



SEVENTH POINT
ANALYTIC CONSULTING

American Cider Association Harvest-Driven Cider Survey 2022

Initial Report – April 12, 2023



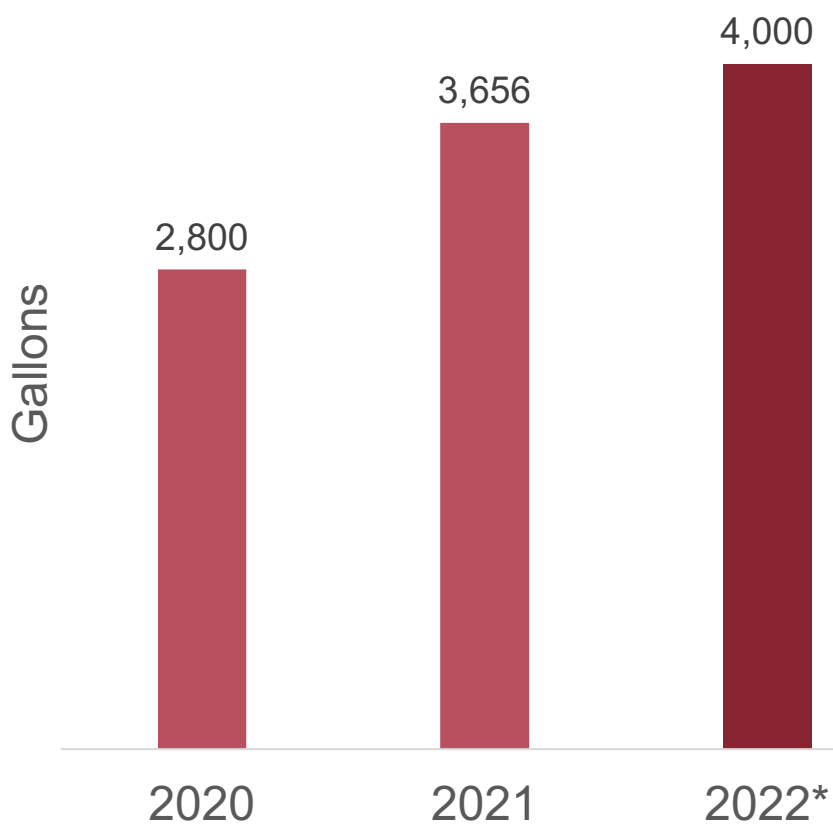
- In 2021, ACA fielded its first annual harvest driven cider survey to help members, policy makers, and the industry to know more about this important and dynamic sector. The 2022 survey updates and expands on that important work.
- Harvest driven cidermakers make 75+% of their annual cider production from apples/pears pressed once per year at or close to harvest.
- Harvest driven cider is not generally tracked in syndicated data sources such as Nielsen and IRI, so sizing and tracking it requires primary research.
- Seventh Point Analytic conducted a survey of harvest driven cider makers to estimate the size the American Harvest Driven Cider sector by package, price tier, and sales channel, and assess its recent growth.

Background

- The survey included 25 questions, compared to last year's 16. The appendix lists these questions and denotes which are trendable.
- The 64 responses analyzed here were collected from 1/2/23 to 3/23/23, but the survey remains open.
- 60 respondents indicated that they are harvest driven cider makers, the remaining four responses have been retained, but these are not included among the responses analyzed here.

