



The UK Cider Market

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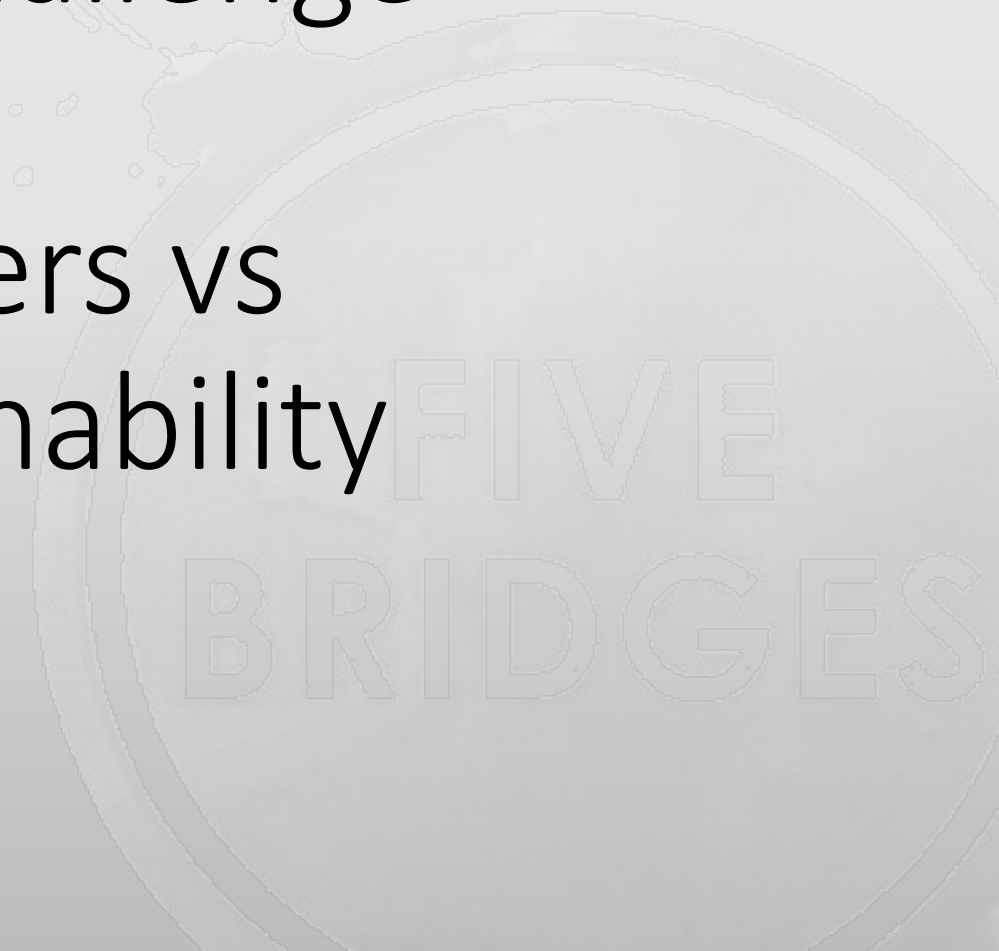




The UK market challenge

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Positive Numbers vs
Uncertain Sustainability



The UK Cider market is undergoing an Identity Crisis?



