



The All-Party Parliamentary Beer Group – Future of Cask Inquiry Call for evidence response (March 2021)

About Molson Coors Beverage Company

Molson Coors Beverage Company owns some of the UK's most important breweries and brands – including Carling, the UK's number one lager, brewed in Burton on Trent and made from 100% British barley; Sharp's – maker of the famous Doom Bar in Rock, Cornwall which is the UK's number one cask beer; and Aspall, which continues to involve the Chevalier family who founded the Cyder House in 1728 in Suffolk.

Our beverage portfolio also includes Coors Light, Staropramen, Blue Moon, Pravha, Cobra, Worthington's, Caffrey's, Rekorderlig, Miami Cocktails and the hard seltzers Three Fold and Bodega Bay. Our range of low and no alcohol products includes Doom Bar Zero, Cobra Zero, Bavaria 0.0% and Rekorderlig no alcohol.

Our Western Europe Head Office is in Burton on Trent and we have regional offices across the UK in Edinburgh, London and Belfast. Our National Contact Centre is in Cardiff. We have 12,000 on-trade customers and the largest technical services and customer sales team in the industry. Across our breweries, offices and mobile workforce we employ over 2,000 people across the UK and Ireland. The business also supports the Molson Coors Growers Group, which brings together more than 140 farmers as part of its extended supply chain.

As a brewer, based in Burton on Trent which has a long brewing history and world-wide recognition of its brewing importance, we have a deep connection to cask beer with our heritage stretching back to the origins of Bass and Worthington's cask ales. Furthermore we are committed to the future of cask ale and have invested circa £17m into Sharp's in Rock Cornwall since 2011, expanding the capacity of the site and generating over 70 new jobs to support Sharp's to become one of the leading businesses in the Cornish economy.

In recent years we have invested over £100m across our UK operations and through Our Imprint we demonstrate our commitment to our people, communities, consumers and the environment. Most recently we have become the first major brewer in the UK to produce all our beers and ciders using 100% renewable electricity.

Molson Coors has responded to the Covid-19 pandemic in several ways:

- We have focused on protecting the health, wellbeing and livelihood of every member of staff, at the outset of the pandemic asking all of our extremely vulnerable and vulnerable employees to remain at home, including operational teams, and continuing to pay everyone, whether isolating, working or furloughed, 100% of their salary
- Reflecting the company's objective of being 'Champions of the Local', Molson Coors has supported the on-trade, including the national multi-channel launch of the #supportyourlocal campaign from Carling
- While being home to the most-loved beer and cider brands in the UK, Molson Coors takes pride in supporting small and entrepreneurial businesses (it has the largest independent on-trade footprint of any brewer) through the crisis – including investing behind providing fresh beer and restocking on re-open.



We are committed to tackling harmful drinking and supporting moderation. We are a major contributor to the Drinkaware Trust, and a member of several organisations that promote responsible drinking including the Scotland Alcohol Industry Partnership and the International Alliance for Responsible Drinking (IARD).

Doom Bar – innovation and growth

Sharp's Brewery is situated on the North Cornish Coast in Rock and the proud brewer of Doom Bar, the UK's number one selling cask ale. Beyond Doom Bar's Award-winning taste and balance, its success can also be attributed to its credentials as a premium contemporary cask ale with differentiated brand design. Doom Bar's success and appeal to a broad demographic has enabled the expansion of distribution beyond the brand's Cornish heartland and has seen it bucking category trends to grow to become the UK's No.1 cask ale¹ and No.1 premium bottled ale². The brand continues to innovate with trials of Doom Bar Extra Chilled and the introduction of a no alcohol version. In 2020, Sharp's launched Doom Bar Zero a 0.0% which has grown rapidly to become the No.2 amber ale brand in the 'no & low' ale category in both volume and value rate of sale³.