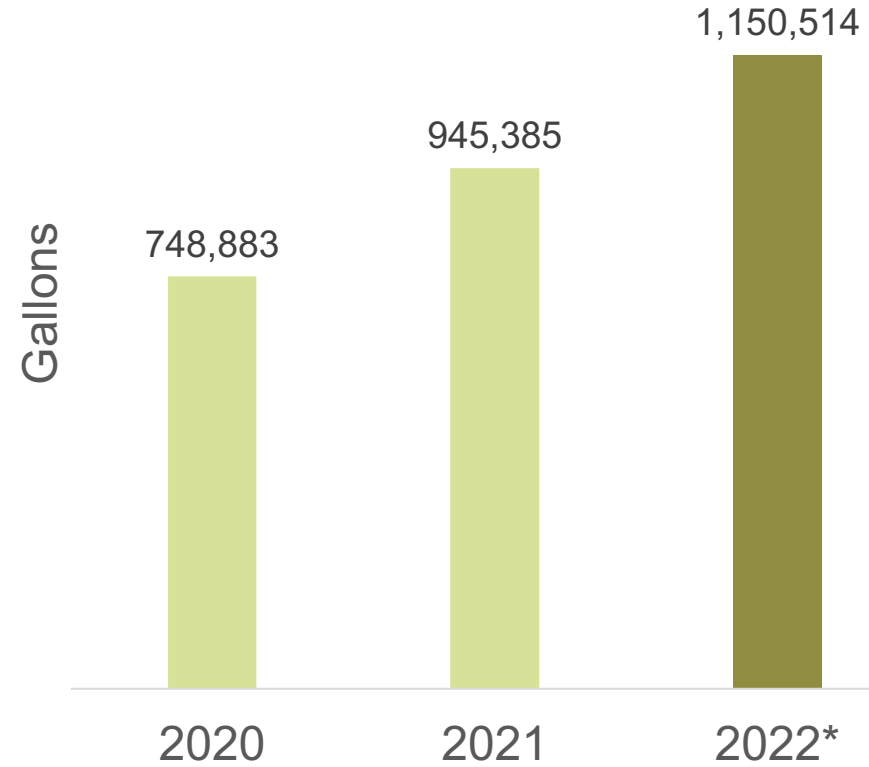
Survey Details

Survey Median Annual Production



+9.4% growth in the median size

Estimated Annual Production

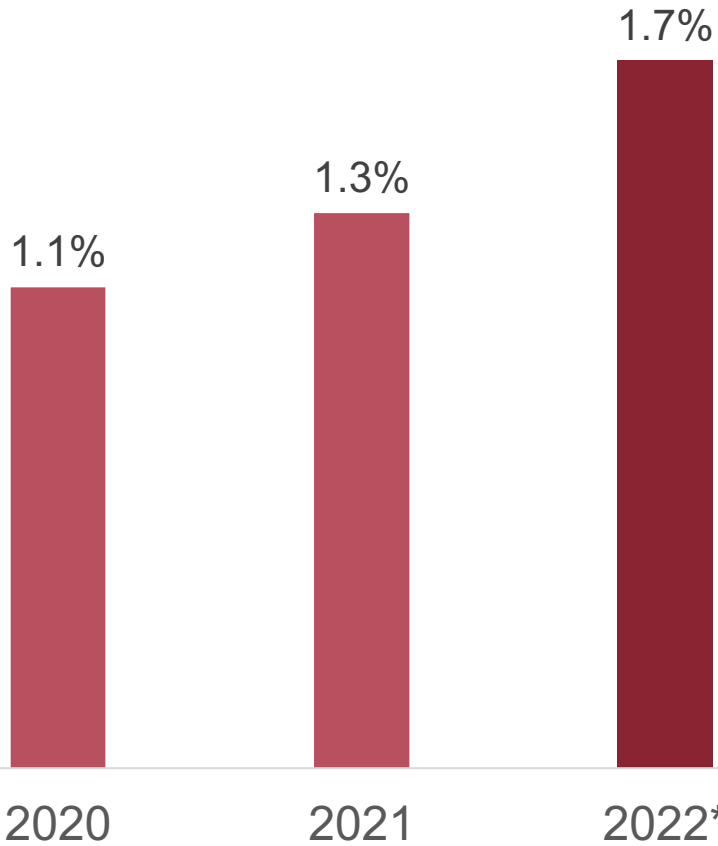


+21.7% segment growth!

Harvest Cider is Growing Fast!

