



# From Orchard to Label: Cider Compliance Essentials

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# TTB Disclaimer

## Notice:

- This information is being presented to help the public to understand and comply with the laws and regulations that the Alcohol and Tobacco Tax and Trade Bureau administers
- It is not intended to establish any new, or change any existing, definitions, interpretations, standards, or procedures regarding those laws and regulations
- In addition, this presentation may be made obsolete by changes in laws and regulations - please consult the regulations for the most current regulatory requirements
- Sample documents (such as records, returns, and labels) are for illustrative purposes only and contain fictitious data



# Agenda

In this beyond the basics presentation we will be covering:

- Hot Topics
- TTB and Federal Legal Overview
- Investigations and Compliance Findings:
  - Permits
  - Formulas
  - Labeling
  - Recordkeeping
  - Taxes
- Resources

# TTB's Hot Topics





# myTTB Permits

Get ready for myTTB Permits to begin rolling out, replacing Permits Online!

This new service will offer a:

- **Simplified process** to apply for or amend a permit –reducing administrative burden
- **Self-service tools** to manage your permit –providing faster permit updates
- More **intuitive user interface** –making it easier to file and comply

Existing Permits Online users will be asked to create a myTTB account.



# Tax Simplification- Goals and Resources

- Make reporting easier by combining the excise tax return and operational report
- Reduced the amount of information required on the operational report
- New resources will be available, including:
  - Crosswalks
  - Instructional videos
  - Other helpful tools for using the new forms



# Allergen/Alcohol Facts Update

- January 17, 2025: TTB Proposed Mandatory Disclosures of Major Food Allergens and Alcohol Facts in the Labeling of Wines, Distilled Spirits, and Malt Beverages.
  - Comment period closed **August 15**
  - Visit [Regulations.gov](https://www.regulations.gov) to read proposed rules and comments
    - Docket number [TTB-2025-0002](https://www.regulations.gov/docketDetail;D=TTB-2025-0002) for the “Alcohol Facts” labeling proposal
    - Docket number [TTB-2025-0003](https://www.regulations.gov/docketDetail;D=TTB-2025-0003) for the Major Food Allergen labeling proposal.
  - Next steps: Review comments and determine what, if any, elements of proposals will be issued as final rules.



# Standards of Fill (Container Sizes)

The following metric standards of fill are authorized for wine:

50 milliliters	250 milliliters	375 milliliters	600 milliliters	1 liter
100 milliliters	300 milliliters	473 milliliters (16 oz.)	620 milliliters	1.5 liters
180 milliliters	330 milliliters	500 milliliters	700 milliliters	1.8 liters
187 milliliters	355 milliliters	550 milliliters	720 milliliters	2.25 liters
200 milliliters	360 milliliters	568 milliliters (19.2 oz.)	750 milliliters	3 liters

- Wine may be bottled or packed in containers of 4 liters or larger if the containers are filled and labeled in quantities of even liters (4 liters, 5 liters, 6 liters, etc.).
- Containers 18L or greater are exempt from the general standards of fill under 4.70(b)(2).
- Sizes shaded in blue were authorized January 2025.

