





Founded in 2010, the Northwest Cider Association (NWCA) brings cideries and cider lovers together to learn, experience and enjoy the Northwest cider culture. Representing more than 70 commercial cidemakers throughout Washington, Oregon, Idaho, Montana and British Columbia, the group is dedicated to supporting, promoting and growing this thriving industry. NWCA hosts cider-themed events throughout the year, as well as Cider Weeks in Oregon, Washington and British Columbia.

For more information about the Northwest Cider Association, visit [www.nwcider.com](http://www.nwcider.com), or follow the organization on [Facebook](#) and [Twitter](#) (@nwcider).



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*Photo courtesy of the NWCA.*

# Methodology

This year's survey was conducted through an online poll of 72 producer-members in the Northwest Cider Association ("NWCA"). As stated in the overview, out of the 72 members surveyed, 52 completed over 50% of the form, and 43 completed the entire form. This represents a population coverage of 72% and 60%, respectively.

In order to arrive at the sample size of producers relied on in this survey, we "cleaned" the raw dataset output. First, we eliminated any duplicates by identifying redundant IP Addresses in responses. Next, we filtered for any orchardists who may have been inadvertently included in the survey respondents. In doing so, we removed any respondents who did not respond to Question 2 of the survey, "When did you start selling cider?" Finally, among the remaining respondents we removed any responses that indicated they hadn't begun selling cider until 2016. Since this survey was based on 2015 sales and production data, these producers would have created unnecessary skew.

After cleaning the data, we removed non-responses by deleting any responses that did not complete any (0%) of the survey. The final sample size of 64 respondents was used as the guiding population in the survey.

While these 64 responses represent the baseline sample size for the survey, we refined the population to fit the varying datasets referenced in the survey. The Endnotes below identify the specific adjustments made to the total population to develop a representative sample size of the respective measurements.

All dollar figures are represented in US Dollars assuming an exchange rate of 1.28 Canadian Dollars to 1.00 US Dollar. This rate is consistent with the average exchange rate over the 2015 calendar year.

## Overview

In early 2015, the Northwest Cider Association (“NWCA”) introduced the **2015 State of the NW Cider Industry** (“Prior Survey”) report. The goal of the initial report was to work towards compiling data from prior year production to generate an annual report for the industry. From this starting point, the longer-term goal for the NWCA has been an annual update with greater member participation and identification of possible trends. It was widely agreed that such a report would be useful to Cider Association members in communicating information about the industry to the media and other interested stakeholders.

The Prior Survey was distributed during the summer of 2015. Of the 72 NWCA members polled, 45 responded with partial or full data based on their 2014 operations, with only 15 of those respondents fully completing the survey.

This year, we are proud to present the **2016 State of the NW Cider Industry** report with a more robust dataset based on their 2015 operations. Of the 72 NWCA members were polled, we received 64 responses, 52 responded to at least 50% of the questions and 43 completed the survey in full. This significant increase in respondents is a testament to the growing commitment to this survey by our members. Thank you NW Cider Producers and the Portland State University for making this survey possible!

In preparing this year's report, we have incorporated the lessons learned from the Prior Survey. This iterative process supports continual improvement in both the presentation and data collection involved with this publication. We hope this report continues to be a source of useful information and developing trends for Cider Association members, the media, and other interested stakeholders.

This year's report was prepared with the assistance of Irvine & Co. and Frank, Rimerman + Co. We would like to express our thanks to them for their assistance and look forward to working with them again on future NWCA publications. As an expansion of this survey, Frank, Rimerman + Co. LLP will utilize the results to complete an economic impact study of the cider industry in the geographic footprint of the NW Cider Association (Oregon, Washington, Idaho, Montana, and parts of Canada) sometime in early 2017.

