



About Deposit Return Schemes

Deposit Return Schemes (DRS) are being introduced across the UK with the aim to increase recycling by mandating a deposit on each drink container. However significant differences in the multiple schemes being introduced will create **barriers to trade, increase costs and reduce the choice and availability of independent beer.**

Scotland's DRS was to be launched in March 2024 (after several delays) but will now be delayed until October 2025. They want to include glass, plastic bottles as well as cans. England and NI are introducing a separate scheme without glass in October 2025 and the Welsh scheme will include glass.

These schemes will be managed by newly created Scheme Administrators (or Deposit Management Organisations) which will arrange for the collection of the empty containers from each pub, shop and retailer at significant cost to the small producers.

While recognising the importance of improving the environment and tackling waste, as currently proposed, DRS will have a disproportionate impact on small independent brewers. This sector is one of the most exposed to DRS, as they not only act as a small producer but also as hospitality, retail and online businesses. 68% of small brewers also have a taproom, shop or visitor centre and 40% either own, lease or rent pubs. 80% are now operating an online shop. All will need to change under DRS.

Changes in Scotland to support small breweries

Scotland has recently recognised the impact the scheme will have on small producers and introduced several mitigations. This includes:

- Products that sell fewer than 5,000 containers per year will be excluded
- The producer agreement will be simplified for small producers
- Drinks containers of under 100ml will be excluded, removing miniatures from the scheme
- Increasing the credit terms from 30 days to 60 days for the deposits, producers fees and UK surcharge
- Removing the Day One charge and the Month One charge

These are currently not being included in the England, Wales and NI schemes.



Small independent brewers issues

- **Impose significant costs.** Under DRS small businesses have to cover annual registration costs and producer fees per container, new labelling requirements and the impact and security of accepting returned containers. The producer fee alone for the UK beer industry could be £200 million a year, the equivalent of 6% increase on beer duty.
- **Split the UK internal market.** Having different types of containers in the schemes (such as glass) require multiple labels, different requirements and create a barrier to trading across the UK. There are no guarantees the schemes will be inter-operable.
- **Reduce the choice and availability** of independent craft beer. Small brewers will no longer sell into parts of the UK and only global brands can more easily adapt to costs than small businesses which operate in a highly competitive marketplace.

Small independent brewers would like to see DRS that has:

- **Proportionate costs for small producers:** Registration and producer fees, along with labelling should take account of the size of the producer, including exempting those who produce small numbers of products as they have in Scotland.
- **Fully compatible across the UK:** having different schemes makes it impossible for small producers to operate and the Welsh DRS should cover the same items as in England and NI and the same system.
- **Safeguards for small producers:** The Deposit Management Organisation which will run it should be required to demonstrate how it will give due regard to the requirements of small breweries to stop it being dominated by global producers.

About

The Society of Independent Brewers (SIBA) was established in 1980 to represent the growing number of independent breweries in the UK. Today SIBA has over 700 brewery members. SIBA's membership encompasses a broad range of brewers from very small nano-breweries to larger firms owning pub estates.

Contact

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