

James Calder Chief Executive Society of Independent Brewers Unit 4, the Old Laundry, Fishergreen Ripon HG4 1NL

Rt Hon Boris Johnson MP Prime Minister 10 Downing Street Westminster London SW1A 2AA

23 April 2020

Dear Prime Minister

The Covid-19 outbreak continues to put severe pressure on our small businesses and with their reliance on the now closed retailers, pubs and bars, the UK's small independent brewers have been amongst the hardest to be hit.

I want to thank you and the work of your Ministers. We have engaged on a daily basis with officials, Ministers and Secretaries of State and we are most impressed with the haste, determination and vigour at which they have dealt with this crisis. I also wish you a speedy recovery.

However, we are now at a critical cross-road for the brewing industry and our small breweries need your Government's immediate assistance to survive. When the pubs closed, breweries lost 80% of their sales overnight and while pubs have received much needed direct financial support from the Government, breweries as primary suppliers have not.

To allow breweries to access the financial support they needs we would urge you to urgently tweak the definition of retail, leisure and hospitality businesses to include breweries who are primary supply manufacturers. Many of them also have a taproom, bar or shop attached to the brewery and this change would enable them to access the business rate exemption and the cash grant. We are working with BEIS and Treasury officials on a blueprint of how this might be operationally achieved.

As you will know, cash flow is crucial to businesses and breweries operate on a just in time basis. Research within our membership shows 65% of breweries have stopped production completely and those that are still open are reliant on selling relatively small amounts of beer in cans and bottles. This is why last month, we urged the Treasury to postpone the beer duty payment that was due, which represented on average £5,000 for each small brewery. Unfortunately, the Chancellor chose not to assist brewers at that critical time. It would greatly help if the next payment due this week (25 April) and for the next quarter could be deferred.



Consideration is also needed on the future of our brewing sector. As we emerge from the lockdown, it would be irreconcilable to find that independent breweries, and the pubs they rely on, are no longer there to support our local communities. Before the Covid-19 outbreak, independent breweries faced restricted market access, tough trading conditions and the dominance of global beer brands in the UK. This crisis is already exacerbating these structural challenges. Small breweries lack the resources and capacity to quickly restart and serve their customers again. It is vital they have the support they need to start up, fully access the market and supply pubs, bars and shops with what people want — a tasty and local craft beer.

Without assistance during and after this crisis, many breweries will simply not reopen. Please consider what the Government can do to help our small independent breweries in this moment of crisis to survive.

Yours sincerely,

James Calder, Chief Executive