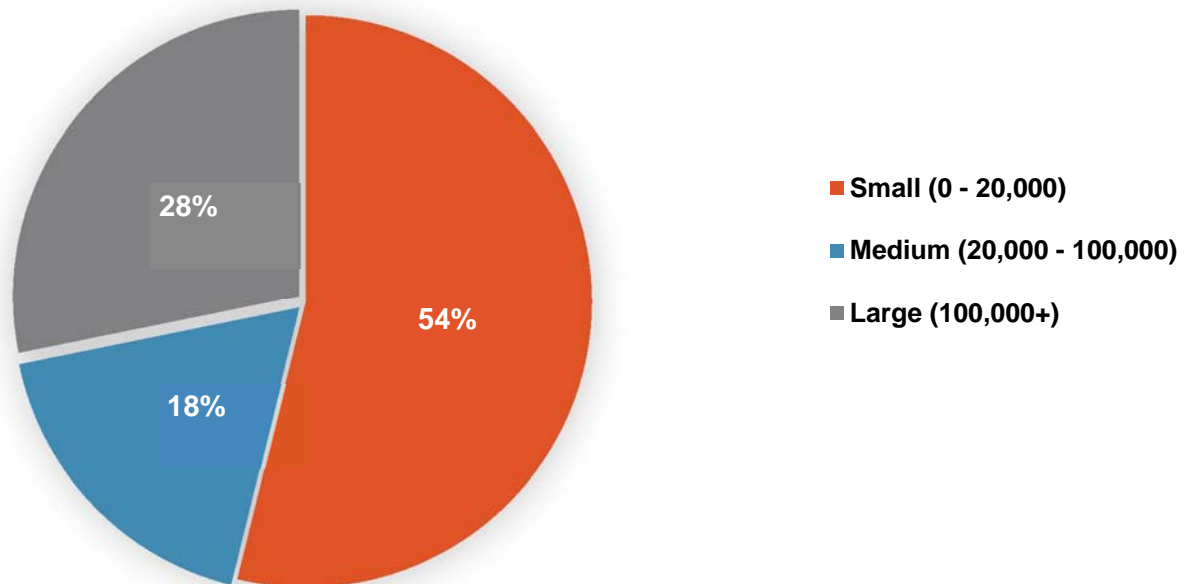
**We appreciate the participation of the Northwest Cider Association producers who were involved in this survey.** Their involvement in the survey is representative of the culture of collaboration and cooperation that supports the NW Cider Association and continues to be a hallmark of the amazing cider culture in the Northwest.

We hope you find the contents of this report both interesting and useful, and look forward to presenting the 2016 operations information in the coming year.

## Respondents

Similar to the process used in the Prior Survey and as a starting point for comparison, cider companies were segmented into small, medium, and large producers based on sales in gallons during 2015. Small producers were those who sold up to 20,000 gallons of cider, medium producers between 20,000 and 100,000 gallons, and large producers over 100,000.<sup>i</sup>

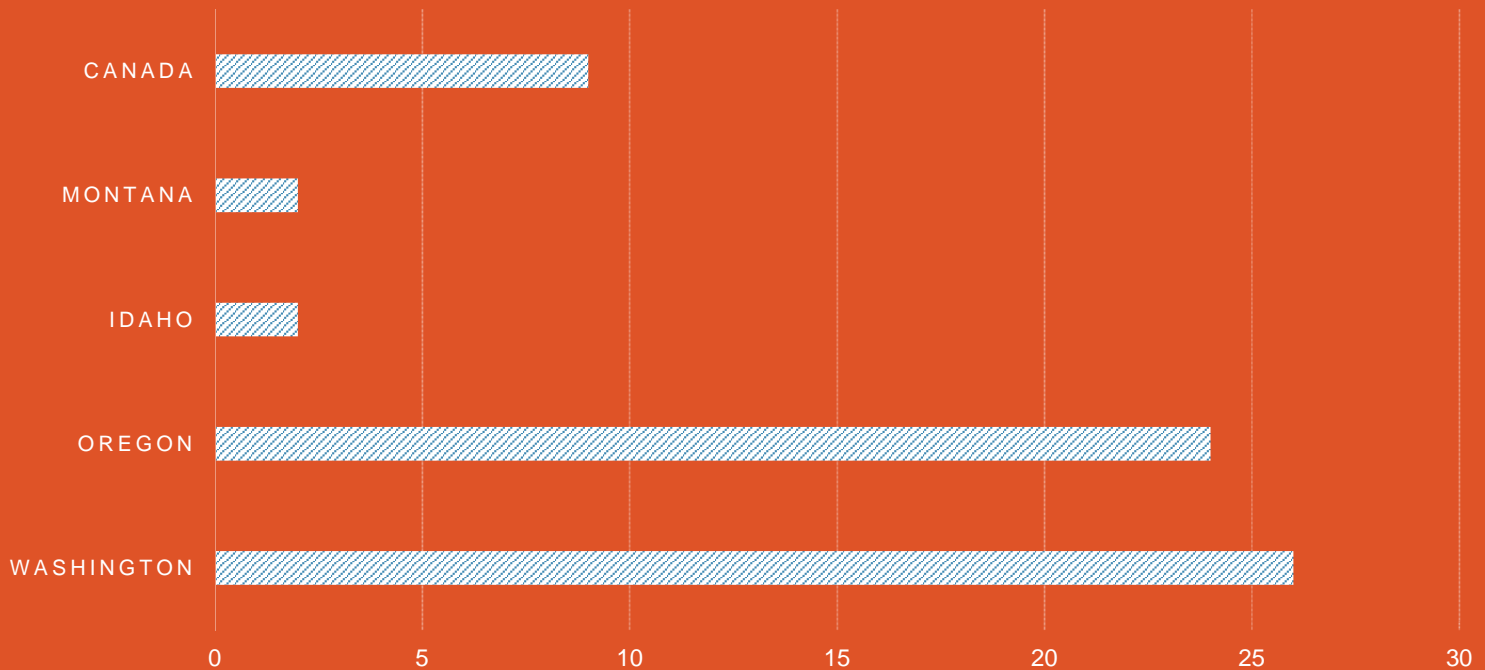
### Respondent Size (by Gallons Sold)



