



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Licensing and Registration of Clubs
(Amendment) Bill:
Armagh Cider Company

28 January 2021

us; indeed, many supermarkets and larger shops will deal only with distributors, not small producers. Also, we do not have the huge marketing budgets that have enabled mainstream brands to become household names.

To get our products stocked in local bars, we have to compete directly against the mainstream brands on margin and volume, which is nigh on impossible for artisan producers, never mind the other tactics that are frequently used, such as low-cost loans, which lead to the control of a bar's product range through, for example, tied pubs, or massive discounting, with pallets of product given away free to ensure that the bar stays loyal to that product to the exclusion of everything else. If we were based in any other part of the UK or Europe, we would be allowed to sell our cider directly to the public from our premises and at some festivals. That would give us the opportunity to tell our own story and gain some direct traction in the marketplace. At this point, I add that we and the other artisan cider producers make quality premium products, many of which have won international awards. They are not cheap products.

I move on to tourism. Food and drink are two major influences on encouraging tourists to visit. Our ciders are made predominantly from the Armagh Bramley apple, which has protected geographical indication (PGI) status, making it as unique as champagne or Parma ham, both of which are huge tourism draws for their region. We welcome groups to visit and see our orchard's processing and bottling facilities. People are interested in the whole process and enjoy tasting the freshly pressed juice and ciders. However, if you were to visit any winery or cidery in France or England, after seeing around the vineyards or orchards, you would be invited to sample the products, and you could then purchase what you like. Here, you can visit, but, if you wish to purchase the cider, we have to tell you which shops stock it and hope that you remember to go and buy it. The chance of some extra income for the producer is gone. Allowing us to sell our products directly to the public would increase the viability of inviting tourists on to our premises.

We are based in the Armagh City, Banbridge and Craigavon Borough Council area, and the council has been very active in attracting tourism to the area. The Armagh Bramley apple's PGI and the indigenous orchards are central to that. Along with the Lough Neagh eel, which also has PGI status, Armagh has a strong food focus. Creating a local food and drink event or tour is a great way to boost the local economy by creating jobs and increasing tourist numbers. The emphasis of the council's tourism, development and marketing strategy for 2017-2022 is to utilise those unique strengths and assets to attract international visitors. The council recognises that a key part of the experience for visitors is the ability to learn about the produce, sample it and purchase it at the production premises. It would also welcome the ability for artisan producers to sell their products at festivals, as it believes that that would help to attract visitors to rural parts of the borough.

How do I see the situation being improved? As suggested in the Bill, a new category of alcohol licence — a producer's licence — should be introduced. However, we feel that those licences should be available only to genuinely independent producers, not agents. The difference is that the producer is the one who bears the financial loss if the product fails during production. At the minute, in Northern Ireland, licences to sell alcohol are linked to premises. Prices are extortionate, and that puts them outside the scope of artisan producers. As a producer, we want only to be allowed to sell what we produce; we do not want to become an off-licence or a bar.

The growth of our industry would benefit many sectors, including producers, as I mentioned, and the apple industry, which is in bad need of support. Like many farming enterprises, the apple industry is under stress. With a vibrant local cider industry, apple requirements would increase and provide better returns for growers. Employment will increase. As local ciders grow, more staff will be required. We now employ four people alongside our family, and, if producer's licences become available, that number will increase. Tourism will benefit. Food tourism is an up-and-coming trend. Several established tours are available throughout Europe. France has the Cider Route in Normandy and several wine trails. Cider tours in the UK, France and Spain are worth millions to their economies. The Treasury will benefit. The industry already contributes to the Exchequer through the payment of excise duty. There is no point talking about last year, but, in 2019, Armagh Cider Company alone generated in excess of £50,000 in excise duty. With a little support, that will only grow. However, we expect the cost of the producer's licence to be kept to a nominal amount, as is the case in England.

Producers are responsible people. We appreciate the need for regulations. At no time do we advocate the sale of cheap alcohol. All we ask for is the same facility as exists in the rest of the UK and Europe: to be allowed to sell our products on our premises and at specific festivals. I hope that the Committee will look favourably on our request. Any questions, please?

The Chairperson (Ms P Bradley): Thank you, Helen. You kept within your time limit, so well done. I think that I am right in saying that you are the first cider producer to brief the Committee, so you are very welcome. An MLA who sat on the Committee previously is from down round those parts and was very much a champion for the cider makers in Armagh. All of us on the Committee are champions for people who have the entrepreneurship to start up businesses and have a product that will bring in tourism and an income to Northern Ireland. We want to support you in that.

You talked about the issues that you have in relation to not being able to sell your product, and we know them all too well. We will not look at last year; we will look at a normal year. How much have you lost as a result of not being able to sell the entire experience to someone who wants to do the tour and through people from Northern Ireland who want to buy your product not being able to do so?

Ms Troughton: It is hard to estimate. We have never been able to do that, so we have nothing to gauge it against. However, some places in England lift maybe £1,000 a week. They are the cideries based outside big cities. With us, you are talking about maybe a few hundred pounds every week, but that would help. We cannot do one-offs or special items. We are fortunate in that we are in some of the supermarkets, but, when we bring out a special brand, the supermarkets will not take it because it is a one-off and will last only three months. Therefore, there is no incentive for us to try that. That is one of our problems, and that is where we are being stifled. It has been frustrating during the lockdowns. Elsewhere, producers' shops could continue to sell, even though the off-licences were closed, but we cannot do that. That was to try to help those people to keep going. At the end of the day, we are just a farm trying to sell our products.

