INSIGHTS & ANALYSIS

Craft Beer and Cider

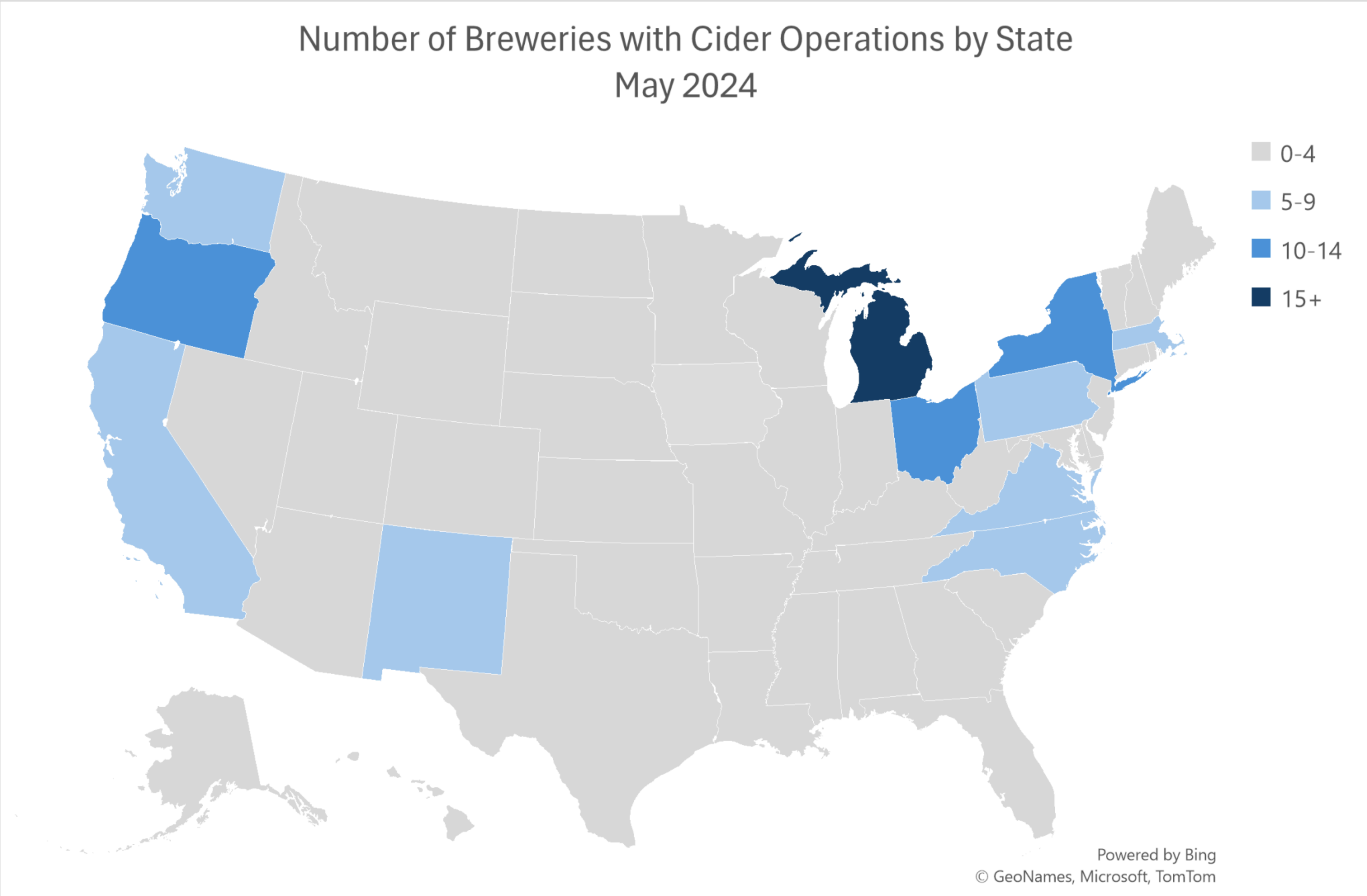
By Matt Gacioch
Staff Economist

October 8, 2024

For the very first time this Saturday, on beer's largest competition stage, a cider will walk away with a gold medal. In the 2024 Great American Beer Festival® (GABF) competition, presented in partnership with the American Cider Association (ACA), 233 entries came in for the five new cider categories. Reflecting the reality of how many Brewers Association (BA) members are now producing cider, the fruity fermentable is joining the ranks of celebrated styles the world over. The evolution of the beverage alcohol space makes cider's entrance to GABF (and the beer market broadly) relevant to all craft breweries, even those that have not ventured into cider-making.

