



**Northern Ireland
Assembly**

COMMITTEE FOR COMMUNITIES

Please use this form to submit written submissions in relation to the Licensing and Registration of Clubs (Amendment) Bill. Return to committee.communities@niassembly.gov.uk by Wednesday 19 October 2016.

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Organisation: Food NI Ltd

Date: 20th of October 2016

(where possible, please structure your response to the specific clauses of the Bill and, if appropriate, suggest alternative or additional wording to clauses, which may assist the Committee's consideration of the need for any amendments to the Bill)

1.0 Introduction

Food NI is a not for profit company limited by guarantee. It aims to enhance the reputation of food and drink from Northern Ireland. Presently Food NI represents 450 members who are local food and drink producers and restaurants that are driving forward Northern Ireland's Year of food and drink 2016. We are the experts in food and drink from Northern Ireland.

2.0 Growth in drinks producers

When Food NI was established in 2009 there were only 2 local drinks producers who were members, today there are 35 drinks producers in Northern Ireland of whom 26 are members of FoodNI. In the past 7 years FoodNI has witnessed a rapid growth in the craft drinks sector which has high employment and export potential in addition to tourism appeal.

From our experience of working closely with the industry, it is our view that the current licensing laws present a restraint to the trade of local producers in particular their ability to sell at source. According to a recent Expedia survey, local food and

drink is now five times more likely to influence destination choice for holidaymakers than it did just three years ago.

3.0 Award winning producers

Local drinks companies are winning awards for premium product at a local, national and international level e.g.

Shortcross Gin- World Gin Masters- Masters in ultra-premium Gin 2016

Long Meadow Cider –UK Great Taste Gold star award 2016

Ruby Blue Spirits- Global Vodka Master Gold 2015

Tempted Cider Company- Gold in the Blás na hEireann awards 2016

The Echlinville Distillery- 2 Gold's at the World Whiskey Awards 2016

Kilmegan Cider – Supreme Reserve in the Bristol and West Cider Championships and Gold in International Cider Challenge 2016

3.0 Restraint to trade

The current Licensing Laws have prevented the establishment of visitor attractions, visitor experiences and growth of local producers. The ability to sell off-sales at specialised food and drink events, of which there now in excess of 40 quality events per annum has been a major barrier to growth. This is in direct contrast to the experience of producers in GB who have access to a producers licence.

4.0 Recommendations for action

FoodNI recommend an amendment to the licensing and registration of the clubs amendments bill and request the creation of a new licence category, for producers only, to facilitate the growth of local brewers/ cidery's and distillers. This licence to cover product made on site and to facilitate visitor experiences. This licence should be transferable to designated shows and fairs, subject to endorsement that it is a bona fide producer and a legitimate food and drink event.

5.0 First-hand accounts

Food NI requested first-hand accounts from local drinks producers in terms of the impact of the current licensing on business growth and tourism. Detailed responses were received from 6 companies from which extracts from 4 are detailed below.

5.1 Ruby Blue

5.1.1. On your business growth (e.g. % turnover, jobs, exports or speed of growth)

It's difficult to put a figure on this but a similar business that started same time as us in England and having been allowed to market and retail at popular markets and food festivals has grown at least 5 times quicker. Even when we have travelled to Food & Drink events in England Scotland and Wales we have had issues and complications due to the Personal License not being available to NI based producers. As a family business and producer with modest marketing budget, in contrast to the rest of the drinks industry, the main place to start building an awareness and customer loyalty is at Food & Drink events i.e. St Georges market, Belfast Continental Market / BBC Good Food Shows, Food & Craft Fairs / High foot fall council run events such as Festival of Flight Newcastle or LegenDerry Food & Drink event. As we are not permitted to sell at these events they are too expensive to take part.

We have been invited to several Council initiatives to promote local Food & Drink producers but when it comes to the show case or consumer event we are excluded due to licensing laws and the fact that we cannot obtain a personal/producer license to allow us to sample & promote responsibly, yet foreign wine and spirit producers have been allowed because they do have a license; this demonstrates the lack of understanding of what is and is not allowed. We are members of Drinkaware and always promote responsibly and use the Think25 initiative for ID. Our low ABV and high retail price also inhibits any interest from alcohol abuse.

