



SUSTAINING SMALL BAKERY BUSINESSES

LOOKING TO THE FUTURE IN CHALLENGING TIMES



All small bakeries in the UK, stand up and take a bow! Running any business is challenging, but running a bakery requires resilience, passion, strong bloody mindedness and a can-do attitude to keep going, no matter how hard and tired you are. This is why bakeries are so important to a local community. They have the ability to bring people together and especially at a time like this I am greatly encouraged to see so many wonderful bakeries going above and beyond in their local area. The word companion in Latin means 'with bread', so let's celebrate the amazing work that bakeries do at building communities with the joy of bread.

Henry Herbert

Fabulous Baking Brothers
Hobbs House Bakery



At a time of great challenge for artisan food businesses, we welcomed the invitation to take part in this survey of small bakeries. Like other artisan bread makers, during in the Covid-19 pandemic we found ourselves back in the traditional role that local bakeries have occupied for centuries: serving our communities at the hearts of the villages, towns and cities where we bake the daily bread. It was a privilege to be in a position to provide food, companionship and sometimes solace to the people who visited our Bread Stores. We built whole new communities, which continue to flourish.

It was also a chance to rethink and reinvent our business. Rising to the challenges imposed by the ever-changing rules and restrictions, we became even more flexible and innovative than before, creating new ways to diversify and adapt. We also found a new audience for the powerful story of Real Bread. During the lockdowns, people

suddenly found themselves hypnotised by the romance of making sourdough bread. This newfound love gave professional bakers a rare opportunity: to change our customers' perception of baking as something simple and easy. Whether at home or in a professional workplace, baking is not easy. In fact, artisan baking is rather complicated, requiring immense skill, depth of knowledge and, crucially, a willingness to get up before dawn every day.

This report reinforces the value of sharing knowledge, experience and ideas. By supporting and learning from one another, we can cherish our principles, nurture our passions, check our realities and protect our bank balances. Let's build on the positive changes achieved during the pandemic to help our small bakery sector survive - and thrive - in a future full of challenges and potential.

**Catherine Connor
and Aidan Monks**

Lovingly Artisan Bakery

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Executive summary

More than 90% of bakery businesses in the UK have 50 employees or fewer, and the number of small bakery businesses is increasing. This growth is linked to rising consumer demand for artisanal bread, making these businesses an important part of the enterprise economy.

At the start of the Covid-19 pandemic, when demand for bread, cakes and pastries soared, small bakeries rose to the challenge. The queues that formed outside bakeries emphasised their importance to local communities.

Our survey found that 17% of small bakery businesses were founded since the start of 2020 and more than a third are less than five years old. Around a third of small bakeries are family firms, owned and run by multiple generations. Nearly half of these businesses are microbakeries, run by one or two people, often from home.

These businesses provide an important source of innovation and new ideas. Many owners have responded to changing customer demands, including for sourdough, organic and additive-free baking. Some are exploring ways of making bread more sustainably, by supporting local wheat farming and flour milling that uses innovative methods.

But small bakeries face an uncertain future. These energy-intensive businesses face ongoing shortages of skilled labour and are vulnerable to global increases in flour prices. Cost of living pressures are also making it more difficult for people to choose good quality, locally-made bread. High street bakeries are particularly affected by high rents and business rates, further eroding their trading margins. It is likely that these pressures have intensified further in the few months since this research was carried out.

Small bakery businesses have contributed significantly to British food cultures and local communities during the past five years. Their growth builds upon a long history of craft baking in the UK. A successful future for these small businesses will require bakery owners to work together with policy makers, educators and suppliers to build more resilient supply chains, improve training and career pathways for bakers and enhance customer awareness about the benefits of locally-made, fresh bread and bakery products.





the
FOREST
BAKE
HOUSE
LONGHOPE

FOOD DELIVERIES
CHILLED FOODS: 2°C - 5°C
FROZEN FOODS: -18°C
COLD DISPLAY: 0°C - 5°C

RAW MEAT
RAW FISH
COOKED MEATS
SALADS & FRUITS
VEGETABLES
DAIRY PRODUCTS

FOOD STORAGE
CHILLED FOODS: 2°C - 5°C
FROZEN FOODS: -18°C
COLD DISPLAY: 0°C - 5°C



Introduction

Almost half of the UK population eat bread every day and around 2.5 million people regularly buy bread from local bakeries¹. It is therefore promising to see signs of growth in the number of small bakery businesses in the UK. The number of businesses making bread, fresh pastry goods and cakes increased from 1,874 in 2008 to 2,478 in 2019². Figures for 2021 indicate there were 2,720 businesses that manufacture bread, fresh pastry goods and cakes in the UK. Of these, 2,540 were small businesses³.

While these businesses account for a minority of the overall UK market for bread and fresh bakery products, in recent years there have been signs of increased demand for bread made on a smaller scale using hand-crafted methods. The estimated retail value of bread categorised as 'artisanal' rose from £600 million in 2005 to £700 million in 2015 – a period which saw an overall decline in the estimated retail sales of packaged bread from £2,650 million to £2,500 million⁴.

To explore these trends more deeply, a survey of small bakery business owners in the UK was carried out in June/July 2022⁵ by researchers at The Open University, with support from the Craft Bakers Association and the Real Bread Campaign⁶. We also carried out follow-up interviews with a diverse sample of small bakery business owners who volunteered to discuss these issues further. The definition of a 'small business' used is based on the number of employees – from sole traders up to 50 people.

We explore the impact of the Covid-19 pandemic on small bakery businesses in the UK and look at the challenges and opportunities that lie ahead for them. We hope that this report helps businesses, policy makers, suppliers and educators to work together to sustain this important sector and ensure small bakeries continue to play an important role in building local, sustainable food cultures in the UK.

