



**2025 American Hop Convention | Coronado, CA**  
**Hop Merchant Panel**

# Anti Trust Guidelines

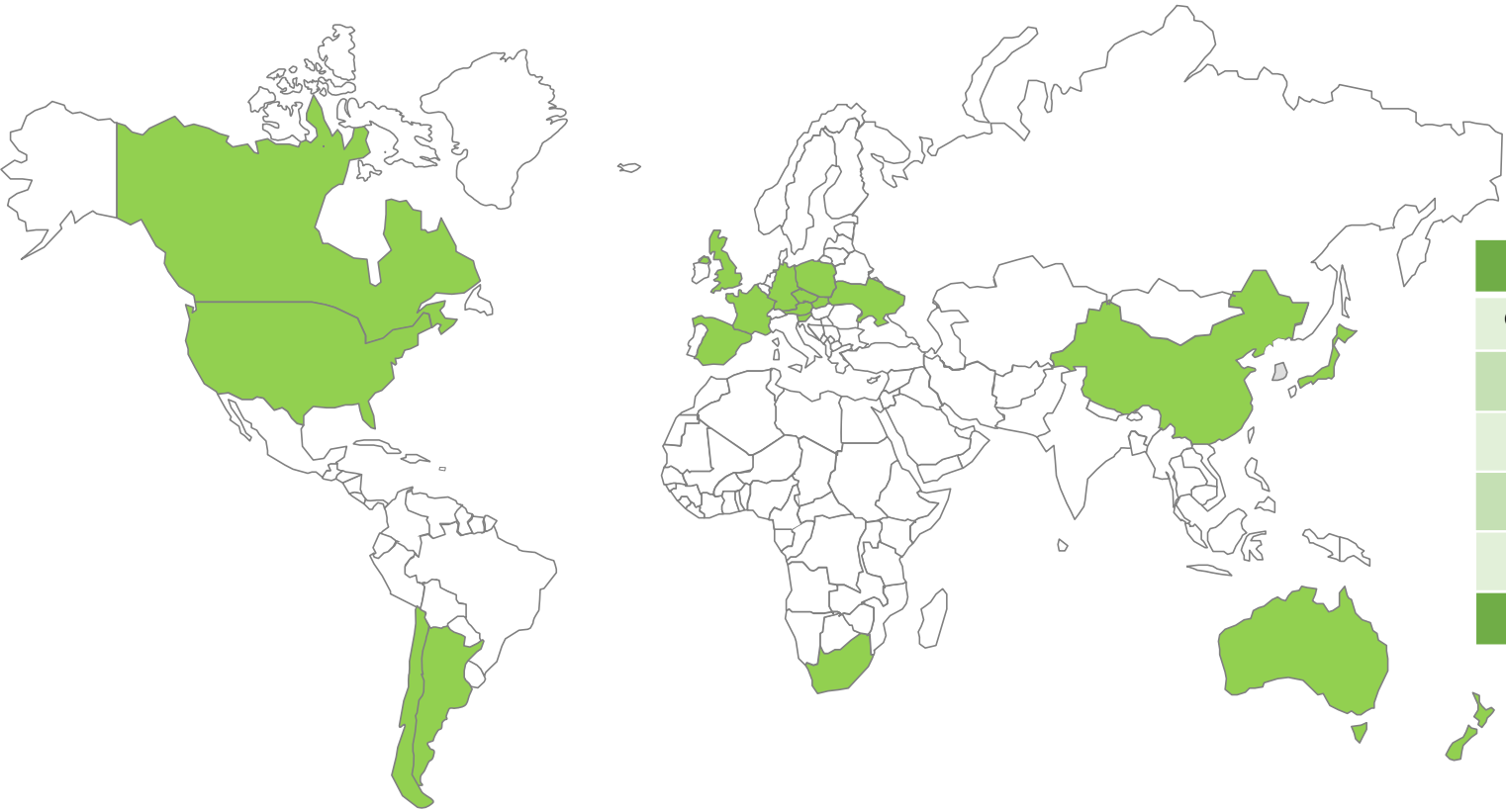
- The Hop Merchant Panel follows the general anti-trust guidelines, as established by the IHGC.
- Our discussions and slides are based on existing, published data.
- We do not discuss customers, pricing, quantities, confidential information, or future plans.
- We do not discuss any non-public future plans.
- Any preparation meetings for the Merchant Panel are done with an independent non-competitor present.
- During the Q&A portion of the Merchant Panel, disclosures may include forward looking or proprietary information. However, these disclosures will be heard publicly for the first time by all present in the room.



