



PARLIAMENTARY ENQUIRY – CASK MARKET

MARCH 2021

THE ROLE OF CASK IN THE PUB & HOSPITALITY SECTOR

- Pubs that stock Cask are unique as it is a product that you can't get anywhere else across the hospitality industry.
- Cask ale differentiates pubs from bars and restaurants and keeping cask shows that it is a good establishment to drink and the ownership care about the products they are serving.
- The impact of the pub and a pint of cask ale is essential in people's day to day lives and gives people an opportunity to connect with others.
- Cask and the impact of the pub is essential for people's wellbeing and allows an opportunity to avoid loneliness with a drink and in a place that feels familiar.
- The impact of lockdowns has heightened this feeling over the past year with people desperate to return to their 'safe haven' of their local pub.

CASK MARKET SUMMARY

Volume: 1.4 million Barrels -7.2%

Value: £1.38 Billion -4.9%

Distribution points: 47,791 -4.9%

Average price: £3.52

Rate of sale: avg. 160 pints/week

Source: CGA OPMS to 22/02/20 (pre-covid)

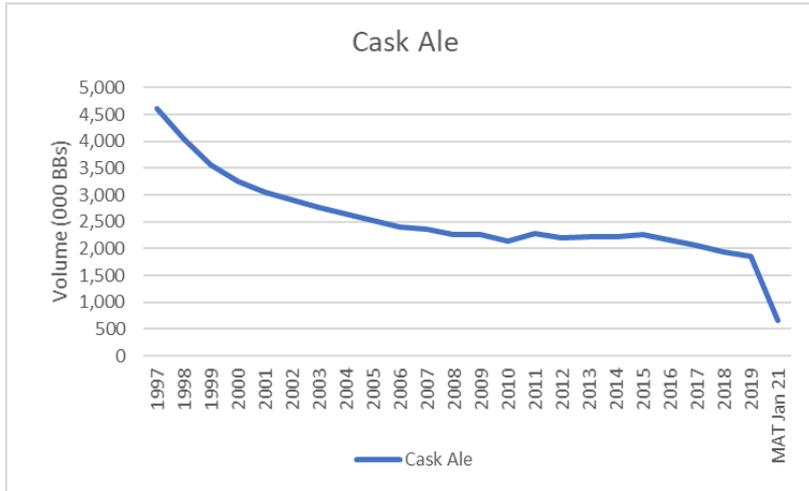
Cask Ale

Cask Ale or cask conditioned ale is a beer that undergoes secondary fermentation in the cask. It contains live yeast and needs extra care and attention in the cellar to develop the final flavour of the beer. It usually takes 3 days to condition and settle and then has 3 days to serve in prime condition.

Cask ale is typically English and a hand pulled pint is synonymous with the Great British Pub

- Cask ale is a fragmented market, CGA track 4,000 cask brands, with the top 5 brands accounting for 27% of the volume. In contrast top 5 draught lager brands account for 59% of volume.
- Cask ale volume is fairly evenly split across the channels, but over indexes versus beer in L&T, and under in Free Trade and Managed
- Food Pubs, Community Pubs, High Street pubs are the key outlets for Cask ale
- Nationally 94% of cask is sold in England (86% for Beer)
 - Scotland accounts for 3% of cask (8% of beer)
 - Wales 4% (6% of beer)
- Regionally Cask ale is strongest in the Southern half of England over indexing versus beer.
- Key regions for cask are London 20.6%, Central 19.5%, , South & South East 14.3%

CASK ALE HISTORICAL PERFORMANCE



- Cask Ale in 2020 was 771,000 barrels
- Cask Ale in 2019 was 1.9 million barrels
- Cask Ale in 2000 was 3.3 million barrels
- Cask ale makes up 54% of on trade ale volume
- Lost on trade volume has not translated into off trade growth
- Cask ale decline levelled out around 2007 and enjoyed a period of low growth from 2011 to 2015
- Covid impact has seen Cask ale decline 64% MAT to Jan 2021, worse than other categories likely due to shorter shelf life and uncertain demand

Cask Ale	Cask Ale
20 Year % Change	-40.4
20 Year CAGR	-5.4
10 Year CAGR	-1.4
5 Year CAGR	-3.7
COVID Impact	-64.3

CASK ALE FORECASTED PERFORMANCE



Cask Ale	Volume (000s BBs)	Year on Year %change	% Change compared to 2019
2019	1,863	-3.9	
2020	771	-58.6	-58.6
2021	930	20.7	-50.1
2022	1,640	76.3	-12.0
2023	1,579	-3.7	-15.2
2024	1,521	-3.7	-18.4
2025	1,465	-3.7	-21.4
2026	1,410	-3.7	-24.3

Assumptions

- Cask Ale has been performing consistently around 3% points worse than the on trade beer market through 2020
- 2021 Jan – March zero volume. April with Outside only from 12th April 40% of 2019 volume, May 50% of 2019 then improving by 5% pts per month thereafter
- 2022, BBPA forecast on trade beer to be down 8% points down on 2019 volumes due to long term impact of virus on on trade pub closures, consumer confidence and the state of the economy, applied and extra -3% pts for Cask = -12%
- 2023 onwards return to pre COVID 5 year CAGR
- Which would mean a 25% reduction in volume in 2026 compared to 2019



IMPACT ON GREENE KING OF CASK MARKET DECLINE

- We employ 530 people in Brewing and Distribution – all to some degree would be affected by loss of volume, as long as it is not just simply replaced by lager.
- In 2019 Greene King cask contributed £22.1 million in the form of duty to HMRC.
- £524million of goods and services are either used or flow through our network – leaving aside the duty we pay