**Small producers made up 54% of all respondents**, with medium sized producers comprising 18%, and large producers 28%. This distribution based on producer size is relatively consistent with the Prior Survey data.

Respondents were from Oregon, Washington, Idaho, Montana, and British Columbia based businesses, with the majority of responses from Oregon and Washington.<sup>ii</sup>

### State Of Production Facilities



Most of these producers are new to the market, with 60% having been founded in the last five years. 19% were founded between 2005 and 2010, and 21% were founded before 2005. **Five producers were founded before 2000.** By comparison, 64% of respondents to the Prior Survey were founded in the last five years, representing a slight increase in the maturity of producers.



## Production

### Purchased Juice vs. Pressed Fruit

Small producers had the highest incidence of pressing, with 56% of producers surveyed pressing their own juice. This conclusion is consistent with the Prior Survey, which saw 64% of small producers pressing their own juice. **On average, small and medium producers pressed 4,880 and 35,050 gallons of juice, respectively.** Large producers pressed an average of 160,750 gallons. On average, between 12 and 13 pounds of apples were required to yield one gallon of juice.

### Fruit Costs

Among those who pressed their own fruit, the average cost of apples was \$0.29 per pound for small producers, \$0.22 per pound for medium producers, and \$0.07 per pound for large producers. Unlike the detail below regarding purchased juice, no distinction was made in this survey question between heirloom and dessert fruit. Future surveys will likely include this breakout.



*Photo courtesy of Emily Ritchie.*

## **Purchased Juice**

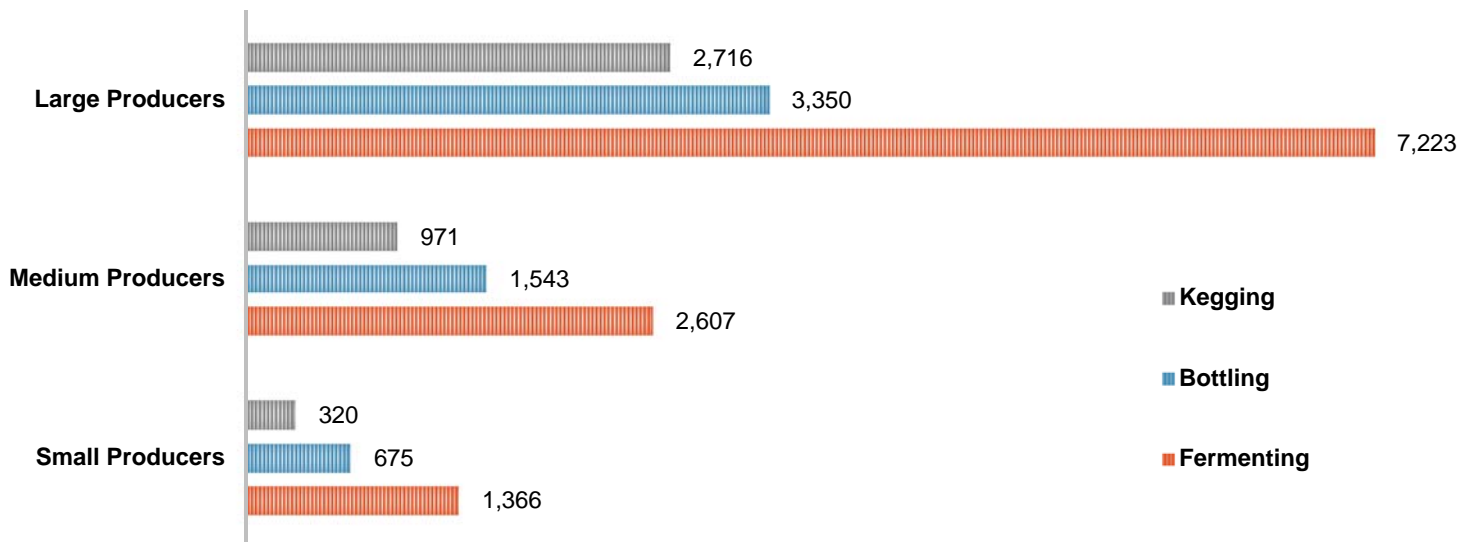
The largest producers purchased an average of 243,815 gallons of juice. Medium sized producers purchased an average of 43,400 gallons and small producers an average of 4,382 gallons. The average cost per gallon of dessert apple juice in 2015 was \$2.65, \$1.64, and \$1.48 for small, medium and large producers, respectively. The average cost per gallon of heirloom apple juice was between \$5.07 and \$7.00 per gallon; in contrast to the Prior Survey when the average cost was between \$2.50 and \$10.00.<sup>iii</sup> Survey data suggests that larger producers place greater reliance on dessert fruit and helps explain the variance in price paid by large producers for heirloom fruit.