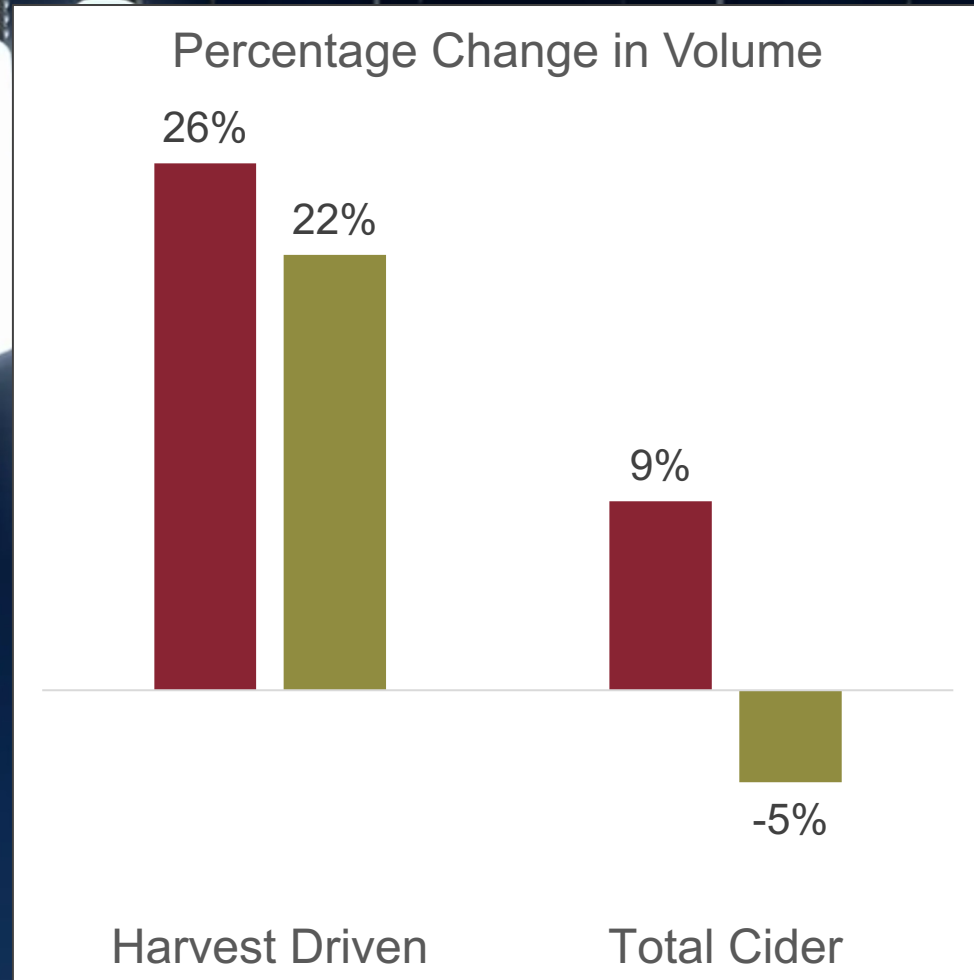
Source: Seventh Point Analytic Consulting 2022 *2021 production values were projected by individual survey respondents.

Harvest Cider Share of US Cider



Small Share But Gaining Fast!

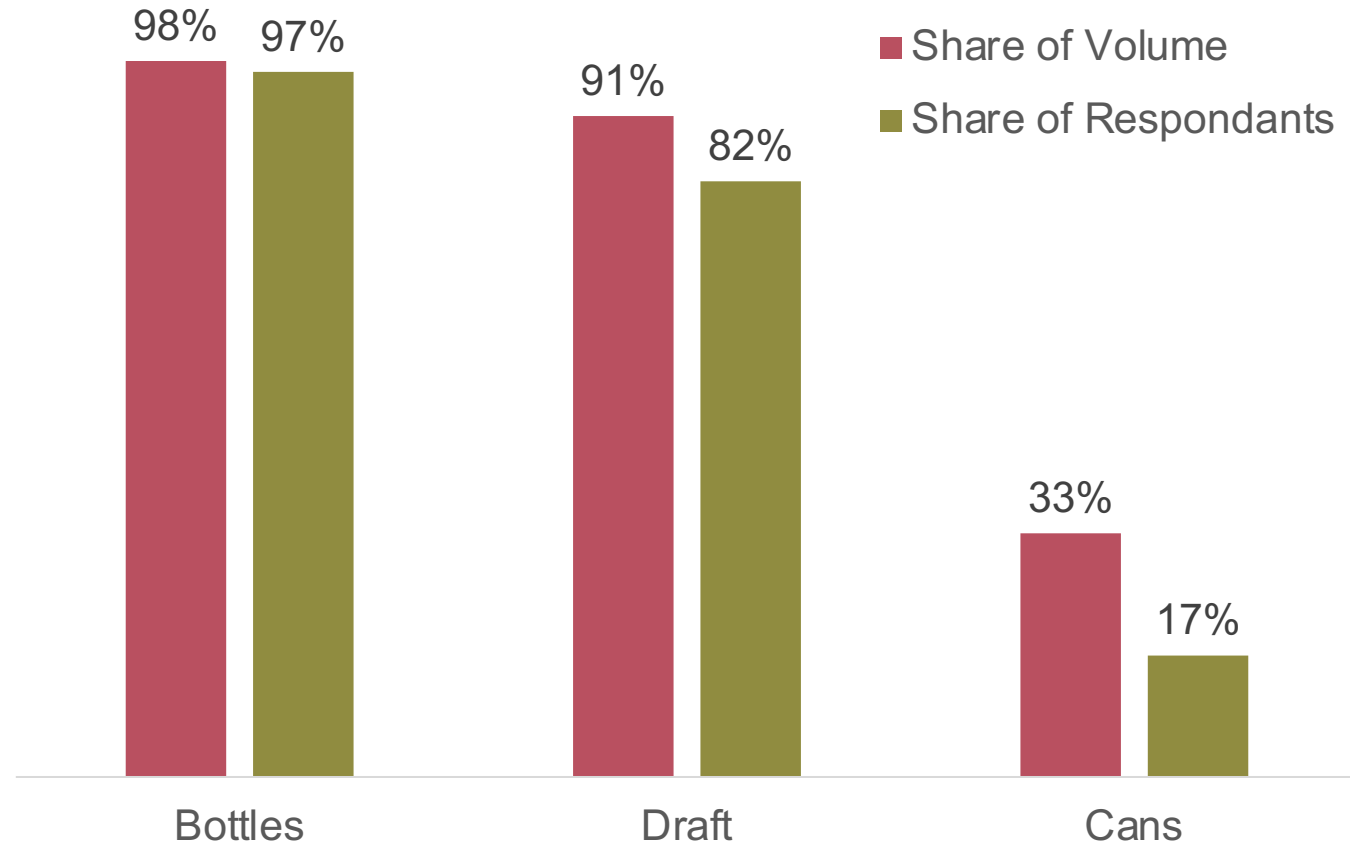
Source: Seventh Point Analytic Consulting 2022 *2021 production values were projected by individual survey respondents.



