



FOOD & BEVERAGE PRODUCTION

*Colorado's 3,200
food and beverage
production-related
companies bring
innovation and
sustainability to
the table.*



- full report -

2020



MetroDenverEDC

Often called a “center of influence,” the Metro Denver EDC was the nation’s first regional economic development organization. From Castle Rock to Fort Collins and Golden to Greeley, we represent the nine counties and 66 communities that contribute to our resilient economy and incredible culture. All told, the EDC’s service territory makes up two-thirds of the Colorado GDP and approximately three-quarters of the state’s population.

Thanks to the leadership and generosity of 250 of Colorado’s most influential companies, the EDC works to monitor and advance the Metro Denver economy through corporate attraction and retention; workforce development; domestic and global marketing; investments in infrastructure; and public policy that fosters a pro-business climate.

The data we produce is foundational to the work we do. Publications like our annual Industry Cluster Studies offer the companies we court (as well as the regional partners we support) a deeper understanding of what’s happening across Metro Denver, and for certain industries, the state more broadly. We track this data closely – leveraging the intel and insights to not only drive corporate recruitment and investment, but foster competition, build a culture of impact and innovation, strengthen the business community and work to ensure that life and work in Metro Denver are thriving.

- Food & Beverage Production Report -

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FOOD & BEVERAGE PRODUCTION

INDUSTRY
snapshot
(U.S. DATA IN PARENTHESES)

Companies	Average Wage	*Emp. Ranking
3,200	\$53,470	18

*Employment Concentration Ranking

Direct Employment:
47,790

Direct Employment Concentration (2020):
1.6% (1.4%)

5-Year Employment Growth (2015-2020):
21.5% (7.7%)

1-Year Employment Growth (2020):
2.7% (-1.9%)

Industry Overview

Colorado's history was built on a robust and diverse industry of food, beverage, and agricultural producers. The state is a hub for new ideas and technologies that are improving sustainability, increasing efficiency, and crafting new types of food and beverages for the growing population. Colorado's food and agriculture industry generates more than \$40 billion in economic output annually with local companies exporting their products to over 100 countries.

Food and beverage production continues to be a bright spot in Colorado manufacturing, representing nearly 60% of total nondurable goods manufactured in the state and 22% of total manufacturing in Colorado. In 2020, Colorado ranked among the top 20 states for both the size of its Food & Beverage Production Cluster and its employment concentration. Colorado has the nation's highest employment concentration in beverage production, with more than twice the proportion of beverage manufacturing jobs compared to other states.

Larger scale food production spans the subcluster, ranging from JBS's protein producing facility to the world's largest mozzarella producer, Leprino. Smaller companies make confectionaries, cook a range of cuisines for food service and distribute sustainable seafood among many other products. Beverage production occurs not only with the major breweries and craft brewers but also the multitude of producers in dairy, tea, wine and other beverages. Strong ancillary products and services are available, from industry specific marketing and investment firms to companies that design packaging machinery and manufacture containers, all support the wide array of producers.

Cluster Definition

The Food & Beverage Production Cluster consists of 94, six-digit North American Industry Classification System (NAICS) codes including companies within three subclusters: Food Production, Beverage Production and Agritech. This definition allows for a comparative analysis of Colorado's Food & Beverage Production Cluster relative to other states.

Cluster Job Growth

- The cluster posted its eighth consecutive year of employment growth, rising 2.7% over the year.
- The cluster employed 1.6% of the state's total employment base with over 47,790 workers in nearly 3,200 companies.
- Between 2015 and 2020, the cluster grew 21.5% in the state, nearly three times the growth rate posted nationally.
- Food Production represented the largest share of employment in the cluster (64%), followed by Beverage Production (32%), and Agritech (4%).
- 84.7% of Colorado's companies in the cluster have 10 or fewer employees.

Major Industry Investments, Expansions & Milestones

Food Production

- Colorado food manufacturing exports represent nearly 20% of all Colorado exports and are the second largest export category for the state.
- Food manufacturing exports have nearly quadrupled since 1999, rising from \$437 million to \$1.6 billion in 2019. Through the third quarter of 2020, food manufacturing exports in Colorado were up 1.4% over the year.
- **J.M. Smucker Company** broke ground on a 240,000-square-foot addition to its Longmont facility in May and expects the plant to be operational by fall 2022. The expansion should add 200 jobs to the plant's current 250-person workforce.
- Denver-based **Ardent Mills** expanded capacity and production at its warehousing and packing lines across the U.S. to meet consumer demand for flour. The company created a dedicated retail team to ensure supply continuity and timeliness of shipments.
- **MycoTechnology**, a producer of sweeteners and protein products made from common fungi, received \$39 million in funding and will use the funds to prepare for new product lines and expand its workforce of 93 employees. The company operates out of an 86,000-square-foot facility in Aurora.

