

BRITISH BEER & PUB ASSOCIATION

GOOD PRACTICE GUIDE TO EXPORTING BRITISH BEER

30th October 2017

This booklet is written as a set of good practice guidelines, ensuring that every pint of British beer consumed around the world is ultimately experienced as the brewer intended. Companies signed up to delivering this commitment are listed in Annex 2.



INTRODUCTION

This booklet is intended to provide guidelines to new and experienced brewers looking to export their beers around the world. British beer is an iconic product and, as an industry, we wish to ensure that British beer is experienced and consumed in its optimum condition.

Beer is a perishable product and, as such, many factors can contribute towards diminishing quality from the time it is brewed to the point of consumption.

This guide provides guidelines and some tips to ensuring your beer quality is preserved throughout the export supply chain.

Further useful information and contacts for companies considering or who are already engaged in export activities can be found in Annex 3.

UNDERSTAND THE MARKET YOU ARE SELLING TO

Selling beer into export markets can carry a degree of risk based on the longevity of the supply chain as well as the complexities of the destination market. However, brewers considering export trade can take steps to significantly reduce this risk through developing an understanding of those markets that are being considered and by developing an export plan.

Research into foreign markets should consider the entire supply chain route from brewery gate to final point of sale. Decisions about trading in foreign markets will be informed by internal commercial considerations as well as developing a thorough understanding of the destination market; including such topics as:

- Regulatory requirements
- Market composition and competition
- Suppliers and market/distribution rights
- Consumer preferences and expectations.

Brewers interested in export should not underestimate the value of brand protection via trademarking and the importance of registering a unique or distinctive mark.

ROUTE TO MARKET

Established exporters will likely already have a clear idea of the challenges and opportunities presented within different markets. However, for those new to export this can be a daunting area to address. In particular for culturally diverse, far export markets i.e. China, engaging intermediary agents may help new exporters to reduce their risk by adding an additional layer of resource or understanding about the market separately from information provided by the importer.

A key factor to consider in the relationship with an intermediary is establishing a defined set of contractual obligations and a sound business plan. This should run in parallel with a separate importer agreement which establishes clear goals and expectations as well as performance measurements to work from in case of disputes or disagreement.

It is also becoming increasingly common to have different import agreements for different channels of trade i.e. an importer who manages supermarkets, a direct agreement for duty free channel or agreement for on-trade. In such cases it is important to ensure clarity where there may be cross-over in these agreements e.g. cash and carry to identify where relevant obligations and responsibilities lie.

For many, making the transition from a single importer to a channel led approach is a natural

progression and having a clear export vision and clear contractual obligations will greatly simplify this process.

Traditionally, many markets may advise that exporters set up their own company to ensure ultimate control over the route to market. However, this approach also involves additional cost and complexity and should be balanced against the expected profit and scale of the opportunity from the market in question.

When considering the potential opportunity presented by an export market, it is important to include medium to longer term forecasting and ensuring that there is contingency to accommodate increased demand. As important to protecting against failure is to plan for success, particularly if a bigger business opportunity is an objective or has the potential to be so.

Finally, exporters should seek like-minded companies with shared values and enthusiasm for the brand and who have a clear gap in their portfolio. Companies who are also prepared to share investment when starting out are preferable as this demonstrates more than just a commitment on volume.

BEER QUALITY

The reputation and success of a brewery relies upon product consistency and quality.

Beer packaging is designed to maintain the quality and freshness of the packaged product. However, beer is perishable and once it has left the brewery there are many factors that can affect both quality and stability, either directly or indirectly, and which will often result in beer that is substantially different from those characteristics that are intended or desired by the brewer.

For exported products, the time in transit to the destination market and the conditions that the packaged product is exposed to en route can all have significant, detrimental effects on beer quality and consistency. Such factors may include:

- Light
- Temperature - heat and cold
- Air quality
- Physical agitation
- Poor hygiene

When exporting beer, ensure that you understand the details of the logistics supply chain in order that these factors can be better controlled. It is also important to ensure that all relevant stakeholders, up to the point of dispense, are aware of these factors in relation to the package type or are provided with any relevant materials or resources to help them understand how the beer should be handled, stored, and served to ensure product consistency.