Harvest Cider Outpacing Other Ciders

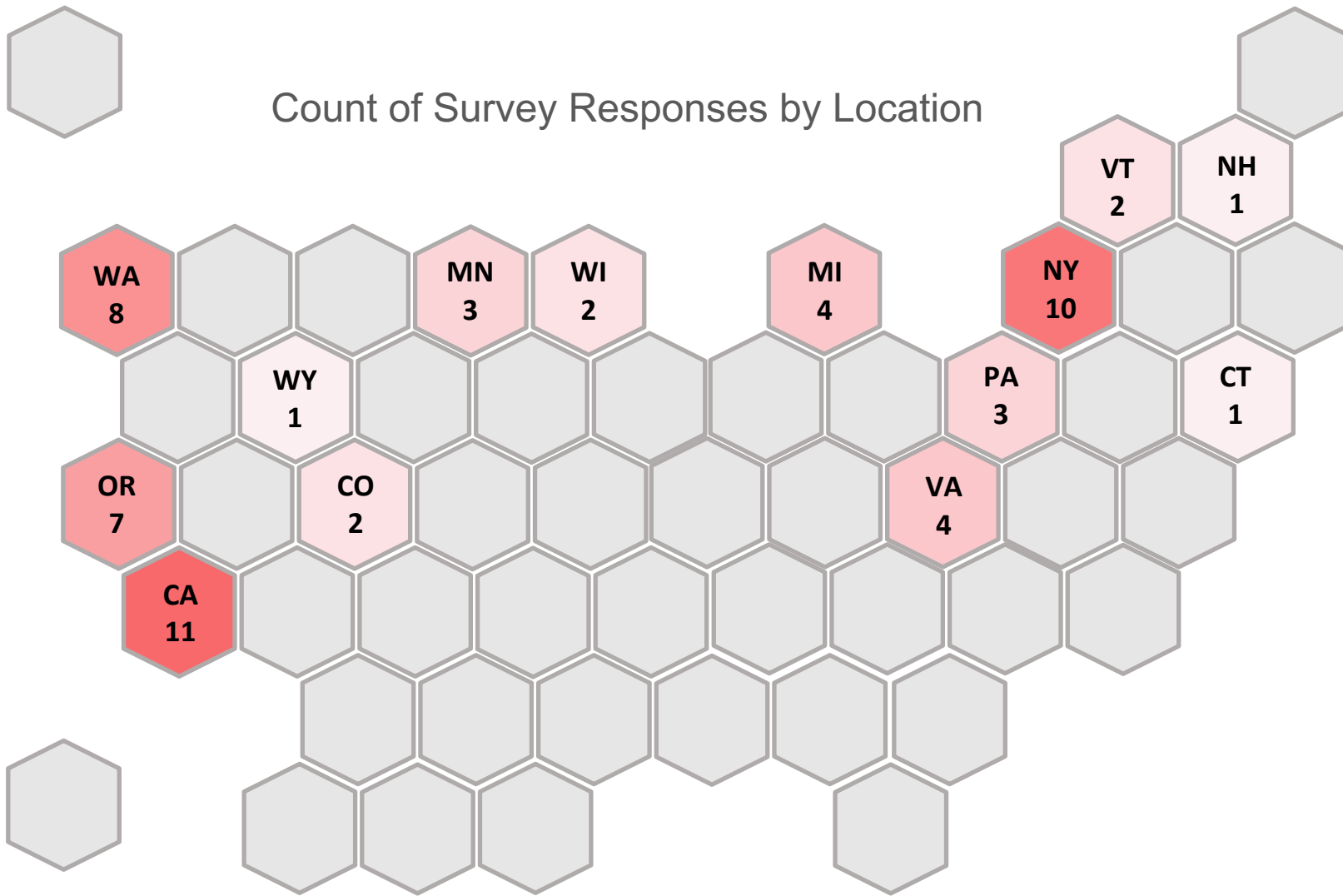
Source: Seventh Point Analytic Consulting 2022 *2021 production values were projected by individual survey respondents.