In what is the first in a new Insights & Analysis series—affectionately called "Craft Beer and"—your BA Economics & Statistics team will take you through some of the other beverage alcohol categories that are co-evolving with craft beer in the market today. These brief overviews will provide important context for BA members who are considering entry into other categories, as well as those who are simply trying to understand the changing beverage alcohol market. Readers should walk away with a sense of how the development of these other categories might impact their businesses today and in the future.

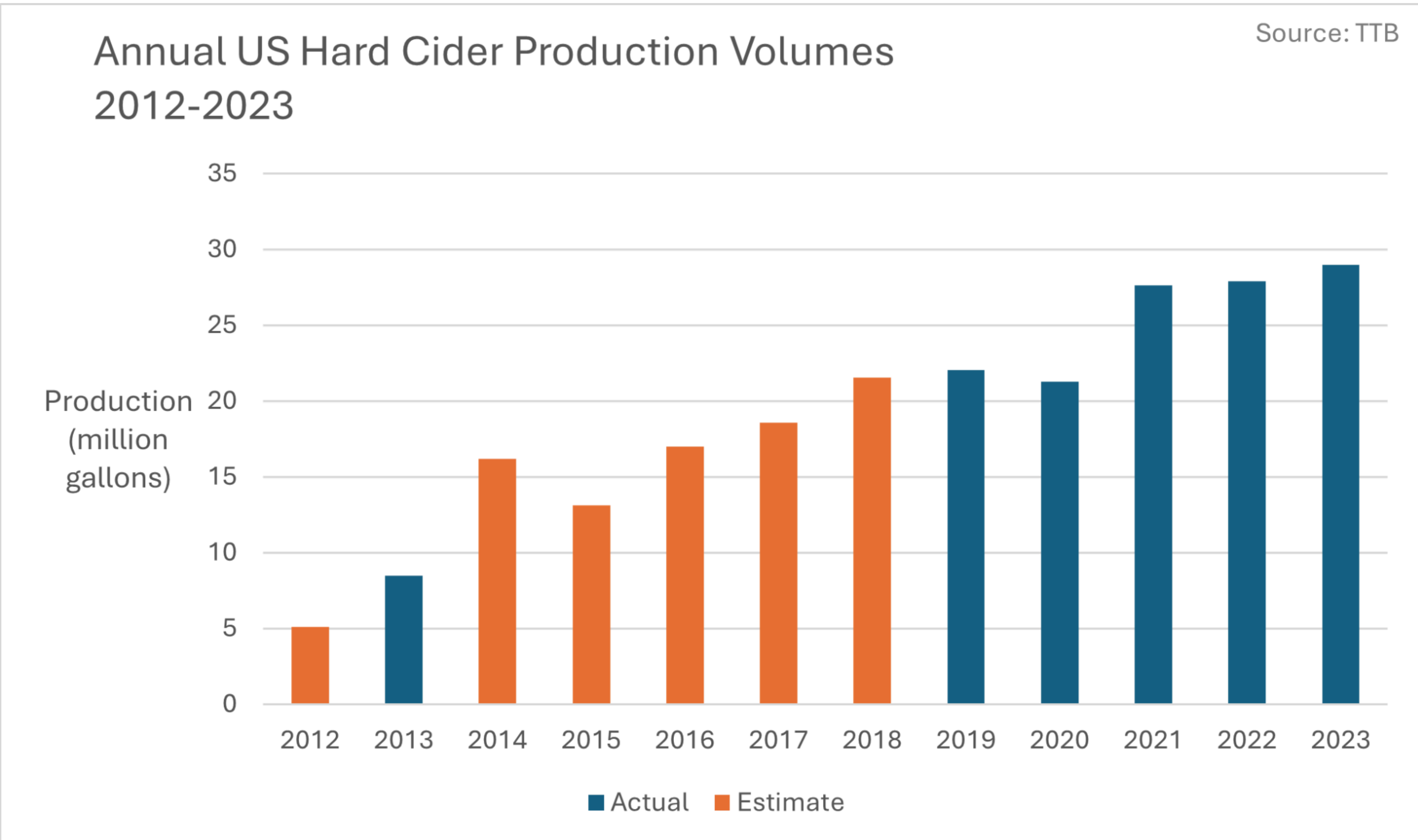
We start this series with cider, not simply because of the timely connection to the GABF competition or because October is National Cider Month. According to the ACA, there are currently around 1,300 cideries across the United States. Of these, 17% are listed with a primary business type of "Brewery." Interestingly, mapping the BA brewery database against data from Cider Guide, we find 40% of the total crossover facilities are in one state: Michigan. And while there are some large producers in the cider game, the median 2023 beer production of these 221 facilities was just 286 barrels. Small and independent breweries are stepping into cider and we want to share some data to help better contextualize the landscape.

