



19th March 2020

Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
London, SW1A 2AA

Dear Prime Minister

As chair of the National Association of Cider Makers I am writing to you to express my very grave concerns about the plight of the UK cider industry. Whilst I appreciate that we are in unprecedented times, our industry was already facing significant problems and for many cider makers, the support package outlined by the Chancellor on Tuesday will not provide any relief.

In early March we submitted evidence to the Treasury on why we were in urgent need of a duty reduction. Cider has declined by over 500 million pints in the last decade, a decline of 28% in volume terms. As an industry already in crisis, the additional burdens created by the current Coronavirus measures will undoubtedly leave many unable to continue in business.

In outline, the key issues are:

- There are only 17 cider makers of scale in the UK, the remaining 250+ are small businesses
- Whilst many do invite visitors and may have a small bar or café and a shop, they are classed as manufacturing businesses, not hospitality. However they do contribute to rural tourism.
- Most rely on their on site shop for a significant share of sales
- Facilities are often on agricultural land, so fall outside of the small business rate relief, which has been used to define those businesses qualifying for support.

We have canvassed members over the last 48 hours and it is clear that the majority are now struggling with cash flow. All have seen a significant reduction in business as they are reliant on sales to local pubs. Where redundancies are already being made, financial packages are adding further pressure to cash flow.

NACM Cider Makers Ltd, The Bounds, Much Marcle, Ledbury, Herefordshire HR8 2NQ
Tel: 01531 660832 Email: info@cideruk.com

Registered in England & Wales Company No. 7960457 at Brierly Place, New London Road, Chelmsford, Essex CM2 0AP



I therefore urge you to ensure that business support measures are available to everyone, regardless of how their business is defined. Whilst I fully support measures to help the hospitality sector, the same must apply to those who supply it. I would ask that more is done in terms of other HMRC business costs, including payment holidays for VAT, Employer NI and corporation tax. These should be reviewed on three monthly basis and only reinstated when official advice allows pubs to reopen. Members also indicate that they need urgent support in terms of cash flow, so that they can ensure employees are quickly compensated where jobs are suspended or redundant.

At a point when things start to return to a more normal way of life for people in the UK, phasing VAT back in to encourage growth would be of great benefit. A review of the duty structure to stimulate growth at this point is also essential.

Finally, without sales and employees, there will be an impact for the 300 farmers who grow apples for the cider industry. If the apples go unused, the orchards will vanish. As a cider apple orchard takes eight or nine years to mature, it is extremely unlikely that they will ever be replaced. Rural communities rely on these orchards for income, tourism and leisure activities.

I am available to discuss these issues in more detail and wish you well at this very difficult time,

Yours sincerely

Gordon Johncox
Chair, NACM Cider Makers Ltd