Irrespective of package format, an understanding of the provenance of the product, including information about the producer and ingredients used, will also be vital in supporting brand reputation and promotion.

PRODUCT SHELF LIFE

Beer is a perishable product and as such ensuring freshness is an important part of delivering a product that matches consumer expectation. Inclusion of a clear indication of the shelf life of a product, usually as a best before end (BBE) date, is a vital element of ensuring that beer is not served past this date.

Brewers should ensure that dates are clear and easily understood. For this reason, BBE dates should be used rather than Lot Codes or similar. Care must also be taken to ensure that date codes are understood within the market which the beer is sold.

In addition to format, BBE dates should be set to reflect control of product quality as well as the period that the product will spend in transit to the final market destination.

PERCEPTION OF HOW YOUR BEER SHOULD BE PRESENTED AND HOW IT SHOULD TASTE

For export product that is intended to be served via draught dispense, companies may wish to ensure that sufficient information is provided to retailers in the export market to understand the key characteristics of the product, including any relevant information regarding the producer, to ensure consumers understand the product being served.

Examples of key characteristics that may describe the product, or which might impact on expected sensory and visual characteristics, are as follows:

- Colour and clarity
- Flavour and aroma
- Head
- Carbonation
- Body and balance

For any export market, but in particular for those where it is more difficult for a brewer to visit in person, it is important that serving staff and those with a consumer-facing role should share the same understanding of the producer and an appreciation of the desired characteristics and quality for the product when served at optimum condition.

As far as possible, and where it is more difficult for a brewer to visit in person, literature about the product and producer, including brand information and tasting notes, should accompany beer intended for draught dispense. Where this is not possible, a clear indication of where such information can be found should be provided. Producers must consider the challenges of communicating this information in the language of the market within which the beer will be sold.

DISTRIBUTION OF THE BEER BEYOND THE BREWERY GATE

The full extent of the distribution supply chain should be understood by the brewer and as far as possible conditions ensured to protect the integrity of the beer. Where relevant, brewers should take the time to educate stakeholders within the supply chain to help ensure maximum quality control over the beer to ensure that it reaches the consumer with the desired character:

- Maintain optimum temperature control of the beer (i.e. refrigerated) whilst shipping and through subsequent warehousing and distribution.
- FIFO stock rotation. Wherever possible, a system should be in place that ensures only beer which conforms to the expected brand specification and which is “in date” should be made available for sale. There should be a system by which beer out of specification or date can be identified and recalled.
- Ensure excellent communication between the brewer and the customer including any relevant supply chain stakeholders from the brewery to the final point of dispense.

DELIVERY OF THE BEER AND DISPENSE AT POINT OF SALE

Each style of packaging has its own challenges but irrespective of the format, perhaps of greatest importance for beer is to ensure appropriate temperature control throughout the supply chain. Keg and cask beer will then present more challenges for the customer at point of sale than beer packed into cans or bottles.

Beer is a food for legislative purposes and therefore is subject to food hygiene laws. Maintaining good hygiene is vital from the perspective of consumer protection as well as product quality. Maintaining the appropriate level of hygiene includes all dispense equipment and ancillary equipment that comes into contact with the beer i.e. beer dispense lines, coolers, glassware and the purity and quality of dispense gases as well as the conditions of dispense and the overall environment within which beer is stored and served.

Correct conditions for the dispense of the beer, including the appropriate container size and format for the retail outlet, are vital to protecting brand reputation and satisfying consumer expectation. Brewers should understand the conditions in which beer is being dispensed and consumed within the export market:

- Handling, storage and rotation of product
- Temperature of dispense
- Time on tap
- Carbonation at point of dispense
- Head of the beer at point of dispense
- Glassware
- Hygiene of the beer dispense system as well as ancillary equipment including beer lines and coolers, fridges, glass washers, ice machines etc.