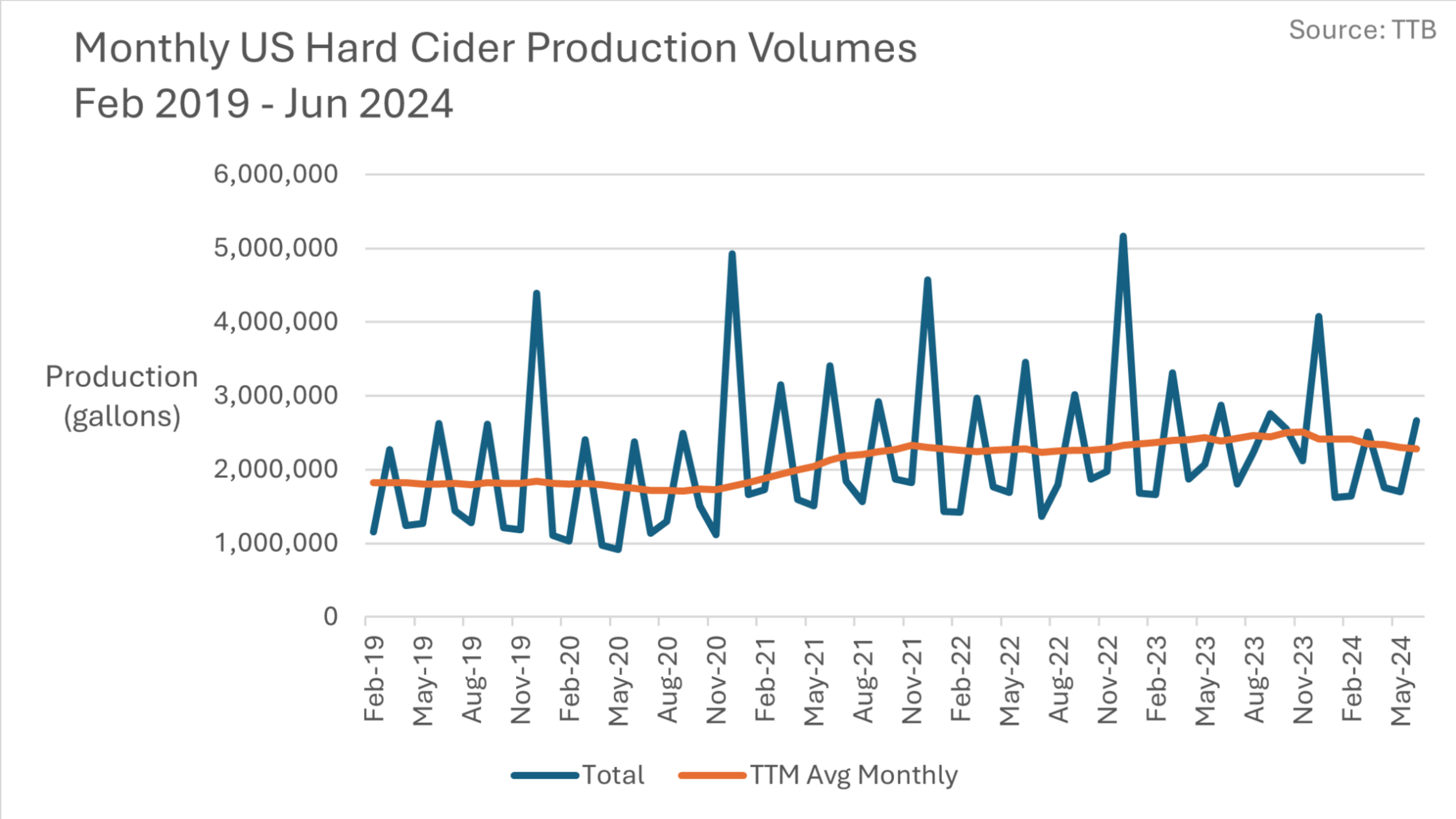


Sources: Brewers Association, Cider Guide

Cider Production

For over a decade, the annual production of hard ciders has been on the rise. Although data from the Alcohol and Tobacco Tax and Trade Bureau (TTB) is incomplete prior to 2019, we can estimate back to 2012. Steady growth through the 2010s led to a plateauing during the COVID-19 pandemic and a sizable bump in the years since lockdowns ended. In recent years, cider production has continued on a slow growth trajectory while craft beer and beer production overall have experienced **marginal declines**.

