



Dealers Panel

January 23, 2026

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.

Agenda

- Global Beer & Hop Markets
- Beer and Hop Industry Trends
- US Beer & Hop Markets
- Q&A



Text Questions
Anonymously
509.379.4400

Agenda

- Global Beer & Hop Markets
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Global Hop Acreage – Crop 2025

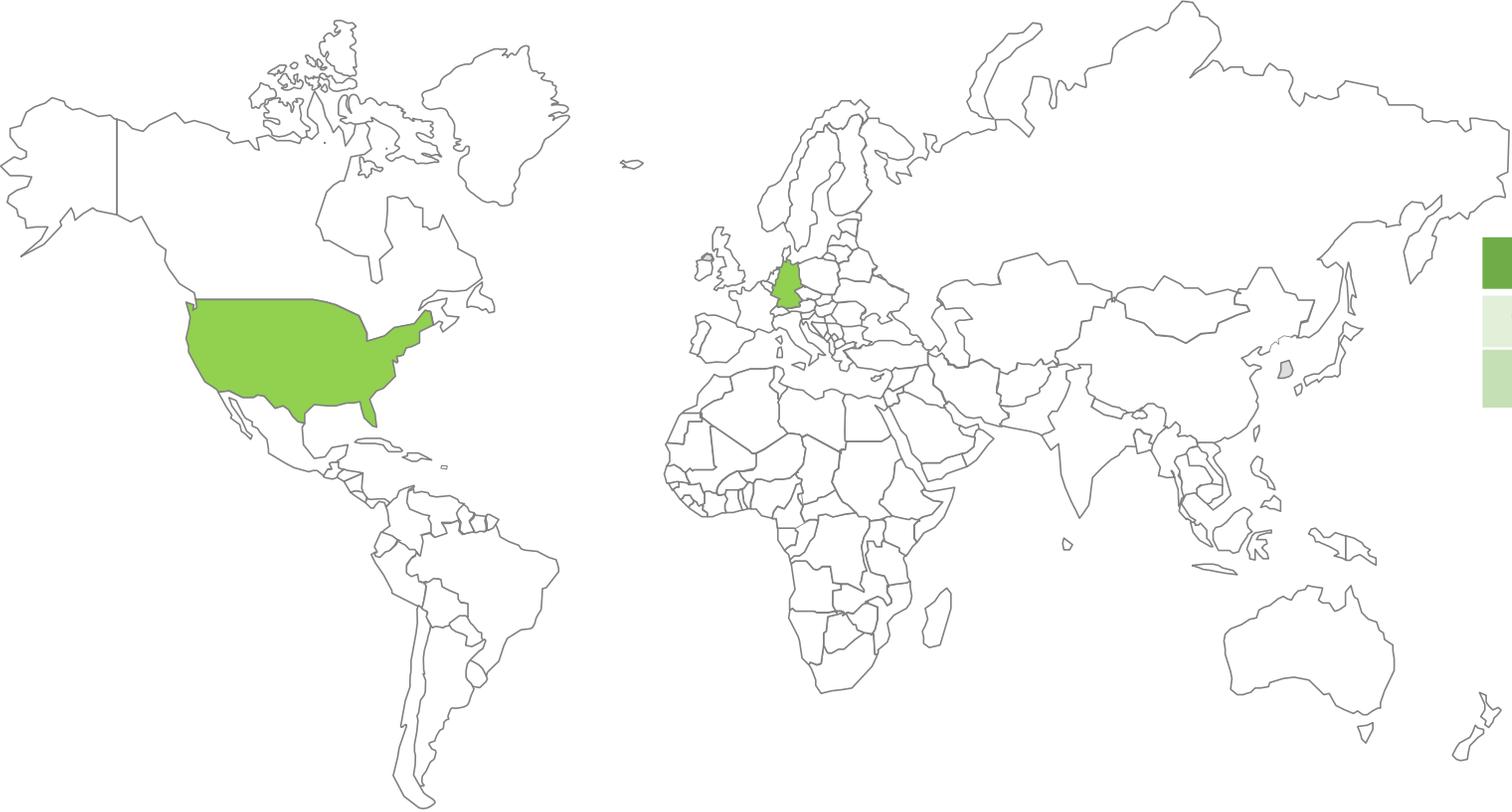


