mwyn prynu mewnforion rhatach.

Roedd ymateb y defnyddwyr i'n cynhyrchion brand Cig Oen Cymru a Chig Eidion Cymru yn ystod 2006-7 yn bositif iawn. Ym mis Tachwedd, cyhoeddodd ein sefydliad ymchwil marchnata annibynnol ystadegau da iawn ynghyd â'r defnydd o gig coch Cymru yng Nghymru ei hun. Cafwyd cynnydd sylweddol o 17 y cant yng ngwerthiant cig oen yn ystod y cyfnod perthnasol o ddim deuddeng mis – mewn cymharfaeth â chynnydd o ddim ond un y cant ledled Prydain yn ystod yr un cyfnod. Cafwyd cynnydd anhygoel o ddegain y cant yng





Mewn sefyllfa o'r fath mae gwaith technegol, trosglwyddo technoleg a gwella geneiteg gan HCC yn hanfodol er mwyn helpu'r diwydiant i symud ymlaen ar hyd y llwybr anodd tuag at elw – a pharhaodd y gwaith hwn yn 2006-7. Mae *Prosiect Gwella Ansawdd Cig Eiddon Cymru* sy'n werth £2.2m ac a gafodd gymorth gan Amcan 1 yr UE yn enghraifft o fentr arloesol a chwblgymerais yn cael ei harwain gan HCC.

Fodd bynnag, rhaid i ni helpu'r geisio gwneud yn siŵr fod y cynhyrchwyr sy'n ceisio gwneud elw yn cael chwarae teg i wneud hynny. Dyna pam y gofynnais ym mis Ionawr eleni am adolygiad diymdroi o bolisi prynu'r archfarchnadoedd er mwyn helpu i atal y dirwasgiad gaeafol ym mhirsiau wryn yng Nghymru, mewnforton diangen a difrod amgylcheddol. Credaf yn gryf fod man-
wertwyr yn rhy lym wrth fabysiadu polisi prynu tymhorol sy'n ffafrio mewnforton.

Er ei bod yn dda genyf sôn am lwyddiannau HCC o ran allfforo, brandio, hysbysu, sbarduno newid technolegol a helpu i wella'r defnydd o'n cynhyrchion yn y DG, mi wlad fod genym lawer o waith anodd i'w wneud o hyd i helpu ffermwyr i addasu i ofnyon neuwydd caeth y farchnad a'r newid i'r system gymorthdaliadau. Mae cynaliadwyedd hirdymor yn hollbwysig os ydym i barhau i fod yn gystadieuol, yn broffidiol – a thwy wneud hynny, fe fyddwn yn diogelu ein traddodiadau, ein hamgylchedd a'n ffordd o fyw yn y Gymru wledig. Wrth wraidd hyn mae'r cysyniad o gynhyrchu'r math o gig oen a chig eiddon y mae'r defnyddwyr yn dymuno ei gael – a hynny am bris cynaliadwy.

Gyda hyn mewn golwg, mae'n bwysig i ni barhau i atgoffa ein cwsmer senigl mwya, sef man-werthwyr cadwyn y DG, am eu cyfrifoldebau corfforaethol a chymdeithasol i'n helpu i gyrraedd y nodau hyn. Ebyn hyn mae dau o bob tri o'r wryn a werthir yn cael eu prynu gan yr archfarchnadoedd yn y DG; felly, catodd eu polisi ynglŷn â phrynu effaith ddifrifol ar brisiau wryn. Mae Cig

wedi'i ennill ledled Ewrop yn y cyfanser. Llywoddod yr ymdrechion i ddwyn ffrwyth yn ystod y flwyddyn, gyda Chig Eiddon Cymru yn adennill ei blwyf.

Yn strwythurol, golygodd diwygi'r PAC a newidiadau i'r system gymorthdaliadau fod y diwydiant, ar lefel ymarferol, yn symud i mewn i dirioogaeth anhysbys ond roedd ganddo nifer o gyflleoedd da o hyd a oedd yn destun calondid.