Cask Ale performance

Cask ale is an important part of what makes the Great British Pub so special and accounts for 1 in 9 pints of total beer sold and £1.4 billion in Retail Sales Value in the On Trade⁴. However, both the distribution and rate of sale of cask beer has been consistently under pressure. Before the Covid pandemic, cask ale sales have been in long-term decline, with pre-Covid performance showing a rate of decline 4.6 times greater than the decline in overall Beer volumes over the last 5 years⁵.

Quality has been identified as the number one challenge facing the cask ale category⁶ with 93.7% of cask ale sold beyond the Cask Marque 3 day rule⁷ and consumer research highlighting that trust in the quality of cask served in an outlet as the top reason for choosing to drink cask ale, whilst poor quality is seen as the biggest barrier to purchase⁸. Put simply, cask ale is live and fresh product and a cask needs to be sold within 3 days in order to ensure optimum quality. Cask ale can be on sale for too long, meaning the quality suffers and customers are likely to have a poor experience, but done well, cask ale is a genuine unique selling point of the Great British Pub.

Due to closures and restrictions we have seen that sales of cask have significantly dropped since the initial lockdown in March 2020 with CGA OPMS data (August 2020) showing that

¹ CGA On Trade Sales (Volume and Value) - Mat to 21st March 2020

² Neilson's Off Trade Sales (Volume & Value) - Mat to 26th Dec 2020

³ Nielsen Off Trade Latest 4we 30/1/2021

⁴ CGA data MAT to 22/2/20

⁵ CGA OPMS MAT to 2020P02 – 22/02/2020

⁶ Eureka survey 2020 ONA3 and CGA Consumer Intercepts 2018

⁷ CGA managed vol pool 2019

⁸ CGA Consumer Intercepts 2018



13% of outlets had stopped stocking cask altogether and 19% only stocking permanent cask brands. To support cask beer into the future we need to support the great British pub and brewing sector as a whole.

Supporting the beer and pub sector

Pubs and breweries have been a constant part of life and at the heart of our communities in the UK for centuries. Yet, without action, we risk losing this key part of what makes the UK unique. The brewing and pub sector faces huge legacy challenges, such as debt, looming closures and alcohol duty that is 11 times higher than in Germany or Spain. It has also disproportionately borne the brunt of restrictions introduced to tackle the Covid-19 pandemic. Pub and hospitality trade bodies the British Beer & Pub Association (BBPA), the British Institute of Innkeeping and UK Hospitality have revealed that 72% of sector businesses expect to become unviable and close in 2021.

This is a critical time for the industry – one which is integral to the fabric of the UK and full of entrepreneurial spirit. Prioritising support for the sector can act as a catalyst for a jobs-rich recovery, investment and long-term success of cask ale and the whole beer sector.

The sector needs long-term structural support, and there are three particular areas that will give business owners, including brewers and pub operators of all sizes, the confidence and stability to invest for the future.

1. Business Rate reform – beyond the short-term business rates relief and reductions announced in the Budget, in the post pandemic recovery we need long-term reform that recognises the unique challenges facing the hospitality sector and supports its role in helping to rebuild our high streets and communities.
2. VAT cut – Extending the 5% VAT hospitality rate until September and for an interim rate afterwards in the Budget was again much needed. However, the sector needs a sustained cut which would be a great investment in driving consumer footfall, creating jobs and allowing the industry to flourish independently.
3. Beer Duty cut – we are an active supporter of the Long Live the Local campaign and the call for a cut in beer duty. UK drinkers currently pay beer duty 11 times higher than in Germany or Spain and three times the EU average. As part of the on-going Alcohol Duty Review we need a more level-playing field to allow British brewers to rebuild and grow through investment in manufacturing and boosting job creation across the supply chain.

Our sector is at the heart of our communities and integral to the fabric of the UK. The areas of support outlined would be a positive and beneficial investment for UK Government by creating jobs, increasing spend and rebuilding GDP, which the country so desperately needs. With the right backing our sector can be an important part of the solution, supporting thousands of jobs and acting as a catalyst for growth in regions, towns and high streets across the country.