Share by Package Sold in 2021



Harvest cider relies on glass and draft

Count of Survey Responses by Location

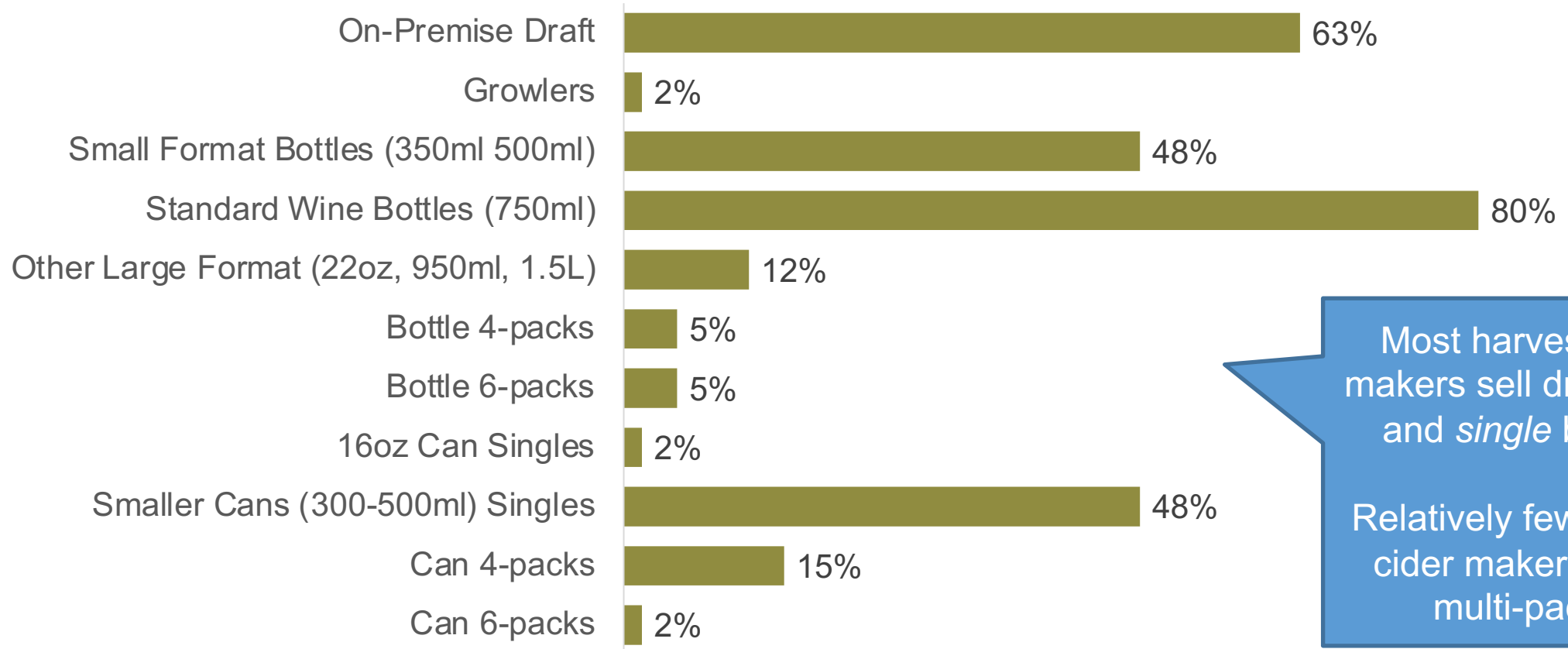


The typical Harvest Cidermaker only sells in one or two states

Many partner with online sellers to deliver to dozens of states.

Harvest Cider is Where the Harvest Is!