IN CONCLUSION

1. Do not sell your beers without undertaking due diligence of the market.
2. Visit the market, if possible before and after product is exported. This is invaluable in ensuring the integrity and quality of product and understanding the consumer, dispense challenges, and suitability of beer style to market.
3. Ensure that logistics from your brewery to the export market are fit for purpose so that the quality of beer at dispense point is as you, the brewer, intends. It is important to ensure that beer is protected from excessive changes in temperature (both heat and cold). Where possible, temperature-controlled storage i.e. refrigeration should be considered. Don't rely on weather patterns to regulate the temperature of your product.
4. Descants should also be considered to avoid damage to labels or potential for rust forming during transportation and storage.
5. Control the quality of your product as much as possible, from brewery gate to point of dispense.
6. Investigate where other brewers are having success.

7. Remember to factor keg return costs into the price of your beer. One trip kegs can offer savings in transportation costs. Or, look for reciprocal arrangements with brewers in export market so kegs can be back-filled for return journey. Where such arrangements can be found, consideration should be made to the style and type of beer being back-filled and compatibility with the original brewer and risks of cross contamination i.e. presence of wild yeasts or other microorganisms.
8. In new, emerging markets export smallpack to start OR invest in the training of local staff, including wholesalers/distributors, in the handling of your draught beer.
9. Be firm on “best before” dates. Ensure your best practice is acceptable, taking into account the beer style, length of journey to market, storage temperature en route and within the final market.
10. Ensure your importers/wholesalers/distributors/retailers know the “story” of your beer and can convey this to the consumer/buyer. Have a budget to cover market visit costs to endorse/input your story.

ANNEX 1. – RECOMMENDED CONTROLS FOR MAINTAINING BEER QUALITY IN TRADE THROUGHOUT THE EXPORT SUPPLY CHAIN

Shipping; Storage; Dispense	
Well ventilated, clean shipping containers, cellars, storage areas, point of sale cabinets	<p>Ensure storage, throughout the supply chain, is dry and mould free. Floors and mops should be regularly cleaned.</p> <p>This avoids microbiological cross contamination which can quickly lead to spoilage of the packaged product and in the lower term, contamination within the dispense system.</p>
Trays & Cans	Define tray specification and high wall trays to add extra protection given long distribution routes and thinner cans
Pallets	Define Euro /standard Heat Close boarded Pallets . Close board ed = more ridged distribution lack of movement
Temperature control	Ensure consistent temperature control to avoid oxidation and flavor tainting. Control of temperature must protect against both excessive heat and cold. Storage and transportation options such as refrigerated containers (reefers) or storage below the water line should be considered.
Used containers	<p>Empty kegs and casks should be sealed or sensed and stored separately from fresh beer.</p> <p>This avoids cross contamination.</p>
Cleaning and santising facilities	<p>All couplings, and fittings should be regularly cleaned (UK industry standard is every 7 days) with an approved sanitiser.</p> <p>Beer lines should be flushed with clear water at the end of every day and cleaned, with approved cleaning solutions, every 7 days. Lines should be rinsed after cleaning to remove any taints from the cleaning solutions.</p> <p>This avoids microbiological contamination, flavour tainting and further cross contamination.</p>
No food	<p>Do not store beer alongside food.</p> <p>This avoids growth of microorganisms, flavour taint.</p>
Clean facilities	<p>Storage and dispense facilities should be cleaned, in line with advice above. Use industry recommended cleaning agents and avoid strong detergents that could taint the flavor of the beer.</p> <p>This avoids infection, flavor tainting and cross contamination.</p>