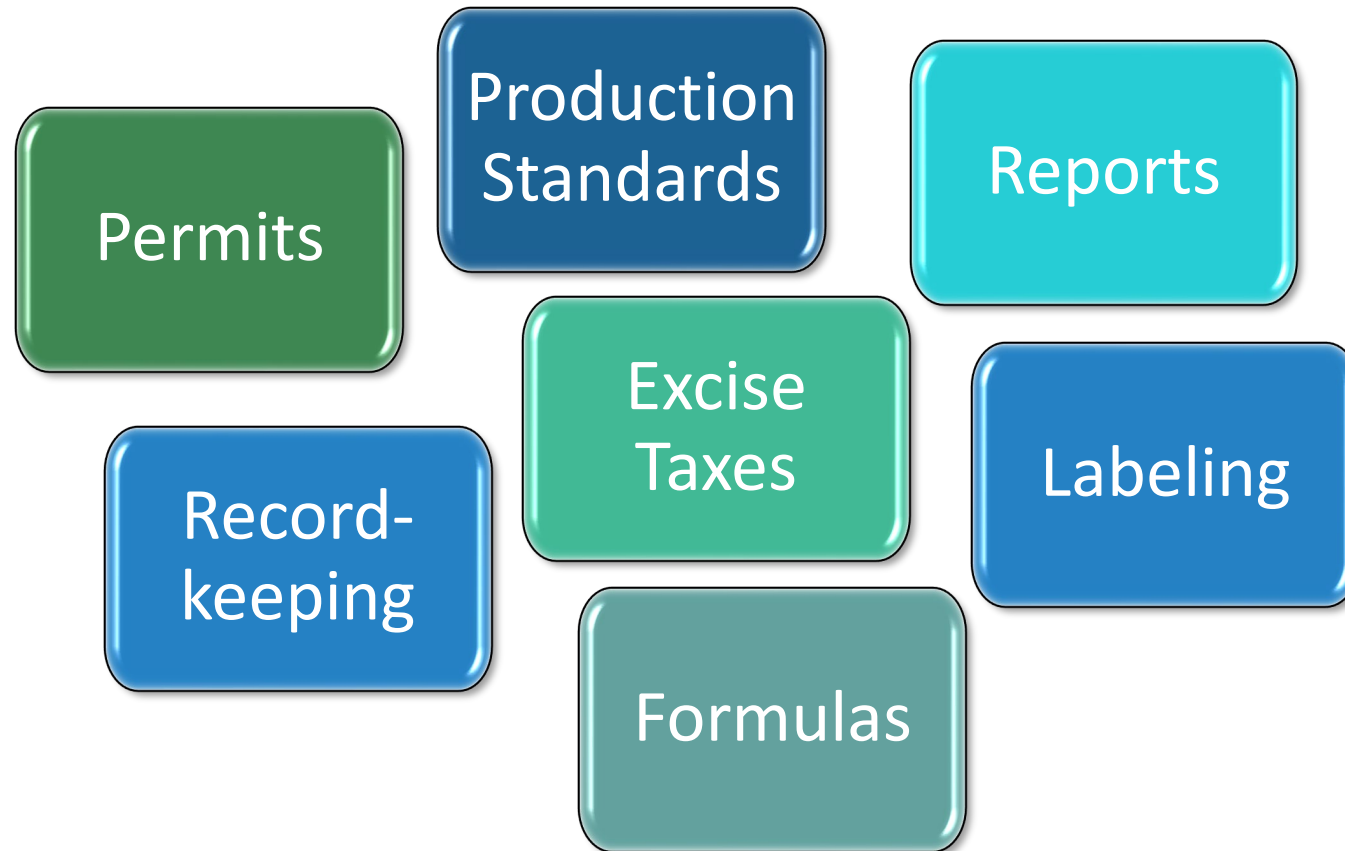
27 CFR 4.72

# Federal Legal Overview





# How Does TTB Regulate Cider Products?





# How do you Know Which Requirements Apply?

Under 7%  
Alcohol by  
Volume?

Sold Across  
State  
Lines?

Made  
Primarily  
from  
Apples/  
Pears?

Under  
8.5%  
Alcohol by  
Volume?

Less than  
0.64g CO<sub>2</sub>  
/100 mL  
wine?

Added  
Fruit  
Flavors?

Imported?



# Federal Laws to Know\*

There are 2 primary statutes administered by TTB that govern alcohol beverage products:

- **Internal Revenue Code (IRC)**
- **Federal Alcohol Administration Act (FAA Act)**

Also:

- **Alcoholic Beverage Labeling Act (ABLA)**

Another statute NOT administered by TTB that may apply:

- **Federal Food, Drug, and Cosmetic Act (FD&C Act)**

\* Not a complete list



# IRC Requirements for Wine

The Internal Revenue Code (IRC) implementing regulations (27 CFR part 24) cover issues such as:

- Qualification/registration of bonded wine premises
- Production requirements
- Formulas (for some)
- Recordkeeping/reports
- Taxes
- Basic labeling/marketing