Emma Bell

Professor of Organisation and Leadership at
The Open University





Key findings

- Over half of small bakeries in the UK (58%) are microbusinesses⁷ that employ 10 people or fewer⁸.
- 45% of businesses employ 0-5 people⁹ and 23% are sole traders.
- 33% of bakery business owners are self-employed, 39% are limited companies and 4% are business partnerships.¹⁰
- 42% of businesses have an annual turnover under £200,000 while 31% have an annual turnover less than £85,000.
- For 44% of bakery owners their main premises is a shop, 24% is a commercial or industrial unit (non-retail), and 23% run their business from home.
- 71% of small bakery owners operate from a single location, while 27% operate from more than one premises¹¹.
- For over half of all small bakery owners (62%), retail sales represent the majority of their activity.
- In order to survive and thrive, small bakery businesses need resilient, sustainable supply chains and improved availability of skilled labour.



Crafting a business

Words like ‘craft’, ‘artisanal’ and ‘Real Bread’¹² are used by small bakery owners to describe and differentiate themselves and their products.

A craft baker, to me, is somebody who has been trained. I’ve done my apprenticeship, I’ve been to college... There’s... more skill in it... than just opening a packet.

[Interview 23]

Usually artisan is...slow. You start from the basics, you then use your skills and the time to create a really great product.

[Interview 13]

Even though we... [operate from an] extension in the house... we’re actually doing the kind of numbers that compete with other more established sourdough bakeries... [We] would [definitely] call ourselves... a craft bakery because of the scale.

[Interview 28]

There is no legal or universally-accepted definition of any of these terms, however, and some bakery owners are sceptical about their popularity and overuse.

We’ve been trying to use ‘artisanal’ and ‘artisan bread’ less... We want our product to be... an everyday product for people. Even if... the skills behind it are artisanal craft skills, we also don’t want... [people] to feel like it’s... [exclusive]... We feel like that should be the norm... It should be... how food is... produced... It doesn’t have to have a fancy word.

[Interview 25]

30% of small bakery owners describe their business as a ‘family firm’ which is likely to be majority owned by members of the same family¹³.

48% of owners describe their business as a ‘microbakery’. These registered food businesses are typically ‘run by one or two people, often on a part-time basis from a domestic kitchen or other non-traditional bakery setting’¹⁴. They typically sell direct to retail customers, at markets or via local shops or delivery schemes. Some also offer bread making courses to home bakers. While some microbakers expand their businesses and go on to open high street premises with a number of employees, for others the ethos is about keeping the business size manageable, as one owner explained:

I think every microbaker I know is creating the best business that they can, because it’s just them and they’re doing it from home and they just love it. You can make it work at a scale that works for you... If it becomes too different, too big, too hard, it will stop... You’re not in... [bread making] for the money... All I want is to be able to pay my bills and have a few choices because I’m doing it full-time.

[Interview 17]

Small bakeries on the rise in challenging times

The outbreak of the COVID-19 pandemic in the UK in early 2020 and the impact of UK government measures to contain the spread of the virus in 2020 and 2021 had a mixed impact on small bakery businesses.

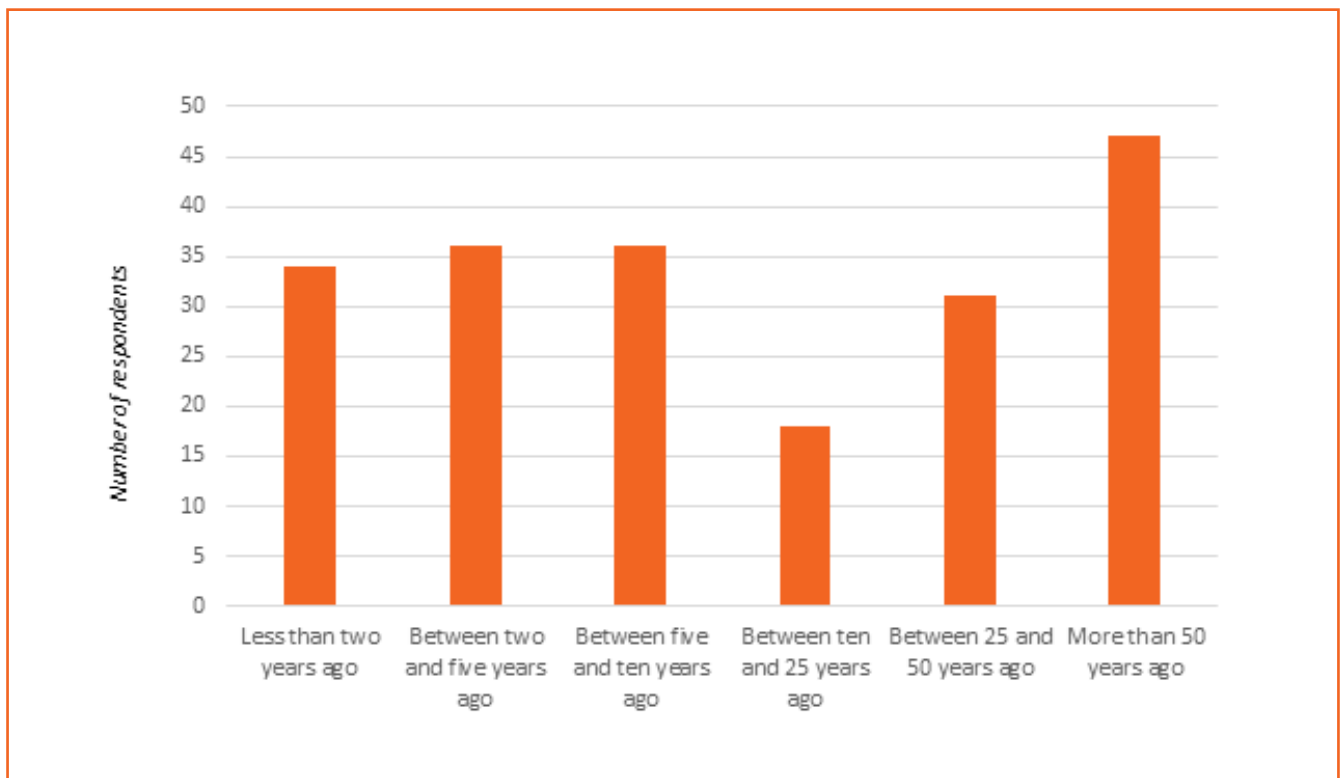
The pandemic hit microbusinesses particularly hard. These businesses faced a 'nearly 10% greater chance of temporary or permanent closure' than businesses of any other size¹⁵. But small bakeries, even those that lost most of their wholesale customers, adapted quickly to the first lockdown. As essential businesses many were able to re-open quickly, offering new online ordering and collection systems and, in some cases, adding flour and other items to their product ranges¹⁶.