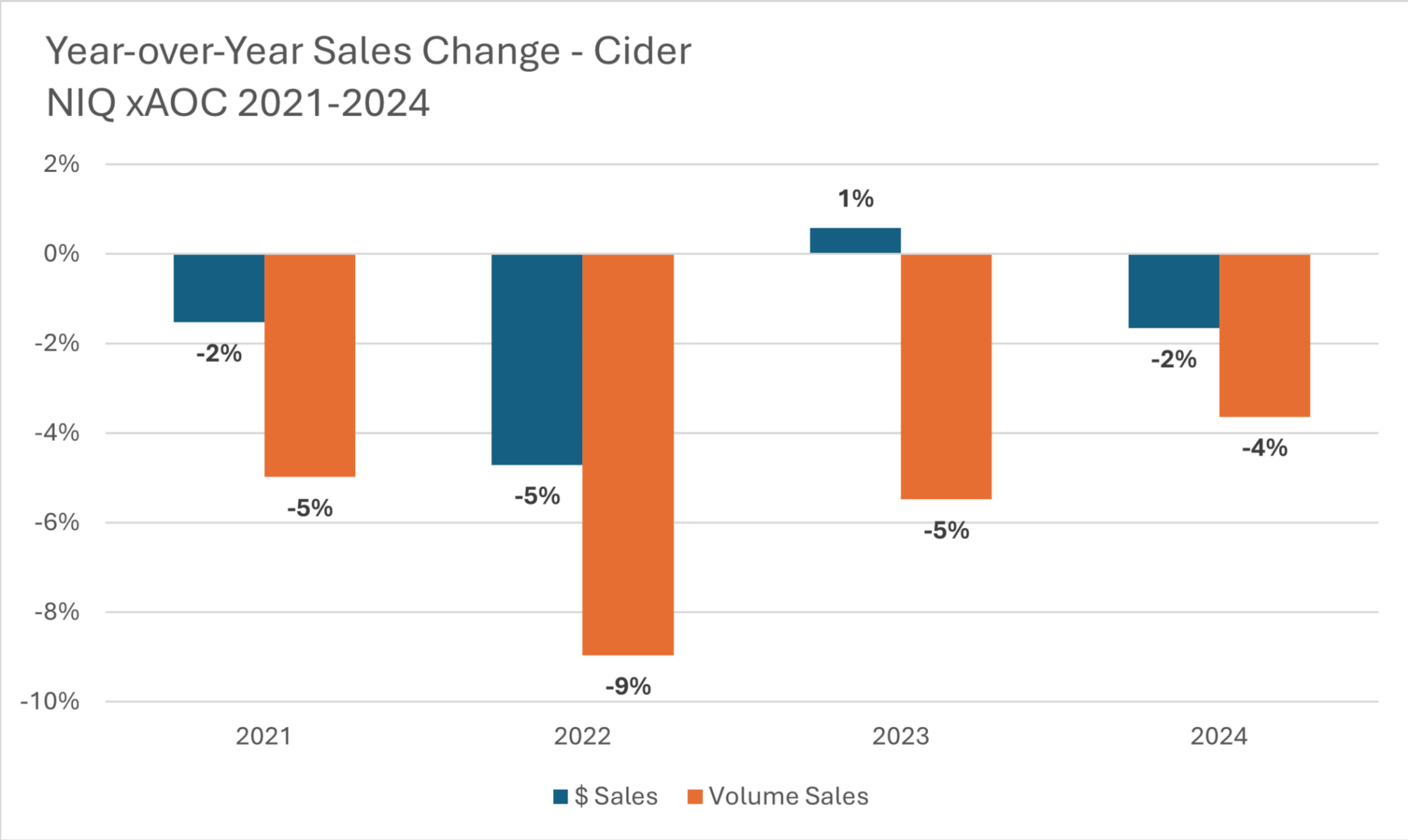




Although the BA hasn't historically collected data on cider production in our [Beer Industry Production Survey](#) (BIPS), there are a few production insights we can pull from the survey. BIPS collects data on "beyond beer" production, which is inclusive of cider. Among 2023 survey respondents, those breweries that provided beyond beer production data experienced overall beer production decline of 0.4% (compared to the 1.0% decline in the overall craft industry). At the same time, these breweries produced 10% more beyond beer in 2023 than they did in 2022. So, at least a portion of their beer production decline was replaced by growth in beyond beer (the median beer volume to beyond beer volume ratio was 26:1).