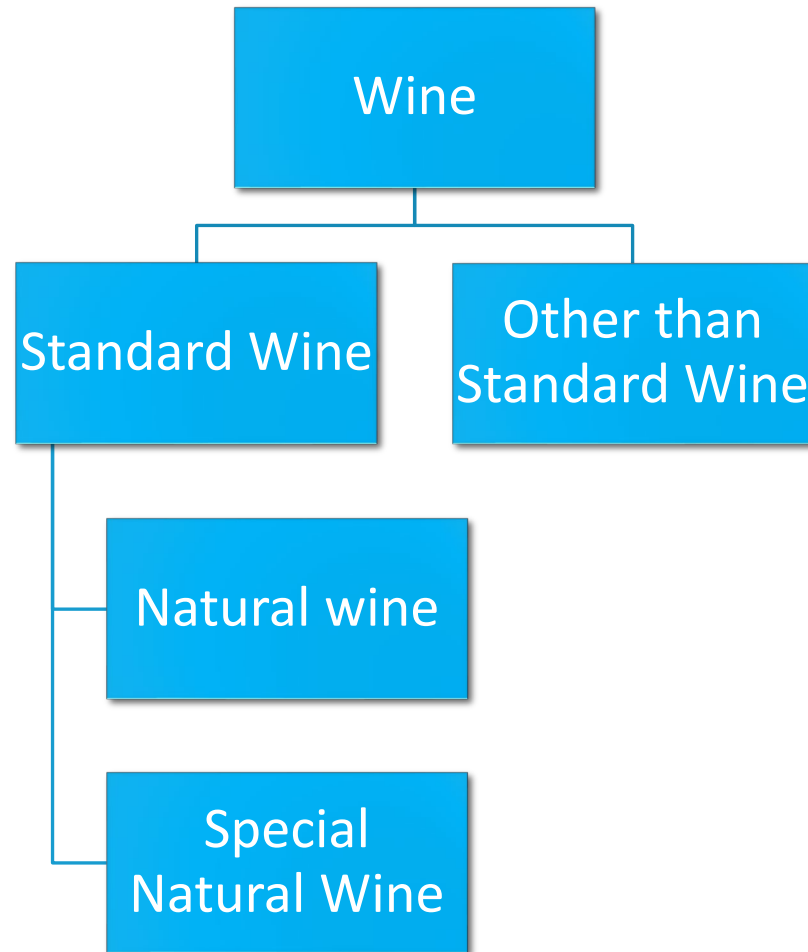
**The part 24 regulations apply to all domestic commercial cideries making product with 0.5% ALC. BY VOL. or more**

[27 CFR part 24](#) (domestic)

[27 CFR part 27](#) (imports)



# Wine Classifications in Part 24 (IRC)\*



- All cider products are wine
- For production purposes, part 24 subdivides wine into **standard** wine and **other than standard** wine
- Cider products may be either one, depending on how they are made
- Of those that are standard, some are natural wine, some are special natural wine

\*This chart does not depict all wine classifications in part 24



# Why Does it Matter?

The IRC classification of cider as a **natural wine**, a **special natural wine**, or an **other than standard wine** affects:

- Production requirements
- Whether a formula is required
- How it can be labeled

**It DOES NOT affect the tax rate**



# Wine Tax Classes

- For tax purposes, the IRC subdivides wine into six different tax classes
- In general, the tax classification of cider products is determined by:
  - Alcohol content
  - Level and origin of carbon dioxide
  - Ingredients used
- Depending how cider products are made, they may not be eligible for the Hard Cider tax rate



# Tax Rates that May Apply to Cider Products

Tax Classes	Wine Gallons Per Calendar Year				
	Tax Rate per Wine Gallon	First 30,000 (\$1 credit)	Over 30,000 up to 130,000 (\$0.90 credit)	Over 130,000 up to 750,000 (\$0.535 credit)	Over 750,000
<b>Still Wines</b>					
16% and under alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$1.07	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$1.57	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$3.15	\$2.15	\$2.25	\$2.615	\$3.15



# Tax Rates that May Apply to Cider Products

Tax Classes	Wine Gallons Per Calendar Year				
	Tax Rate per Wine Gallon	First 30,000 (\$1 credit)	Over 30,000 up to 130,000 (\$0.90 credit)	Over 130,000 up to 750,000 (\$0.535 credit)	Over 750,000
<b>Artificially Carbonated Wine</b>					
Over 0.392g CO <sub>2</sub> /100mL - injected or otherwise added	\$3.30	\$2.30	\$2.40	\$2.765	\$3.30
<b>Sparkling Wine</b>					
Over 0.392g CO <sub>2</sub> /100mL - naturally occurring	\$3.40	\$2.40	\$2.50	\$2.865	\$3.40