A number of bakery owners surveyed told us they had experienced an upturn in business during the pandemic, as consumers moved away from supermarkets towards shopping locally at independent retailers. Several said they had been able to keep some new customers gained during lockdown¹⁷.

These factors may have contributed to the growth in small bakeries as **17% of business owners surveyed had started their business in the two years since the start of the Covid-19 pandemic and 35% own a business that is less than five years old.**

For some bakery owners, the pandemic created conditions - such as being made redundant from a job in the hospitality sector - that led them to decide to take the plunge and start their own business.

Figure 1: 'When was the bakery started? (If unsure, give approximate year)'



When it started off it was awful... Our business model at the time was quite... [dependent on] wholesale... We lost 80% of our income straightaway... Wholesale people who owed me lots of money closed and didn't want any bread and they weren't paying... their bills... In a matter of literally weeks, we'd launched a home delivery service, at a time when [supermarket deliveries were] booked up for two months... So, we managed to innovate quite quickly and turn it round.

[Interview 2]

Initially [it was] massively scary and we thought we were going to lose our business... [We were] looking for what help we could get and we... fell through the net completely... There... [was support for the] self-employed, but that's only if you have accounts for two years which we didn't. So basically we realised there was no money from anywhere so it had to be us that made it work.

[Interview 28]

The pandemic also illustrated the importance of local businesses to the wellbeing of communities and many bakers reported scenes of people queuing outside their premises. Bakeries also delivered to customers in isolated locations and developed initiatives like 'care boxes' or 'affordable loaf schemes' aimed at supporting more vulnerable or less privileged consumers.

It brought a lot of people who wouldn't normally have come to us, because they didn't want to go to the supermarkets... It was a community thing. We may have had a queue of people outside the door, but actually they were using it as a social thing. They would arrange to meet their friends in the queue so they could have a chat whilst waiting... It brought us a lot of new customers..

[Interview 13]

We asked business owners what they saw as the main opportunities for their bakery over the next 12 months. Bakers identified the 'move to shopping locally' as a key opportunity. Further opportunities identified relate to 'awareness of health benefits of sourdough bread'¹⁸, 'interest in ethical and environmental sourcing' and 'awareness of health and environmental benefits of bakery bread'. Bakers also identified 'increased demand from wholesalers' and 'growing demand from retail customers' as significant opportunities¹⁹.

Valuing bread

For nearly all bakery business owners surveyed, bread remains a core product. But how it is positioned depends on local market demands and business strategy.

I'm a bread baker... Bread is the heart... that's what makes us a bakery... The bread is why humanity comes to a bakery. It's not for a cake or a croissant, they do [that] as a treat. But the bread is why they come back.

[Interview 8]

People realise we make proper bread... [unlike] supermarkets... But over the years trends have changed. We do bread, we do pies and cakes, and sandwiches... Bread was the biggest trade... [but] now... probably sandwiches are probably a bigger part of what we do.

[Interview 23]

Bakery owners vary in their attitudes towards the ingredients that go into bread. Bakeries with a turnover of less than £500,000 were significantly more likely to make bread using 'only a sourdough leaven/starter' than those with an annual turnover of £500,000 or above.

Ingredient use also depends on business size. 45% of respondents from bakeries over 25 years old use enzymes or other food additives in their baking, whereas only 4% of respondents from bakeries under 10 years old use enzymes or other food additives. This finding points to a potential shift in attitudes among newer bakery business owners about the use of additives.

Some bakers express concern about the adequacy of regulation around the labelling and marketing of bread in the UK.²⁰ One summarised this as follows: 'marketing from mass-producers of bread utilises the ways small bakers work (artisan,

Figure 2: 'Roughly, how much of the business is based on selling bread?'