Share of Survey Responses by Package Type-Size Sold

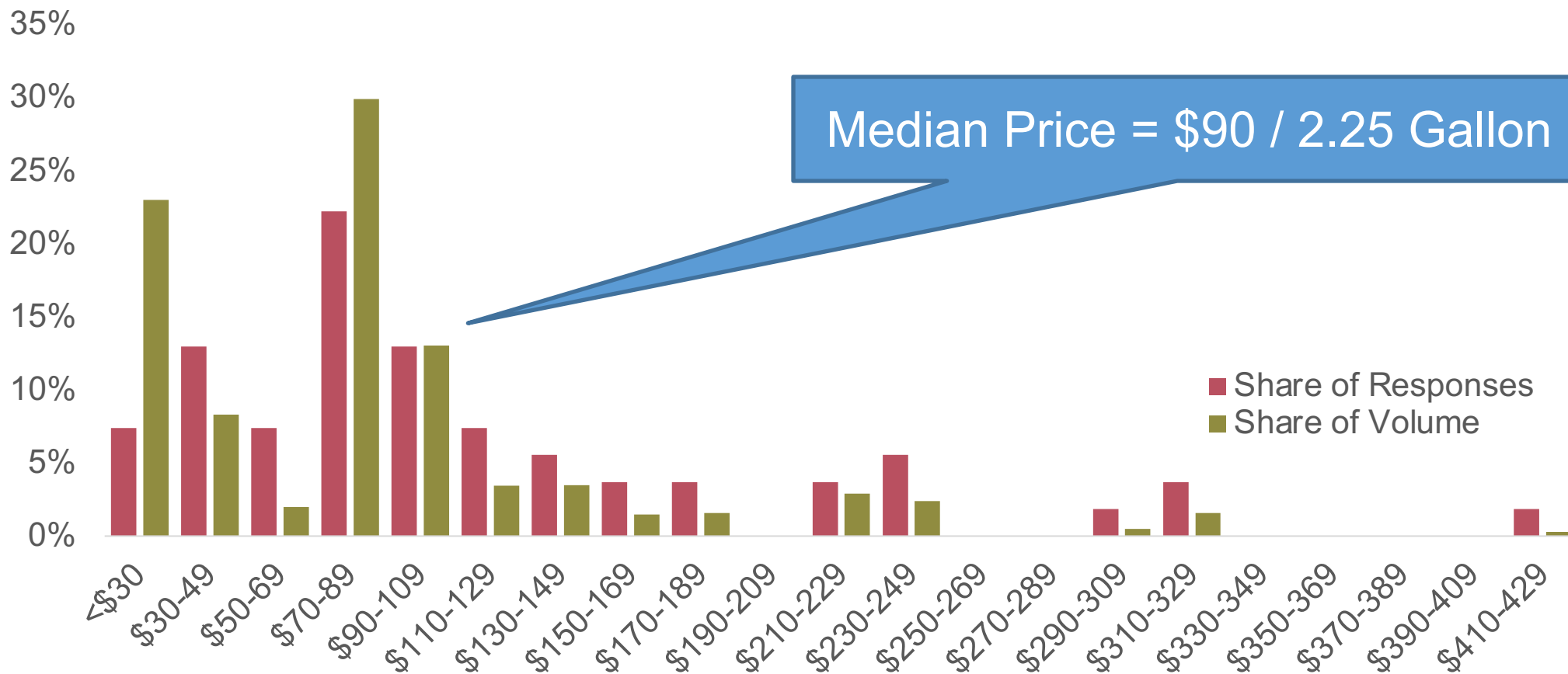


Most harvest cider makers sell draft pours and *single* bottles.

Relatively few harvest cider makers sell in multi-packs.

