



MASTER BREWERS

UNITED WE BREW™

2018 District Northwest Spring Meeting

Friday, May 18 – Saturday, May 19

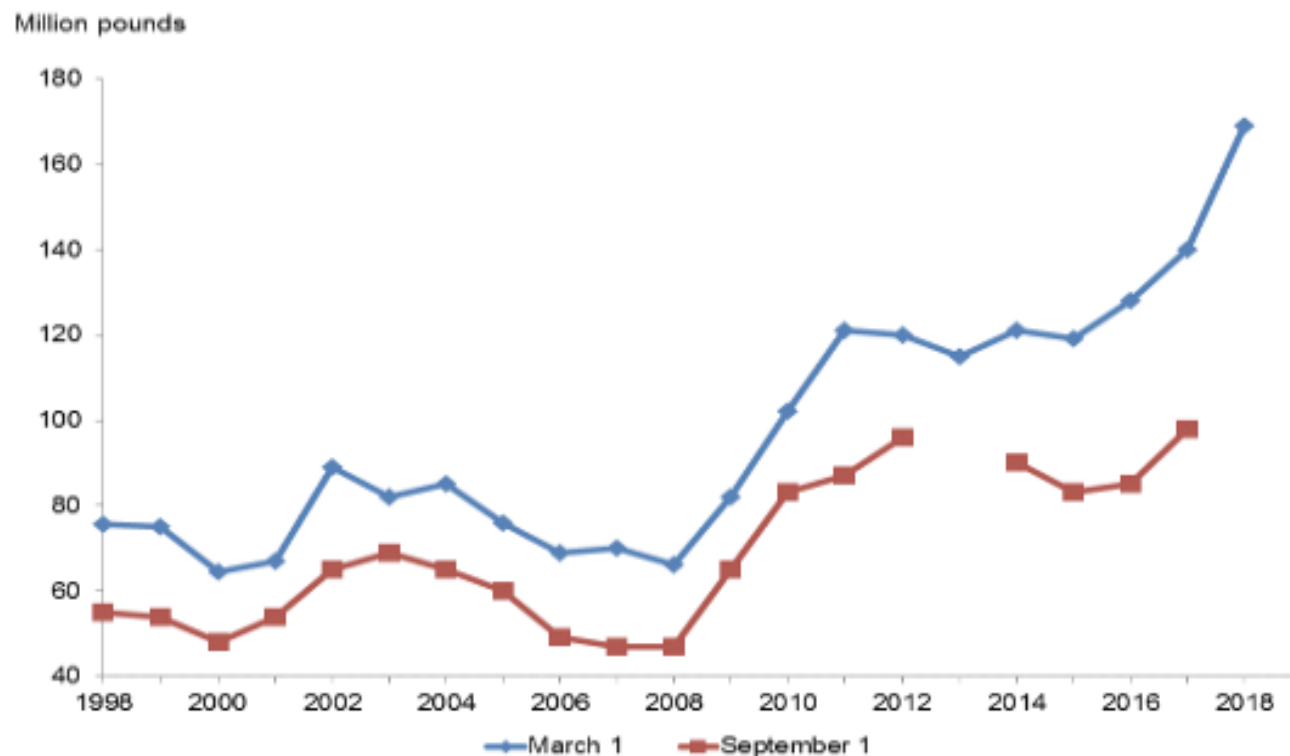
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Stocks held at dealer and grower locations on March 1, 2018 totaled 132 million pounds. Stocks held by brewers totaled 37.0 million pounds.