Text Questions  
Anonymously  
509.506.2484

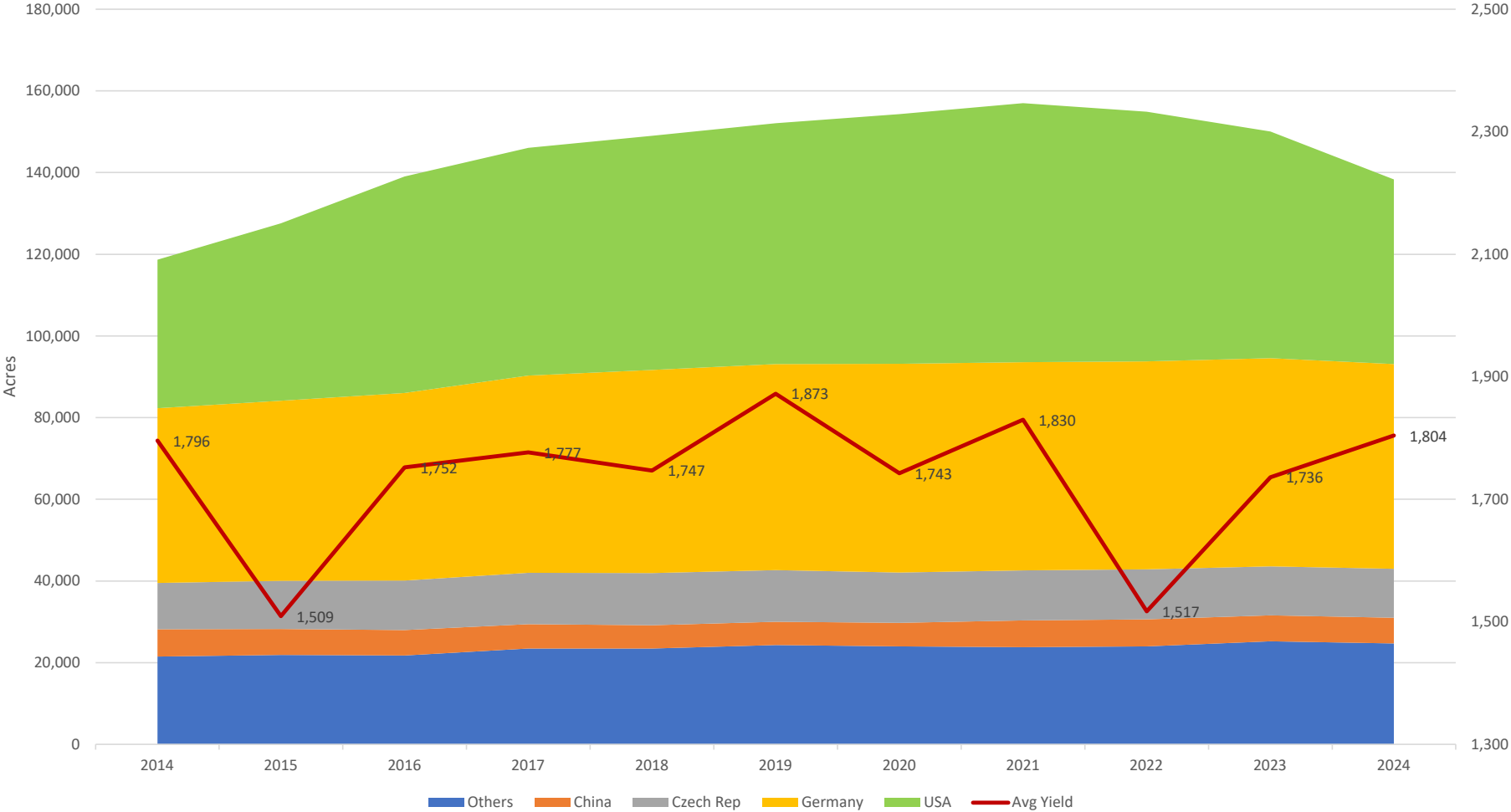
# 2024 Global Hop Crop Update

# Global Hop Acreage – Crop 2024



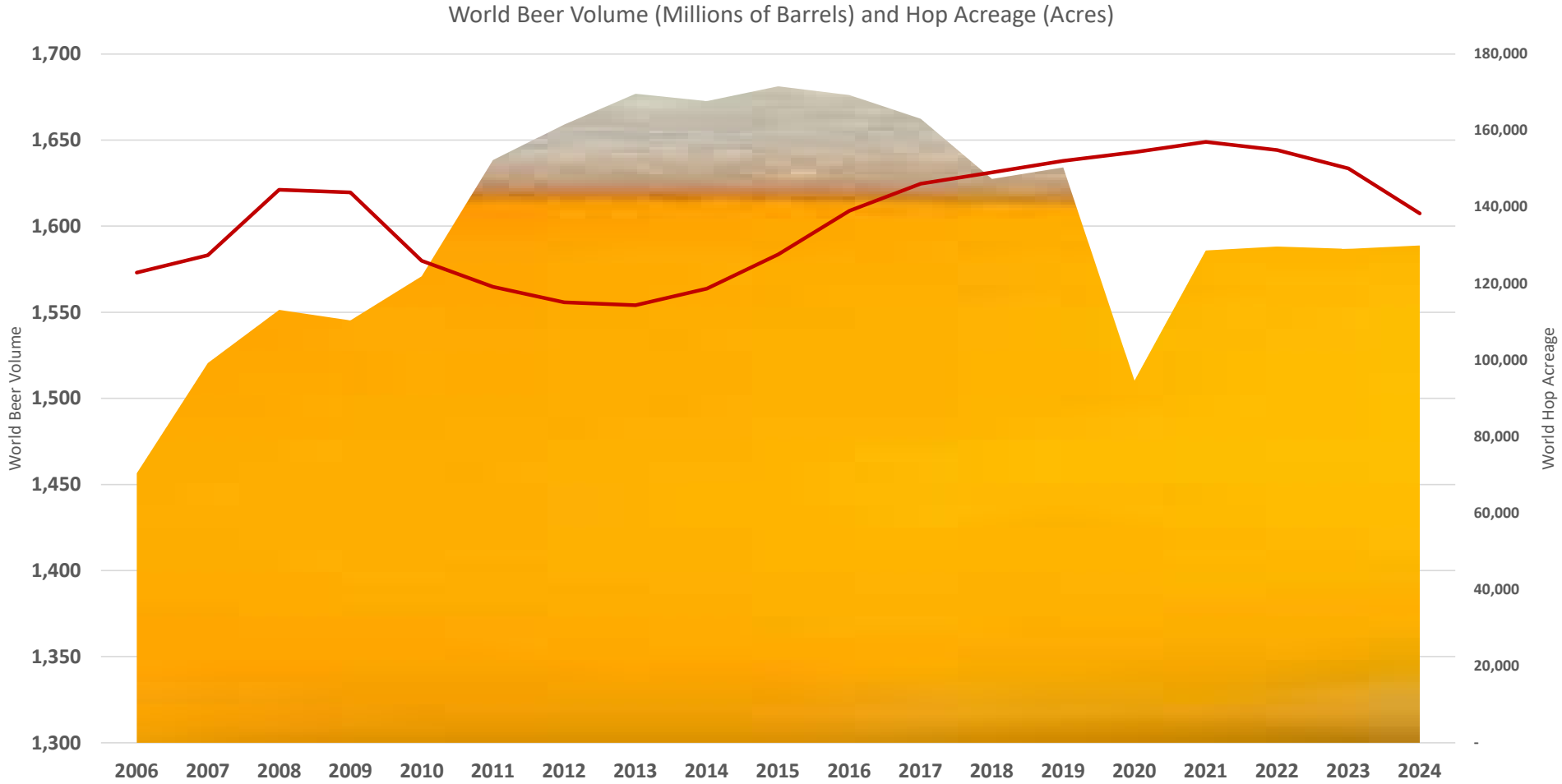
Country	Acres	%
Germany	50,132	36.2%
USA	45,224	32.7%
Czechia	11,989	8.7%
China	6,301	4.5%
Others	24,710	17.9%
Total	138,356	