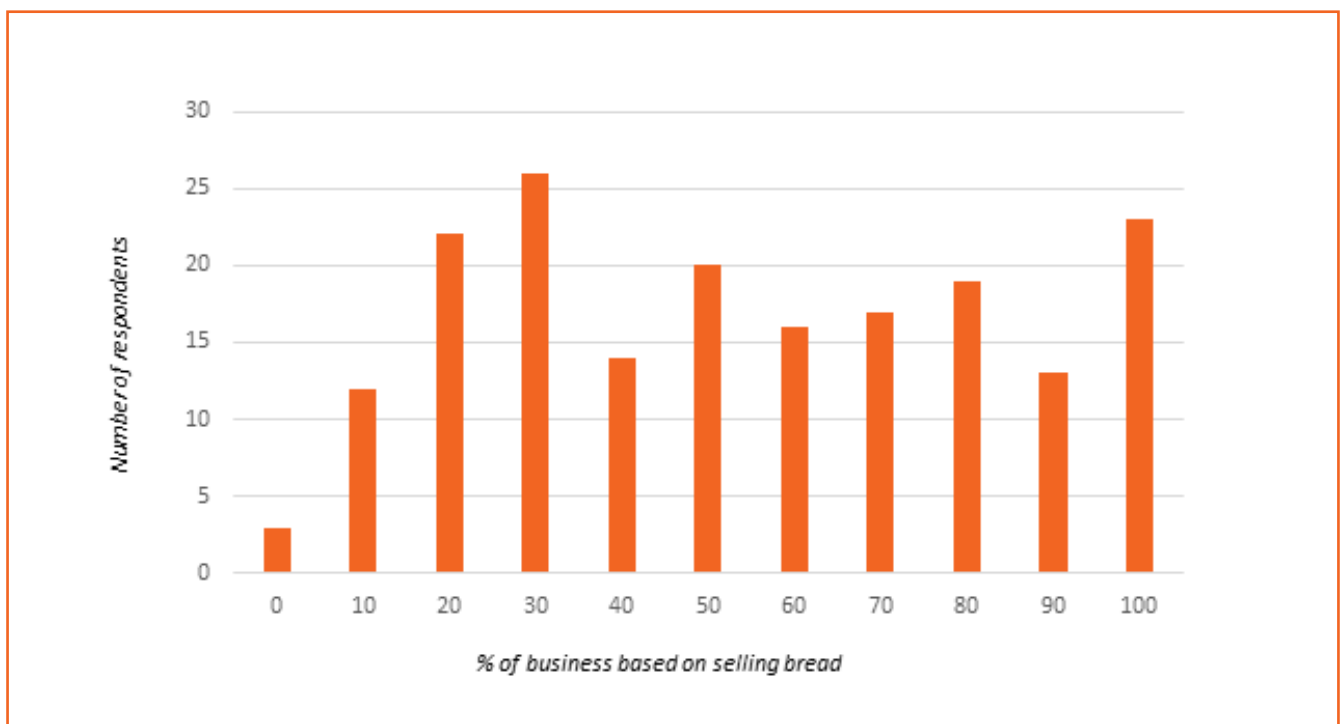


Figure 3: Proportion of bread made only using a sourdough leaven/starter and business turnover

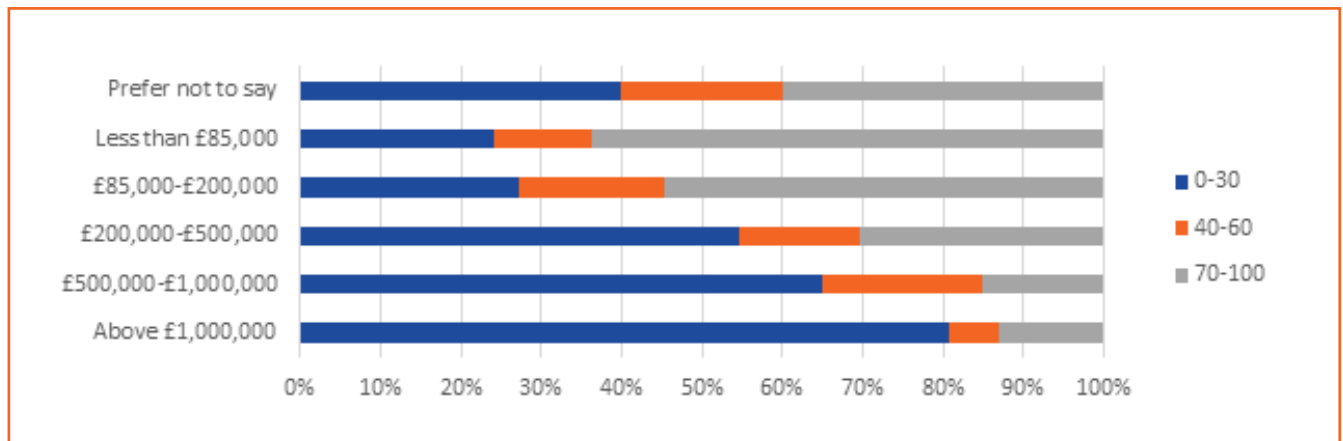
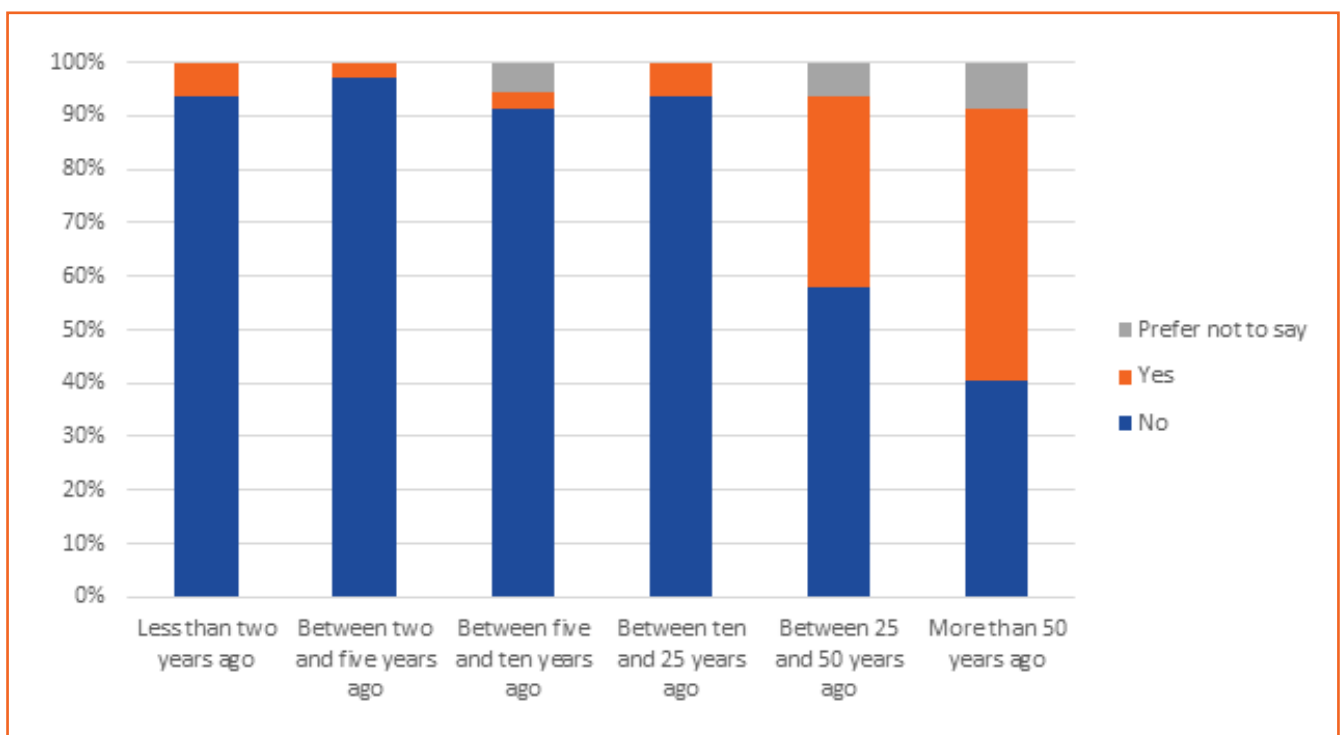


Figure 4: Enzyme use and bakery age



local, stoneground, stone-baked, freshly milled, hand-shaped, sourdough) for its own purposes in such a way that these terms become meaningless'. Product labelling and marketing is also related to pricing, as it can be difficult for small bakers to explain to customers the ways in which their business, processes and products are fundamentally different, and why their bread is priced differently than large retailers' products²¹.