## **Batch Size**

As expected, batch sizes had a strong correlation to the size of the producer. This conclusion is also consistent with data from the Prior Survey, which showed a similar relationship between producer size and batch size at all three phases of production.

The average fermenting batch size for large producers was 7,223 gallons, up from 4,212 gallons at the Prior Survey. The average bottling batch size was 675 gallons for small producers, 1,543 for medium producers, and 3,350 gallons for large producers. The average kegging batch size was 320 gallons, 971 gallons, and 2,716 gallons for small, medium, and large producers, respectively.

## Average Batch Size



## Growers

51% of survey participants grew at least some of their own fruit. Excluding two producers growing over 1,000 acres of apple trees, the average acreage under cultivation was 17.54, up from 14.74 acres in the Prior Survey. **Among these producers, the average harvest size was 764,039 pounds of apples, or 43,556 pounds per acre.** While both the harvest size and pounds per acre increased significantly from the Prior Survey, the number of respondents has also increased, making a direct comparison difficult.

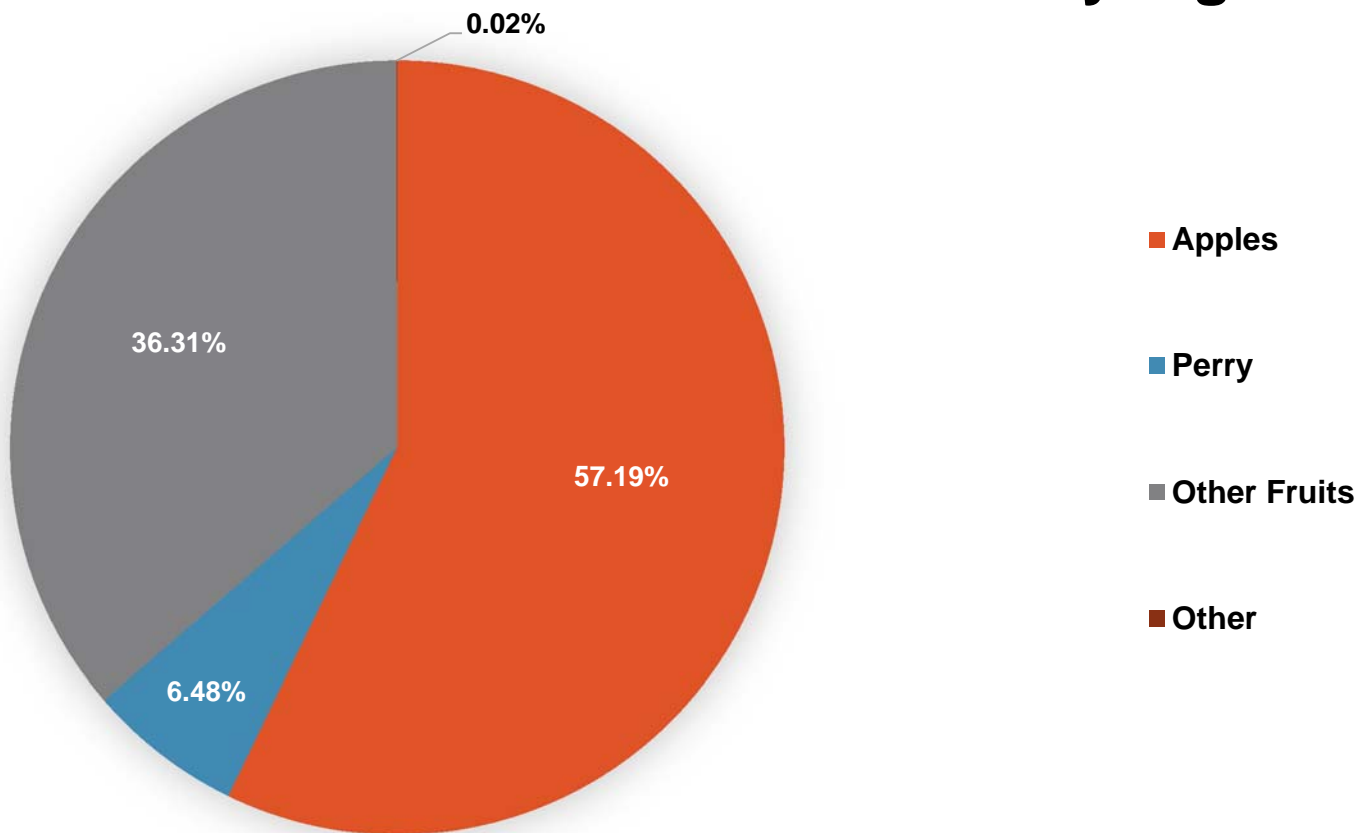


*Photo courtesy of bendbulletin.com.*

## Flavor Profile & Ingredients

In 2015, over 36% of cider sold contained ingredients other than apples or pears. Cider made with only apples accounted for 57% of sales, while Perry (fermented pear juice) comprised 7%. **On average, 82% of cider sold had an alcohol content of less than 7%.<sup>iv</sup>**

## Cider Sold by Ingredient



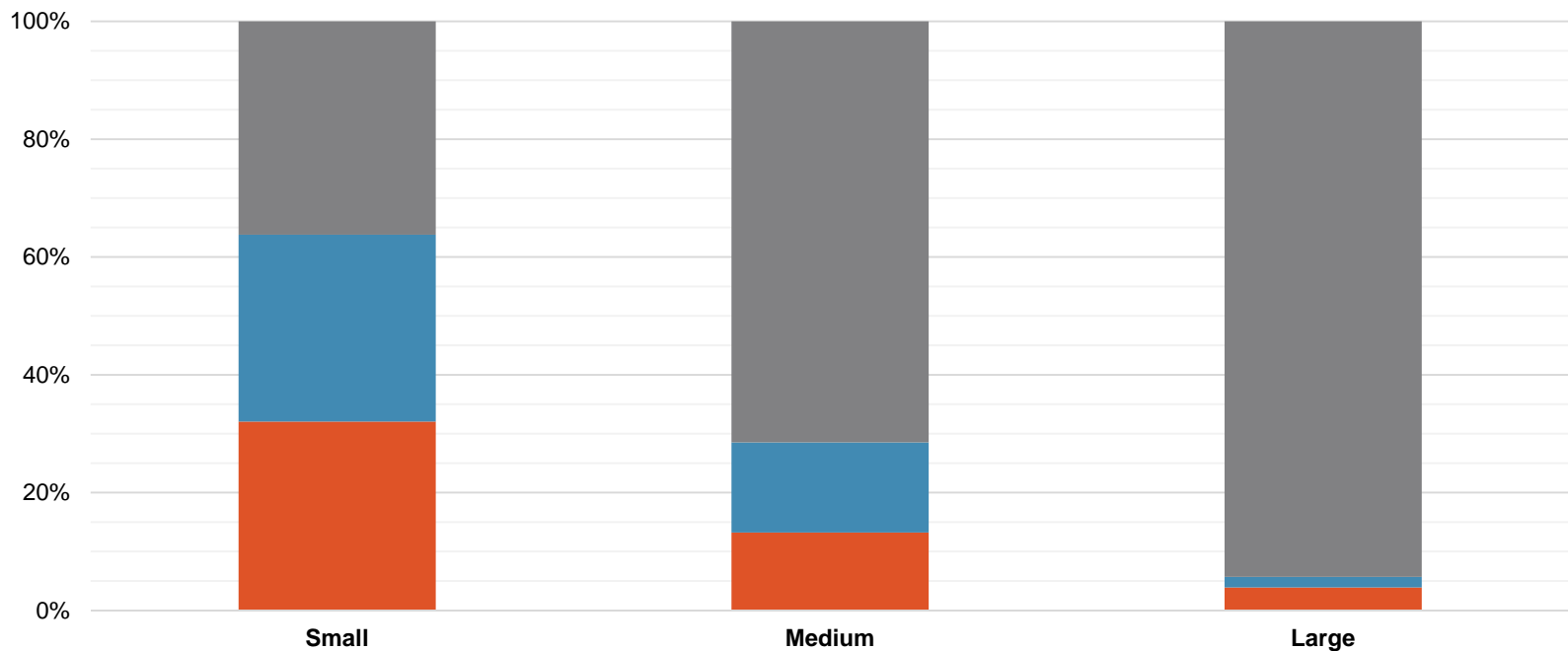
## Revenue

The data from the survey shows that the larger a producer becomes, the more they rely on sales through distributors. **Large producers continue to operate tasting rooms and utilize farmers' markets to attract new customers, but do little wholesale direct business.** While sales through distributors is the largest component of revenue across all sized producers, smaller producers incorporate a much more even mix of channels to build market share and generate sales.<sup>v</sup>

Average annual sales were \$564,053 among small producers, \$948,316 among medium producers, and \$1,898,977 among large producers.