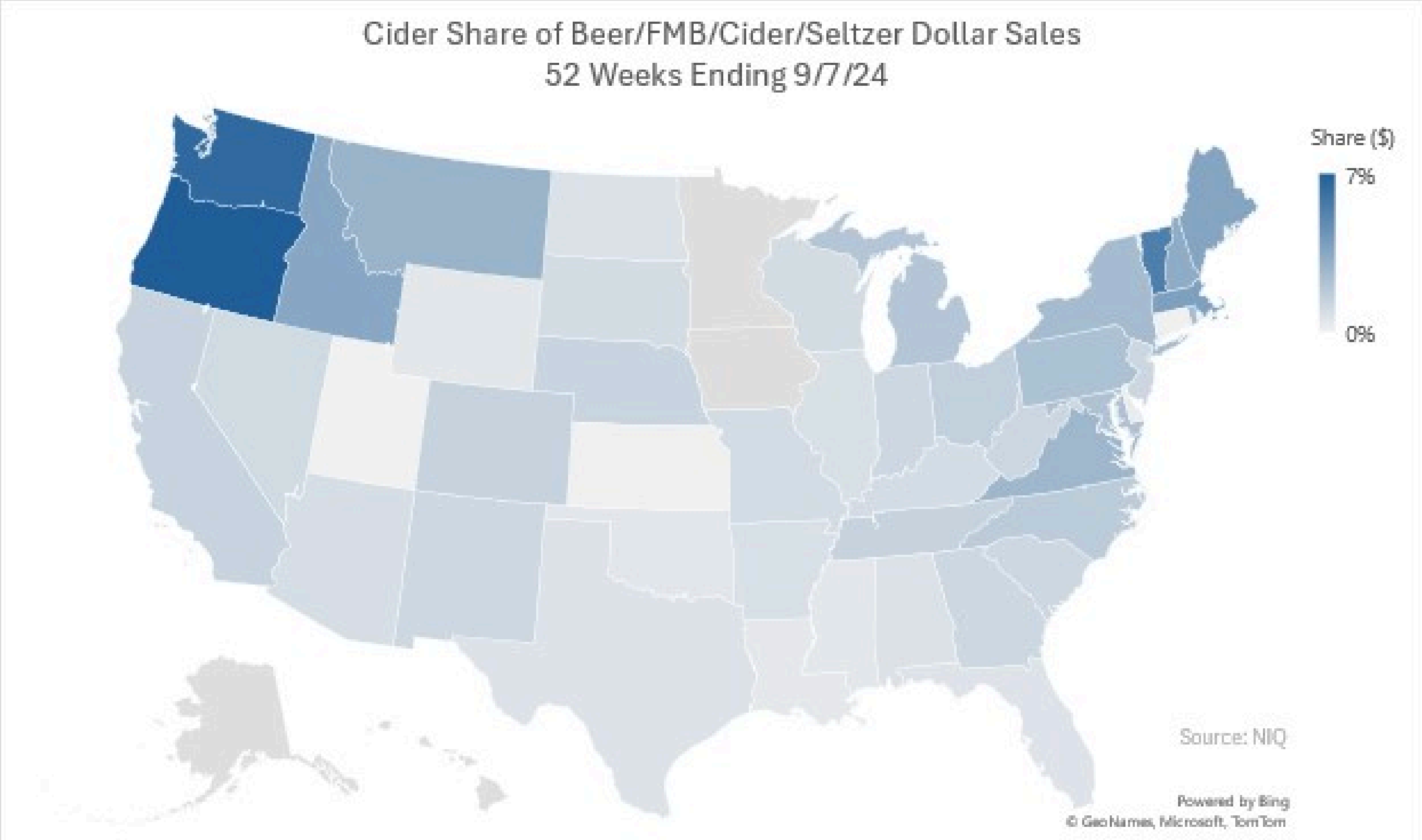
Cider Sales

While production of cider has been on the rise, the category is far from immune to the sales lag impacting all areas of beverage alcohol of late. By volume, off-premise cider sales over the period from 2020 to 2024 is down a full 21% (that decline is 7% in dollar sales). The mismatch between production and sales trends could be driven by a few factors. For one, inventory sitting with wholesalers seems to continue to be an issue post-pandemic. This hypothesis bears out in the National Beer Wholesalers Association's (NBWA) Beer Purchaser's Index (BPI) where cider has, for the past few years, held steady at a BPI of less than 50 (i.e. contracting depletions). Additionally (or alternatively), the concurrent drop in off-premise sales and flattening of production could point to a relatively higher share of on-premise cider sales.



Based on NielsenIQ (NIQ) extended all outlet combined (xAOC) off-premise data, we can see that the six top cider manufacturers made up 51% of total volume sales in the past year. The top producer (Boston Beer) made up 36% of sales by itself. However, these statistics point to a relatively long tail for cider, especially when considering the fact that three manufacturers make up 81% of off-premise beer sales. And how is the long tail doing? Not bad actually, thanks for asking. The six cider companies making up 51% of sales in the past year saw a 7.9% year-over-year (YoY) decline in dollar sales, while the remainder of cider manufacturers saw a 4.1% YoY increase in dollar sales.

There is a strong regional component to where cider is sold. The top three states by off-premise cider dollar share of total beer, flavored malt beverage (FMB), cider, and seltzer are Oregon, Washington, and Vermont. In fact, we see hotbeds around the entire Pacific Northwest and the Northeast regions. While many of the largest cider-producing states correlate with the highest cider share, the flavor profile of cider appears to have further-reaching appeal than just in the states where apples are grown locally, and where cider is currently being produced.



Cider Consumers

Speaking of flavor profiles, we can uncover some details in the data that suggest where cider consumers are coming from. In our **2024 Consumer Survey**, two of the top three flavors that consumers pointed to wanting more of were cider-relevant: "crisp" (#1) and "fruity" (#3). Drilling down further, among 21-34 year-old women, a demographic that's historically been tough for craft brewers to reach, the desire for those two flavor traits outpaces the overall population.