Some bakers are also taking steps to enhance the sustainability of their bread, which might involve switching to using organic flour. Others are reducing their dependency on global flour markets by working with local farmers and millers to make bread with flour milled from wheat grown using innovative methods that reduce negative environmental impact, increase biodiversity and improve soil fertility²².

The ‘big squeeze’

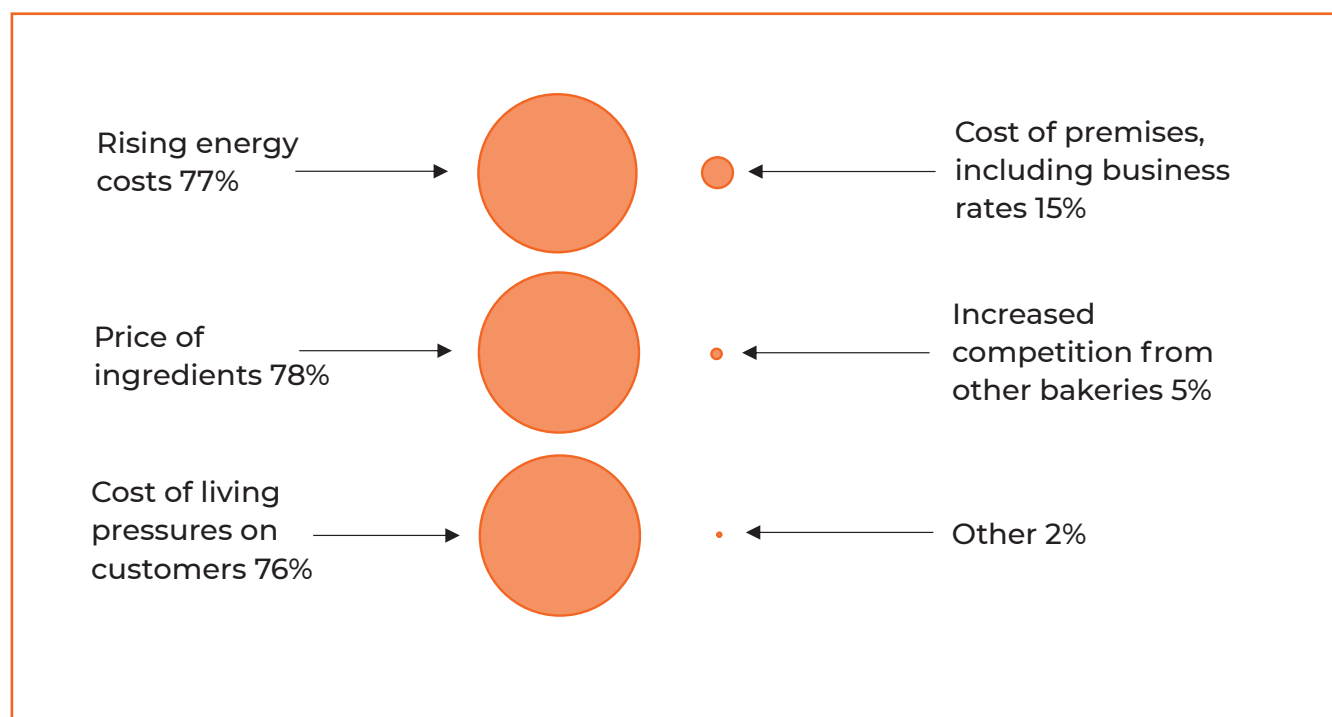
Like many other small businesses, bakeries face an uncertain future in 2022-23. **When we asked bakery owners to rank their top three threats from a list we provided, three issues came out clearly, all of them related to the impact of rising prices.** One baker surveyed summed this up as ‘a big squeeze’. Another told us their outgoings on energy alone have ‘gone from £1500 to £5000 a month’. They commented that the effects of these increased costs ‘probably have a larger proportionate impact on small bakeries than large... [ones] due to their economies of scale’. It is likely that these pressures have increased even further since our research was conducted, in June/July 2022.

The number one challenge at the forefront of bakery owner’s minds is ‘cost of ingredients, including flour’ (78%). This is partly driven by price fluctuations and supply issues in the global flour market in

the first half of 2022 driven by rising wheat prices caused by the Russian invasion of Ukraine and sanctions against Russia²³. **‘Rising energy costs’ (77%) was ranked a very close second in the top three threats identified by bakers.**²⁴

Rising ingredient and energy costs are related to **the third major threat identified by bakers, ‘cost of living pressures on customers’ (76%)**. Business owners are concerned about an increasing number of customers being unable to afford bread from small bakeries in the context of a cost of living crisis. As one commented: ‘I will need to increase prices right at the time customers will be tightening their wallets and thinking twice about discretionary and (perceived) “luxury” spending’. A number of those surveyed told us that their business was potentially ‘unsustainable if costs keep rising’.

Figure 5: ‘What do you see as the (three) main threats for the bakery over the next 12 months?’



Getting and keeping suitable business premises is also a problem for many owners and this sometimes prevents them from growing, even if customer demand is strong. As one baker commented, 'getting a space big enough at a decent rent so that production is manageable is a massive problem'. 'Increases in the cost of premises, including business rates' was identified as a more significant issue for bakers whose primary business location was a shop (19% ranking this as one of the top three challenges they faced over the next 12 months). Even if, as one baker told us, they would like to 'have a 'high street' or shop presence in order to be able to develop the retail side of the bakery... rather than... rely on the tight margins offered by wholesale/ trade... opportunities are... limited due to consistently high rents and business rates despite the [high] number of empty units [on the high street]'.

Despite these challenges, the majority of bakers who answered the question²⁵ 'How confident are you that the bakery will remain a viable business over the next 2 years?' said they were 'very confident' (38%) or 'somewhat confident' (45%) in their ability to weather the storm and survive.