### Revenue % by Sales Channel

■ Tasting Room / Farmers Market ■ Wholesale Direct ■ Distributor



## Tasting Room Sales

Approximately 73% of respondents indicated that they have a tasting room or tap house. **Smaller tap rooms saw an average of 1,201 visitors throughout the year, while medium and large tap rooms averaged 9,833 and 22,200 visitors, respectively.** While the number of visitors at each producer size has changed from the Prior Survey, the number of respondents has also increased, making a direct comparison difficult.

*Photo courtesy of capitalpress.com.*

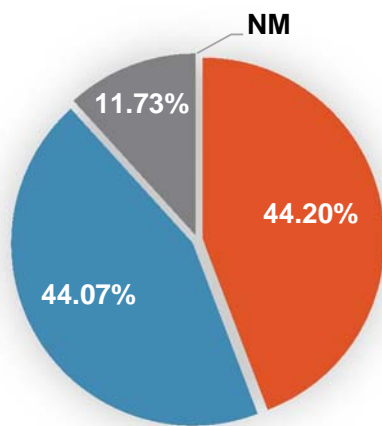


Sales of cider on-tap and through growler fills averaged \$81,715. Sales of packaged product averaged \$116,148 and other sales throughout the year averaged \$321,220 across all survey respondents. **Small and medium sized respondents generated most of their tap room revenue through packaged sales, while large respondents generated the majority of tap room revenue through on-tap and growler sales.**

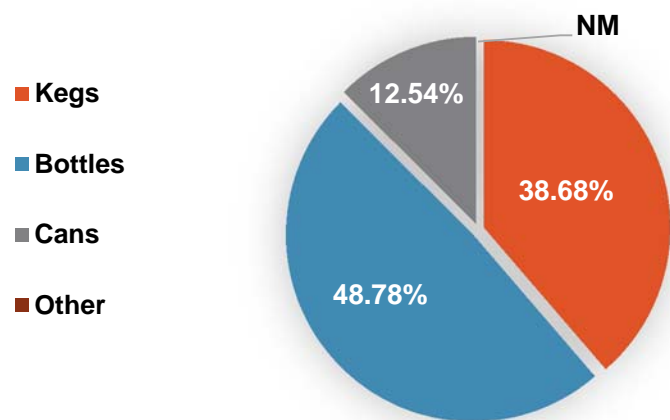
## Packaging

Bottles accounted for the highest percentage of gallons sold and percentage of revenue with 44% and 49% respectively. **Kegs made up 44% of gallons sold and 39% of revenue, a decrease from the Prior Survey when they made up 50% and 45% of gallons sold and revenue, respectively.** Cans comprised 12% of gallons sold and revenue. Other types of packaging represented a statistically insignificant percentage of gallons sold and revenue.<sup>vi</sup>