Breweries

- Colorado craft beer is a \$3.4 billion industry and has nearly tripled its economic impact since 2014, according to the Boulder-based Brewers Association.
- Colorado had the second-most craft breweries in the U.S. and ranked fourth in breweries per capita in 2019.
- Colorado craft breweries will receive a \$3.5 million collective tax break from the permanent extension of the Craft Beverage Modernization and Tax Reform Act. This provision of the roughly \$900 billion federal COVID-relief package extends the reduction in the per-barrel federal excise tax for breweries that make less than 2 million barrels from \$7 to \$3.50 on the first 60,000 barrels produced and then from \$18 to \$16 on each barrel thereafter.
- **Molson Coors Beverage Co.** broke ground on an upgrade of its 147-year-old Golden plant and will overhaul the infrastructure between its brewhouse and packaging facility. The project, G150, is slated for completion in 2024 and will replace fermenting, aging, filtering and storage facilities with 25% less beer waste and 15% less energy usage annually.
- **Left Hand Brewing Co.** opened its second location outside of Longmont in Denver's Curtis Park neighborhood. The 12,000-square-foot location will include a seven-barrel pilot brewery and taproom.

- **Wiley Roots** signed a distribution deal with **Two Six Craft Distributors**, a subsidiary of **Station 26 Brewing Co.**, and will construct a new 30-barrel brewhouse. The facility will increase its production capacity to 4,000 barrels by 2022, nearly quadrupling its current output.
- **The American Eagle Distributing** warehouse in Loveland was sold as part of **Anheuser Busch Inbev NV** selling off its Colorado distribution arm to a Georgia company. The 664,026-square-foot property was sold to a subsidiary of **Eagle Rock Distributing Co.** for \$7.76 million.
- Denver had the second-highest number of breweries among the 350 largest U.S. cities in 2019.

Distilleries

- Colorado has the fifth highest number of craft distilleries in the U.S., totaling over 100 craft distilleries in 2019.
- The Distilled Spirits Council reported that Colorado's distilled spirits industry contributed \$3.1 billion to the state's gross domestic product.
- **Proximo Spirits** plans to build a 20-acre whiskey production facility and resort in Black Hawk called Lake Gulch Whiskey Resort. It will be the largest distillery in Colorado and employ about 45 full-time and 40 part-time workers.

Wineries

- The state is home to over 150 wineries, meaderies, cideries, sake producers and vintner's restaurants producing over 616,000 gallons of wine, according to the Colorado Wine Industry Development Board.
- Since 1992, Colorado wines have grown 14% annually, contributed \$3.2 billion to the state's economy and generated \$164 million in state taxes.
- Over the past year, wine production has increased by over 31,000 cases, primarily a result of newer Front Range wine facilities. In fact, over 50% of Colorado wines are now made or marketed on the Front Range.

Cideries & Other Hard Alcohol

- Colorado is home to more than two dozen cideries across the state as of 2020.
- Over the past 10 years, Colorado's hard cider industry has grown from an estimated 5,000 gallons in 2010 to 550,000 gallons in recent years with an estimated economic impact of \$40 million, according to the Colorado Cider Guild.
- Local hard kombucha companies such as Boulder-based **Rowdy Mermaid** and **Mortal XXX** launched new product lines and are reporting triple-digit growth. Several large breweries including Longmont-based **Left Hand Brewing** are teaming with hard kombucha makers such as **Jiant** to make new products.

- Major breweries including **Molson Coors Beverage Co.** and Longmont-based **Oskar Blues** are launching new hard seltzer products to meet strong consumer demand in this market segment.
- Nearly 10 companies in Colorado are producing canned cocktails including Denver-based **Candid Cocktails**, Boulder-based **Cocktail Squad**, and Colorado Springs-based **Lee Spirits**.