The Chairperson (Ms P Bradley): You talked about the producer's licence. We have heard that from the microbreweries and brewers who have come to speak to us about a producer's licence. We hear more and more about how such a licence would enable businesses to sell their product on their premises. It is right that they should be able to sell the product that they make on their premises. You said that you want to sell only your own product. Are you asking us to look at taprooms, as others have done? Is that the road that you want to go down, or would you like to propose something different?

Ms Troughton: I have no interest whatever in a taproom. All we want to do is to make the product and sell it. A taproom is nothing more than a bar. Our cidery is at our home farm. The last thing that I want is a bar at my back door. No, I have no interest in a taproom. We want to be able to sell our product. We give tours, and, in 2019, we were rated the most authentic Northern Ireland visit by Tourism Northern Ireland. We get a lot of American visitors every year. Our product is not available in America, and they want to bring a bottle home with them. It is difficult to bring bottles home, but I cannot sell it to them anyway. It is so frustrating. Last year, we lost our tourists, and we never could sell our product from the premises. I have no interest whatever in a taproom. I just want to be able to let people sample it here — not drink bottles of it — buy it, take it home, enjoy it, come back again and, hopefully, buy more.

The Chairperson (Ms P Bradley): Thank you for clearing that up, Helen. I will open the floor to members. Kellie has her hand up. Will other members let me know if they want to come in?

Ms Armstrong: Helen, thank you very much for your presentation. Armagh is famous for its apples and, of course, its cider. I noted what you said about not being interested in having a taproom. Have you any problems with taprooms in other cideries, wineries, distilleries or breweries?

Ms Troughton: No, I have not. If that is what they want, that is fine. However, the guys with pubs are having a hard enough time at the moment. To me, a taproom is in opposition to a pub. The pub owners have paid their rent and rates for years and years, and I do not want to stand on their toes. I am not trying to take away their trade, nor am I trying to encourage people to come here instead of going there. I feel that what we are doing should work in alignment with the off-licences and the bars. I am sorry; I just do not see the need for a taproom. Taprooms end up selling products other than their own, and therefore — I could be wrong — it is not strictly a producer's licence. I have no interest in selling somebody else's product, because the story is here, and it is about our products.

Ms Armstrong: OK. You talked about selling a sealed product that is to be consumed off the premises. At present, what is the barrier to you guys having your own off-licence?

Ms Troughton: Money. I have already spent £800,000 putting in a processing and bottling plant. We reckon that it would cost another £100,000 to put in an off-licence. I do not have it.

Ms Armstrong: What is that cost? Is it the cost of purchasing the licence?

Ms Troughton: Yes, that is what we are led to believe. When we enquire, that is what we are told. If there was a cheap off-licence going, yes, by all means, but we want to sell only our own product. I do not want a distributor's lorry driving in here and offloading its whiskey, gin and whatever. I just want to be able to sell our own product; that is all. A full off-licence is not what I need. If it were possible to have one at a reasonable rate, we would have had one long ago. Believe it or not, most of what I read out to you is what I read out at Stormont in 2016. We started in 2006, and I have been fighting for this ever since. Please, just give me a licence.

Ms Armstrong: Thank you, Helen. You are part of the tourist offer in the Armagh area, and, to be honest, you are part of the tourist offer for the whole of Northern Ireland. We need to promote home-grown foodstuffs and drinks. Have you any idea what your current value is to the local Armagh tourist market? You are bound to be a very good draw because you are one of the reasons why people go to Armagh.

Ms Troughton: In 2020, I had over 100 groups of Americans booked in to come to me, and that number is growing every year. Last year, it was probably going to be worth somewhere around £30,000 or £40,000, and that was just for the visits, not for any sales. We make apple juice as well, and we have just started to make lemonades and tonic waters and things like that. We can try to sell some of that, but people just love to taste the cider because it is so different from what they get over there. The tourism side is working but we need to *[Inaudible.]*

Ms Armstrong: That is fine. At the moment, when people come to you, they can sample your product. Have you had any indication from those foreign tourists of whether there is a limit on what they might be able to take away if they were allowed to do that? I believe that they cannot carry what they have purchased back home with them on a plane, given that the carriage of liquids is not great. You must therefore be leaning towards export. For example, when Americans sampled your product in Armagh, you could export it to them when they got home. Is that an issue for you at the moment?

Ms Troughton: Yes. I cannot sell because I do not have a licence. I cannot sell online, and I cannot sell to those people to take home with them. All *[Inaudible]* picture.

Ms Armstrong: OK. Thank you, Helen. That was really useful.

The Chairperson (Ms P Bradley): No other members have indicated that they want to ask Helen further questions. Did you want to ask a question, Robin?

Mr Newton: It is not a question, Chairperson. I just want to thank Helen for the clear and concise way in which she has portrayed her business and exactly what it is that she wants from the change in legislation. I completely understand where she is coming from.

The Chairperson (Ms P Bradley): Yes, absolutely. Helen, I have travelled to lots of places with wineries and various things. I remember going to one in Georgia and bringing home cases of different wines. They knew that the wine was for the tourist market, and their wonderful packaging made it easy to put the wine into suitcases and bring it home without any breakages. So, I absolutely get that, especially given that you have American tourists who are tasting a product that they cannot get back home. If it were packaged properly, they would buy great quantities to take home with them on their flights. That certainly needs to change. We rely heavily on the likes of you when it comes to tourism in Northern Ireland.

Thank you for being clear and concise in what you have asked of the Committee and what you have told the Committee. Thank you for joining us, Helen.

Ms Troughton: No problem, thank you.