

Buy local, drink responsibly to kickstart craft beer recovery

 By [Lauren Hartzenberg](#)

22 Sep 2020

The Covid-19 pandemic and the related bans on alcohol sales instituted in South Africa have debilitated the country's craft beer industry. With tasting rooms and bars shut for months and retail sales restricted, many local breweries have shed jobs, and some have been forced to shut down entirely.



Credit: Pexels

With a long road to recovery ahead, consumers, retailers and the hospitality industry can support SA's craft beer industry by buying local, obeying Covid protocols and encouraging responsible drinking.

As chairperson of the Craft Brewers Association of South Africa (CBASA), and co-owner and operations manager of Johannesburg-based Just Brewing Co. and Hops End Brewpub, Wendy Pienaar advocates the development of the local brewer industry and is passionate about advancing the quality of South African brewed beer through educational programmes.

In her role at CBASA, she helps facilitate the sustainable promotion and growth of the industry while differentiating beer as a product of choice for those that choose to drink responsibly.

In this interview, Pienaar shares more on how the Covid-19 lockdown has affected local breweries, and the support they need to survive the months ahead.

What impact has the pandemic and alcohol bans had on SA's craft beer industry?

South Africa's liquor industry, particularly craft distillers and brewers, have been hard hit by the protracted lockdown and ban on the sale of alcohol.

CBASA conducted a survey a few weeks ago and the results were quite alarming.

It revealed that only 10% of South African craft brewers believed they would be able to continue trading in the near future if the restrictions on the trade of alcohol continued past July.



Wendy Flenaar, CBASA

We are also aware of seven breweries which had to permanently close down and which had to retrench all their staff by June.

Of the 100 breweries we surveyed, more than 50% said their sales had decreased by 60-100% since lockdown began, 24% said that their sales decreased by 90-100% and 87% said they could not meet their monthly expenses – so the impact of Covid-19 and related alcohol bans has severely affected our industry.

“ Many breweries have experienced record losses and a total of 63% have been forced to retrench their staff in the last three months. ”



Beer Association relieved to reopen trade after wave of bankruptcies

18 Aug 2020



What does the road to recovery look like for the industry right now?

There is a notably long road to recovery for the industry. Many businesses in the beer industry have still not recovered from the first nine-week ban that was put in place from 27 March to 31 May, with 30% of craft breweries becoming bankrupt in that time frame alone. The second ban, that came into effect on 13 July, forced an additional 15 % of craft breweries to shut down permanently.

In order for the beer industry to recover as a whole, and in order to protect the 400,000 livelihoods across our value chain, we have to ensure that we do not have a repeat of the situation we had on 12 July 2020, where an immediate ban on the legal trade in alcohol was announced - without the industry being given any prior warning or opportunity to engage.

This posed major logistical and operational challenges for our manufacturers, distributors and retailers. The sudden announcement also placed a huge financial strain on businesses who had bought stock, which they were prevented from selling, which had to be subsequently discarded due to being expired.

While we appreciate the challenges government is facing when it comes to fighting the Covid-19 pandemic, our road to recovery as an industry must be supported by a commitment towards keeping the sector open. Together, we can devise sustainable solutions that encourage citizens to responsibly exercise their choices, that prioritise lives during the Covid-19 pandemic and that safeguard livelihoods across our value chain.

What have been the unique challenges faced by small and micro breweries during this time?

At the moment we are still dealing with the issues linked to limited trade, even though we have moved down to lockdown Level 1. This is still having a negative effect on sales which is hampering industry recovery efforts. Many breweries have still not been able to re-employ all their staff.

The uncertainty of a second wave of Covid-19 cases now that our international borders have opened up, and the resulting possibility of the National Covid-19 Command Council re-banning sales has left brewery owners in a difficult position when it comes to the long term planning and expansion plans they may have had for 2020.

The constantly fluctuating Rand/Dollar/Pound has also left brewers in a difficult position where they are now having to spend more for their raw ingredients. The rolling power blackouts have also put a severe strain on production.



#DoBizZA: How local brands can leverage their 'made in SA' status to entice shoppers

Karin Du Chenne 17 Sep 2020



■ **On a more positive note, what are some of the ways the local craft beer industry has innovated to survive the lockdown?**

The local craft beer industry has worked very hard to survive the lockdown. We have found that most breweries changed their recipes in order to brew more economically, while others moved to cheaper premises or amalgamated with another brewery.

“ We've seen several craft breweries develop e-commerce sites where they weren't available before. Several craft brewers also used the alcohol ban to start producing non-alcoholic and alternative drinks. ”

■ **Can you comment on the positive contribution the craft beer community is making to SA's broader liquor industry, and to retail shelves in terms of variety for consumers?**

Craft brewers are essential to expanding the range of beers available on South African shelves and exposing the public to the more than 75 different beer styles that exist.

Most South Africans are familiar with a Lager that is brewed to be enjoyed shortly after brewing but they are yet to experience the range of beers that, like wine, are designed to be paired with food and aged to get the best flavors. The craft industry is able to bring these beer styles to life due to the small batch artisanal nature of their products.



Heineken SA entrepreneur profiles for Women's Month: Apiwe Nxusani-Mawela, CEO of Brewsters Craft

Heineken South Africa 19 Aug 2020



■ **How can SA consumers, retailers and restaurants help the craft beer industry survive and thrive?**

It is important for retailers and restaurant owners to take the time to meet local craft brewers and learn about the great potential that craft beer brings to the table as a product that is designed to savour and enjoy with food. Our products are brewed to be drunk in moderation, and responsibly.

“ Craft beer has just as much to offer as wine does. ”

It is also important during this time that retailers play their part in ensuring that their liquor outlets adhere to the rules of trade stipulated in the Alert Level 1 regulations as the industry would not survive being subjected to another alcohol ban. Consumers and restaurants can also actively help our industry survive by ensuring that masks are worn within their establishments while also maintaining rules of social distancing, in order to protect themselves and others from Covid-19, which would subsequently help ensure the sustained capacity of our health facilities.

ABOUT LAUREN HARTZENBERG

Managing editor and retail editor at Bizcommunity.com Cape Town apologist. Dog mom. Get in touch: lauren@bizcommunity.com

- Celebrating African creativity: Lucky Star and Chepa Streetwear collab on Phatsimo collection - 7 Jun 2023
- PayJustNow's CEO on the benefits of 'buy now pay later' for consumers and businesses - 6 Jun 2023
- #YouthMonth: Glow getter Ayanda Majola talks Yanda Cosmetics venture - 2 Jun 2023
- SA retailers and consumers count the costs of a collapsing state - 1 Jun 2023
- Jane Wurwand's journey building the Dermalogica skincare empire - 22 May 2023

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>