Other Beverages

- After moving its headquarters from Utah to Centennial in 2019, the **Royal Aloha Coffee Company** relocated its distribution operation to the region in 2020 and launched a series of new products.
- Boulder-based Hain **Celestial Seasonings** launched a new line of energy and probiotics teas. The company is one of the world's largest herbal-tea manufacturers.
- Boulder-based **Cusa Tea** launched the world's first cold-brew instant coffee called Cusa Coffee. The company rebranded to Cusa Tea and Coffee with the new product launch.

Beverage Packaging & Machinery

- Louisville-based **Wild Goose Filling** partnered with brewing educator Siebel Institute of Technology to advance quality beverage packaging. Through combined experience, research and testing, the collaboration establishes comprehensive educational resources that strengthen beverage filling practices.
- **Wild Goose Filling** installed its 1,000th canning line and launched the Gosling, an automated beverage canning system designed for packaging and maintaining the quality of small product volumes. The entry-level system joins the company's range of canning and bottling machines geared toward craft beverages.
- Several major companies such as Broomfield-based **Ball Corp.** and Golden-based **Codi Manufacturing** have added manufacturing capacity. This is in response to increased demand for consumer-packaged goods during the pandemic, combined with a global aluminum shortage that has led to a decrease of cans and canning materials.

Agritech

- Colorado ranked among the top five states for agritech investments totaling \$347 million in 2019, according to AgFunder. The sector has grown 34.8% over the past five years.
- **Nutrien Ltd.** will donate \$10 million to Colorado State University's (CSU) College of Agricultural Sciences. The funds will go towards research in agricultural technologies and skilled workforce development. The company is the world's largest provider of crop nutrients, inputs and services. Nutrien employs over 800 workers in Northern Colorado and 20,000 worldwide.

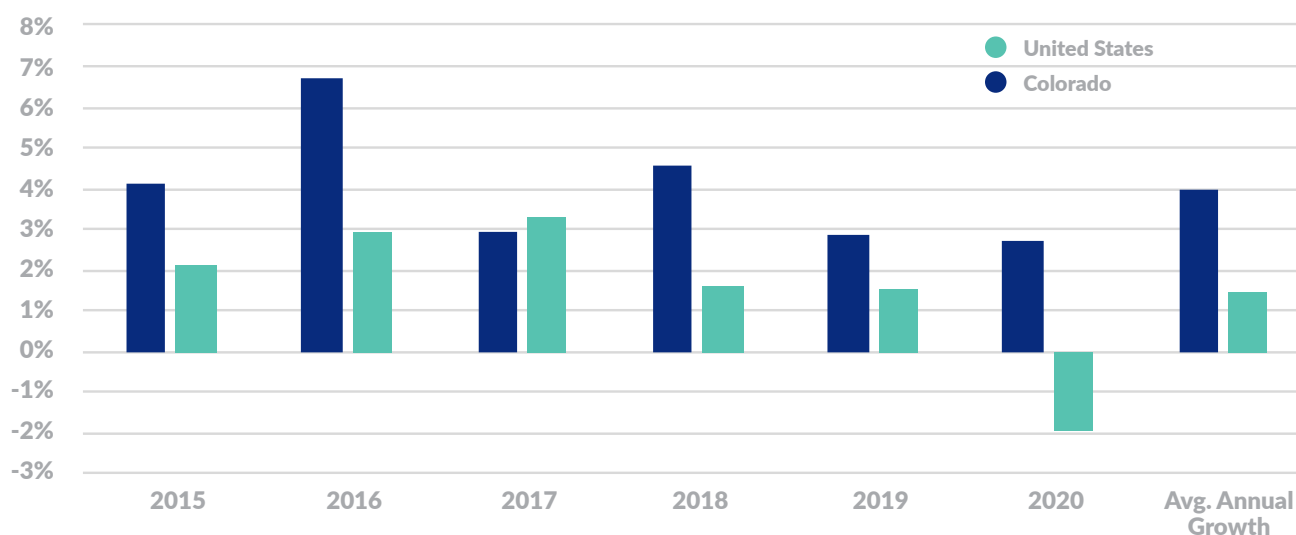
- Construction continued on the \$1.1 billion redevelopment at the **National Western Complex** in Denver. Colorado State University broke ground on the first of three buildings of its Spur campus as a part of the Complex. The project will be an extension of the three existing CSU System campuses and be used for public engagement and sharing educational experiences with visitors. The first building, Vida, will focus on animal and human health, while the other two buildings will focus on water, food and agriculture studies. Construction began on the final two buildings in late 2020 and will be open to the public in 2022.