# World Hop Crop – Total Acres and Avg Yield (lbs./acre)



Source: Hopsteiner Guidelines 2024

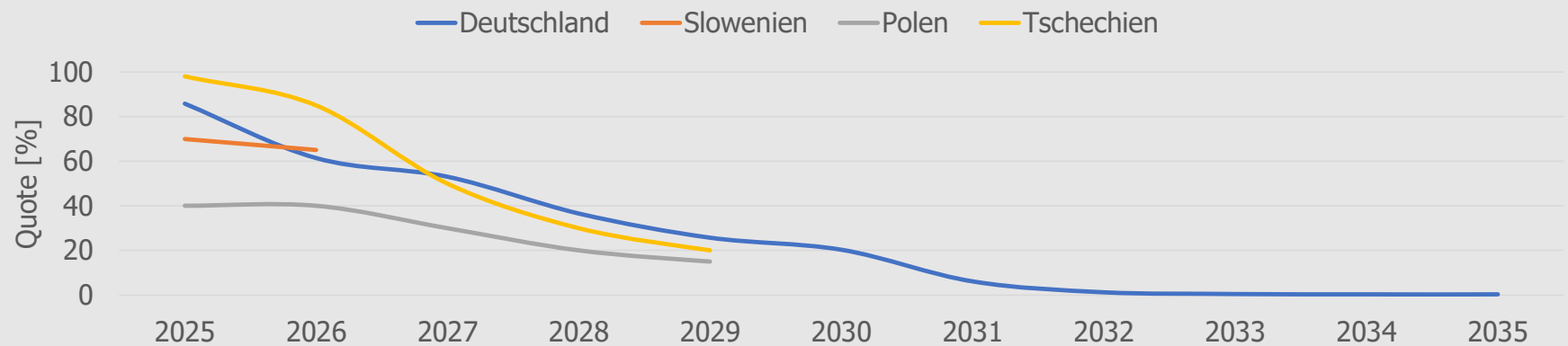
# World Beer and Hop Acreage



Source: Hopsteiner Guidelines 2024

# Pre-Contract Situation - Europe

Quote in %	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Germany	86	61	53	37	26	20	6	1,3	0,5	0,3	0,3
Slovenia	70	65									
Poland	40	40	30	20	15						
Czech Republic	98	85	50	30	20						





# Alpha Acid Balance – Craft Effect

Production Year	World Acreage (Acres, prior year)	World Hop Crop (1,000's Lbs.)		World Beer Prod. (Mio. Barrels)		Alpha Dosage (gr. alpha/Brrl)	Alpha Demand (1,000's Lbs Alpha)		Alpha Prod. (1,000's Lbs. Alpha)	Alpha Balance (1,000's Lbs. Alpha)
2022	157,017	287,378	Mainstream	1,547.9	97.48%	4.5	15,365.4	78.15%	27,706	8,045
			US Craft	23.7	1.49%	64.7	3,377.1	17.18%		
			Other Craft	16.4	1.03%	25.4	918.5	4.67%		
			Total:	<b>1,588.0</b>		<b>5.6</b>	<b>19,661.0</b>			
2023	154,909	235,011	Mainstream	1,547.1	97.47%	4.4	15,123.1	76.92%	21,390	2,147
			US Craft	23.4	1.48%	61.9	3,195.5	16.25%		
			Other Craft	16.7	1.05%	25.2	924.3	4.70%		
			Total:	<b>1,587.2</b>		<b>5.5</b>	<b>19,242.9</b>			
2024*	150,059	260,445	Mainstream	1,550.3	97.57%	4.5	15,273.6	77.68%	23,859	4,599
			US Craft	22.4	1.41%	62.6	3,090.2	15.72%		
			Other Craft	16.2	1.02%	25.0	896.4	4.56%		
			Total:	<b>1,588.9</b>		<b>5.5</b>	<b>19,260.2</b>			
2025*	138,356	249,607	Mainstream	1,562.8	97.68%	4.5	15,506.6	78.87%	23,420	4,023
			US Craft	21.5	1.35%	63.9	3,035.0	15.44%		
			Other Craft	15.6	0.98%	24.8	855.3	4.35%		
			Total:	<b>1,600.0</b>		<b>5.5</b>	<b>19,397.0</b>			

\*Estimates



**THE GOOD, THE BAD  
AND THE UGLY  
THE GOOD, THE BAD  
AND THE UGLY**

**Hop Growing Costs 2025**



**Thank you to our 2024 Merchant Panel Participants:**

**View the 2024 Convention Presentation**



- Tom Davis, John I. Haas
- Louis Gimbel IV, S.S. Steiner
- Ryan Hopkins, Yakima Chief
- Blake Crosby, Crosby Hops

# 2024 Review



<https://americanhopconvention.org/archive>

# Recap From 2024 Merchant Panel Discussion



AVERAGE 2023 ESTIMATED GROWING COSTS WAS \$12,748.28 PER ACRE



VARIABLE COSTS ~55% OF TOTAL COST, FIXED COST ~45%

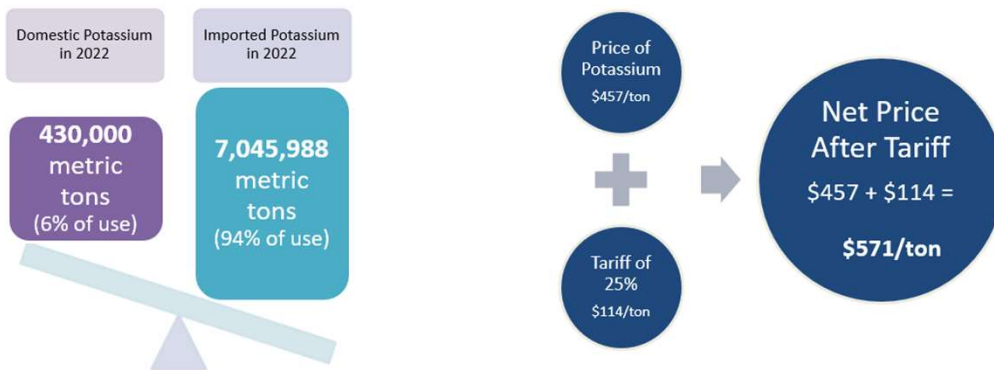


OVER 40 HOURS IN AGRICULTURE REQUIRES OVERTIME PAY IN WASHINGTON STATE

# 2025 Increases in Costs:

- Minimum wages increasing in WA and OR\*
- November CPI indicates a 2.7% inflation from 2023-2024, bringing estimated cost to \$13,092.48/Acre
- Tariffs could mean material impacts on raw materials\*\*