Ymdrechodd HCC i gael gwared ar rai o ffactorau anhysbys y dyfodol drwy gychwyn dadansoddiad strategol sylweddol i geisio adolygu'r tybiaethau strategol presennol a hefyd i fframio'r ffordd ymlaen i'r diwydiant dros y 13 blynedd nesaf. Cyhoeddwyd y gwaith cyflawn, "Y Sefyllfa a'r Rhagolygon tan 2020 i'r Diwydiant Defaid a Chig Eiddon yng Nghymru", ym mis Mawrth.

Roedd y casgliadau penawd yn awgrymu y gall ffactorau economaidd newid dros y tymor canolig, gan gysylltu pwasau ariannol a pholisiau amgylcheddol i'r posibilrwydd o oslyngiad yn nifer y defaid a'r gwartheg. Roedd angen gwell perfformiad i wneud yn siŵr fod y lfeiliau cynhyrchedd yn cael eu cynnal a bod elw'n cael ei wneud.

Mae un fantasia bwerau yn parhau gyda'r ffermwyr yng Nghymru, sef ansawdd y cynnyrch. Mae gwerthoedd traddodiadol a thechnegau modern yn greigwely i'n cynhyrchion uchel eu parch i ni addasu o hyd i newid technolegol a manteision genetig os ydym i barhau i lwyddo yn ein hymdrech i fod yn broffidiol. Dangosodd ein harolwg diweddaraf o gostau cynhyrchu cig eiddon fod yna wahaniaeth mawr rhwng y ffermydd sydd ar y brig a'r rhai sydd ar y gwaelod. Mae'n hanfodol i'n holl ffermwyr newid eu hymagwedd at ffermio yn wneud natur y farchnad yn yr 21ain ganrif - neu fe fydd ein diwydiant yn dioddef caledi economaidd sylweddol ac effail newid strwythurol digreoso hyd yn oed ymheno ynglŷn â phrynu effaith ddifrifol ar brisiau wryn. Mae Cig



MAE GWERTHOEDD TRADDODIADOL A
THECHNEGAI MODERN YN GREIGWELY I'N
CYNHYRCHION UCHEL EU PARCH – OND RHAIID I NI
ADDASU O HYD I NEWID TECHNOLEGOL A
MANTEISION GENETIG OS YDYM I BARHAU I
LWYDDO YN EIN HYMDRECH I FOD YN BROFFIDIOL.



ADRODDIAD Y CADEIRYDD

Rees Roberts

Mae HCC mewn bodolaeth bellach ers pedair blynedd – ac yn dilyn deuddeng mis arall o weithgareddau cadarn i ddatblygu, marchnata a hyrwyddo ein diwydiant, mae budd-ddelliaid yng Nghymru wedi bod yn dyst i gynnydd positif yn y sector cig coch am y bedwaredd flyddlyn yn olynol.

Ym mis Mehefin, cyhoeddodd Carwyn Jones AC, y Gweinidog dros yr Amgylchedd, Cynllunio a Chefn Gwiad, y byddai HCC yn cael ei gadw fel awdurdod cig coch ar wahan yng Nghymru ar ôl ymgynghoriad yng Nghymru ynghyd â chanlyniadau Adolygiad Annibynnol o Gyrrff Ardol Amaethyddol a Garddwriaethol gan Rosemary Radcliffe ar ran Gweinidogion y Weinnyddiaeth Ddatganoledig yn y DG.

Roedd cefnogaeth a sel bendith y Gweinidog o berfformiad HCC hyd yma a'r ffaith fod y sefydliad yn chwarae rhan bwysig yn nyfodol y diwydiant yn hwb enfawr i'r cyfarwyddwyr a'r staff.

Fel canlyniad i'r Adolygiad o'r Byrddau Ardol, bydd HCC yn newid rhywfaint er mwyn cydymffurfio â'r ddeddfwriaeth newydd. Fodd bynnag, bydd HCC yn dal i allu gwella fwyfwy ei enw da am hollgyhwyssedd a bydd yn gallu denu mwy o gefnogaeth, ysgogiad, cymorth, cyngor a rhyngweithiad fel bod ffermwyr Cymru'n cael yr enillion gorau posibl o'r farchnad.

