

### **The Future of Cask Beer Parliamentary Enquiry**

Covid-19 has negatively impacted Cask Ale more than any other category in the portfolio, the unique nature and ingredients of the product have served to hinder through the multiple lockdowns and tiered opening.

Cask Ale will tend to arrive at a pub with two weeks shelf life versus three to six months on lager, and subsequently the volatile nature of trading in the shadow of further lockdowns and restricted tiering has often resulted in Cask Ale being a purchase that carries too much financial risk, for the already stretched publican.

The challenge for Cask Ale is not simply restricted at the consumer facing end of its journey but also further upstream with pub companies being forced to restrict range in depot to ensure write off costs are avoided. As an example, Punch Pubs & Co. would normally operate with a Cask range of over 50 depot listed brands accompanied by a seasonal rotation scheme of a further 12 brands. In April we will be opening up with less than half the normal depot brands and no rotational scheme, hopefully trade will build and we can begin to return to normality.

As we reach the anniversary of the Covid enforced closures the volume figures for Cask Ale are bleak within our estate, 24,000 barrels have been lost (-69% MAT) and the journey will be tougher for the category as publicans and pub companies take measured decisions to reduce the risk of stock write off. Not only have the Cask Ale brewers been impacted by devastating volume declines they have also ably supported the industry by crediting unopened stock. For the current lockdown with Punch Pubs & Co. this is estimated to be circa 300 barrels (36 gallons), in addition to circa 450 barrels in the summer.

Cask Ale is integral to the success of the great British pub, is central to our brewing heritage and is very much dependent on pubs for its sales. Cask is the one element of the portfolio that separates us from the Off Trade, its consumers will tend to dictate the visiting patterns of groups and it is ultimately the status symbol of a well ran and loved establishment.

The fortunes of cask beer rest on pubs reopening successfully and safely and with restrictions being completed lifted from June 21 as well as cask continuing to evolve and educate with the times, appealing to an entirely new post-pandemic generation, who are firmly immersed in the fashionable craft beer market. The customers currently more accustomed to drinking cask aren't going to keep it going forever.

***Danny Hawkins, Commercial Services & Procurement Director, Punch Pubs & Co.***