## Potassium Imports and Impacts of Tariff on Prices



\*<https://www.lni.wa.gov/workers-rights/wages/minimum-wage>, <https://www.oregon.gov/boli/workers/pages/minimum-wage.aspx>

\*\* <https://www.canr.msu.edu/news/what-are-tariffs-and-how-could-they-impact-farm-prices>



Estimated Cost Decreases

# A Harsh Reality

## US Acreage\*

- 2022-60,113-Assume Full Capacity
- 2023-54,318 (-10%)
- 2024-44,224 (-26%)

### Cost Survey Plus Inflation Estimate\*\*

Cost Per Acre	\$	13,092.48
Variable @ 55% of Total Cost	\$	7,200.87
Fixed @ 45% of Total Cost	\$	5,891.62

	At Capacity	At 74% Capacity
Productive Acres	600	444
Variable Cost	\$ 4,320,519.57	\$ 3,197,184.49
Fixed Cost	\$ 3,534,970.56	\$ 3,534,970.56
Total Cost	\$ 7,855,490.14	\$ 6,732,155.05
Cost Per Acre	\$ 13,092.48	\$ 15,162.51

\*[https://www.nass.usda.gov/Statistics\\_by\\_State/Regional\\_Office/Northwest/includes/Publications/Hops/2024/HOP06.pdf](https://www.nass.usda.gov/Statistics_by_State/Regional_Office/Northwest/includes/Publications/Hops/2024/HOP06.pdf)