Those who consume cider, like most beverage alcohol categories, tend to be younger. Among consumers who are 21-54, 54% report drinking cider frequently (several times per year or more often). That number dips to 17% of the 55 and older crowd. The highest percentage of frequent cider drinkers is among 21-44 year-old men (66%).

Regionally, the reported consumer preferences match what we see in the sales data. Consumers in the Midwest trail behind the West, Northeast, and South by five percentage points (35% vs. 40%). Again, not bucking the trend of overall beverage alcohol, household income has a positive correlation with more frequent consumption of cider. 47% of respondents with a household income over $100,000 annually drink cider frequently, compared to 30% with an income below $50,000 annually.

Have more questions about how consumers are thinking about cider? Dive deeper with the **full Consumer Survey dataset** available to BA members.

Next Steps

As you explore how and if cider fits into the ecosystem of your business, I invite you to seek out additional BA resources that could be useful in your journey. Learn about the trends we see in data in **Insights** posts, uncover more about potential consumers in **Sales & Marketing** resources, and stay current with what's happening on the state and national stages in **Government Affairs**. Engage your community of brewers with any questions of cider crossover and beyond on the **BA Forum**. And please reach out and share which beyond beer category you'd like to hear about next in the "Craft Beer and" series.

WRITTEN BY

Matt Gacioch, *Staff Economist*

Matt Gacioch (he/him), staff economist for the Brewers Association, helps members make sense of the data that enable their businesses to thrive. He brings experience from market analytics, brewery operations, and consulting, along with an MBA, MS, and BS from the University of Michigan. Follow him on Instagram **@craft_econ**

More Like This

INSIGHTS & ANALYSIS

Onsite Sales Trends 2024

INSIGHTS & ANALYSIS

What Consumers Want: Harris Poll Consumer Survey 2024

EXPORT DEVELOPMENT PROGRAM NEWS

Export Development Program News – May 2024