More bakers needed!

A further widespread challenge faced by bakery owners surveyed concerns recruitment and retention of skilled bakery employees. This is confirmed by recent industry reports of a crisis in training and recruitment of bakery workers that is putting the sector at risk.²⁶

While business owners are willing to train bakers 'on the job', they face significant recruitment problems related to an aging workforce and limited provision of training pathways for young bakers:

The majority of our bakers tend to come from a craft background, but they all tend to be older... That whole cycle of training up young people just isn't occurring, we have to very much train in-house.

[Interview 13]

Other factors that have contributed to recruitment challenges include the hours worked by bakers and lower pay than other skilled jobs. An example was given by one business owner who said, 'one baker who worked for me for 4 years took 18 months to train as an electrician and is now earning between 60-80k pa gross'. Several owners told us they were committed to paying staff at or above the minimum wage but the issue of pay is constrained by external factors, as one baker noted:

Labour cost[s are] high and... going up and should go up. Because previously people have not been paid enough for their skills. But the perception of what one should pay for bread and baked goods is still low. And although we charge what is considered a lot of money for a loaf of bread, it's not enough... to pay people what I believe they should earn and to ensure long term success of the business.

[Interview 5]

Bakery owners also said they found it difficult to keep employees once they had trained them:

I took on [an employee] three years ago [aged] 24. He came to me 16 hours a week as a packer and a cleaner. [He] showed... [some] interest in... [baking] so we started training him up to do more on the bakery side. We then put him through college at a significant cost. He qualified three weeks ago and got distinctions across the board and then resigned. So, I'm like 'what have I wasted my time over three years doing that for?'... That steered me away from apprentices, to be honest, because I think 'do I want to go through all that again?'

[Interview 31]

In the last two years, other factors have amplified these staffing problems. As one owner explained, 'Brexit followed by Covid caused a huge number of Europeans to go home, who had the training and they haven't come back'.

Recruitment problems can have a knock-on effect on bakery business owners, who end up working very long hours, including at night, to compensate for labour shortages. This is a particular challenge for older business owners who are in the majority, as 73% of bakery owners are aged 45 years or over and 44% are 55 or over.

We have no machinery other than the mixers and the ovens... As you get older, you've done that all your life, you want a bit of an easier time than lugging around 25 kilo sacks of flour and standing at a bench for hours on end hand-shaping 200 loaves of bread.

[Interview 13]

I started [the business] when I was... [around] 53... [Back then] I was doing six days a week and I was working probably 60 hours a week... sometimes seven days a week. It was exhausting and incredibly demanding on the family.

[Interview 27]

Overwork has consequences for bakery owners' physical and mental health, particularly during the pandemic.

The whole of [Covid] lockdown was really, really tough... I got to the end of the lockdowns and my mental health was pretty poor. Physically, I was a bit knackered... And having gone through what I went through a fortnight ago with all my staff being off [sick]... I'm still knackered.

[Interview 10]

This business has really, really, really been hard on me... It's... the hardest thing I've ever done... There's been many, many occasions where I've had to work... for 28 shifts in a row, double shifts within that, just to keep the doors open and the lights on... I won't do that anymore...

[Interview 14]

Bakeries open to all

Bakery owners commonly express a commitment to inclusivity through their work, including by making their products more accessible to people of diverse backgrounds and lower incomes. However, they also acknowledge the challenges in making this vision a reality.

Where my [industrial] unit is located... people around... [there] can't really afford to buy the bread that I make... I just feel there's a... large group of people who can't afford it who should have it, but I can't make bread that cheap for them... Bread is becoming too elitist... and people who buy it are middle-class people... I think... [we] somehow need to make it more accessible for people.

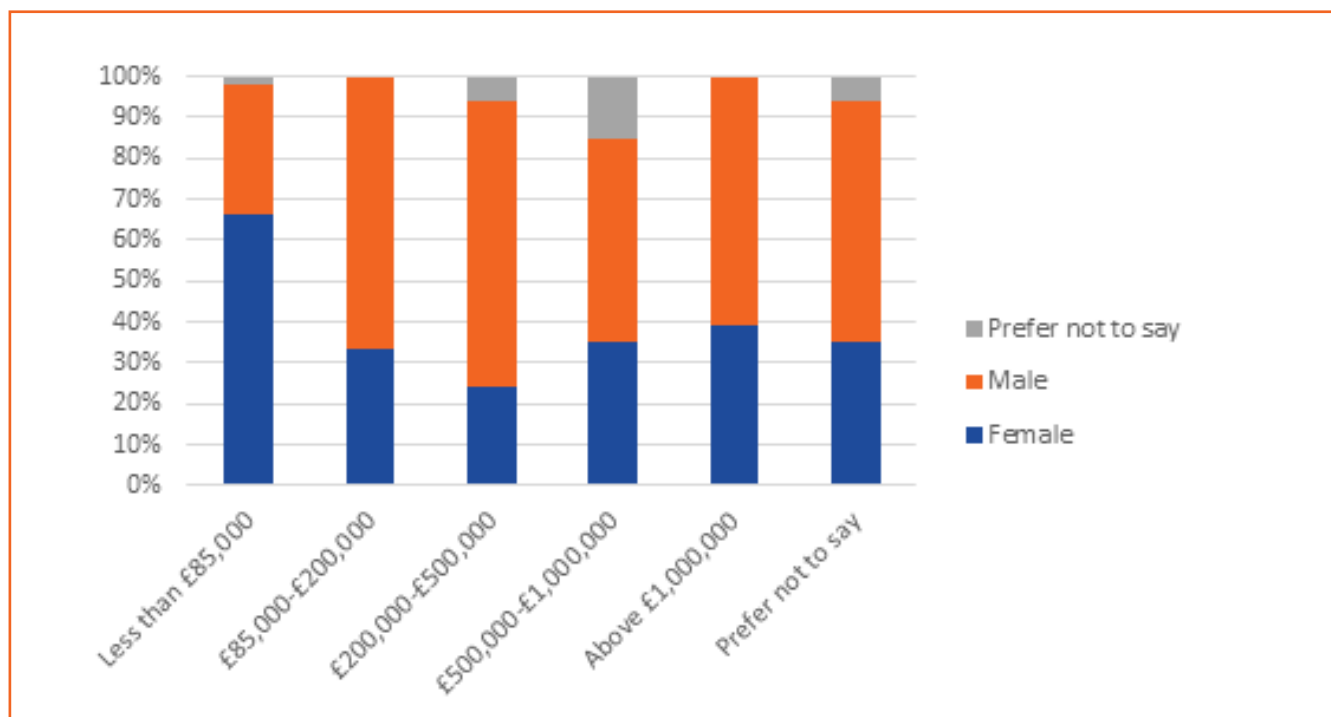
[Interview 12]