Hop Stocks – United States

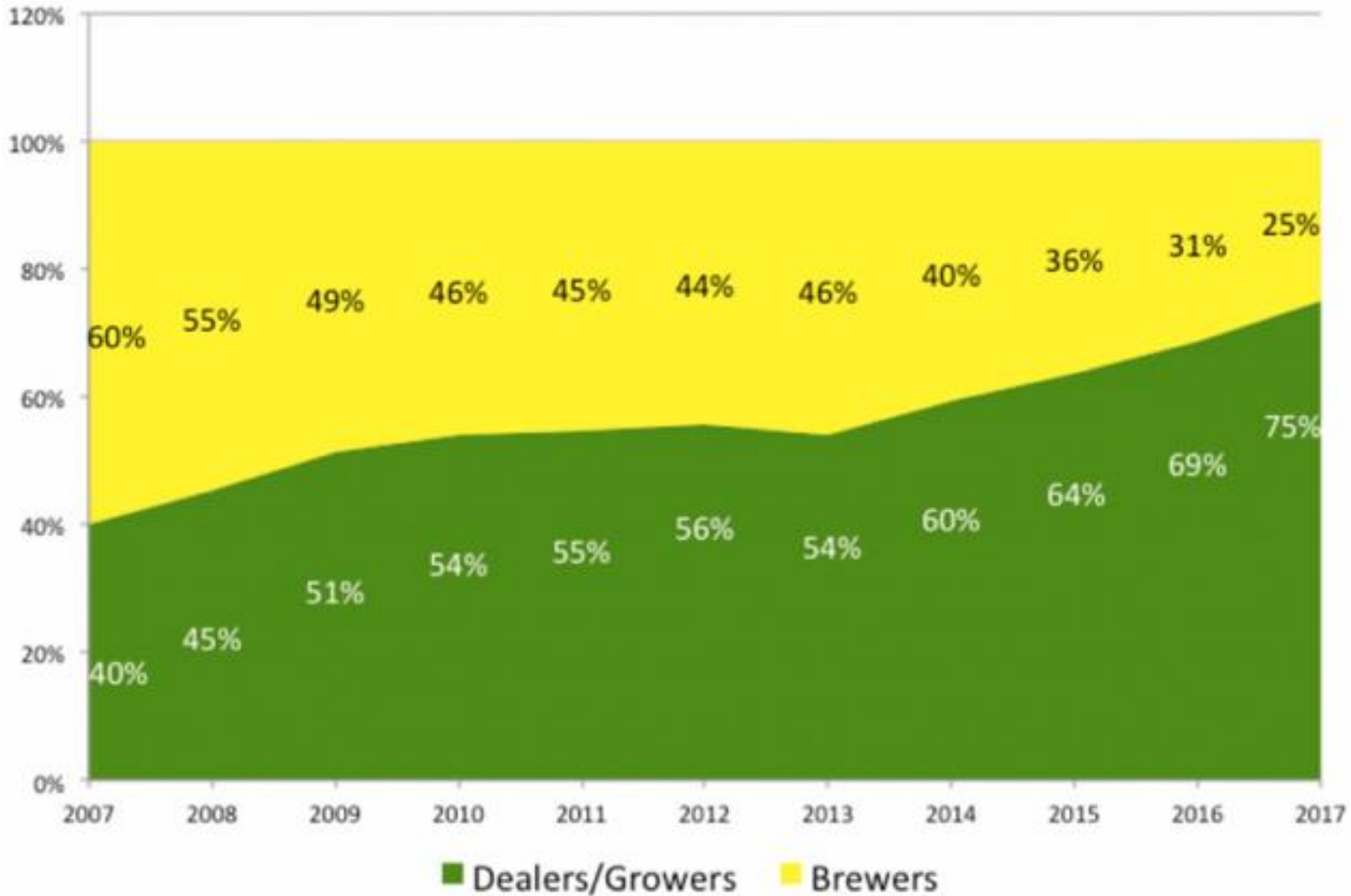


Hop Stocks Held by Growers, Dealers, and Brewers – United States: 2015-2018

[Includes equivalent pounds of dry hops held in extract or pellet form]

Stocks	September 1			March 1		
	2015 (1,000 pounds)	2016 (1,000 pounds)	2017 (1,000 pounds)	2016 (1,000 pounds)	2017 (1,000 pounds)	2018 (1,000 pounds)
Stocks held by:						
Dealers/Growers	46,000	49,000	64,000	88,000	105,000	132,000
Brewers	37,000	36,000	34,000	40,000	35,000	37,000
Total stocks	83,000	85,000	98,000	128,000	140,000	169,000

March 1 U.S. Hop Stocks 2007-2017 %



Contract	Year N	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5
Situation	2018	2019	2020	2021	2022	2023
Metric tons						
% Crop / Year N	98	95	65	40	30	25

MARKET REPORT MAY 2018

Economic Commission of the IHB • Paris • 18th May 2018

Current statistics for 2017 show a world harvest of approx. 117,000 tons of raw hops or a good 9,700 tons of alpha acid. In contrast, for the 2018 calendar year or brewing year, there is a demand for 9,200 tons alpha acid, so the supply is therefore guaranteed.

On the other hand, the market balance differs for each variety.

Whilst in the United States, there is an oversupply of aroma varieties whose acreage has increased significantly in recent years, the market has only been adequately supplied with high-alpha varieties.

Prices for the relatively scarce quantities of hops sold on the spot, made from high-alpha varieties of German origin, rose strongly immediately after the harvest. This was due to a weather-related slightly below average harvest, especially in the main crop variety Herkules.

