

**All Parliamentary Beer Group**  
**The Future of Cask Beer**  
**A submission by Roger Protz**

Cask-conditioned beer is part of the history and heritage of this country. No other country produces a substantial amount of beer that leaves the brewery in unfinished form, unfiltered and unpasteurised, and then undergoes a second fermentation in its cask in a pub cellar. In the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, as European and American breweries switched from warm-fermented ale to cold-fermented lager beer, British brewers remained faithful to cask beer. With the rise of the tied house system, brewers developed a new type of beer they called “running ales”, today’s cask beers or real ale.

The future of cask beer is in question. Sales were falling by 10 per cent a year before the pandemic and the ensuing pubs lockdown. That fall will have been increased dramatically as a result of the lockdown. The reason for the pre-pandemic decline in sales of cask beer is that, compared to keg beer and lager, it is a low profit beer. It has a short shelf life. Once a cask has been tapped in the pub cellar the beer has to be served within two or three days or it will oxidise and take on unpleasant off flavours. Cask beer is not unique in having a short shelf life: it is equally true of good bread, cheese, milk and other high-quality comestibles.

The low profitability of cask beer is exacerbated by the ruinously high levels of excise duty levied on beer in this country. In his recent Budget, the Chancellor froze beer duty, which was welcome, but both the industry and consumer groups had lobbied him for a cut in duty rates.

Cask ale and draught beer in general also faces unfair competition from the off-trade, supermarkets in particular. Grocers can sell beer as cheaply as bottled water as they buy their supplies with deep discounts, mainly from large national and global brewers. Grocers sell big volume beers, such as global lager brands, as “loss leaders” in order to encourage people to shop with them. Publicans do not operate in the same way. They don’t sell groceries and cannot tempt consumers with cheap beer in return for buying food. Pubgoers don’t say: “I’m going to the Rose & Crown for a pint, a bag of potatoes and

a loaf of bread.” Tied tenants have to buy beer at the full market price from their supplier, either a brewery or a pub company. Big “pubcos” operate in a similar manner to grocers. High Osmond, the founder of Punch Taverns, told me in an interview: “I buy beer cheap and sell it dear – the difference is my profit”.

We need to study the impact of minimum pricing of alcohol introduced by the Scottish government. According to a report in 2019 by the BBC, minimum pricing of 50 pence per unit of alcohol led to a fall in sales in the off trade. In other words, the on trade has not been affected. The introduction of minimum pricing was opposed by the manufacturers of cheap cider and cut-price versions of whisky.

A number of enquiries into supermarket pricing by governments of both major parties have not led to any action on the grounds of being anti-competitive. As it is unlikely that any future enquiry would be any more fruitful, we should look to the way beer is priced in the on trade to seek how sales of cask ale can be helped.

Your investigation should be rooted in the clear understanding that cask beer and pubs are inseparable. Without pubs, cask will wither and die. The British Beer and Pub Association says that between 2,000 and 3,000 pubs will close permanently as a result of the pandemic. This means we may end up with a pub trade of 40,000 outlets or less. That is seriously bad news for brewers of cask.

During the lockdowns in 2020 and 21, many brewers continued to brew and sell beer. But this was in the main packaged beer. Those brewers that made cask beer available did so either by direct delivery or with pick-up sales. The amount of cask ale sold by these methods is tiny compared to regular sales in pubs.

### **Excise Duty**

In December 2020 beer duty in the UK topped £337 million *for just one month*. That figure is more than a year’s annual duty bill in 19 European countries. British beer drinkers pay more than 54p in duty on every pint. In Germany and Spain the duty rate is 5p per pint.

Britain pays 11 times more in duty than those two countries alone.

When we were members of the European Union, only the Republic of Ireland and Finland had higher rates of duty.

Supporters of high rates of duty say the income is needed to help fund the NHS and other key social services. But Germany, France and

Belgium, to name just three European countries, have perfectly adequate health services without levying punitive taxes on beer. And if duty here were cut for draught beer in pubs more people would visit pubs and consume more beer on licensed premises. Increased consumption would mean there would be no loss to the economy. This is not a recipe for over consumption. Most problems associated with alcohol stem from drinking at home – and home consumption increased during lockdown. Pubs are licensed premises where customers are encouraged to drink moderately and sensibly. Britain can set differential rates of duty now we are no longer members of the EU. I propose there should be a 20 per cent cut in duty for cask-conditioned beer to bring it down to the same level as cider. Duty on a cask of beer with an ABV of 4.1 per cent is £78.22 per hectolitre while cider of the same strength pays £30.38 per hectolitre.

Publicans receive a payment for ullage – the dregs at the bottom of a cask. Ullage rates vary from supplier to supplier. There should be one agreed rate for the industry and it should be a generous one for publicans.

### **Promoting cask**

Cask beer would have a more assured future if people were encouraged to drink it. Not just cask but all beer has a poor image as a result of its presentation by the media. Only one national newspaper, the Daily Star, has a regular beer column. What used to be called the broadsheet press – The Times, Telegraph and Guardian – devote acres of space to wine but hardly ever mention beer. Whenever there's a report about problems connected to the consumption of alcohol, the BBC shows the same old grainy piece of film where a pint of beer is pulled by a handpump, even if the report is about wine or spirits. Even the strongest beer is made of 93 per cent water and is the least harmful form of alcohol.

When your report is published I suggest it is done in conjunction with some samples of cask beer. Media editors should be invited and both your group and representatives of CAMRA and the British Guild of Beer Writers could talk about the special role of cask beer and the need to promote it as a healthy and nutritional drink.

Thank you for asking me to make a submission and I wish you well with your investigation.

- Roger Protz edited 24 editions of the CAMRA Good Beer Guide. He has written more than 20 books on the subject of beer, the most recent being the Family Brewers of Britain. He has been given lifetime achievement awards from both the British Guild of Beer Writers and the Society of Independent Brewers.