We mainly get middle class customers... But we still... get builders come in and their mates come in, and they're all gobby about 'oh, artisan bakery... Bloody hell, £3.50 for a sausage roll!...' And the other guy says, 'you want to try it. It's exceptional'... That guy is who I've built this business for.

[Interview 14]

Making small bakeries open to all also involves continuing to work on improving diversity, equity and inclusion for people who work in them.²⁷ 52% of small bakery owners who participated in our survey identify as men and 44% as women.²⁸ While the proportion of men and women bakery business owners in our survey broadly reflects the UK population, women are more likely to employ fewer people. 72% of sole traders are women, while only 27% of businesses that employ 11-20 or 21-50 people are owned by women. All of the businesses employing 50+ employees in our sample are owned by men.

Figure 6: 'Gender of business owner and business turnover'



A similar pattern is seen when looking at business turnover. 67% of bakeries with turnover of less than £85,000 were run by women and 33% by men. While some microbakery owners may want to keep their businesses small, rather than grow them, it is also possible that gender stereotypes may be constraining women business owner's progression.

In the early years of setting up businesses, people only wanted to speak to my husband about the business. He's never been a baker... [But] if he went to the market, people just assumed that he was the baker.

[Interview 16]

I think men like to rave a lot more about their success. There'll be lots more photos... the bearded look and the checked shirt. Whereas women are a bit more reticent about coming forward, because they'll be perceived as being a bit big-headed... Even though women have been making bread for centuries... now it's men who still have the higher status in the bread world.

[Interview 17]

97% of bakery owners who participated in our survey identified their ethnicity as white British.²⁹ These findings suggest that people of colour and those from minority-ethnic groups are significantly underrepresented in the sample of small bakery business owners who participated in this research.³⁰ This involves widening cultural perceptions of bread beyond European traditions.

There are many diverse groups baking bread... [in the UK including] breads that people... eat every day like chapati or naan... [But they] have not been part of the artisan bread movement... [even though] they're very artisanal.

[Interview 16]

The issues discussed here related to inclusivity show the steps that bakery business owners are already taking, and the work that still needs to be done, to ensure small bakeries are open to all, on both sides of the counter.

Conclusion

Small bakery businesses in the UK have made great progress in recent years, contributing to local food cultures and communities in economically and socially productive, innovative ways. Their growing popularity highlights the ongoing importance of businesses built on traditional craft skills and innovative practices, making things that people value.

The owners of these businesses have shown that they are able to operate flexibly by responding to changing customer demands and playing an important role in their communities. Challenges are mounting, however, and bakery owners need support. Suppliers, educators, policy makers and everyone who cares about the quality of the bread and bakery products we eat all have a role to play in ensuring the future of small bakeries in the UK.

The Open University

The Open University (OU) is the largest academic institution in the UK and a world leader in flexible distance learning. Since it began in 1969, the OU has taught more than 2.2 million students worldwide and currently has over 205,000 students. Seventy per cent of directly registered students are in full-time or part-time employment, and 75 FTSE 100 companies have sponsored staff to take OU courses.

In the latest assessment exercise for university research (Research Excellence Framework, 2021), over three quarters (76%) of OU research was assessed as 4 or 3 star – the highest ratings available, awarded to research that is world-leading or internationally excellent. The OU's commitment to research and societal impact is recognised too with 82% of its research impact assessed to be world-leading or internationally excellent.

www.open.ac.uk

Craft Bakers Association

The Craft Bakers Association (CBA) represents approximately 500 bakery businesses in England, Wales and Northern Ireland – from startups to established bakeries - supporting a total of 3,000 shops on the high street (alongside wholesale companies and specialised confectionery businesses)

The Craft Bakers Association has been the voice of the sector since 1887, working alongside its members to ensure a sustainable future for craft baking. Members can access a host of benefits including health and safety and environmental health advice, online and in-house training, employment law advice and government lobbying on legislation.

www.craftbakersassociation.co.uk

Real Bread Campaign

The Real Bread Campaign was co-founded in November 2008 by Andrew Whitley of Bread Matters, and Sustain, the food and farming charity that runs it. The Campaign defines Real Bread as made without chemical raising agents, so-called processing aids or any other additives. This includes, but is not limited to, genuine sourdough bread, which is made without baker's yeast. From this simple and universally-accessible starting point, the Campaign finds and shares ways of making bread better for us, better for our communities and better for the planet. The Campaign works towards a future in which everyone has the chance to choose Real Bread and can access it within walking or cycling distance. Everyone is invited to join the Real Bread Campaign's supporter network.

www.realbreadcampaign.org
[@realbreadcampaign](https://twitter.com/realbreadcampaign)