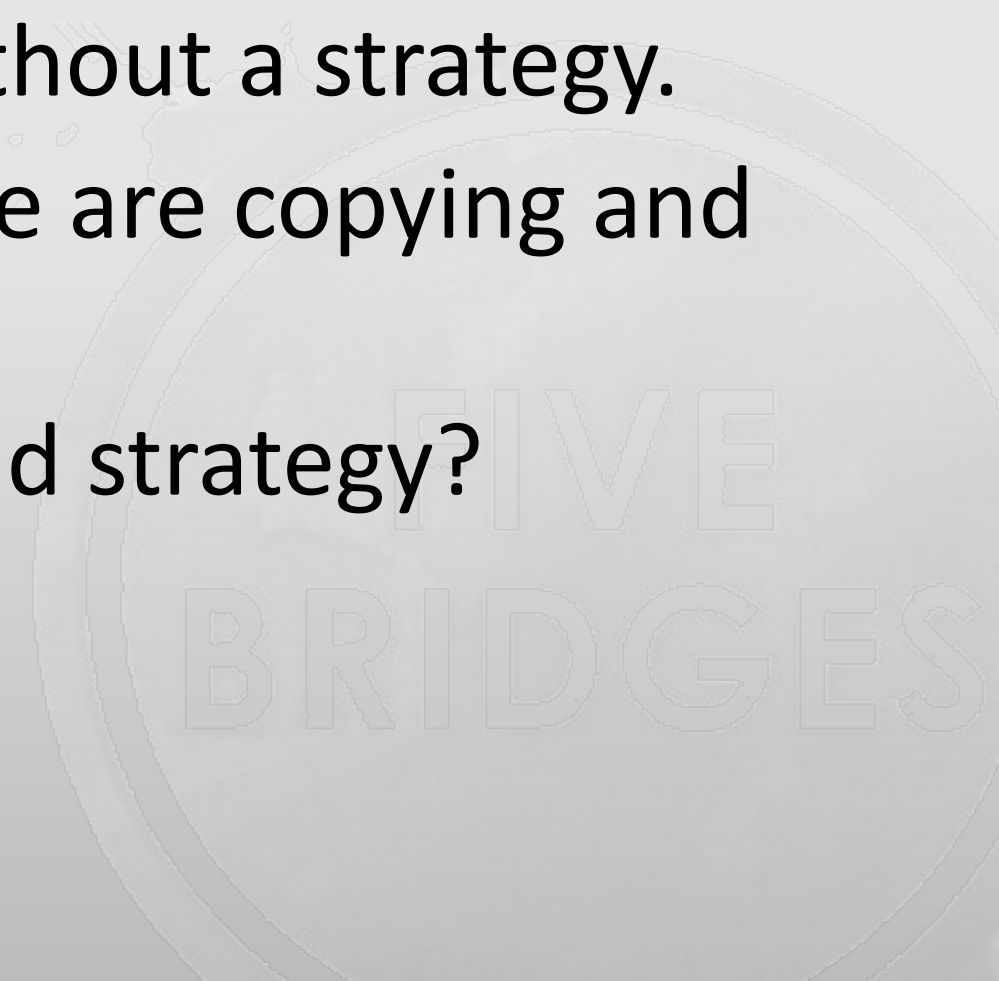
The Numbers say that we should be happy

- 2016 – 790 million litres of Cider and Perry were sold (285M HoReCa, 505M retail).
- The market has been relatively flat for 5 years, but that is excellent performance.
- 67% Apple, 30% Fruit flavour, 3% Pear.
- 9% of all alcohol consumed in the UK is classified as Cider or Perry.
- 57% of all apples grown in the UK go to making Cider.
- The industry supports 9,000 jobs
- There is 47% penetration every year into UK households.
 - There is no singular “cider drinker”
- Exports are growing, with more and more countries experimenting with cider.
- “Imports” are a big part of the market, but 99% is from Ireland and Sweden.



But is it Sustainable?

- Innovation is good, but not without a strategy.
- UK cider is under attack and we are copying and not innovating.
- Where is UK cider's identity and strategy?





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FIVE
BRIDGE



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GES

Cider's UK Identity crisis

- Craft Beer
 - While 5,000 new breweries are shouting loudly, what is cider doing to counter this – add hops?!
- Fruit cider
 - Entry drinkers
 - Eating apples
 - Innovation is short term, with new and crazier flavours.
- Spiders – Cider and spirits
 - I must have missed the news where Jack Daniels and Smirnoff bought an orchard!
- Long drink / short drink
 - In the UK there is a long standing split personality – are we drunk like a beer or drunk like a wine?