# Tax Rates that May Apply to Cider Products

Tax Classes	Wines Gallons Per Calendar Year				
	Tax Rate per Wine Gallon	First 30,000 (6.2¢ credit)	Over 30,000 up to 130,000 (5.6¢ credit)	Over 130,000 up to 750,000 (3.3¢ credit)	Over 750,000
<b>Hard Cider</b>					
No more than 0.64g CO <sub>2</sub> /100mL; derived primarily from apples/pears or apple/pear juice concentrate and water; containing no other fruit product or fruit flavoring other than apple/pear; and containing at least 0.5% and less than (not equal to) 8.5% alcohol by volume	\$0.226	\$0.164	\$0.17	\$0.193	\$0.226



# Not all Cider/Perry Products are Eligible for the Hard Cider Tax Rate

**There are two categories of products labeled as Cider/Perry:**

1. Those eligible for the Hard Cider tax rate
2. Those that are taxed at another wine tax rate



# Hard Cider is the Name of a Tax Class (26 U.S.C. 5041(g))

## Only products that meet the following definition are eligible for the Hard Cider tax rate:

- Contains not more than .64 gram of CO<sub>2</sub> per 100 mL
- Derived primarily from apples/pears or apple/pear concentrate and water
- Contains no fruit product or fruit flavoring other than apple or pear
- Contains at least 0.5% and **less than** 8.5% alcohol by volume

Other wines labeled as cider or perry that do not fit the definition above are taxed at one of the other wine tax rates



# FAA Act Requirements for Wine

- FAA Act defines wine as having from 7% to 24% alcohol by volume
- As a result, not all cider products are regulated under the FAA Act
- The implementing regulations (27 CFR) cover issues such as:
  - Labeling
  - Certificates of Label Approval (COLA)
  - Qualification (Basic Permit)
  - Advertising
  - Trade practices

**The FAA regulations only apply if ALC. BY VOL. is 7% or more, and product is sold interstate**

27 CFR parts [1](#), [4](#), [6](#), [8](#), [10](#), [11](#), and [13](#)



# Alcoholic Beverage Labeling Act

The Alcoholic Beverage Labeling Act and TTB regulations in 27 CFR part 16 require that a **Health Warning Statement** appear on all alcohol beverages with 0.5% alcohol by volume or more

**GOVERNMENT WARNING:** (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

**Applies to all commercial cider products if ALC. BY VOL. is 0.5% or more**

[27 CFR part 16](#)



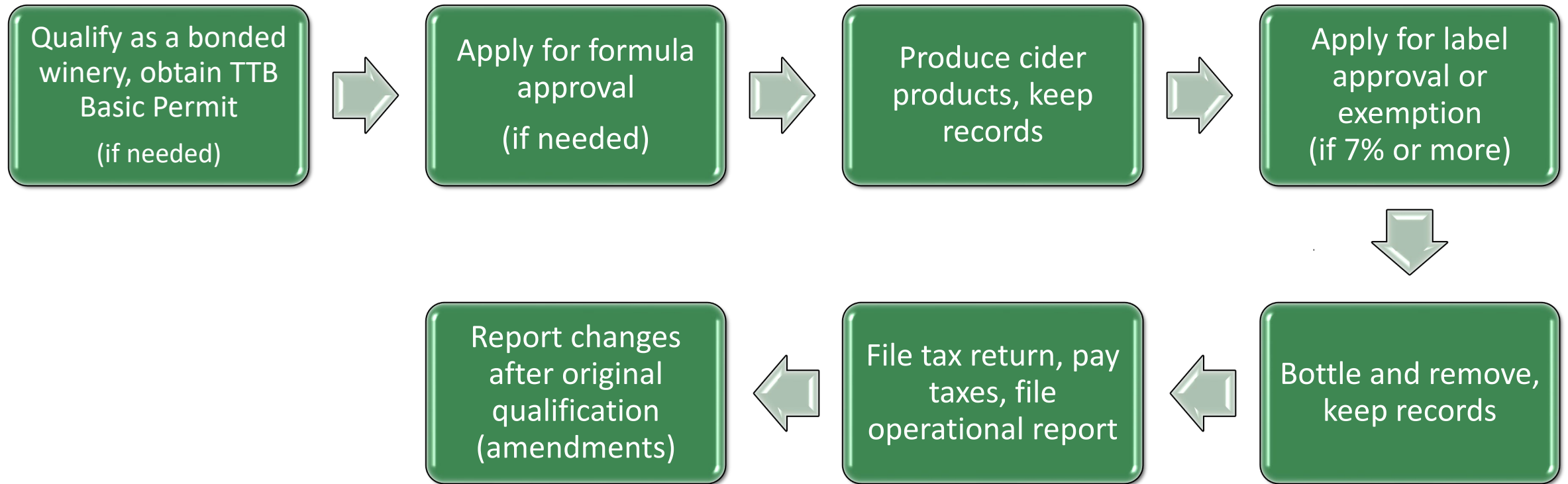
# Which Labeling Laws and Regulations Apply?