Notes

- 1 Statista (2021) 'Bread and bakery products in the UK'.
- 2 Statista (2021) 'Bread and bakery products in the UK'.
- 3 Office for National Statistics (ONS).
Businesses classified under SIC code: 10710 - Manufacture of Bread; Manufacture of Fresh Pastry Goods and Cakes. Geography = NUTS 3, Date = 2021, Employment Size Band = Micro, Small, Industry = *4 Digit Class = Some* 10.71: Manufacture of bread; manufacture of fresh pastry goods and cakes. ONS rounds to multiples of 5 for each region for confidentiality purposes, slightly limiting the precision of these figures. See: <https://www.nomisweb.co.uk/sources/ukbc>
- 4 Statista estimates 2020, Euromonitor.
- 5 This was the data collection period of the survey and the majority of interviews. Some exploratory interviews were conducted prior to this.
- 6 202 bakery owners responded to the survey.
- 7 Microbusinesses (defined as having fewer than 10 employees) are an important and growing part of the UK economy. In England alone they represent 90% of total enterprises (2.1 million businesses) and 33% of employment. Source: Local Government Association 2021 'How well do you know your microbusinesses?' A report for the LGA from Shared Intelligence <https://www.local.gov.uk/publications/how-well-do-you-know-your-microbusinesses#:~:text=Microbusinesses%2C%20defined%20as%20businesses%20that,enterprises%20employ%200%2D4%20individuals>
- 8 Except where otherwise stated, all figures are based on the Open University research on which this report is based.
- 9 This figure is higher than the average for microbusinesses generally in the UK, 79% of which employ 0-4 individuals. Source: Local Government Association 2021 'How well do you know your microbusinesses?'
- 10 19% non-response and 4% 'other'. Differences between the datasets collected by CBA and OU meant that some respondents declined to answer this question.
- 11 2% non-response rate.
- 12 Since 2009 the Real Bread Campaign and bakers in its network have used the following definition: Real Bread is made without chemical raising agents, so-called processing aids or any other additives. Source: 'What is Real Bread?' www.sustainweb.org/realbread/what_is_real_bread
- 13 Family-owned firms make up the majority of private sector businesses in the UK and are a key source of employment, accounting for 51.4% of all those employed in the private sector in 2019. The majority of family firms are small or microbusinesses. Source: Institute for Family Business Research Foundation, 'The State of the Nation: The UK Family Business Sector 2020-2021'. https://www.ifb.org.uk/media/4468/ifb_rf_report_2021_web.pdf
- 14 Young, C. and bakers of the Real Bread Campaign (2021) Knead to know... more: Your microbakery handbook. Sustain. p.51.
- 15 Local Government Association 2021 'How well do you know your microbusinesses?' A report for the LGA from Shared Intelligence <https://www.local.gov.uk/publications/how-well-do-you-know-your-microbusinesses#:~:text=Microbusinesses%2C%20defined%20as%20businesses%20that,enterprises%20employ%200%2D4%20individuals>
- 16 'Covid caring and coping' www.sustainweb.org/news/mar20_covid_19_caring_and_coping and 'Real Bread online shops and deliveries'. www.sustainweb.org/realbread/articles/mar20_deliveries_online_shops
- 17 BBC News, 'Why are bakers fortunes on the rise?' 21 August 2022 <https://www.bbc.co.uk/news/uk-england-derbyshire-61480259>

- 18 Some of the potential benefits of sourdough fermentation are summarised in 'Thirty years of knowledge on sourdough fermentation: A systematic review', based on an examination of 1230 peer reviewed research articles published between 1990 and 2020. www.sciencedirect.com/science/article/pii/S0924224420307202?via=ihub
- 19 Differences between the datasets collected by CBA and OU mean that accurate statistics in response to this question are unavailable.
- 20 A legal definition of artisan bakery/bread is amongst the Real Bread Campaign's calls for what it calls an 'Honest Crust Act' of updated and improved composition, labelling and marketing legislation. Source: www.sustainweb.org/realbread/bread_labelling
- 21 These findings are supported by the fact that 150 bakery owners and workers signed a letter to DEFRA in August 2022, urging the government to include these issues for comment in a public consultation on the review of bread composition, labelling and marketing regulations. Source: "'Listen to the people" urge bakers'. www.sustainweb.org/news/aug22-listen-to-the-people-bakers-urge-government/
- 22 For example see: Flour Power: Meet the bread heads baking a better loaf, The Guardian, 28 October 2019 <https://www.theguardian.com/news/audio/2019/oct/28/flour-power-meet-the-bread-heads-baking-a-better-loaf> and <https://www.thesheffieldwheatexperiment.co.uk/>
- 23 BBC News, 'Ukraine war: Global wheat prices jump after India export ban' 16 May 2022 <https://www.bbc.co.uk/news/business-61461093>
- 24 In recent months, these issues have been taken up by the Craft Bakers Association and the Real Bread Campaign who are lobbying for urgent government intervention to prevent their members from being forced to close. For example see: 'Energy Crisis - The action your Association is taking' www.craftbakersassociation.co.uk/news/post1-bjws8-r7apz-kx7pd-9p9sc-c9gdl-kylk2-wwcgx-6x46a-5n2kp-w3brs
- 'Seasons Bakery on energy crisis: it's going to be hell for years' <https://bakeryinfo.co.uk/equipment/seasons-bakery-on-energy-crisis-its-going-to-be-hell-for-years/671058.article>
- 25 This question was not included in the version of the survey sent to CBA members. Total number of responses to this question = 113.
- 26 'Recruitment: Where can craft bakers find skilled workers', British Baker, 19 April 2021 <https://bakeryinfo.co.uk/people/recruitment-where-can-craft-bakers-find-skilled-workers/666580.article>; Scottish Bakers, 29th July 2021 'Bakers in Scotland call for fresh talent to help make fresh bread' <https://scottishbakers.org/news/575201/Bakers-in-Scotland-call-for-fresh-talent-to-help-make-fresh-bread.htm>
- 27 The Real Bread Campaign continues to work on improving diversity (in all senses), equity and inclusion in its network and the wider world of people who self-identify as Real Bread bakers, as well as exploring extra obstacles to business ownership that some people face. Source: 'Diversifying the Real Bread movement' www.sustainweb.org/realbread/articles/may22-diversifying-the-non-commodity-grain-real-bread-movement/
- 28 4% responded 'prefer not to say'.
- 29 Includes options 'English', 'Welsh', 'Scottish', 'Northern Irish', 'British', 'Irish' and 'Any other white background'.
- 30 The majority of respondents are likely to have found out about our survey via the Real Bread Campaign or the Craft Bakers Association, which supported its distribution. These figures may reflect the ethnic and racial composition of the membership of these organisations, rather than the population of small bakery owners in the UK overall.

Sustaining small bakery businesses: Looking to the future in challenging times

The Open University

www.open.ac.uk

Craft Bakers Association

www.craftbakersassociation.co.uk

Real Bread Campaign

www.realbreadcampaign.org

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