Economic Profile

<div>+</div> Food & Beverage Production Employment & Company Profile 2020¹		
	Colorado	U.S.A.
Direct employment, 2020	47,790	2,298,680
Number of direct companies, 2020	3,200	125,840
One-year direct employment growth, 2019-2020	2.7%	-1.9%
Five-year direct employment growth, 2015-2020	21.5%	7.7%
Avg. annual direct employment growth, 2015-2020	4.0%	1.5%
Direct employment concentration	1.6%	1.4%
% of companies with <10 employees	84.7%	79.4%

Food & Beverage Production Number of Employees Growth Rate²



¹ Dun & Bradstreet, Inc., Hoover's Online Database; Market Analysis Profile, 2015-2020; Development Research Partners.

² Dun & Bradstreet, Inc., Hoover's Online Database; Market Analysis Profile, 2015-2020.

³ Market Analysis Profile, 2020; Development Research Partners.



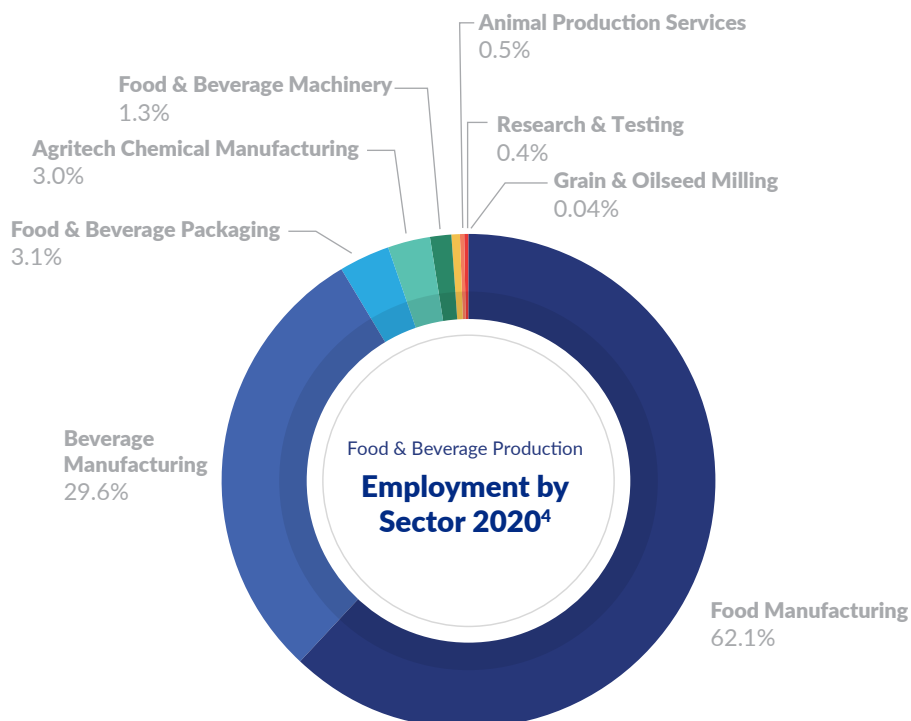
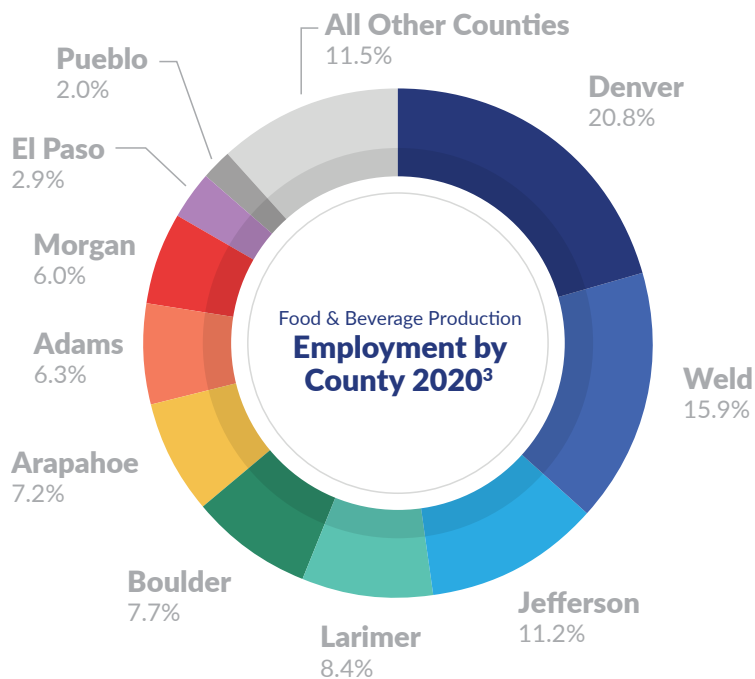
Colorado RANKINGS⁵