Hand Made, Served One at a Time

Share of Survey Responses and Harvest Cider Volume by Case Price



Median Price = \$90 / 2.25 Gallon Case

Harvest cider prices vary widely

Harvest Cider Revenue by Sales Channel

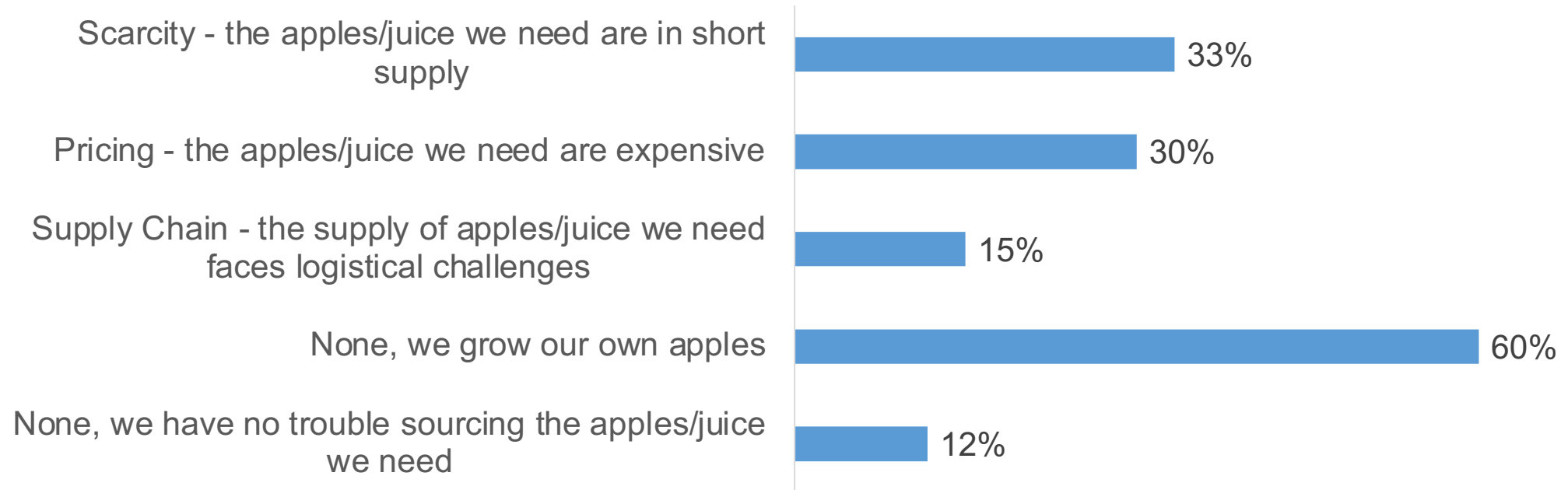


Harvest cider makers earn about **2/3** of their revenue selling direct to consumer, either online or in-person.

Special events, such as farmers markets, fairs, and festivals are **2x** as large as online sales.

Most harvest cider sells direct

Percent of Responses to
“What, if any, challenges do you face in sourcing the apples and/or
juice needed to produce your harvest-driven cider?”



About 1 in 4 Struggle to Source Apples

Tannic and heirloom apples
costing >\$15/bushel

51%

Share of US harvest
cider volume made using
these apples

Share of respondents
using *only* these apples

32%

Cider made using apples grown in the
cider maker's own orchard

57%

Share of US harvest
cider volume made using
these apples

Share of respondents
using *only* these apples

32%

And how about them apples?!

42%

of harvest cidemakers
ONLY make cider with
 $\geq 7\%$ ABV

93%

of harvest cidemakers
make at least some cider
 $\geq 7\%$ ABV

52%

US harvest cider is
 $\geq 7\%$ ABV

Strong Stuff

The background of the slide is a dark blue color with several glowing white incandescent light bulbs hanging from the top. The bulbs are arranged in a scattered pattern, some in the foreground and some in the background, creating a bokeh effect. Two white rectangular boxes with blue callout bubbles are overlaid on the scene, containing statistics about cider aging. The top box features a large red percentage and a blue callout bubble with white text. The bottom box features a large green percentage and a blue callout bubble with white text.

70%

of harvest cidermakers *only*
sell cider aged
3+ months
before packaging

78%

of harvest cider is aged
3+ months
before packaging

The Waiting Game

The background of the slide features several glowing white incandescent light bulbs hanging from thin black cords against a dark blue background. The bulbs are scattered across the frame, with some in the foreground and others in the background, creating a bokeh effect.

66%

of harvest cider makers surveyed have a “club” or “society” with exclusive deals and ciders

>3,400

Club/Society members across the cider makers surveyed

Membership has its benefits

Do you think that harvest-driven
cider is a growth sector of the
cider category?

70%

of respondents say "Yes"

"Americans are tilting towards
Authenticity"

-Survey Respondent

What channels will drive
harvest cider sales over the
next 3-5 years?

43%

of respondents said

DTC / Onsite

Top answer

Harvest cider makers are optimistic

- Harvest driven cidermakers produced more than 1 million gallons of cider in 2022, growing 22% in a category that was down 5%.
- The median size of a harvest cidemaker grew by 9% last year.
- With a wide variety of price points available, there's a harvest cider for every household budget.
- A majority of harvest cider makers focus on onsite sales in draft and glass bottles, but many are also getting into online and retail sales.
- Harvest driven cider has clear and strong points of differentiation.
- The sector shows great potential, and the ACA could play a role in unlocking that potential through consumer education programs such as the current one launching in VA.

