National Association of Cider Makers (NACM)

The National Association of Cider Makers (NACM), which represents producers of cider and perry in England, Wales and Northern Ireland, welcomes the opportunity to comment on the Alcohol etc. (Scotland) Bill.

The cider industry is characterised by its wide range of scale of production with two major producers, a handful of medium scale producers and a very long tail of very small scale producers with some perry and cider makers producing less than 70Hl per annum.

The principal raw material for making perry and cider is pears for perry and apples (both cider apples and dessert apples) for cider. The source of the pears and apples for making perry and cider is from a wide variety of orchards, varying in scale from 2-3 trees to large orchards in England and Wales.

Cider and perry is sold throughout the United Kingdom in a wide range of outlets from major national and regional pub chains, major multiple retailers to farm shops and local pubs and local supermarkets.

ALCOHOL MISUSE

NACM appreciates the Scottish Government’s desire to tackle alcohol misuse and is an active member of the Scottish Government Alcohol Industry Partnership to develop effective, practical and targeted measures to address the misuse of alcohol by the few.

The share which cider and perry have of the total UK alcoholic drinks market is only a very small 8%, compared to beer (42%), wine (25%), spirits (25%) and RTDs (alcopops) (2%). Of that 6%, strong white ciders >7.5% ABV, accounting for < 0.6% of the total alcohol market and is a declining share of the market. The market share or cider and perry in Scotland is similar to the average market share in the UK.

As the figures clearly show, due to its small market share, cider and perry cannot be singled out as being responsible for alcohol misuse in Scotland, as some would suggest. A review of published reports in the public domain produced by the Scottish Executive, UK Government and other bodies, quite clearly demonstrates that no one alcoholic drink is responsible for alcohol misuse – misuse is caused by certain drinkers who clearly misuse alcohol and by some under 18s who are clearly breaking the law. This therefore is not a problem about problem drinks but about problem drinkers.

The cider industry looks forward to continue its partnership with the Scottish Government to tackle these serious problems. In drawing up policies to reduce harm from problem drinkers, however, it is essential to base solutions
on the facts and robust evidence of what works. As has been stated by other organisations in the alcoholic drinks industry, it is important that policies are seen to be both effective and fair. Like others we fear the some of the proposals contained in the Alcohol etc. (Scotland) Bill meet none of these criteria.

**SPECIFIC COMMENTS ON THE PROVISIONS OF THE ALCOHOL ETC. (SCOTLAND) BILL**

**Minimum Price Based on a Unit of Alcohol**

Given that the majority of the public drink sensibly and that alcohol is misused by a minority of drinkers, general population measures such as increasing taxes or other means of raising prices (curbing promotions, introducing minimum pricing etc.) are not the appropriate means for tackling misuse – it penalises the majority of sensible drinkers without necessarily dealing with alcohol misuse. People's lives are already being negatively impacted by problem drinkers and it seems ironic that this negative impact should be doubly visited upon them by having to endure restrictions, inconvenience, and ultimately higher prices, as set out in the consultation document, to deal with the problem drinkers.

The Sheffield University model does no more than demonstrate that if you raise the price of a product consumption falls; basic economic theory. However, it does not adequately demonstrate how it specifically tackles the issue of alcohol harms and misuse other than by penalising the majority.

In Canada 8 out of the 10 Provinces have introduced social reference pricing (minimum price) provisions but there is no single approach to how it is applied. Each province sets its own social reference price for particular alcoholic drinks and reviews them according to different criteria. Canada is not, therefore, a useful test market to review the effectiveness of minimum pricing because of its complex federal and provincial tax system and with alcohol in many of the provinces only available through provincial monopolies and stores which have permission to sell alcohol.

**The role of Promotions**

Promotional activity is a direct and more effective way to introduce consumers to new products and product variants. Restricting promotions will inhibit new product introductions into Scotland.

The average strength of cider in Scotland and the rest of the UK has reduced. There are also plans to introduce into the UK market significantly lower strength cider but before the product is put on sale more widely it is being trialled/promoted in a limited number of on and off-retail outlets. However, without the ability to promote such new products, producers will not be able to introduce them to the public at large. It will be observable and measurable that the uptake of successful new product launches will be in those areas where the restrictions do not apply.
Inevitably the market will stagnate and will become characterized by lower quality and cheaper products.

There is evidence to demonstrate that the type of consumers that purchase alcohol on promotion has reasonably low weekly alcohol spends and that as a result of their purchase they reduce their alcohol spend in subsequent weeks. Furthermore there is no evidence to suggest promotions encourage excessive drinking. NACM supports the comment given by the Wine and Spirits Trade Association (WSTA) that under-25’s represent a small percentage of overall alcohol consumption in Scotland and under 28 year olds are the least likely purchasers of all types of alcohol on promotion. The social demographic group ABC1’s (professional and managerial) make most use of promotions whilst C2DE’s are least likely to purchase.

NACM fully subscribes to the Portman Group Code of Practice which is successful in ensuring that products are marketed in a socially responsible way and only to an adult audience.

**Conclusion**

Penalising the general population does not seem to be the appropriate way forward in either seeking to bring about cultural change in Scotland’s relationship with alcohol or dealing with alcohol misuse (the problem drinkers). Indeed certain proposals in the area of promotions will undermine efforts to promote a cultural change if new products are not provided a route to market. To restate, there are no problem drinks, only problem drinkers and therefore measures need to be targeted at these misusers. Furthermore NACM believes that the panoply of powers available to the police and local authorities should be used much more effectively both against individuals who misuse alcohol and those who wilfully seek to break the law in obtaining alcohol underage, as well as against those retailers who sell alcohol irresponsibly.

No new legislation is required. NACM believes that the Scottish Government should focus on maximising the effective use of existing legislation to target problem drinkers and that it should avoid using one-size-fits-all measures that just punish everyone.

It has become apparent that no effort has been made by those wishing to introduce further legislative controls on the availability and the price of alcohol to identify and deal with the real causes of alcohol misuse (*and indeed substance abuse in general*). It is misplaced to focus on the availability and affordability of alcohol as the sole and root cause of misuse. The real drivers behind harmful drinking, binge drinking behaviour and under 18’s alcohol misuse tend to get overlooked as a consequence. Failure to get this right means that behaviour does not change, misuse and harmful drinking continues but that the general public are penalised as a result of failed policies built on false premises.
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