18th

**Food & beverage
production direct
employment
concentration rank**

20th

**Food & beverage
production direct
employment rank**



⁴ Market Analysis Profile, 2020; Development Research Partners.

⁵ Direct employment rank based on the number of employees in the industry cluster in a state. Employment concentration rank based on the direct cluster employment in a state expressed as a percent of total employment in all industries in the same state. Rankings are for the 50 states. No multiplier effects are included. 1st = highest for both rankings.

Food Production

21st

direct
employment
rank

30th

direct
employment
concentration
rank

Beverage Production

7th

direct
employment
rank

1st

direct
employment
concentration
rank

Agritech

29th

direct
employment
rank

34th

direct
employment
concentration
rank

Industry Subclusters

The Food & Beverage Production Cluster measures companies in three subclusters: Food Production, Beverage Production and Agritech.

Food Production includes companies that turn livestock and agricultural products into products for intermediate or final consumption. It also includes companies that produce food containers, food storage, food machinery and food-related equipment as well as companies that provide food research and food testing services. The Food Production Subcluster consists of 65, six-digit North American Industry Classification System (NAICS) codes.

Beverage Production includes companies that manufacture malt beverages, wines, distilled liquors, sodas, bottled drinks, tea and ice. Companies that manufacture beverage containers including cans, bottles and cartons are also included, as well as companies that manufacture beverage machinery. The Beverage Production Subcluster consists of 15, six-digit NAICS codes.

Agritech includes companies in animal science biochemistry, molecular genetics and plant physiology to improve the health of humans and animals as they relate to agriculture. It also includes manufacturers of fertilizer, feed supplements and agricultural chemicals; millers of grains or vegetables and companies that crush oilseeds or refine or blend vegetable oils. Seed testing laboratories and soil analysis companies are included. The Agritech Subcluster consists of 14, six-digit NAICS codes.



Food & Beverage Production Subcluster Employment & Company Profile, 2020⁷

	Food Production		Beverage Production		Agritech	
	CO	U.S.A.	CO	U.S.A.	CO	U.S.A.
Direct employment, 2020	30,600	1,766,380	15,360	368,400	1,840	163,900
Number of direct companies, 2020	2,410	99,760	560	17,990	230	8,090
One-year direct employment growth, 2019-2020	1.6%	-1.6%	4.5%	-3.6%	7.6%	-1.0%
Five-year direct employment growth, 2015-2020	18.4%	6.4%	27.2%	18.7%	34.8%	0.7%
Avg. annual direct employment growth, 2015-2020	3.4%	1.2%	4.9%	3.5%	6.2%	0.1%
Direct employment concentration	1.0%	1.1%	0.5%	0.2%	0.1%	0.1%
% of companies with <10 employees	86.8%	80.6%	74.3%	75.2%	87.6%	73.5%

Note: Individual subcluster figures may not add to the food & beverage production, & agritech cluster total due to rounding

⁶ Dun & Bradstreet, Inc., Hoover's Online Database; Market Analysis Profile, 2015-2020. Market Analysis Profile, 2020; Development Research Partners.

⁷ Direct employment rank based on the number of employees in the industry cluster in a state. Employment concentration rank based on the direct cluster employment in a state expressed as a percent of total employment in all industries in the same state. Rankings are for the 50 states. No multiplier effects are included. 1st = highest for both rankings.

Industry Infrastructure Support





Workforce Profile

- Between 2015 and 2020, employment growth in Colorado's Food & Beverage Production Cluster was nearly three times as fast as the national rate.
- CSU ranked among the world's top 50 global universities for agricultural sciences in 2020, according to *U.S. News & World Report*.
- Niche.com named Metropolitan State University of Denver (MSU Denver) among its list of the "2021 Best Colleges with Agricultural and Food Products Processing Degrees in America."
- Several schools including CSU, University of Northern Colorado, MSU Denver and Regis University offer brewing and fermentation-related programs.

