

Cider in Oregon



Northwest Cider Association

Northwest Cider Association est 2010

We support cidemakers in Oregon, Washington, Idaho, Montana, and British Columbia.

**80 current members, 20 cideries in planning

**38 members in Oregon



**Why invest
in cider?**

According to Newsweek: "Cider sales tripled between 2011 and 2013, and the number of new players and options have exploded."

Oregon Craft Cider projected to grow 16% in 2017



Consumers love cider (nation's restaurant news)

Consumer spending on cider soars 320%

Apple- and pear-based alcoholic beverages see popularity spike over five-year period

Bret Thorn

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Beverage sales 2010 vs. 2015



Category	2010	2015	% Growth
Cider/Perry	\$208.5	\$870.6	317.6%
Spirits	\$34,078.0	\$37,652.8	10.5%
Beer	\$51,628.8	\$56,137.7	8.7%
RTDs/High-Strength Premixes	\$2,155.4	\$2,241.6	4.0%
Wine	\$19,950.9	\$19,609.1	-1.7%
Total	\$108,021.6	\$116,511.8	7.86%

Values are expressed in \$ millions. Source: Euromonitor

Illustration: NRN/Anna Kang



Producers

Output

80 Northwest Cider producers combine for an output of 3.5 million gallons annually. The majority of that is produced in Washington and Oregon

Connection to the Farm

Cider makers often establish the connection to agriculture for consumers

Need for Cider Apples

Apple varieties specific to cider making are in short supply and high demand in the Northwest. These apples are crucial for ensuring product quality and long term category growth

A photograph of an apple orchard. In the foreground, a branch of an apple tree is in focus, bearing several ripe, reddish-brown apples. The orchard rows stretch into the distance, supported by wooden stakes. In the background, there are rolling hills with some trees and a cloudy sky.

**Plenty of room for growth:
cider as a category is only
1% of the total beer volume
sold in the us**



Why Oregon?

The Drinkers are Here

The Northwest is the hottest spot in the US for cider. Portlanders drink the most cider per capita and Seattle is the second largest cider market in the country

Untapped market location

Consumers are demanding farm-based cider and the cideries will benefit from having tasting rooms at the orchard

Raw ingredients grow well here

SB 677

Cider on the Farm

What is SB 677?

- SB 677 establishes allowed land use for orchards with a minimum of 15 acres of Apples or Pears to produce and sell hard cider on the property
- Proposal is based off of ORS 215.452 which established the same precedent for the wine industry
 - Primary distinction is use of Apple/Pear Orchard in place of Vinyard
 - Updates the threshold of small and large requirements to make sense for the cider industry

Purpose

- To ensure farmers that grow cider fruit have a path to process and sell the fruit grown on their property
 - Allows new businesses to avoid the costly and time consuming conditional use process
 - Provides additional direct to customer sales channel for farmers
- Extends to cider industry the same opportunities provided to wine industry
 - Processing and land use for cider are identical to wine, with the distinction of the use of apples and pears in place of grapes.
- Prevents local government from creating roadblocks for farmers and small businesses

Impact

- Reduces significant barriers to entry for fruit farmers who wish to add value to their crop by processing it into cider
- Incentivizes more farmers to plant cider fruit which is currently in high demand and short supply
- Helps to grow an industry that is quickly becoming a staple industry of Oregon
- Establishes a new agri-tourism business channel for the cider industry and apple growing regions of the state
- Helps bring a historically farm based product back to the farm