Avoid light	<p>Bottled beer, particularly those not in brown glass, should be protected from excessive exposure to UV light (sunlight, fluorescent bulbs etc.).</p> <p>This avoids beer becoming “light-struck” – generation of light induced Sulphur flavours.</p>
Inspect and taste	<p>Cellar/bar staff should inspect and taste beer to ensure quality and that it confirms with desired brand characteristics. Where possible staff should be educated in any specific requirements of beer dispense.</p> <p>This ensures the beer is served at its optimum quality and as the brewer intended.</p>
Dispense System	
Beer line	All beer lines should be approved (MDP, Nylon, MDP/Nylon mix), food grade material, clean and free from taint. Fittings and connectors which come into contact with beer should be fit for purpose and approved for food use.
Python runs	Python runs should be as short as possible in order to hold the least amount of beer between pours and avoid issues of fobbing.
Start of session	Beer lines should be free from final rinse water, with the first “pull” of the session inspected for odour, taste, visual by staff to ensure optimum quality and consumer experience.
New casks / kegs	Staff should inspect and taste the first beer dispensed from new casks/kegs. Staff should rinse/seal and store old containers as above.
At the bar – point of sale	
Glasses	Use clean, undamaged glasses, free of detergent and sanitisers (i.e. chlorine). Where possible dedicated glasswashers should be used to clean glassware.
Training of bar staff	Bar staff must be competent and educated about the beer being served and its expected quality and characteristics.

ANNEX 2: COMPANIES SIGNED UP TO FOLLOWING THIS GOOD PRACTICE GUIDE

The following brewing companies have signed up to follow this good practice guidance to provide assurance to customers, and potential customers, of their commitments to delivering a first-class British beer experience to consumers wherever they are in the world:

<p>Adnams plc Anheuser-Busch InBev Arkell's Brewery Asahi UK Ltd Black Sheep Brewery Budweiser Budvar UK Camerons Brewing Ltd Carlsberg UK Charles Wells Ltd Daleside Brewery Daniel Batham & Son Ltd Daniel Thwaites plc Diageo plc Everards Brewery Ltd Frederic Robinson Ltd Fuller Smith & Turner plc George Bateman & Son Ltd Hall & Woodhouse Ltd Harvey & Son (Lewes) Ltd Heineken UK Heron & Brearley Ltd</p>	<p>Hogs Back Brewery Ltd Holden's Brewery Ltd Hook Norton Brewery Co Ltd Hydes Brewery Innis & Gunn Kingfisher Beer Europe J W Lees & Co Joseph Holt Ltd Marston's plc McMullen & Sons Ltd Molson Coors Ltd Moorhouse's Brewery (Burnley) Ltd Palmers Brewery R W Randall S A Brain & Co Ltd Shepherd Neame Ltd St Austell Brewery Co Ltd T & R Theakston Thomas Hardy Brewing & Packaging Timothy Taylor & Co Ltd Titanic Brewery Wadworth & Co Ltd</p>
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ANNEX 3: FURTHER USEFUL INFORMATION

1. The UK Government has developed a website that can be used by UK companies that are new to exports as well as those with more experience. The site contains a variety of resources and information to help brewers to build an export plan as well as understanding key export markets:

<https://www.export.great.gov.uk>

They also provide additional guidance on how best to protect your brand:

<https://www.gov.uk/guidance/exporting-your-intellectual-property>

Finally, there is information on how companies can access export finance through the Department of International Trade:

<https://www.gov.uk/government/organisations/uk-export-finance/about>

2. The BBPA also gathers market specific information that may be used to help develop some understanding of key beer export markets. Please contact the Association regarding this information:

<https://www.beerandpub.com>

3. The Incoterms® rules have become an essential part of the daily language of trade. These rules are established by the International Chamber of Commerce and have been incorporated in contracts for the sale of goods worldwide and provide rules and guidance to importers, exporters, lawyers, transporters, insurers and students of international trade:

<https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-rules-2010/>

4. Additional resources for information on exporting include:

- British Chambers of Commerce:
<http://www.britishchambers.org.uk/business/international-trade/>
- BusinessWest:
<https://www.businesswest.co.uk/export>.