		If the alcohol content by volume is:		
		0.5 to < 7%	7 to 24%	
			Interstate commerce?	
		Yes	No	
<b>1</b>				<b>2</b>
<b>Then the following wine labeling laws and regulations apply:</b>				
Law	Regulations			
Alcoholic Beverage Labeling Act of 1988 (ABLA)	<a href="#">27 CFR part 16 - Alcoholic Beverage Health Warning Statement</a>	X	X	X
Internal Revenue Code (IRC)	<a href="#">27 CFR part 24 - Wine</a> <a href="#">27 CFR part 27 - Importation of Distilled Spirits, Wines, and Beer</a>	X	X	X
Federal Alcohol Administration (FAA) Act	<a href="#">27 CFR part 4 - Labeling and Advertising of Wine</a>		X	
Federal Food, Drug, and Cosmetic Act (FD&C Act)	<a href="#">21 CFR part 101 – Food Labeling</a>	X		

**3**



# Typical TTB Touchpoints for Cider Industry Members

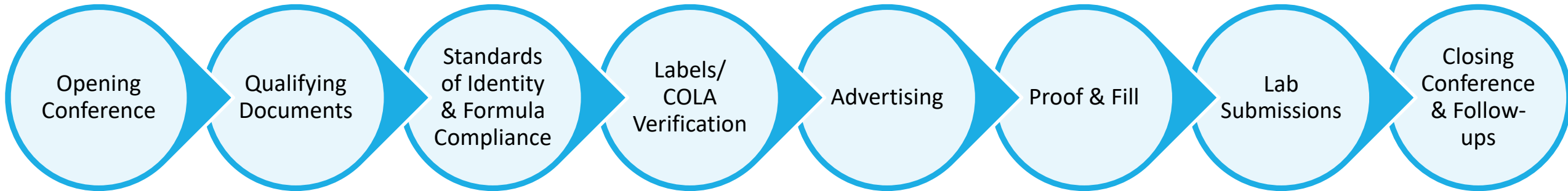


# Investigations and Common Compliance Findings





# Product Integrity Investigation





# Opening Conference

The investigator will:

- Tour the premises.
- Interview key personnel responsible for production, labeling, and lab analysis including alcohol and fill tests.
- Identify COLAs, formulas, records, and reports needed for the investigation.
- Identify operations conducted on the premises.



# Qualifying Documents

The investigator will:

- Examine qualifying documents from the original application that relate to the winery operations.
  - If necessary, investigator will advise of procedures to amend the permit/registration.
- Verify that only authorized persons sign documents submitted to TTB.
  - Authorized persons must be on the Permit as key party members or have a signed Power of Attorney (POA) on file.



# Qualifying Documents: Common Issues and Solutions

## **Not reporting changes in the business operations to TTB**

- Must report changes in officers / directors within 30 days.
- Must report changes in control / ownership within 30 days.
- New consultants / employees need Power of Attorney or Signing Authority to submit on your behalf.

## **Failure to File for altered business premises**

- New buildings, tanks, rooms, labs, etc. must be reported to TTB and approved before construction or addition.



# Standards of Identity & Formula Compliance

The investigator will:

- Verify the permittee's records accurately identify the class and type of wine produced and/or received in bond (imported and domestic).
- Determine whether products are properly identified.
- Ensure there are TTB-approved formulas for all products produced and bottled that require them.



# Standards of Identity & Formula: Common Issues and Solutions

- **Lack of required formula!**
  - If adding spices, flavors, blending finished fruit wines (e.g., apple wine and peach wine), etc., you will need a formula– even if only selling within state of production or the product is under 7% alcohol by volume.
  - Use TTB’s tool to determine whether you need a formula: [Which Alcohol Beverages Require Formula Approval? | TTB: Alcohol and Tobacco Tax and Trade Bureau](#)
- Failure to maintain accurate records for label claims
  - Keep accurate records on ingredients and production materials to substantiate all claims on the label



# Labels/COLA Verification

The investigator will:

- Verify permittee has either COLA or COLA exemption for all bottled inventory subject to FAA Act.
- Verify labels on products include all mandatory information and avoid prohibited practices (27 CFR Part 4).
- Verify trade names appearing on labels are identical to trade names listed on permittee's basic permit.



