

Covid-19, the Coffee Supply Chain moving out of Lockdown

Q: Has the Coffee Industry been in lockdown?

A: Much of the coffee industry has continued to operate over the past few months ensuring that coffee has continued to be available both in food retail (supermarkets) and, increasingly, on-line through a wide variety of different providers. This has meant the need to ensure the continued movement of coffee from origin countries, into the UK and through the roasting, blending and other processes so that beans, ground coffee and instant all have remained widely available.

Q: So where has the problem been?

A: In line with the rest of the hospitality and retail sector, the sale of coffee through coffee shops, restaurants, bars, hotels etc. has been stopped since 24th March. This has accounted for approximately 20% of total UK coffee sales although, as mentioned above, some of this has been picked up through increased retail and online sales. For a number of businesses however who predominantly supply the out of home sector, this shutdown represented a significant part of their business, resulting in the need to furlough some staff.

Q: What are the risks in going back into coffee shops?

A: As with the rest of the retail and hospitality sector, the re-opening of coffee shops, beyond takeaway only, will be based on Government and scientific advice, with social distancing at the heart of that. Adherence to the issued guidance, by shops, staff and customers, will mean the risk in coffee shops is no different to elsewhere.

Q: Aren't we better keeping a 2m social distance rule?

A: A determination as to whether social distancing should be at 1 metre or 2 metres will be determined by Government following the review it has announced. Industry has and will continue to follow that advice, which includes additional measures to take where a 2 metre distance cannot be maintained.

Q: Will my favourite coffees still be there?

A: The global coffee industry has worked hard to ensure that coffee has continued to be harvested, transported and stored. Whilst the pandemic has inevitably raised some challenges, producing countries have risen to the challenge and although some delays have been incurred, coffee has continued to be delivered. Given a number of businesses in the UK have been closed since late March, their re-opening will bring with it some temporary supply issues, but they will strive to supply products of equivalent quality during this brief period until full service is resumed.

Q: If coffee shops reopen does that mean the possibility of shortages for online and retail stocks?

A: No, UK stocks of coffee continue to be high and with a number of smaller roasters now coming back on line there will be a wide choice of coffee no matter how or where you prefer to drink it.

Q: What about prices, will they be going up?

A: Retail coffee prices will be determined, as ever, at individual business level and will continue to reflect the wide product range that is now available. As an association we have put very specific suggestions to Government to help support the food and drink chain in restarting to ensure businesses can successfully re-open.

Q: So, what about coffee producers in developing countries?

A: Many UK coffee businesses with direct links to coffee producers have been providing additional support back to farm level. This may be to help with harvesting delays – which can mean cashflow issues for producers, support to help with additional harvesting help (some countries have seen movement restrictions affect the availability of harvest labour), but it has not been just about money. Providing reassurance on supply and demand (and ultimately that their coffee beans will have a buyer) has been equally important for individual producers to receive updates on.

Q: Is there any risk of COVID-19 transmission through food and drink products?

A: Official advice continues to report that the risk of transmission through food and drink products is negligible. However, it is sensible to ensure normal, good, food safety management procedures. The scientific view remains that COVID-19 can be spread person-to-person through respiratory droplets, typically coughing or sneezing.

In common with the whole food and drink sector, BCA members continue to review their procedures to ensure risks are reduced.

Q: What about the costs of lockdown, what assistance has been available?

A: BCA and its members have welcomed the actions the Government has taken to support, in particular, the hospitality, food retail and leisure sectors during the period they have not been able to operate. We believe however this support needs to be widened to include those businesses supplying these sectors and who have lost significant parts of their customer base as a result of the Government restrictions. Because of this we have worked with others under the Food and Drink Federation banner to develop a specific set of recommendations for targeted support for this group of businesses we have called “The Squeezed Middle”

This document will continue to be added to, and expanded upon, as further information becomes available. Please do contact the BCA if there is a specific issue or enquiry you would like clarity on, or you think should be included, in this document.