Age Distribution

- The cluster has a larger share of employees that are between the ages of 25 and 54 years old (70.2%), compared with the age distribution across all industries in the state (64.8%).
- The largest share of workers is between the ages of 25 and 34 years old.

Colorado's Distribution of Employment by Age⁸



⁸ Provided by Arapahoe/Douglas Works!; QCEW Employees, Non-QCEW Employees, & Self Employed - EMSI 2020.3 Class of Worker.

⁹ Provided by Arapahoe/Douglas Works!; QCEW Employees, Non-QCEW Employees, & Self Employed - EMSI 2020.3 Class of Worker.

Wages

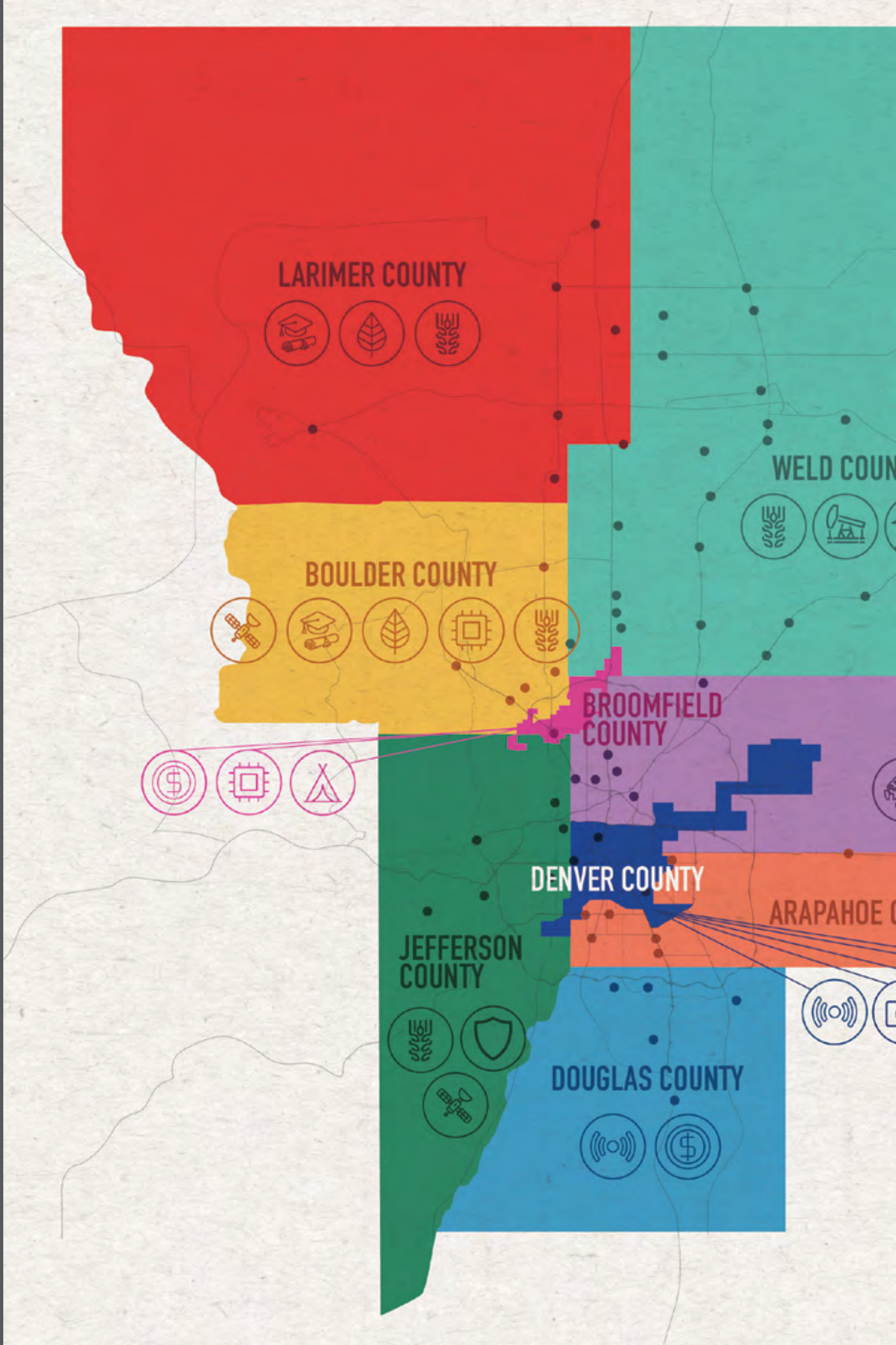
- The 2019 statewide average annual salary for workers was \$53,470 compared with the national average of \$54,050.
- The average starting salary was \$35,700, compared with \$37,350 across all industries.
- Total payroll reached nearly \$2.5 billion in 2019.