In all other European growing regions hops sold on the spot was traded at stable high prices.

The continuing high demand for special aroma hops for distinctly strongly-hopped beers has also influenced the 2017/18 hops market in the USA. However, craft beer production is no longer recording double-digit growth rates as was the case in previous years. For example, some breweries in the craft beer segment have ended up overstocking, due to stocking up and optimistic purchasing planning. However, in the US, the craft beer market grew by around 5% in 2017, in other parts of the world there was double-digit growth.

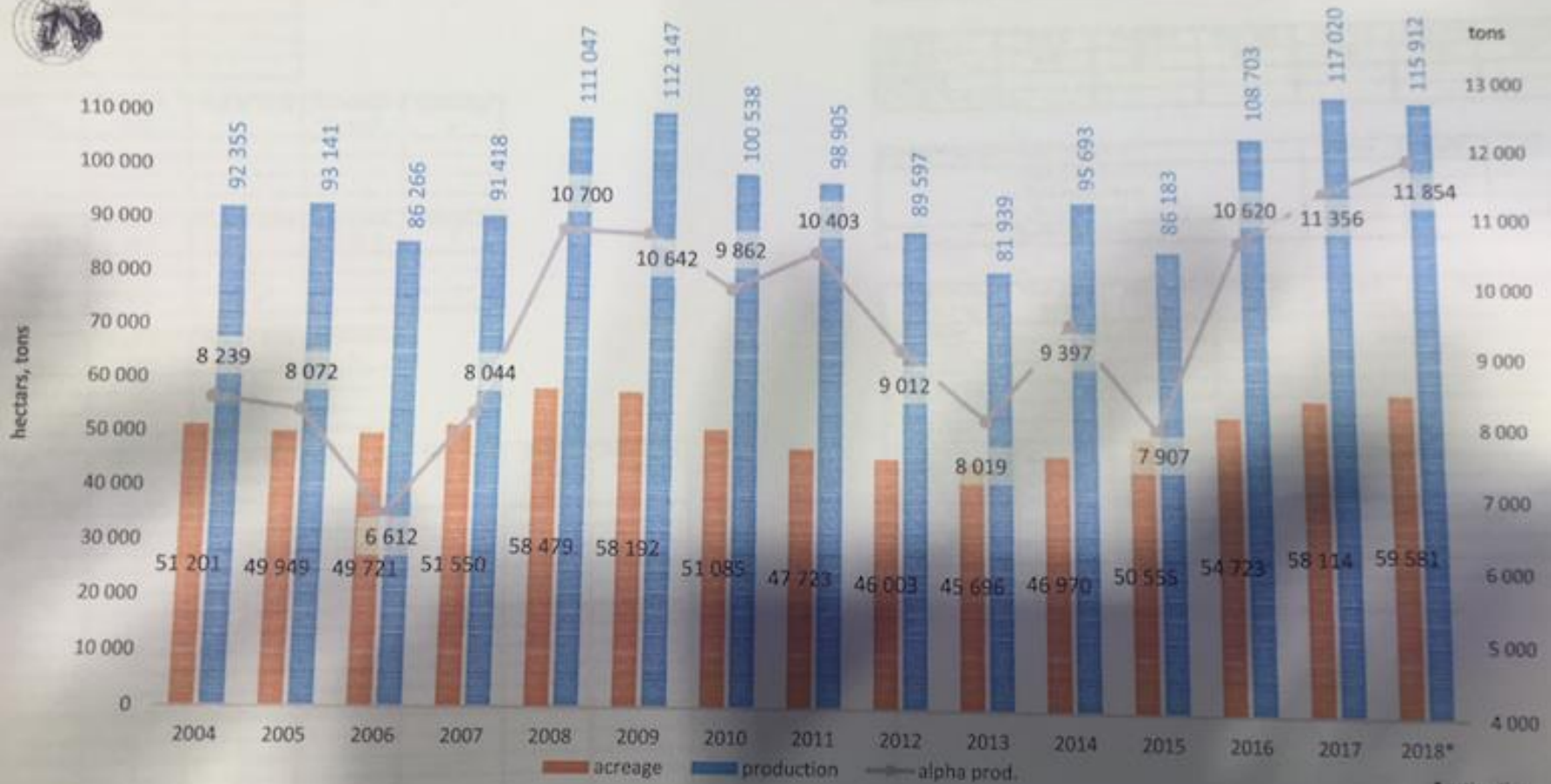
In the US, market prices for hops on the spot decreased for aroma hops, for bitter hops they remained far-reaching and stable.