5.1.2. On tourism (e.g. visitors to facilities, visitors to events, Year of Food and Drink)

Tourists cannot understand if they meet and taste our product why they cannot purchase it or on some occasions why they can buy to drink on site but not to travel home with a bottle for a gift in their suitcase. We are considering a tourism element to our business but current law makes this less likely.

5.1.3. Any other statements you may wish to make

Stuart and I started our business from home back in 2010 and as the first and longest standing independent spirit producer in Northern Ireland the laws here have been nothing short of anticompetitive. We have been disadvantaged for almost 7 years and quite often made to feel like we are committing a criminal act. (both in NI and further afield as we cannot produce a license). We have always been envious of the support the Scottish and Irish republic producers receive in contrast.

5.1.4 I'm happy to be quoted

5.2 Tempted Cider

5.2.1. Just starting out, shows* are a lifeline for business growth, but not being able to sell makes these a financial drain on the business, slows local business growth and exports are much more difficult to achieve. In the future, a visitor centre would probably aid export growth. Akin to the wine tours in France.. Trying to operate at shows without being able to sell is asking a small business to operate with one hand behind its back.

5.2.2 When people sample and like your product at a show they expect to be able to buy a bottle and may not remember your brand when they next see it in a shop. When you are a small start-up business and don't have a large network of stockists away from the Show, giving a sample away isn't useful if there isn't anywhere else to buy your product.

5.2.3 Observing how the public react to your product, most visible through sales, is part of the networking process that leads to traders offering to stock your product. If a small business doesn't have the marketing budget to cover the cost of a stand and the stock used in sampling, this way of marketing to the trade is lost to them. We met both our distributors in NI and ROI at Beer Festivals which lead to increased sales to trade.

5.2.4 Being able to sell at a show enables a small business to recoup the cost of the stand, showcase their new products to both the public and trade and establish them in the market.

5.2.5 As artisan producers using local ingredients, we promote responsible alcohol consumption, as our products are not cheap we offer the opportunity to drink less of a more refined product. We don't want to sell at car boot sales but instead we want to be able to educate the general population at well organised food fairs like the BBC Good Food Show and The Balmoral Show.

5.2.6 Like our fellow members of Food NI, we produce quality products from Northern Irish ingredients. Northern Ireland should be proud our products which are brought to market by dedicated, passionate producers who are entrepreneurial, job producing individuals who will drive exports and attract wealth into the province. We ask only to be brought on a par with the UK Legislation to allow us to operate on a level playing field.

5.2.7 We are happy to have this statement accredited to us, Davy and Janet Uprichard from Tempted Cider

(*Shows refers to food and drink events such as Balmoral Food Pavilion, The BBC Good Food Show etc.)

5.3 Long Meadow Cider

5.3.1 We are a recently established cider production company (Jan 14), the result of an ambitious diversification programme. We progressed into this business to add value to our main product which of course is apples. This has been a long, hard struggle as you can imagine starting up any new business is, but to also have the added disadvantage of current legislation in regard to licensing laws in place, this has made our progression extremely slow.

5.3.2 The current legislation has had a detrimental effect on our business growth. Our turnover rate is slow as we can only sell our products onto distributors/importers who in turn sell on to licensed premises; we are therefore operating at a disadvantage and have to take lower prices as we have no other way of moving or selling our products. Should we be able to sell these ourselves either from our farm premises or at various showcasing events our turnover would increase as we would immediately be adding value to our products, in turn allowing us to put money back into the business.

5.3.3 We have exhibited at various shows and events namely the Balmoral Show where we can only sample our cider range. This of course is great for PR but as you can appreciate exhibiting at shows like this do not come cheap. We put a lot of time, effort and money into these events to get our name recognised and to get our brands promoted. We have many potential customers wishing to buy our products but we unfortunately are unable to sell to them. They naturally are confused as to why we are sampling if we cannot sell. We lose so much income from this and other similar events which could again be reinvested back into our business.

5.3.4 We have further plans for our Long Meadow Cider which could potentially create jobs and increase tourism within the Armagh area. We hope to be able to renovate/build new premises with facilities for guided tours, educational visits, bus tours. This is currently on hold as we are not in a position to move forward as our growth rate is too slow even though we are moving considerable volumes through our distributors.