\*\* <https://www.usahops.org/growers/cost-of-production.html>

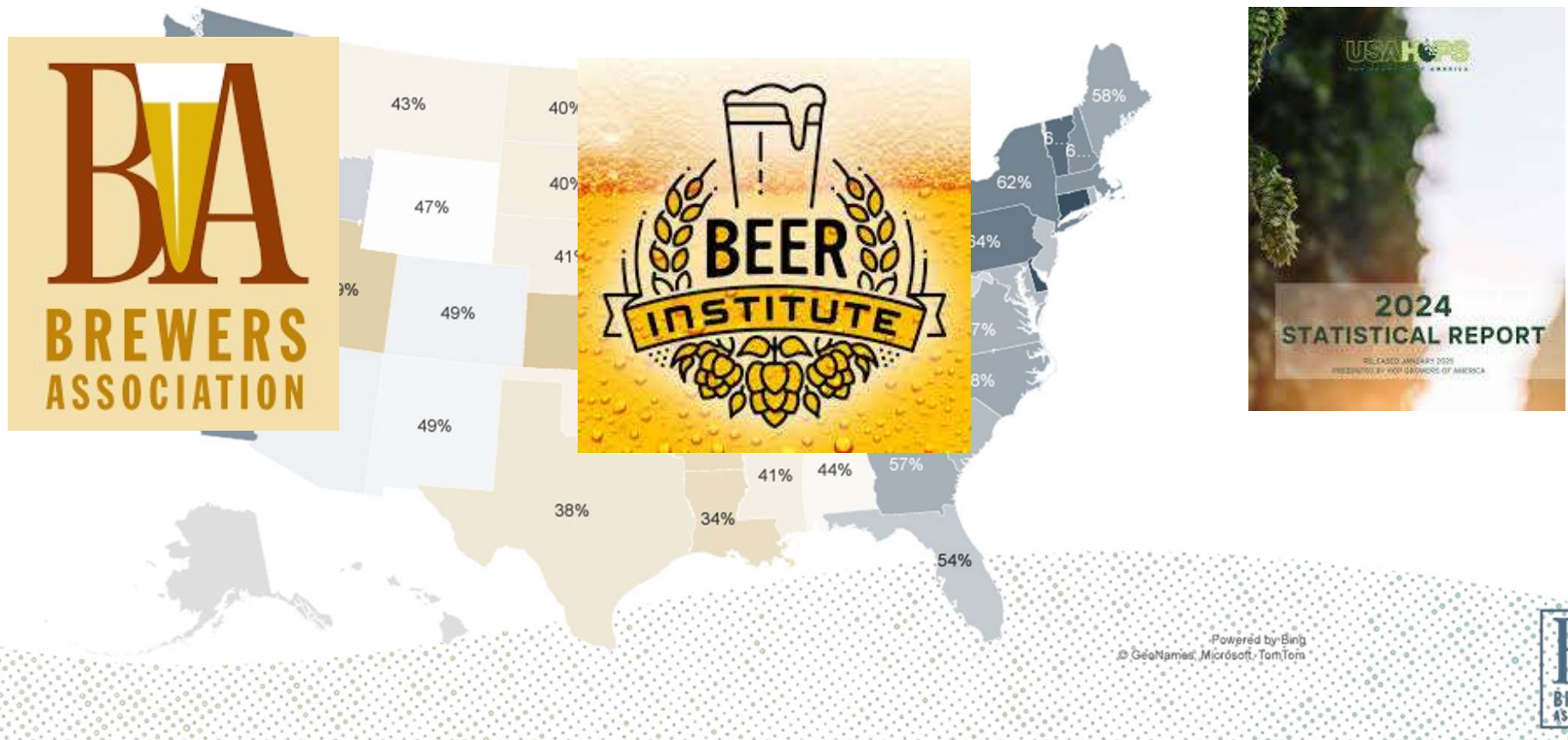


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# N.A. Market

IPA Share of Craft Sales (\$) by State  
August 21, 2023 - August 20, 2024

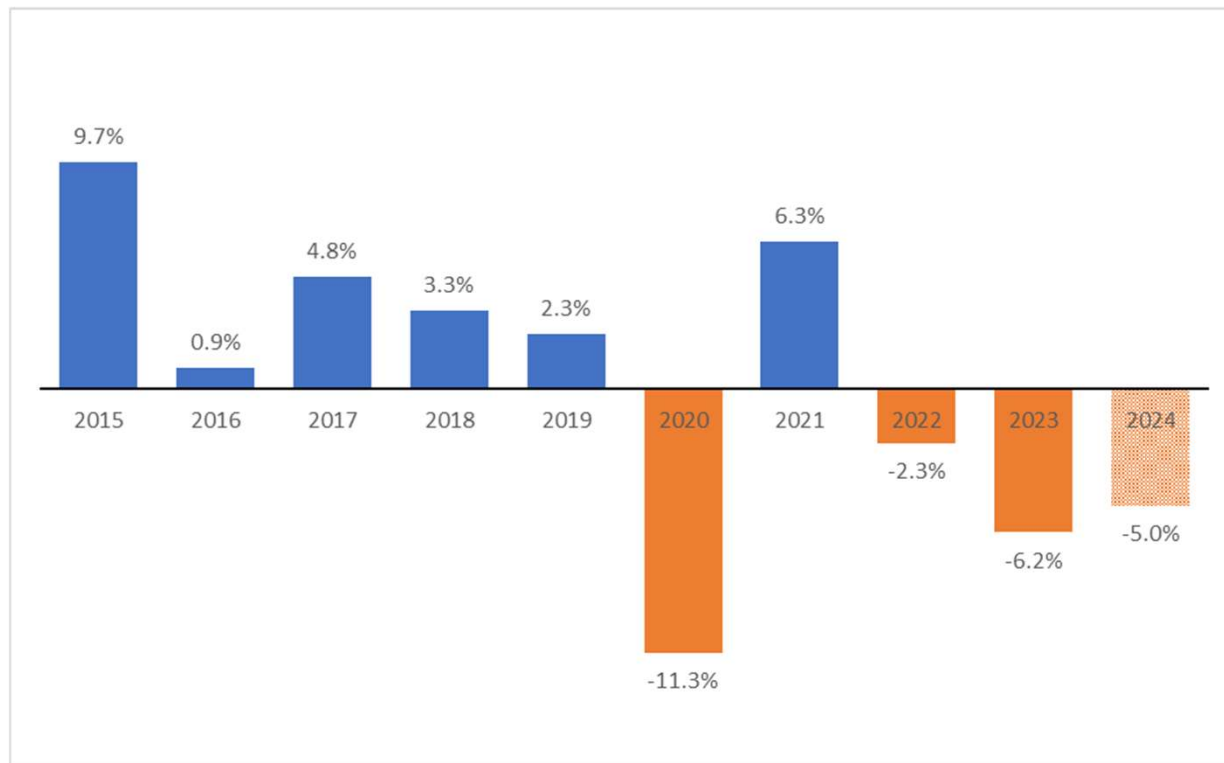


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# Annual Change in US Craft Beer Growth Rates

**WE ARE EXPERIENCING A DECLINING MARKET.**

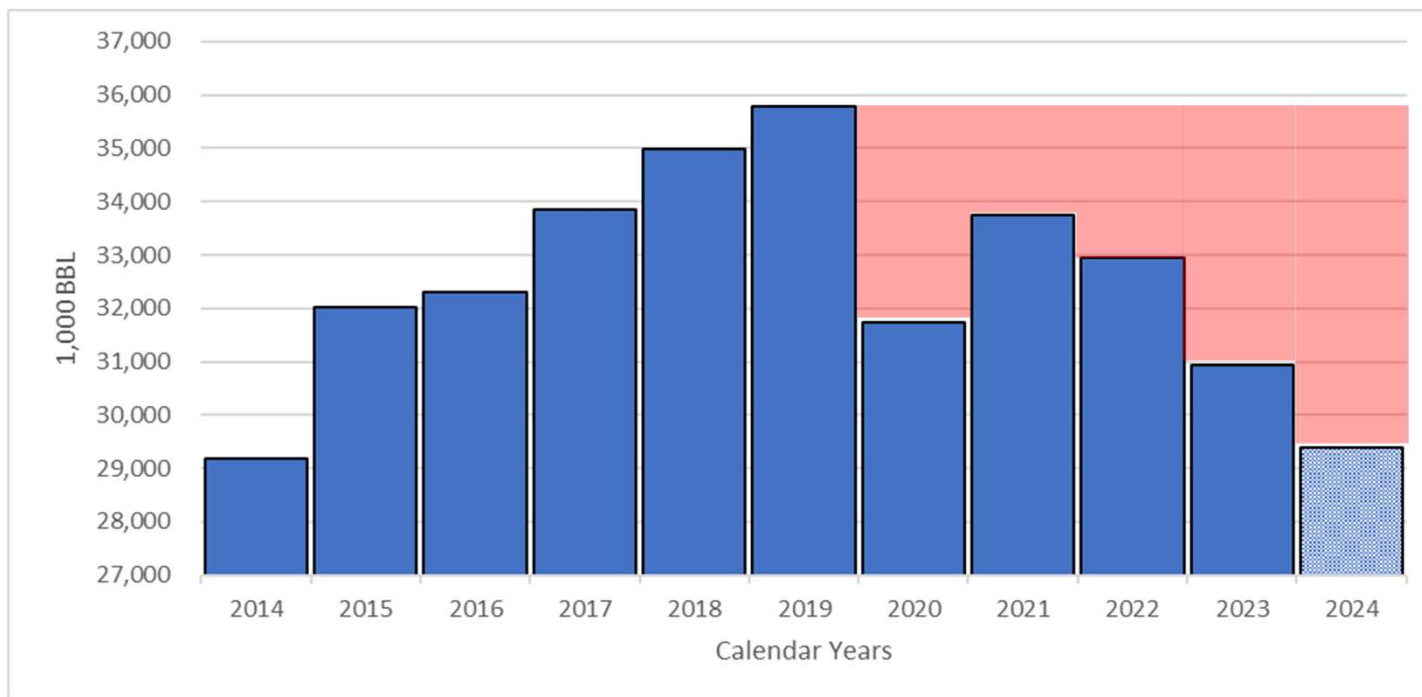


- Following 10 years of growth, US Craft has been declining since 2016.
- For 2024, US Craft is projected to post declines between - 2% &- 5%.
- Brewer's Association estimated -2% based on their mid-year survey, but scan data has been trending less positive.

