

BREXIT AND THE MALTING SECTOR

Malt is made from barley in a traditional process which involves steeping, germination and kilning. The malt produced is the primary raw material used in producing our national drinks beer and whisky, and many well-known food brands. Without malt there would be no beer and no whisky so this is an essential industry in our national economy.

We are an industry which is placed strategically between the farmer (producing malting barley) and the end user (brewers and distillers). The barley used is chosen from a range of specific varieties which have been bred and selected for their malting, brewing, distilling and food qualities. These require careful management to give the quality of grain required by the maltster, with premiums paid to the grower to incentivise

the production of grain to specific contract requirements. Maltsters have developed a close relationship with growers to ensure our continuing needs are met. Hence a strong and successful agricultural sector is important for the continued success of our industry.

It is estimated that removal of the CAP without a replacement could lead to a loss of about 250,000 jobs in non-farm SMEs from direct and indirect effects of reduced farm expenditure. The majority of lost jobs would be in rural areas, with a significant impact on rural job markets and economies. Malting barley growers consistently acknowledge they do not require subsidy (Pillar 1) support but the incentives to become even more exemplary and efficient farmers through carefully targeted pillar 2 payments is essential.





Today, malting is concentrated into 12 main companies who operate between them 27 sites producing 1.5 million tonnes of malt from 2 million tonnes of malting barley. The sites stretch from the south of England up to the north of Scotland and are mainly located in the eastern half of Britain close to the primary barley growing areas.

As an industry, we underpin a large number of jobs and GDP. The whisky industry supports 40,000 jobs and adds £5bn across the economy, a positive impact on the balance of trade for the UK. The beer and pubs sector supports 900,000 jobs and adds £22bn to the economy. Add to that the fact that important export markets exist for British malt in many countries, notably the US and Japan.

As the major market for malting barley growers, further supporting jobs in the agricultural sector, we feel our voice needs to be heard.

Key points:

- 12 main companies, 27 sites
- 1.5 million tonnes malt produced in UK from 2 million tonnes malting barley
- Key customers are whisky distillers (49%), brewers (32%), export (14%), and food (5%)
- Heavily reliant on strong agricultural sector producing malting barley

The Maltsters' Association of Great Britain (MAGB) represents 98% of malting production and seeks to ensure that Brexit negotiations take into account the needs of the malting industry.



We urge the government to ensure the following in Brexit negotiations:

1. Continued free trade with existing EU members and favourable trade deals elsewhere, especially with the US and Japan (important markets for our products).
2. Strong support for UK agriculture to ensure that cereal growers are able to continue to produce a plentiful supply of malting barley, the raw material for the malting industry. A CAP focussed on promoting environmental excellence is an essential part of this.
3. A balanced regulatory regime for food safety based on good science. Adoption of the EU system for approval of Plant Protection Products and regulation of contaminant residues.
4. Energy/emissions legislation that ensures we remain competitive with global competitors.

For further information please contact
Dr Julian South, Executive Director MAGB:
julian@magb.org.uk



www.ukmalt.com

 [magb.maltsters](https://www.facebook.com/magb.maltsters)  [@magbinfo](https://twitter.com/magbinfo)

BREXIT AND THE MALTING SECTOR