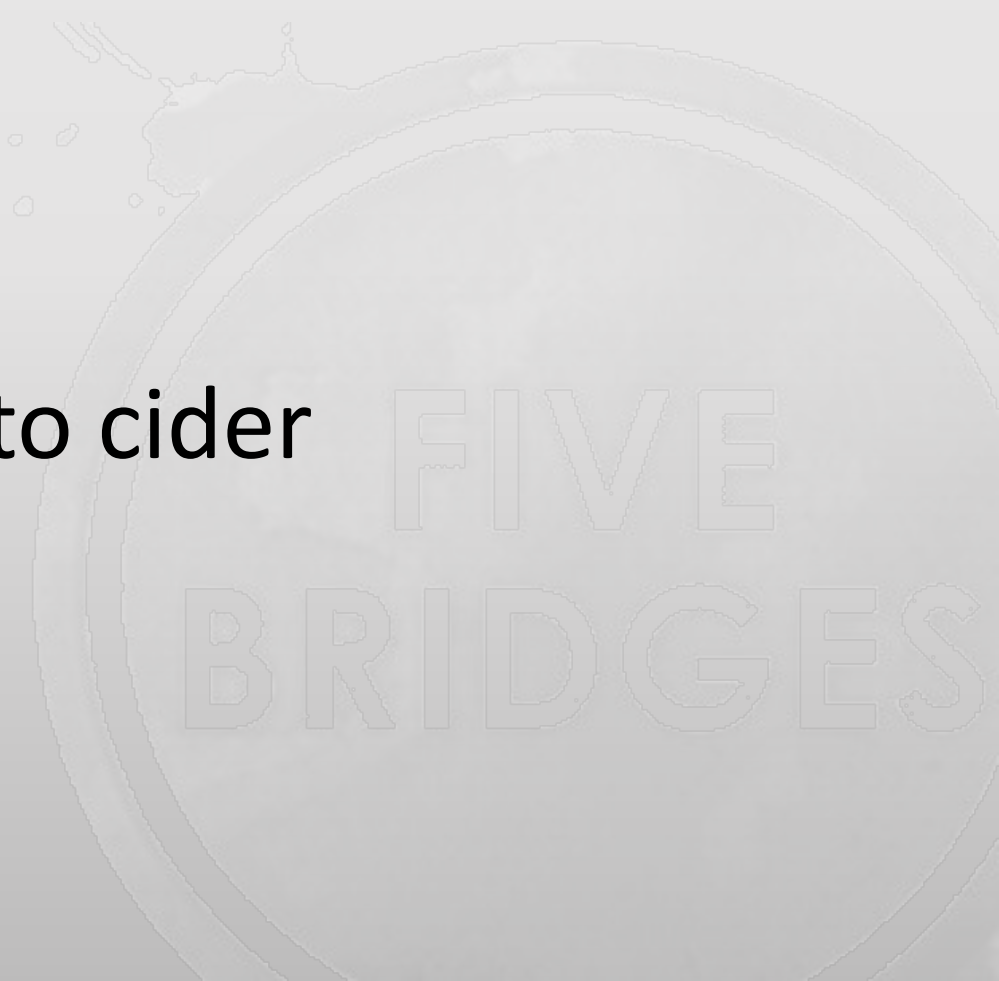
It's just not Gin!

- There must be Juniper in Gin
- There must be Cider Apples in Cider.
 - From that unifying premise – innovate away.
 - We have 100's of distinct cider apple varieties – make some of them famous.
 - Play around with fermentations, filtering, blends – but use CIDER APPLES.
 - Apple is a versatile fruit and a wonderful partner.



There are some positive signs

- “Vintage”
- Scrumpy / Haze
- Apple varieties
- The “Bridge” from fruit ciders to cider
- Imports



Is the potential for Spanish Cider?

- Spain has a better understanding of “what is Spanish Cider?”
- The offering needs to be premium with a significant story to tell.
- The journey needs to start in London for international brands.
- The melting pot of London drives experimentation, and it is has the concentration of money to accept premium positioned, craft products.
 - Vintage growth in London is the highest in the country.
 - No one cider brand dominates within London.
 - International case study

Summary

- Volume is healthy, the market is buoyant
- The UK welcomes international ciders, new flavours, new ideas
- But the UK has to wake up, stop copying and start building a strategy in order to protect it's own identity
- My premise is that our future needs to be the Cider Apple and our international friends can teach us about that
- The market is not saturated, certainly not from an import point of view, but the route to market is expensive, complicated and necessarily needs to be London focussed



¡Muchísimas Gracias!