### Packaging by Gallons



### Packaging by Revenue

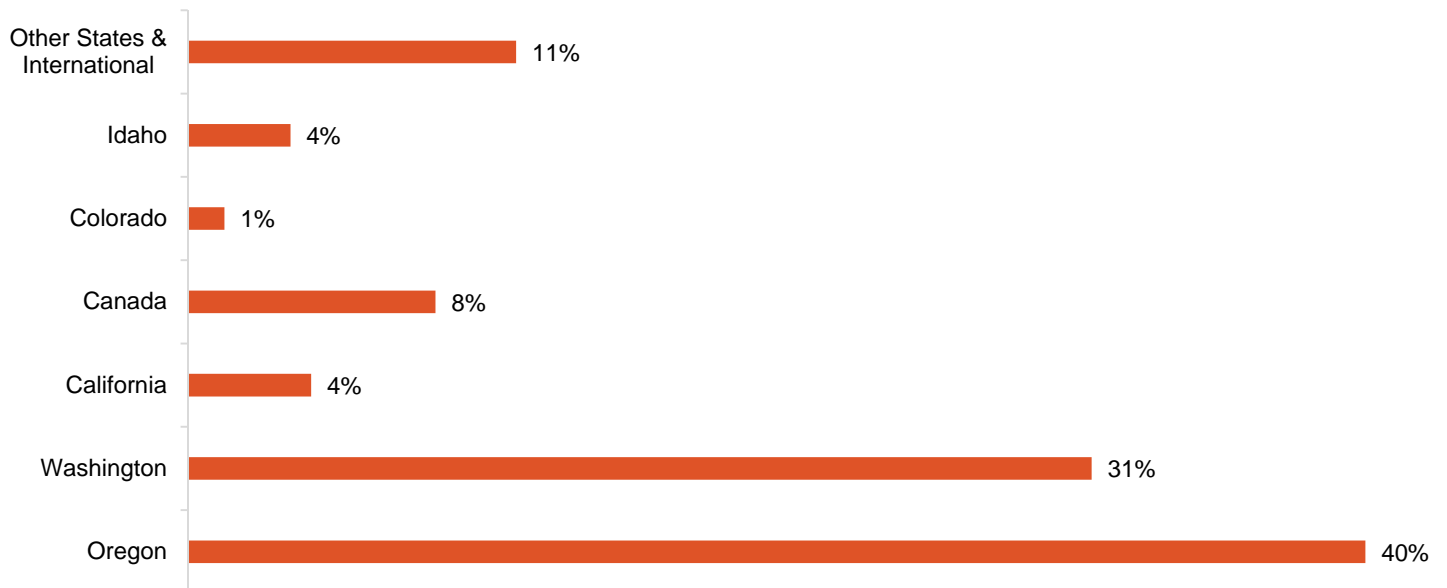


The data suggests that packaging has trended towards bottles over kegs in 2015, with an increase in gallon sales of bottled cider of 24% since the Prior Survey and an increase in percentage of revenue from bottled sales of 12%. Canned sales by gallon and percentage of revenue have decreased since the Prior Survey.

## Distribution

Oregon was the leading distribution area in 2015, followed by Washington and Canada. Also notable, Idaho and California comprised 4% of sales each. Sales in other states and internationally accounted for 11%, up from 7% in the Prior Survey.<sup>vii</sup>

### % of Gallons Sold by Distribution Area



Other states to which cider was distributed included Texas, Illinois, Nevada, and Arizona, as well as international sales outside Canada. **In total, respondents recorded sales in 20 states as well as internationally to Canada and Asia.**

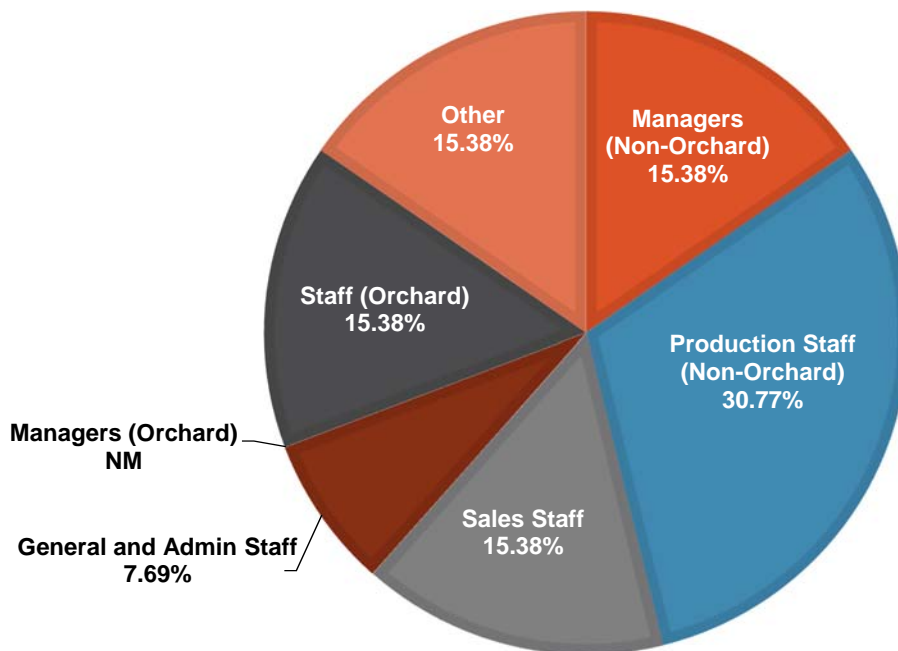


## Employment

Approximately 86% of respondents were owner operators. The remaining 14% was comprised of cider makers and sales staff. These responses were similar to those received in the Prior Survey.