Outlook

Cultivation areas in the USA will have to make variety-specific adjustments in the coming years. Looking at regional development over the past 5 years, US acreage alone in the Pacific Northwest core region has grown an impressive 51%, leading to oversupply in some varieties. It is expected that in 2018 the increase in planted acreage will be around 2-3%.

Forecasts for further development should take into account that a weaker US dollar will enable the approximately 60 American hop growers to re-enter the global high-alpha market.

Figure 1: Comparison of IHGC crops 2004 - 2018* (acreage, production, alpha acids production)



* estimation

1 Acre = 2.47 Hectare



International Hop Growers' Convention

IHGC - Economic Commission Summary Reports

Paris, France - May, 18, 2018

Country	Hop Acreage 2017 (Hectares, Ha)					Hop Production 2017 (in MT = 1.000 kg)			Alpha acid Prod. MT	Hop Acreage 2018 (Hectares, Ha) estimations					Hop Production 2018 (in MT = 1.000 kg) estimations			Alpha acid Prod. MT
	Aroma	Alpha	Hop area ¹	New	Total	Aroma	Alpha	Total		Aroma	Alpha	Hop area ¹	New	Total	Aroma	Alpha	Total	
Argentina	95	65	160	0	160	145	70	215	22	100	60	160	0	160	180	100	280	25
Australia	446	100	546	85	631	1 200	238	1 438	203	479	152	631	21	652	1 228	354	1 582	225
Austria	186	58	244	6	250	325	114	439	35	190	58	248	4	252	330	115	445	36
Belgium	114	54	169	11	169	138	98	236	16	126	54	180	12	180	150	87	237	18
Canada*	219	200	419	0	419	329	300	629	63	219	200	419	0	419	329	300	629	63
China*	200	1 800	2 000	0	2 000	400	5 100	5 500	400	200	1 800	2 000	0	2 000	400	5 100	5 500	400
Czech Republic	4 583	46	4 629	316	4 945	6 687	110	6 797	270	4 684	50	4 734	292	5 026	6 100	100	6 200	250
France	401	36	437	44	481	676	87	763	25	424	39	463	33	496	746	87	833	29
Germany	10 492	7 574	18 066	1 477	19 543	19 921	21 635	41 556	4 265	10 900	8 300	19 200	900	20 100	20 500	23 200	43 700	4 950
Japan	60	60	120	0	120	130	143	273	30	60	60	120	0	120	130	143	273	30
New Zealand	371	71	442	30	442	620	140	760	72	371	71	442	89	531	600	122	722	65
Poland	622	847	1 468	108	1 576	1 091	1 902	2 993	248	659	918	1 576	0	1 576	830	1 700	2 530	205
Romania*	73	192	265	5	270	85	140	205	20	73	192	265	5	270	85	140	205	20
Russia*	220	200	420	50	470	250	250	500	40	220	200	420	50	470	250	250	500	40
Serbia*	34	33	67	12	79	58	76	134	11	34	33	67	12	79	58	76	134	11
Slovakia	138	0	137	0	138	104	0	104	5	138	0	138	0	138	152	0	152	7
Slovenia	1 393	21	1 414	176	1 590	2 731	36	2 767	150	1 526	21	1 547	120	1 667	2 864	36	2 900	155
South Africa	34	390	424	0	424	46	658	710	85	73	354	427	0	427	77	677	754	75
Spain	0	537	537	1	537	0	550	550	70	0	537	537	1	537	0	900	900	100
Ukraine*	309	60	369	0	369	400	80	480	30	309	60	369	0	369	400	80	480	30
UK-England	967	0	967	0	967	1 780	0	1 780	130	972	0	972	5	972	1 500	0	1 500	120
USA	17 242	5 292	22 534	1 101	22 534	34 374	13 817	48 191	5 166	16 800	6 340	23 140	606	23 140	30 240	15 216	45 456	5 000
IHGC	38 199	17 636	55 674	3 422	58 114	71 470	45 544	117 020	11 356	38 557	19 499	58 055	2 150	59 581	67 129	48 783	115 912	11 854

Difference ∑ 2018-2017	358	1 863	2 381	-1 272	1 467	-4 341	3 239	-1 108	498
Difference ∑ 2018-2013	13 540	423	13 962	463	13 887	29 315	4 330	33 645	3 834
Difference ∑ 2018-2008	11 529	-7 664	3 663	-3 237	5 189	19 546	-17 076	2 573	1 202

* Since no country updates were available, figures from Prague in 2018 were used

¹ Acreage without new hop areas

* 2017 yield estimated by EC, 2018 no country updates



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