Source: BA, incl. Macro craft

# US Craft Beer Volume (bbl) Development

## IS THE SKY FALLING?

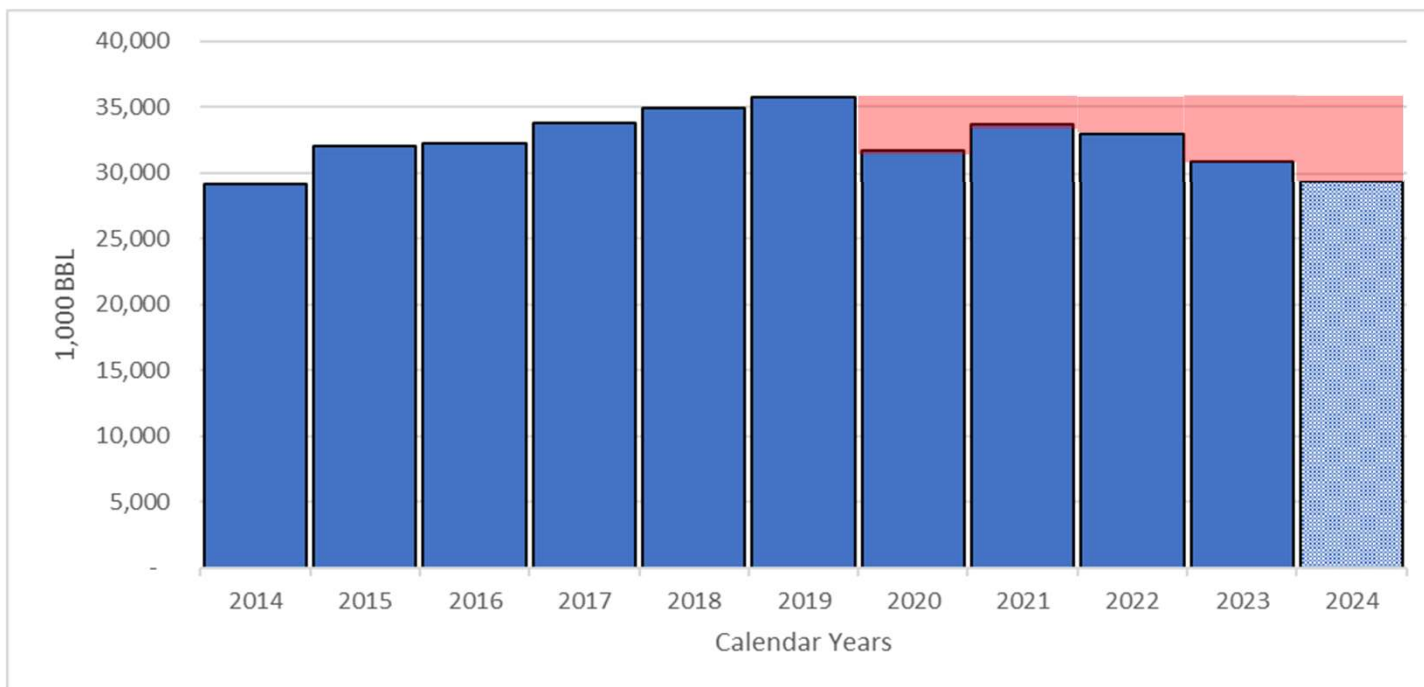


- US Craft beer production dropped by ~2M barrels in 2023.
- US Beer shipments have been declining since 2016.

Source: BA, incl. Macro craft

# US Craft Beer Volume (bbl) Development

**WE HAVE REACHED OUR PEAK.**



↓ Headwinds appear to be increasing.

↑ Craft beer is resilient.

↑ Craft beer is now a part of our culture.

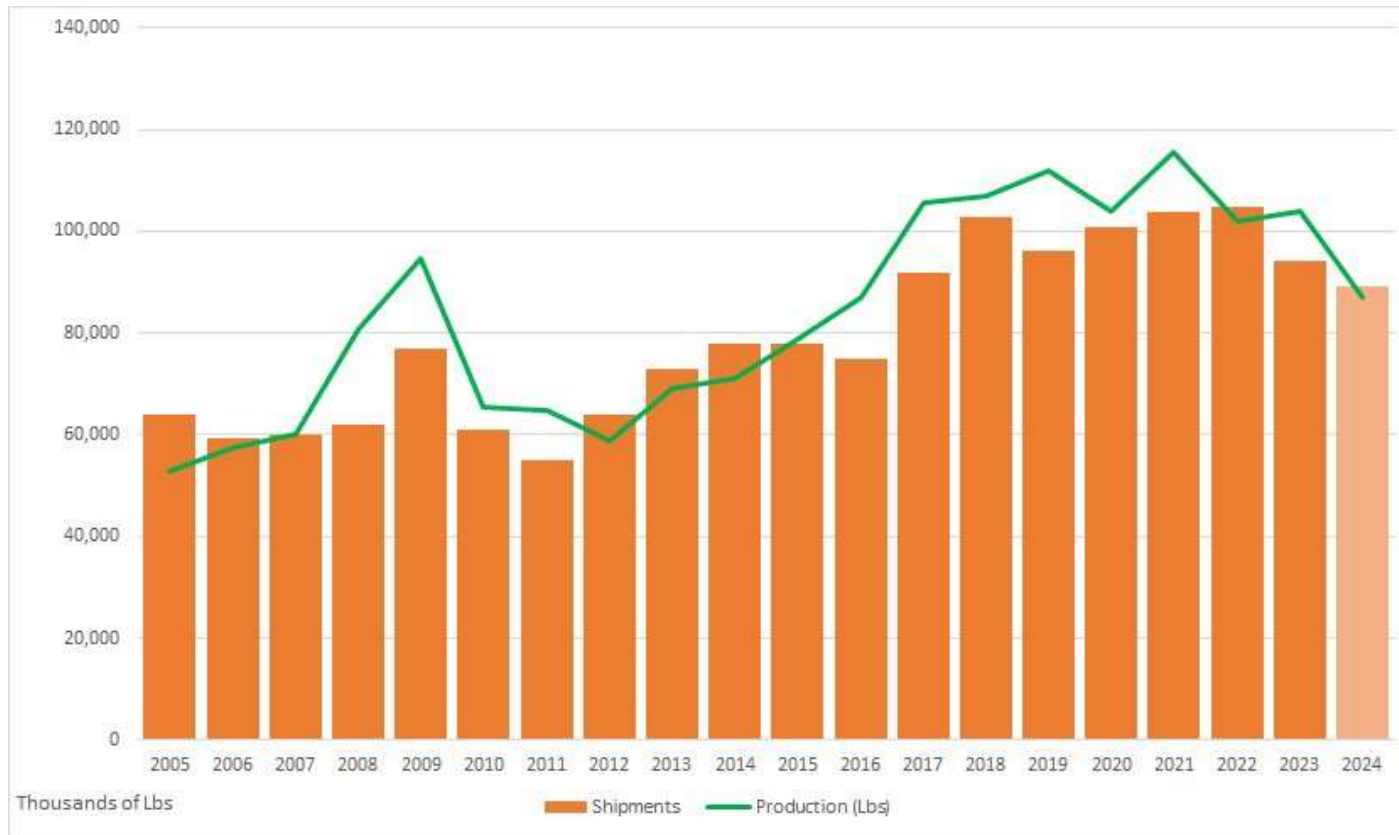
↑ Craft beer is not going away.