# Labels/COLA Common Issues

- Not having an approved COLA (or exemption) for bottled/canned wine subject to FAA Act labeling requirements.
- Making unallowable change to product label without obtaining new COLA (if required).
- Incorrectly formatted Government Health Warning Statement.
- Misleading or untruthful label claims.



# Advertising

The investigator will:

- Review advertising material on website and social media accounts.
- Review point of sale (POS) materials for violations. POS materials include things such as:
  - Sales pamphlets
  - Posters
  - Promotional displays, or
  - Written, printed, or graphic materials in stock

For questions about TTB's advertising requirements, contact the Market Compliance Office at 202-453-2251 (option 4) or by e-mail at [Market.Compliance@ttb.gov](mailto:Market.Compliance@ttb.gov).



# Advertising Common Issues

- False or misleading health claims.
- Geographical misrepresentation.
- False information on production method.
- Advertising not consistent with approved COLA.
- Use of prohibited statements.



# Proof and Fill

The investigator will:

- Verify winery fill procedures.
- Observe plant personnel conducting fill test.
- Verify all measuring devices used for fill are correctly calibrated.
- Review fill records required.
- Records must include all information showing wine premises is compliant with requirements/regulations.



# Fill Requirements – Containers

Containers must conform with **27 CFR Parts 4 and 24** with regard to the following:

- Headspace (27 CFR 4.71)
- Design (27 CFR 4.71)
- Fill (27 CFR 4.72 and 27 CFR 24.255)



# Fill & Alcohol Content

Fill and alcohol tests are required per CFR Part 24. These can be recorded on bottling forms and/or in logbooks in the laboratory.

- Tolerance for alcohol content of:
  - $\leq 14\%$  alc/vol is  $\pm 1.5\%$
  - $>14\%$  to  $21\%$  alc/vol is  $\pm 1\%$
- Individual fill tolerance varies by size; e.g.,  $\pm 3\%$  for 355 ml can and  $\pm 2\%$  for 750 ml bottle



# Proof and Fill Common Issues

- Inaccurate alcohol content.
  - Particularly significant when alcohol content makes product:
    - Ineligible for hard cider tax rate (i.e., must contain at least 0.5% and less than 8.5% alc./vol.); or
    - Subject to FAA Act labeling requirements (i.e., 7% alc./vol. or greater)
- Not checking each fill head on bottling line and making adjustments.
- No fill test records.
- Underfilling and overfilling.



# Samples for TTB Lab Submission

- Several samples will be pulled from bonded inventory.
  - Samples will be of various sizes and products.
- Lab samples taken are free of tax.
- Samples will be sent to TTB lab for analysis and fill check.
- Results of lab analysis will be shared with industry member.



# Other Common Compliance Issues

- Production prior to TTB and state qualification.
- Wineries that allow people to use their equipment and facilities to make their own brands without an alternating agreement.
- Not recording production of custom crush.
- Recordkeeping, inventories, reporting (late filed reports, lack of cellar records, no annual inventory on file, forms signed by someone who does not have signing authority).



# Closing Conference & Follow-Up

- Results of investigation will be explained to key personnel.
- If possible, any issues that can be fixed on-site should be completed and signed off by TTB.
- Investigator will ensure that corrective actions are taken for any lab samples found to be out of compliance by the TTB laboratory.
- Investigator will typically issue a written Notice of Violation (NOV) and advise proprietor of corrective action.
- Industry member must sign NOV and agree to complete all necessary actions within the given timeframe.



# Voluntary Disclosure

- TTB encourages industry members to voluntarily disclose violations upon discovery and take appropriate corrective action.
- These disclosures may mitigate actions taken by TTB in response to violations.
- Submit your voluntary disclosure:  
<https://www.ttb.gov/contact-nrc>

# Resources





# Resources on TTB.gov

## List of Allowable Changes to Approved Labels:

<https://www.ttb.gov/labeling/allowable-revisions>

## Alcohol Beverage Formula Approval Home Page

<https://www.ttb.gov/formulation/index.shtml>

## Formula Approval Tool:

<https://www.ttb.gov/formulation/which-alcohol-beverages-require-formula-approval>

**CBMTRA page:** <https://www.ttb.gov/alcohol/craft-beverage-modernization-and-tax-reform-cbmtra>



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