Colorado Food & Beverage Production Occupation & Salary Profile, 2020⁹

10 Largest Food & Beverage Production & Agritech Occupations in Colorado	Total Working Across All Industries (2020)	Number of Available Applicants (2020)	Number of Graduates (2019)	Median Salary	10th Percentile Salary	25th Percentile Salary	75th Percentile Salary	90th Percentile Salary
1. Packaging & filling machine operators & tenders	4,649	328	0	\$32,127	\$23,469	\$26,519	\$38,457	\$50,417
2. Food batchmakers	2,703	191	49	\$31,342	\$24,966	\$27,384	\$38,656	\$46,634
3. Meat, poultry, & fish cutters & trimmers	3,308	233	0	\$35,187	\$28,039	\$32,283	\$38,061	\$40,834
4. Sales representatives, wholesale & manufacturing, except technical & scientific products	29,730	2,097	12	\$67,210	\$31,700	\$46,227	\$100,819	\$148,401
5. Separating, filtering, clarifying, precipitating, & still machine setters, operators, & tenders	2,165	153	0	\$44,117	\$26,726	\$32,363	\$58,082	\$71,573
6. Slaughterers & meat packers	1,862	131	0	\$36,520	\$27,763	\$32,933	\$40,785	\$47,113
7. Bakers	3,826	270	305	\$31,022	\$23,282	\$24,947	\$39,341	\$48,441
8. Reception & information clerks	20,113	1,418	0	\$31,797	\$23,144	\$26,354	\$38,357	\$45,994
9. Laborers & freight, stock, & material movers, hand	31,211	2,201	0	\$33,352	\$24,029	\$27,373	\$39,262	\$49,161
10. First-line supervisors of production & operating workers	7,738	546	1	\$65,659	\$39,467	\$49,159	\$86,150	\$108,949

Notes: The number of available applicants is a point-in-time measurement of the number of people who have registered in Colorado's workforce development system's statewide database, Connecting Colorado, as being able and available to work in a particular occupation. Results should be interpreted with caution since registration in Connecting Colorado is self-reported. In addition, the skills rubric may assign up to four occupation codes for each registrant. Therefore, the number of available applicants could be inflated.

Metro Denver Industry Map



Notable Rankings

#1

Colorado made an impressive showing in the 2020 U.S. News & World Report's "Best Places to Live" list with Front Range cities ranking #1, #2, #4 and #5.

#1

Colorado was recently named the top state for Women-Led Startups by small business reviewer, Merchant Maverick.

#1

USA Today recently named DEN the Best Large Airport in the U.S.

#2

U.S. News & World Report ranked Colorado as the second-best state economy in the country, after four years maintaining the top spot.

#2

Colorado is the second-best state in the U.S. to retire in, according to a study by WalletHub.

#2

Milken Institute named Colorado #2 for "Best State for Technology and Science," with a strong entrepreneurial infrastructure and STEM workforce.

#3

Colorado saw the third largest increase of millennials in the past five years, according to Haven Life.

#3

Denver ranked third for STEM job growth, according to the 2020 STEMdex.

#4

A new study by Spanning says Colorado has the fourth-most tech jobs per capita - citing 123,040 tech workers at a median annual wage of \$94,880.

#4

Denver took in the #4 spot for U.S. cities that people moved to in 2020, according to Updater.com.

#6

LinkedIn gave Denver the 6th place ranking for cities with the most opportunity for job seekers.

#6

Denver ranked sixth among the "Best U.S. Cities for Remote Workers" in 2020, according to BusinessInsider.com.

Data research provided by Development Research Partners, Inc.
Founded in 1994, DRP specializes in economic research for local and state government
and private sector businesses, including industry cluster research, industry trends analysis
and strategic competitive analysis.
www.developmentresearch.net



For additional information, contact us:

**1445 Market Street
Denver, CO 80202-1790
303.620.8092**

email: info@metrodenver.org | www.metrodenver.org