↑ Craft beer needs YOUR engagement.

Source: BA, incl. Macro craft

# Hop Production vs. Shipments (in 1,000 lbs)

## HAVE HOPS ADJUSTED TO THESE CHANGES?

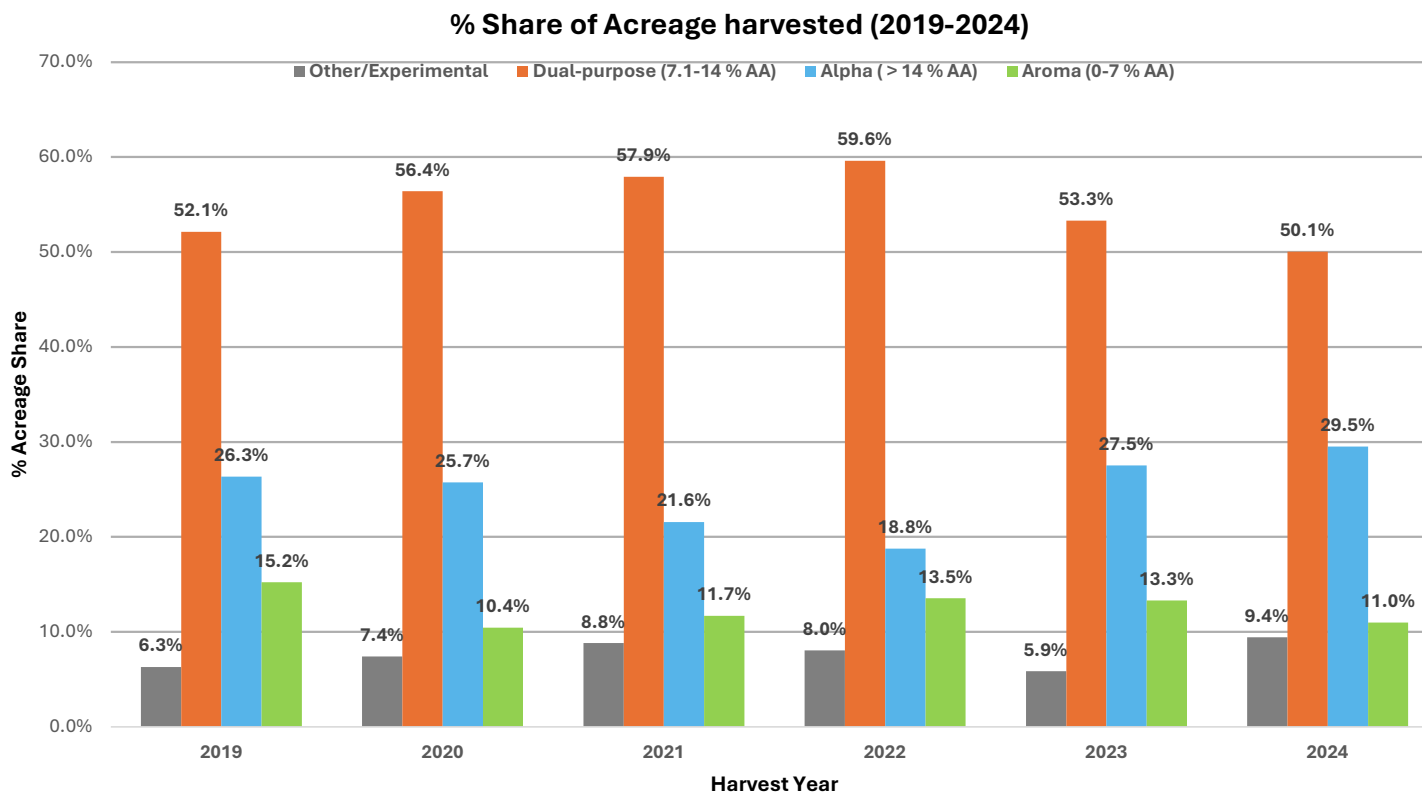


- In 2023 the US Shipped 94M lbs. of hops.
- 16K acres have been reduced since 2021.
- 28.5M lbs. of Production has been reduced since 2021.

Source: USDA NASS

# Changes in US Hop Acreage Trends

## ARE WE CHANGING IN THE RIGHT WAYS?



- Decrease in acreage share of aroma and dual-purpose varieties in recent years.
- Increase in acreage share of alpha varieties in recent years.
- Recent increase of other/Experimental acreage share in 2024.

Source:

