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Assured UK Malt Meets Highest Standards

Assured UK Malt (AUKM) is announcing at Drinktec in Munich that the scheme has become the first one accredited for malt, meeting the high standards set by the International Accreditation Forum, and administered by UKAS (United Kingdom Accreditation Services). Since its launch in Hanoi two years ago, the scheme has been expanded to include not just food safety but also product legality, good operational practice, and product quality.

For brewers and distillers the AUKM scheme provides malt that is fully traceable and guaranteed to have been subjected to independently audited standards. This comes at a time when legal obligations and food safety compliance have never been tighter. The AUKM scheme is audited by PAI (Product Authentication International), an independent organisation, which in turn has been audited by UKAS.

Assured UK Malt has many benefits for brewers including the fact that it is fully traceable and enables much faster responses to issues and challenges in the supply chain. The standard requires that all grain is traceable from farm to the primary storage area, and from stored bulk to final delivery as malt.

As supply chain dynamics become increasingly complex, it is important for brewers to use malt that has every stage in the production process recorded. Purchasing malt that carries the Assured UK Malt mark of certification can help to eliminate the risk of contamination.

With consumer demand for greater assurances on food safety increasing, the scheme is also an opportunity for brewers to satisfy their customers with a product that carries quality assurance. Assured UK Malt is ahead of any other national assurance scheme, and has set the standard for world malting. It ensures that the end consumer can rely on the brewer to provide them with a fully assured and traceable product.

Spokesperson for the scheme, Ivor Murrell, said: "The Assured UK Malt scheme is the first scheme of this type in the world. Consumers need to know that the products they buy are safe and this scheme allows brewers to provide this assurance. Assured UK Malt has met strict quality guidelines and, most importantly, gives confidence to brewers."

Members of the scheme are Bairds Malt Limited, Coors Brewers Ltd, Crisp Malting Group Ltd, Greencore Malt, Muntons plc, and Simpsons Malt Limited.

BENEFITS FOR EVERY PART OF THE BUSINESS

The Assured UK Malt (AUKM) scheme offers benefits for brewers in every area of the company, not just buying and quality control. Using malt from the AUKM scheme adds value for brewers' customers – the retailers and the ultimate consumer alike. The benefits can be broken down as follows:

For buyers – IBM once ran an advertising campaign claiming 'Nobody Ever Got Fired for Buying IBM'. For IBM insert Assured UK Malt. Buyers can rest easy knowing that malt with the AUKM mark of certification is high quality and fully traceable.



For quality controllers – AUKM makes their job easier by providing a product that is quality assured and independently verified. It can help to save time and money when it comes to auditing.

For finance directors – Using AUKM can help long-term costs by reducing the risk of expensive product recalls and escalating insurance premiums.

For CEOs – AUKM is one raw material that is assured free from contamination. Problems with contaminated product can be catastrophic, leading to decline in profits, sliding stock market price, and loss of market share.

For Commercial Managers (sales & marketing) – Who work hard to build sales and brand equity and don't want to see it disappear overnight. The use of products that have been approved by a scheme such as AUKM adds value for the retailer and the consumer.

As Euan MacPherson, of Assured UK Malt Working Party says: "The benefits of the scheme are not just for buyers, they spread throughout the business. For sales and marketing executives in particular, the fact that the company uses AUKM adds value to the customer, giving them further reassurance about the quality of your products."

Traceability is Everyone's Concern

Few people in the food and drink industry can have failed to notice the growing importance of traceability in recent years. Food scares such as those surrounding Sudan 1 and Para Red have alerted manufacturers, retailers and the consumer to the importance of ensuring the quality of ingredients. At the same time, public concerns about GM foods have increased their desire to know the origins of all food and drink. This desire has undoubtedly been one of the factors behind the resurgence of regional foods throughout Europe. If consumers can identify the area of origin of a product, they feel more at ease purchasing it.

In the past, concerns with raw materials or the production process may have been seen as an issue for those involved operationally, such as the production or quality control manager. However, recent examples have shown the effect that such issues can have on the whole business. For marketers, sales people, finance and managing directors, a batch of substandard raw materials can have devastating consequences – undermining brand equity, reducing stock market valuation, adding costs for product recall, and jeopardizing future sales.

The problem for many food and drink manufacturers is their total dependence on outside suppliers to ensure the integrity of their products. Despite evidence that the risks from Sudan 1 are relatively small, its detection in an imported batch of chilli powder in the UK led to a major global food scare. Retailers and manufacturers were forced to

take numerous lines off the shelves, and the cost of product recalls was estimated to be at least £100million. This does not include the effect on brand equity or future sales.

Ivor Murrell, a spokesman for Assured UK Malt (AUKM), says: "It would be no exaggeration to say that brands are more important in brewing and distilling than virtually any other food or drink sector. Very large amounts of money have been invested in establishing and maintaining beer and spirit brands, and in many premium markets, brand is everything. The Assured UK Malt scheme is designed to give brewers and distillers the assurance of traceability and high quality at every stage of the production process. Companies that use malt bearing the AUKM mark of certification can do so with total confidence.

"While many buyers and quality assurance managers have become aware of the benefits of the scheme since its launch two years ago, other key personnel remain unaware of its benefits. We believe that product traceability and integrity are issues of importance for production, senior management, the finance department, sales & marketing. We are, therefore, targeting information at all parts of brewing and distilling companies."



TRACEABILITY CASE STUDY ONE

In 1990 the word 'Perrier' was synonymous with mineral water, it was the leading brand in a growing sector with a 15% share of the important U.S. market. By 2003 this share had fallen to 3% and it struggled to break even. This collapse followed the discovery of benzene contamination, originally detected by regulators in North Carolina, and subsequently confirmed by Dutch and Danish officials.

Many will remember the huge media coverage of the story. The total recall cost was \$253 million, later the share price fell by 37%, and Perrier was taken over by Nestlé in 1992.

TRACEABILITY CASE STUDY TWO

Even the world's biggest brands are not immune from the consequences of product concerns. A problem with Coca-Cola in Belgium in 1999 led to the banning of all products by the government, following the hospitalization of 100 school children. This subsequently led to a ban in France, and restrictions on sales in Luxembourg and the Netherlands. Some 30 million cases of drink were recalled - the biggest product recall in the company's history – at a cost of \$103 million. Later Coca Cola stock value fell by 10% and the Chairman/CEO eventually resigned.

For further media information contact: The Ceres Partnership, The Old Bakehouse, Owl End Lane, Lower Boddington, Northamptonshire NN11 6XZ
Tel: +44 (0)1327 262200 Fax: +44 (0)1327 264341 Email: assuredukmalt@ceres-pr.co.uk

For all other enquiries please contact: Maltsters Association of Great Britain, 31b Castlegate, Newark, Nottinghamshire NG24 1AZ
Tel: +44 (0)1636 700781 Fax: +44 (0)1636 701836 Email: assuredukmalt@magb.org.uk

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