Michigan Cider Impact Model

Cideries

The economic impact of cideries is based on government licensing data, Infogroup, and survey data from Michigan wineries and cideries. Cideries are defined as producing their own brands, cideries/production facilities contracted to produce cider for other companies.

Based on these combined datasets, it is estimated that there are about thirty cideries in the state of Michigan. Employment data from the survey was used when available. If no survey data for the company was available, Infogroup employment figures are used for estimate the jobs in each facility. Median job figures were used where employment figures were not available. JDA estimates that there are about 357 jobs relating to the production or marketing of cider in Michigan. These workers earn an estimated $16.2 million and generate an estimated $94.1 million in economic activity for the state’s economy.

Limitations of Data

The economic impact of cider is limited by the lack of cider specific data. Cider businesses in Michigan are licensed under the same classification as wineries. At the federal level, the U.S. Department of Treasury’s Alcohol and Tobacco Tax and Trade Bureau also regulates cider as wines. This makes it difficult to separate the economic contribution of wine products from cider products. Wholesale and retail impacts from the distribution and sale of cider in Michigan are not able to be distinguished from those of the sale of wine due to this limitation. JDA was able to use state and federal license data which was supplemented with survey data in order to identify cideries in Michigan and estimate the economic impact generated by these firms. As such the retail and wholesale impact of cider sold outside of the production facility or tasting room is contained in the wine figures.

There is also a lack of apple orchard data regarding usage for the production of cider. Apple orchard data on utilization is limited, therefore it is difficult to distinguish the quantity and value of the apples being used to produce cider apart from apples being used for other purposes. As the cider industry is a fast-growing industry in both Michigan and the United States, it is important that such data be available in order to more accurately measure its economic contribution and importance to the economy.

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1 There are companies that are licensed as wineries for marketing purposes only. These companies might consist of just a single individual or small group of individuals who have simply developed a label and have sales agreements with restaurants or distributors. The actual wine is produced under contract with either a larger branded winery, or at a so-called custom crush facility that provides all of the labor and equipment. Both custom crush facilities and the companies that market this wine are included in this analysis as wineries.