<https://quickstats.nass.usda.gov/results/DEC1A7D3-5790-3EBD-B1A8-261D012FBCA6>

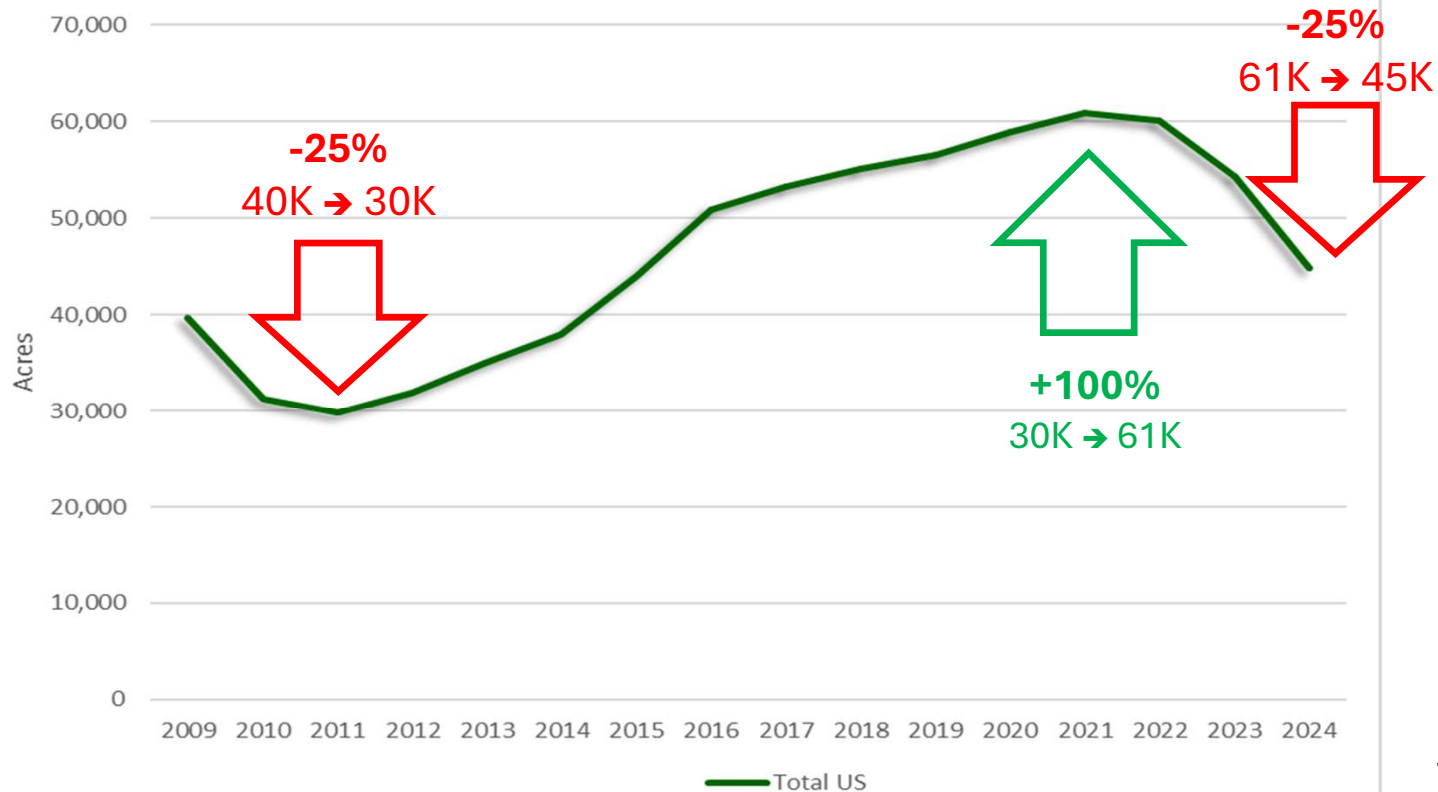
A close-up photograph of hop cones on a plant, showing the green, cone-shaped flowers and the surrounding leaves.

**N.A. Market**

**SHRINKING IS NOT AS FUN AS GROWING.**

**CHANGE IS THE NEW NORMAL.**

# US Acreage Development

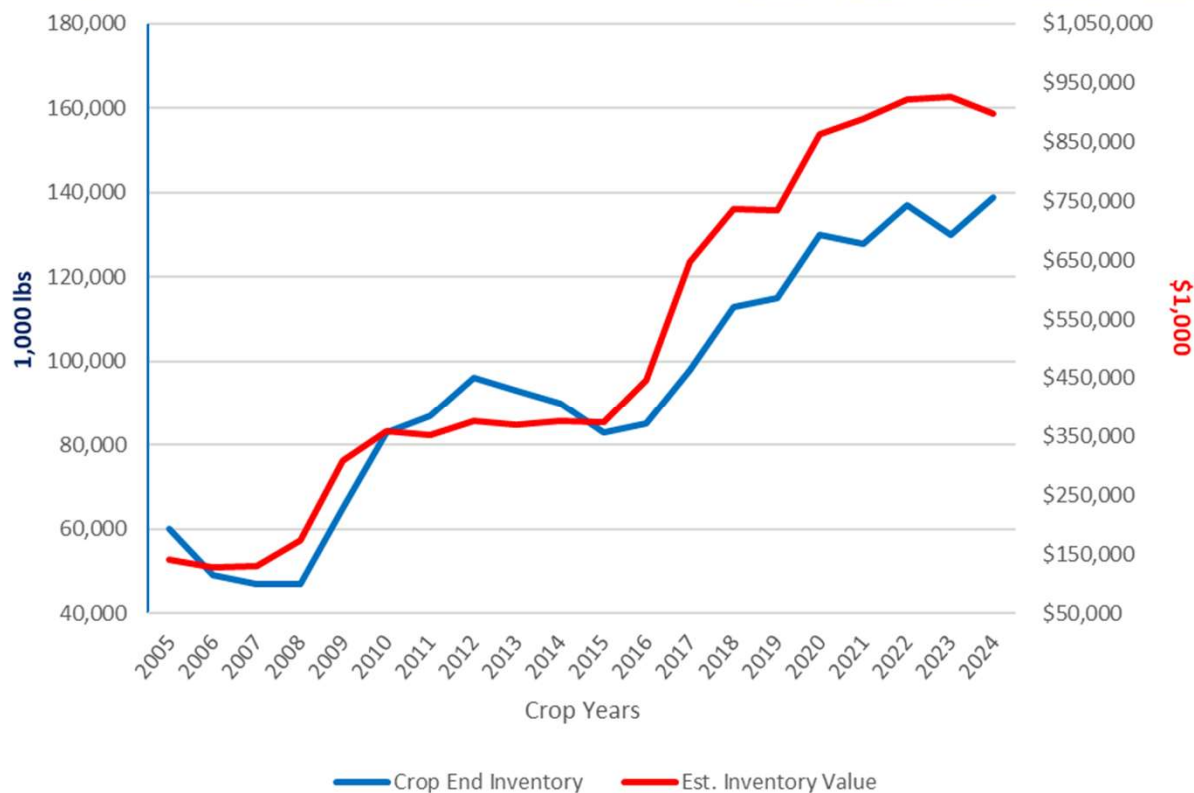


- US industry responds aggressively to changing markets
- ~\$750M invested in past decade
- Creates significant financial benefits, but also burdens

Source: HGA Stat Pack



# Cost of Accumulated Inventory



- Prior year inventory:
  - ~ 139M lbs
  - ~ 16 months of demand
  - ~ \$900M, +240% since 2015
- Just prior to new crop
  - \$446M Farm Gate
- ~**\$1.3B** in total Inventory
- ~**\$70M** in annual interest on carryover stocks
  - In addition to new infrastructure and current crop

Source: USDA, HGA Stat Pack

# US Acreage Development - Outlook



Acreage  
Outlook for  
Crops 2025  
and 2026+  
???



# Summary

- Beer down (global, US, craft)
- Hop stocks remain high, despite deep US cuts
- Hop industry feeling the pain globally (markets, inflation)
- We are all in this together!

Questions  
&  
Answers

**AMERICAN  
HOP  
CONVENTION**

**CHARTING THE  
COURSE**

Text Questions  
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**CORONADO ISLAND MARRIOTT  
RESORT & SPA**  
JANUARY 21-25, 2025