Summary



SEVENTH POINT
ANALYTIC CONSULTING

Michael Uhrich
Founder & Chief Economist
@EconBeer on Twitter

1. Do 75% or more of the ciders you produce on an annual basis, as measured by gallons, meet this definition of harvest-driven ciders?
2. In which state(s) do you **PRODUCE** harvest-driven cider?
3. In which state(s) do you **SELL** harvest-driven cider?
4. From which state(s) do you purchase apples and/or juice used to produce harvest-driven cider?
5. Which apple varieties are currently the most important to your harvest-driven cider production?
6. Which apple varieties would you like to use more of in your production of harvest-driven cider but can't due to scarcity, costs, or other issues (please describe)?

Appendix: Survey Questions

Questions in **bold** are trendable from 2021 to 2022

7. What, if any, challenges do you face in sourcing the apples and/or juice needed to produce your harvest-driven cider?

- None, we grow our own apples
- None, we have no trouble sourcing the apples/juice we need
- Scarcity - the apples/juice we need are in short supply
- Pricing - the apples/juice we need are expensive
- Supply Chain - the supply of apples/juice we need faces logistical challenges
- Other...

8. During calendar year 2021, how much harvest-driven cider did you produce in gallons? cider and its future?

Appendix: Survey Questions

Questions in **bold** are trendable from 2021 to 2022

9. For the full year 2022, how much harvest-driven cider do you expect to produce in gallons?
10. **What percentage of your 2021 gallonage was from heirloom and/or tannic apple varieties whose cost exceeds \$15 per bushel?**
11. **What percentage of your 2021 gallonage was from apples grown in your own orchard(s)?**
12. What percentage of your harvest-driven cider volume has an ABV of 7% or higher?
13. What percentage of your harvest-driven cider volume is aged 3 months or longer before packaging?

Appendix: Survey Questions

Questions in **bold** are trendable from 2021 to 2022

14. Which of the following formats do you sell your harvest-driven cider in?

Please select all that apply.

- **We do not package our harvest-driven cider**
- **Kegs**
- **Can 4-packs**
- **Can 6-packs**
- **Bottle 4-packs**
- **Bottle 6-packs**
- **Single 22 Oz. bottles**
- **Smaller wine-format bottles (350ml, 500ml)**
- **Standard wine-format bottles (750ml)**
- **Other...**

Appendix: Survey Questions

Questions in **bold** are trendable from 2021 to 2022

15. How much should someone typically expect to pay for your harvest-driven cider? Please give both price and quantity (e.g. \$20 per 750mL bottle).
16. Including **ONLY** harvest-driven cider consumed on-site (excluding sales to-go and online sales), what were your gross tasting-room or taproom sales of harvest-driven cider for 2021? Please round to the nearest \$1,000. If you do not have a tasting or taproom, please answer \$0.
17. Including **ONLY** harvest-driven cider sold from your facility to-go (excluding sales for on-site consumption and online sales), what were your gross to-go direct to consumer sales of harvest-driven cider for 2021? Please round to the nearest \$1,000. If you do not have a tasting or tap room and do not sell to go, please answer \$0. its future?

Appendix: Survey Questions

Questions in **bold** are trendable from 2021 to 2022

- 18. What were your gross online sales of harvest-driven cider for 2021? Please round to the nearest \$1,000. If you do not sell online, please answer \$0.**
19. What were your gross sales of harvest-driven cider at special/temporary events (e.g. farmers' markets, festivals, fairs, etc.) for 2021? Please round to the nearest \$1,000. If you do not sell at special/temporary events, please answer \$0.
- 20. What were your gross sales of harvest-driven cider through other channels for 2021, including sales to distributors and other retailers? Please round to the nearest \$1,000. If you had no sales through other channels, please answer \$0**

Appendix: Survey Questions

Questions in **bold** are trendable from 2021 to 2022

- 21. If you have a cider "club", "society", or other subscription type program, how many members does the program currently have. If you do not have such a program, please answer 0.**
- 22. Do you think that harvest-driven cider is a growth sector of the cider category? Why or why not?**
- 23. Which sales channels will drive the growth in harvest-driven cider over the next 3-5 years? Why?**
- 24. What are the greatest challenges facing the harvest-driven cider sector? Why?**
- 25. What other thoughts can you share on harvest-driven cider and its future?**

Appendix: Survey Questions

Questions in **bold** are trendable from 2021 to 2022