5.3.5 As this is the Year of Food and Drink wouldn't it be a great accolade to the great year we have had in promoting everything which is local by having the current licensing laws reviewed and hopefully changed. We are not in the cider/alcohol industry to promote or encourage people to drink but rather to educate them in the whole process of artisan craft cider, the beginning to end process, the natural qualities it contains, the many months it takes to produce, the opportunity to visit our farm and witness for themselves the pressing and fermenting process.

5.3.6 The craft beer and cider industry is continually evolving and changing for the better by hard working, passionate producers. Help us on our way by changing these laws and allowing us to move forward in our craft businesses and promote N Ireland in a more positive light.

5.3.7 We are happy to be quoted

5.4 Kilmegan Cider

5.4.1 As Northern Ireland's smallest commercial producer I am at a critical point in production terms. Currently I am registered exempt from duty as I produce less than 70 hectolitres per year. During the past year however the demand for my cider has grown significantly due to recent success in two of the most highly respected International Cider competitions in the UK namely the International Cider Challenge and British Cider Championships that are held at the Royal Bath and West Show in Somerset. Kilmegan Cider is the current Reserve Supreme British Champion Cider. This is all well and good but producing under duty levels does not create enough revenue to be my sole income. With current Northern Ireland legislation I am only allowed to sell on a wholesale basis so what do I do?

5.4.2 Increasing volumes by 1000% would be necessary in order to absorb the duty rates and distribution costs and provide me with an acceptable income. As Cider is produced seasonally I would have to make the financial risk decision to make these amounts 12 months in advance. I am then reliant on outside parties to sell this volume of cider annually in order to sustain the business. I feel, the sales of my product would be best put in my hands.

5.4.3 In the rest of the UK Cider producers have the opportunity to apply for personal and premises licences. This enables them to sell their own products at source as well as online. They are also able to apply for extensions of that licence allowing them to attend craft shows and farmers Markets. In the year of Food and Drink the situation with Northern Ireland hosting the BBC'S Good Food Show and not allowing alcohol sales because the venue couldn't acquire an off sale licence would not have occurred if the producers here were given the same licences and extension facilities that are afforded to all other UK regions. Having these licences in place here would allow me to grow my business in a more sustainable way. Having the ability to sell from source and online would allow me to increase sales and create employment.

5.4.4 Currently I am involved with a number of food tour operators that bring groups of tourists to the Cidery where they enjoy learning how a proper craft Cider is produced without the need for chemicals, are able to sample these products but currently not able to purchase directly from me to take home! If I had the same opportunities as the rest UK I could increase volume sales by 100 -200% annually steadily building up the business. Having a Cider shop at source would not only bring in much needed revenue to invest in the business it would increase local tourism and create jobs at the same time. It would also let me support other local craft producers giving them an extra platform to sell their [products](#).eg. cheese, honey, art etc.

5.4.5 Local council have made it clear to me they would be very supportive of

such a tourist attraction. Quite a number of council members have already visited me bringing a range of people from the hospitality trade. Creating a local food and drink tour is a great way to boost the local economy by creating jobs and increasing tourist numbers. Cider tours in the UK, France and Spain are worth millions to their economies. With Brexit imminent why would Northern Ireland not want to embrace such an opportunity?
This is not an alcohol issue. This is now a tourism and employment issue.

5.4.6 I've been talking with Apple county Cider in Wales who have their personal and premises licences with online sales as well. This accounts for 50% of their sales but 60% of income adding tours to the equation. Having the premises licence allows them to attract tourists to the area which benefits the wider economy. Having also spoken to Nick Penny, a town councillor and tourist official from the Forest of Deane, informs me that these producers with their licences in place are very important in attracting people to the area. "Year on year there is an increase in inquiries from visitors who are looking for the Local food and drink experience". He added " It would be a real shame if these local drinks producers weren't able to sell direct to the visitors"

5.4.7 Please feel free to contact me on any of these issues. For an example of how I believe my business could develop and grow. Have a look at the promotional video on this website.
<http://applecountycider.co.uk>

5.4.8 I am happy to be quoted

6.0 Conclusion

We trust that the evidence we have provided is of assistance to the Committee for the Communities and we are content to provide more information if requested

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