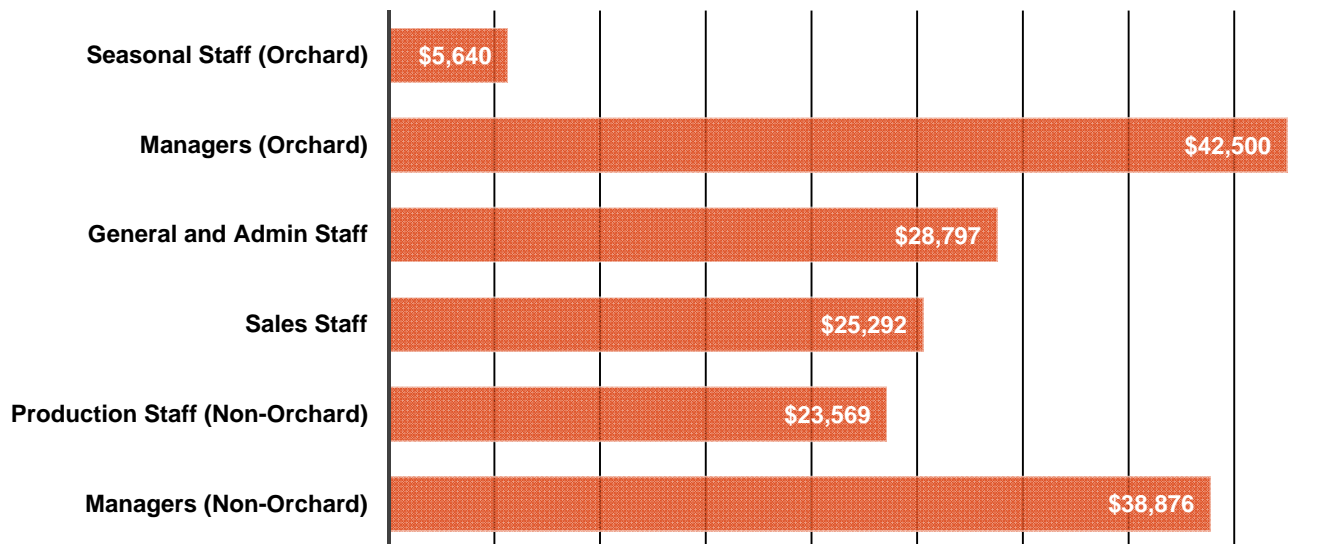
Similar to the data from the Prior Survey, **the employment breakdown showed 30% orchard, 31% production, with the remaining 39% made up of G&A, sales staff, and non-orchard managers.**<sup>viii</sup>

### Employees By Role



Average salaries for full-time positions ranged between \$23,569 for production staff and \$42,500 for orchard managers as compared to the Prior Survey's salary range, which was between \$24,000 and \$49,750. The median salary for full-time employees was general and admin staff at \$28,797. The average salaries of non-orchard managers and sales staff were \$38,876 and \$25,292, respectively. Production staff averaged \$23,569 in 2015, compared to \$31,473 in the Prior Survey.<sup>ix</sup>

## Average Salary by Position



## Conclusion

As noted in the overview, we are extremely thankful to the NW Cider Producers in this second annual survey. The substantial increase in participation this year led to a significant improvement in both the quality and scope of the survey. Your input is helping to increase awareness and understanding of the cider industry as a whole. We hope that you will help us to refine our vision of how this survey and report can best serve the cider industry. With continued survey participation in the future we can provide better, more tailored reporting on the trends of the Northwest cider industry. Thank you again to all for making this year's survey a success.

If you have any ideas about how this project – either the survey or the resulting report – can be improved, please send comments and questions to:

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## Endnotes

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<sup>i</sup> Based on 39 responses. 21 identified as “small producers”, 7 “medium producers”, and 11 “large producers”.

<sup>ii</sup> Based on 63 responses. 26 identified as producing in Washington, 24 in Oregon, 2 in Idaho, 2 in Montana, and 9 in Canada. 2 respondents cited both Washington and Oregon as production locations; incorporated 1 in Washington total, and 1 in Oregon total.

<sup>iii</sup> Eliminated some responses as “non-meaningful” based on significant outlying data points from sample.

<sup>iv</sup> Based on 35 responses. Eliminated any responses that did not aggregate to 100% of sales.

<sup>v</sup> Based on 26 responses. Eliminated any responses that did not aggregate to 100% of sales. Eliminated responses who did not identify gallons produced.

<sup>vi</sup> Based on 26 responses. Eliminated any responses that did not aggregate to 100% in both Packaging by Gallons and by Revenue.

<sup>vii</sup> Based on 32 responses. Eliminated any responses that did not aggregate to 100%.

<sup>viii</sup> Based on 42 responses. Eliminated any responses that did not indicate at least 1 employee.

<sup>ix</sup> Based on 42 employees. Eliminated any responses that did not indicate at least 1 salary. Additionally, followed the same criteria as 8.