HITTING THE HARD STUFF

Americans develop a renewed appreciation for hard cider

By Emily Barnes

A common story is that in colonial America hard cider consumption averaged a gallon per day for adults. In those pre-sanitation days, the fermented apple beverage was a safer way to hydrate than water—for children, too. But by a combination of the Temperance movement in the late 1800s, and the influx of beer-brewing Irish and German immigrants, cider mills were eventually wiped out.

In the early 1990s, American cider production began to experience a revival, and today more and more cider microbrews are making their way onto restaurant lists and retail shelves.

Cider is traditionally made with whole cider apples (or concentrate), which are more tannic than the “dessert” apples we are used to eating. Until recently, the U.S. didn’t produce cider apples. In 1979, Washington State, which grows 58% of the country’s apple crop, began experimenting with cider varieties and the first usable crop for cider-making emerged in 2004. New York and Michigan are the other top two apple-producing states in the U.S.—and all three states are focused on getting their share of potential profit from the cider apple industry rather than allowing home-grown cider mills to import.

Today, cider consumption hasn’t quite caught up to colonial times, but it is on the rise. According to a 2001 Cornell University marketing study, the amount of hard cider sold in the U.S. jumped from 115,000 cases in 1990, to 2.7 million in 1997. It has topped out at around 5 million cases as of 2005. As a comparison, in 2000, cider sales in the UK—recovering from a slight decrease in popularity—were up to 44 million cases per year.

The study also compares the growth of cider with that of microbrewed beers in the U.S., of which, in the late 90s, 55 million cases were produced—not bad, considering that thirty years ago Americans almost exclusively consumed mild American brews like Budweiser and PBR. Currently, cider in the U.S. is less than 1% of the beer business, as compared to 8% in the UK, and a healthy 12% in Ireland.

As with any category, there are commercial and craft producers. The difference being that with cider, total production is so small that commercial ciders aren’t necessarily huge producers, though they all seem to be turning a profit, and as a consequence, expanding. The chief American commercial ciders are George Hornsby, Original Sin, HardCore, Cider Jack, and Woodchuck. These are the brands seen most often in bars and are categorized as Draft Style, topping out at 6% alcohol per volume—and can range from sweet to dry. American ciders tend to be sweeter than their UK coun-
terparts (as the U.S. market studies have so far demanded it) and can be made with or without added sugar. Larger-production in the cider world, though, hardly means that products are available in every state.

Bulmers, the UK-based producer of Strongbow (winner of the 2006 Hot Brand Award), Scrumpy Jack, and Woodpecker, has been around since 1887 and currently has the lion’s share of the UK and U.S. markets. Bulmers is also planning to continue acquiring more brands internationally. Strongbow in the U.S. is distributed by Vermont-based Green Mountain Beverage, which also produces Woodchuck Draft Cider.

According to marketing manager, Bridget Jerger, Woodchuck is "getting ready for expansion in 2007 to keep up with increasing demand. The same way that specialty beers are growing, ciders are experiencing a healthy swing." Woodchuck makes each batch by hand, even as the brand grows, and offers a little something for everybody; from their import, the dry Strongbow, to their own Amber, which is very sweet.

**Grassroots Marketing**

A good indicator of growth in the cider market, many producers agree, is not how well the big producers (Bulmers, E & J Gallo, and Boston Beer Company) are doing, but the fact that the smaller producers, like Woodchuck and Original Sin—a leading East-Coast-based producer—show continued growth year after year. Original Sin, which was dubbed “best American cider” by The New York Times in 2003, distributed to 2 states a few years ago, 10 states as of January 2007, and projects distribution to 16 states by the end of 2007—which translates to 30,000 cases in 2006 and a projection of 50,000 cases in 2007. This was achieved, says Gidon Coll, president/founder of Original Sin, with very high margins due mostly to unique marketing techniques—Coll literally went from bar to bar in downtown New York and Brooklyn vying for space in the “better” bars, and by "word of mouth in the 21–30 year-old market.” When he began 8 years ago, he says, “About 10% of New York bars carried cider, now 50–60% do.” In addition to New York, Coll says, Original Sin is selling exceptionally well in Boston, Florida, and North Carolina. How does all of this growth play out in bars and restaurants—especially since in many regions, cider is not available? A survey of bars and restaurants proves that a certain level of knowledge and presentation may be one key to making cider-selling profitable. Martin Kynaston, who along with Lara Morand, owns Drop Off Service in New York’s East Village, a casual neighborhood pub with an impressive beer, spirits, and wine list, uses Kilkenny taps—which cool the beer from keg to pint. They also clean the taps once a week, which produces a cold, crisp, clean-tasting cider that has proven popular with connoisseurs and the happy hour crowd alike.

Drop Off Service serves the Somerset-based Blackthorn cider on tap—a dry draft-style cider, and a nostalgic choice for Kynaston, who drank it while growing up in the UK. Perhaps it is his enthusiasm for the brand, as much as the bar’s commitment to pouring a fresh product that makes the Blackthorn such a good seller. Kynaston, who claims, contrary to much market research, the “American producers are making a mistake by not producing more dry ciders,” notes that he sells about 75% as much of the dryer-style Blackthorn as he does Bass—and sells even more in the summertime—mostly to Americans. It’s an easy alternative, seeing that the cider margins are the same as beer.

**Getting Exposure**

Marginally successful, but growing in visibility, are regional boutique ciders, when targeted to the microbrew lovers in beer bars or gourmands in upscale eateries (this seems to be especially true on the West Coast). A glance at the websites for two leading producers, Sacramento-based Two Rivers, and Newberg, Oregon-based White Oak ciders, for example, yield a list of local retailers that carry their products. We spoke with Julio Peix, manager of 21st Amendment, a San Francisco microbrewery that sells Two Rivers ciders, who points out some issues unique to microbreweries. The margins on the Two Rivers cider, for example “are not as good as beer, because we make our own beer,” he states. Still, the bar-tenders respect the product, know it, and sell it—if not as aggressively as their homebrew; last year they sold 4,400 pints.

Cider is a niche market, to be sure. But as Original Sin has proven, aggressively marketing to the younger, trend-setting crowd is fueling slow but steady growth. Gidon Coll, when asked what would really put the cider market in high gear, responded that there is a “need for more competition. Also, a wider range of products—higher and lower alcohol levels, as well as a range from dry, to mild, to sweet, will create a larger cider market segment.” In the meantime, we recommend that retailers keep an eye on this often-overlooked category.