Yn ystod y deuddeng mis diwethaf, bu chwech cyrchnod strategol sefydledig yn sylfaen i wath HCC ar ran budd-ddelliaid yng Nghymru:

- ceisiodd HCC wahaniaethu ein cynhyrchion cig coch ar sail ansawdd, gan bwysleisio eu statws Dynodiad Daearyddol Gwarchoddedig (PGI) – dyfarniad unigryw'r Undeb Ewropeaidd i fwyd rhanbarthol arbennig o safon.
- bu strategaethau cyflawni HCC wrth wraidd ein hymdrechion marchnata a hyrwyddo yn y marchnadoedd manwerth gartref a thramor a'n gwath gyda'r sector gwasanaeth bwyd;

- bu HCC yn ymdrechu i gyfrnethu'r negesau brand canolog ar gyfer Cig Oen Cymru a Chig Eidion Cymru gan sicrhau ymwybyddiaeth barhaus ac ehangach o gig coch Cymru o fewn y marchnadoedd targed;
- mae HCC wedi hwylyso gwelliant technegol a rhagoriaeth fridio ledled Cymru drwy gyfarwyddo rhaglen ranbarthol ddylanwadol i ddatblygu'r diwydiant yn strategol. Mae hyn wedi cyfrannu at welliannau mewn iechyd amfellaidd, cyflwyno technoleg newydd a hybu cystadleugarwch.
- mae HCC wedi gweithio gyda phartneriaid allweddol er mwyn cryfhau'r gadwyn gyflenwi cig coch;
- mae HCC wedi dal i wella'r ffordd y mae'n cysylltu â'i fudd-ddelliaid ynghyd â'i weithgareddau.

Mae HCC, dan ddylanwad yr amcanion strategol hyn, yn darparu rhaglen dreigl o wath i farchnata, hyrwyddo a datblygu'r diwydiant er mwyn helpu'r diwydiant yng Nghymru i fod yn gryfach a mwy cystadluol.

Dechreuodd y flyddlyn â chynnod o beth ansicrwydd - ond o optimistaeth sylweddol yn ogystal. Daeth y gwaharddiant ar allforio cig eidion i ben ar ôl misoedd o ymdrechion gan y diwydiant ac ail-agorwyd y marchnadoedd Ewropeaidd i'n cynhyrchion Cig Eidion Cymru. Roedd yn rheswm ddiys dros ddatlu – ond hefyd yn amser i wath calad.

Roedd y gwaharddiant gwreiddiol ar allforion wedi rhoi trefn ar allforio dros 250,000 tunnell fetrig o gig eidion, gwerth £700 miliwn, o'r DG – a cholwyd cyfran sylweddol o'r farchnad i gystadluwyr. Ar unwaith, rhoddodd HCC ei strategaeth i ailddedchrau allforio ar wath - a hynny lai na 24 awr ar ôl codi'r gwaharddiant, yn Cibus, sioe fasnachol yn yr Eidal.

Rhoddodd hyn gychwyn i gyfnod o weithgareddau dwys mewn sioeau masnachol eraill. Bu modd i HCC, gyda chefnogaeth allforwyr, yrru ymlaen ag ymdrechion i werthu cig eidion ar sail yr enw da roedd Cig Oen Cymru

YNGLYN Â HYBU CIG CYMRU

Hybu Cig Cymru (HCC) yw'r unig gorff strategol ar gyfer hyrwyddo a datblygu diwydiant cig coch Cymru, a'i genhadaeth yw datblygu marchnadoedd proffidiol a chynaladwy er budd yr holl fudd-ddeliliaid yn y gadwyn gyflenwi yng Nghymru.

Mae HCC yn cynrychioli buddiannau cadwyn gyflenwi'r diwydiant drwy raglen o weithgareddau i ychwanegu gwerth at ein cynhyrchion o ansawdd rhagorol, rhoi gwybod amdanant a chodi ymwybyddiaeth ohonynt.



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