

## **Hard Cider Supply Chain Analysis**

### **CCE Harvest NY**

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### **Executive Summary**

Hard cider is a growing craft beverage industry, in part due to the passing of the Farm Cider Law in 2013. With increasing market demand for specific hard cider variety apples, there may be challenges with sourcing specialty cider apples such as bittersharps (Kingston Black, Porter's Perfection, etc.), specialty bittersweets (Tremlett's Bitter, Dabinett, Yarlinton Mill, etc.) and heirloom dual purpose (dessert/cider) (Baldwin, Newton Pippin, Golden Russet, Roxbury Russet, etc.).

Although there is interest in dedicating acreage to these varieties, NYS apple growers have concerns in regards to fire blight susceptibility, return on investment, future market demand, biennial/irregular bearing habit, and which varieties to plant. Given establishment costs of \$15,000/acre the uncertainty of the market demand may slow planting.

### **Methodology**

In the Spring of 2017, Harvest NY surveyed members of the hard cider industry (apple growers, hard cideries, and nurseries) to research the value chain. The following report is a summary of this research. This survey was created and distributed (electronically) with the collaboration of Cornell University, Cornell Cooperative Extension Area Teams, and the New York Cider Association.

Survey Response Rate: 6.2% (43 out of 694) apple growers and 20.73% (17 out of 82) hard cideries

### **Summary of Findings**

The following findings are based on the survey responses received, and potentially do not translate to findings representative of the entire industry, as the data in this analysis is not based on all hard cideries and apple growers.

- Hard cideries are making a medium-dry to dry carbonated hard cider. Currently hard cideries are making the majority of their ciders from dessert apple (sweet or acidic sharps) varieties.
- The hard cideries are having a hard time sourcing apple varieties from the following categories: speciality cider bittersharps, bittersweets, and heirloom dual purpose.
- The challenges and concerns that the hard cider owners see are the availability of hard cider apples and the price of the hard cider apples.
- Data shows that hard cideries are looking at production gallons from years 2016-2021 to fluctuate between 16,030 and 26,880 gallons without a continuous growth.
- The data does show that hard cideries are sourcing the majority (88%) of their apples from NYS which brings a positive economic impact to the state for our apple growers.
- The majority of current hard cider sales are staying in NYS with sales mainly occurring in the hard cideries own tasting room. In addition the second source of sales is through a distributor.

- The hard cideries have contributed to the workforce sector with 82% hiring additional labor since first opening their operation.
- NYS apple growers that responded were only a small portion of the entire apple industry in NYS.
- However the data shows that the main apple variety categories being grown are dessert apples (sweet and acidic sharps).
- There is a small amount of specialty cider apple bittersharps, specialty cider apple bittersweets, and heirloom dual purpose apples being considered to be planted in 2018, 2019, and 2020.
- The growers do have concerns/challenges of growing hard cider apples which are fire blight susceptibility, return on investment, and future market demand for hard cider variety apples.

## **Conclusion**

NYS is the second in the nation in apple production, while hard cider is a continuing growing craft beverage in NYS and the USA. In addition, NY leads the nation in the number of individual hard cider producers (currently ~ 90). However, with the growth of the craft beverage (hard cider, wine, beer, spirits), market demand and saturation is undetermined at this point in time.

Currently, the data shows that traditional hard cider variety apples are in demand from the hard cideries but growers are uncertain about planting these varieties. It may be a consideration for hard cideries and apple growers to work together on an individual basis. They can then determine the potential for additional hard cider apples and the amount of acreage that is going to be needed to meet demand. Hard cideries and apples growers may want to ask each other: What do I need in order to plant hard cider trees or purchase hard cider apples? (price, contract, etc.)