Country	Acres	% of world
Germany	46,855	35.7%

Reduction of 3,279 acres (6.6%) vs. 2024

Source: Hopsteiner Guidelines

Global Hop Acreage – Crop 2025

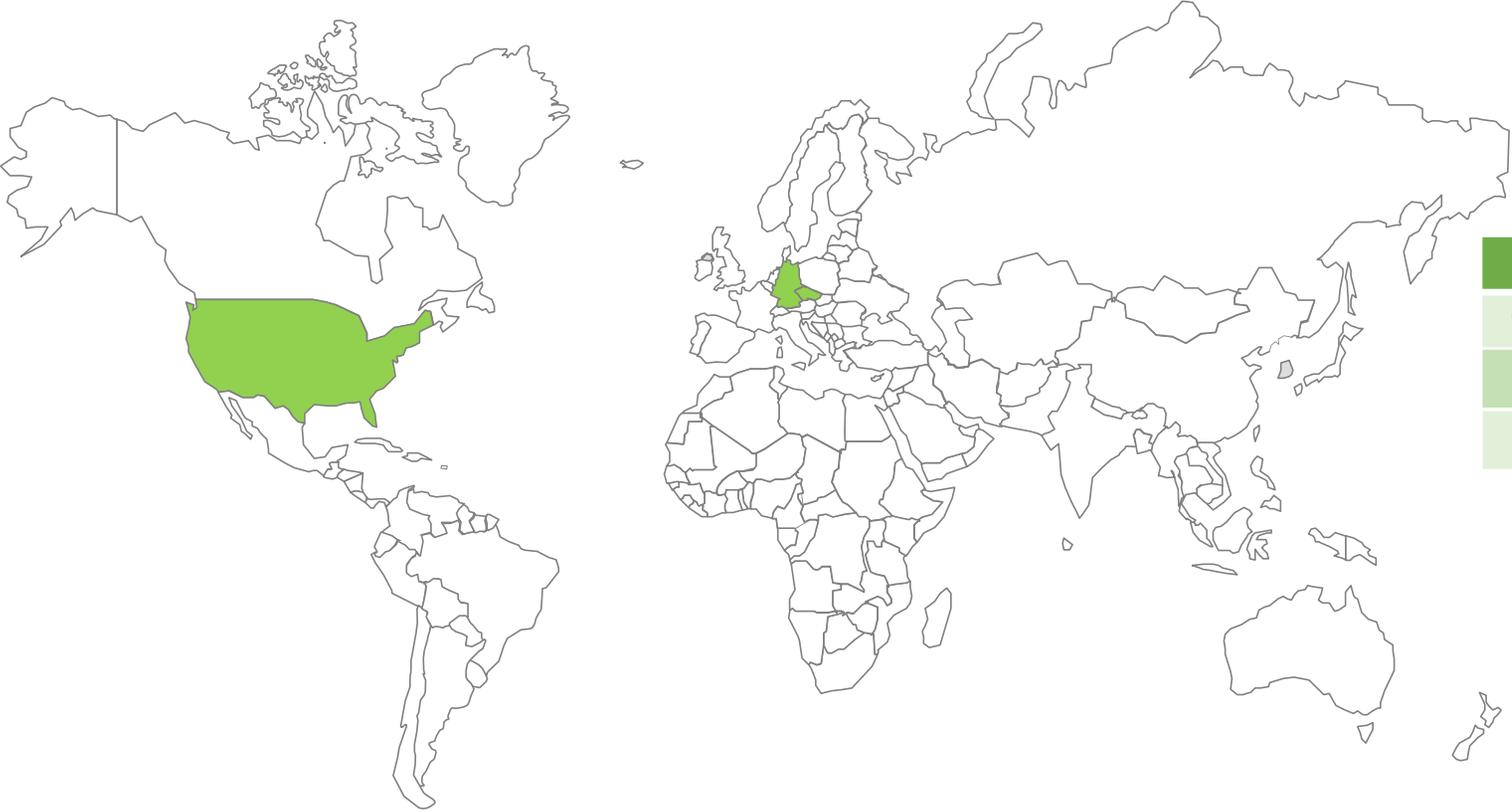


Country	Acres	% of world
Germany	46,855	35.7%
USA	42,684	32.6%

Reduction of 2,782 acres (6.1%) vs. 2024

Source: Hopsteiner Guidelines

Global Hop Acreage – Crop 2025

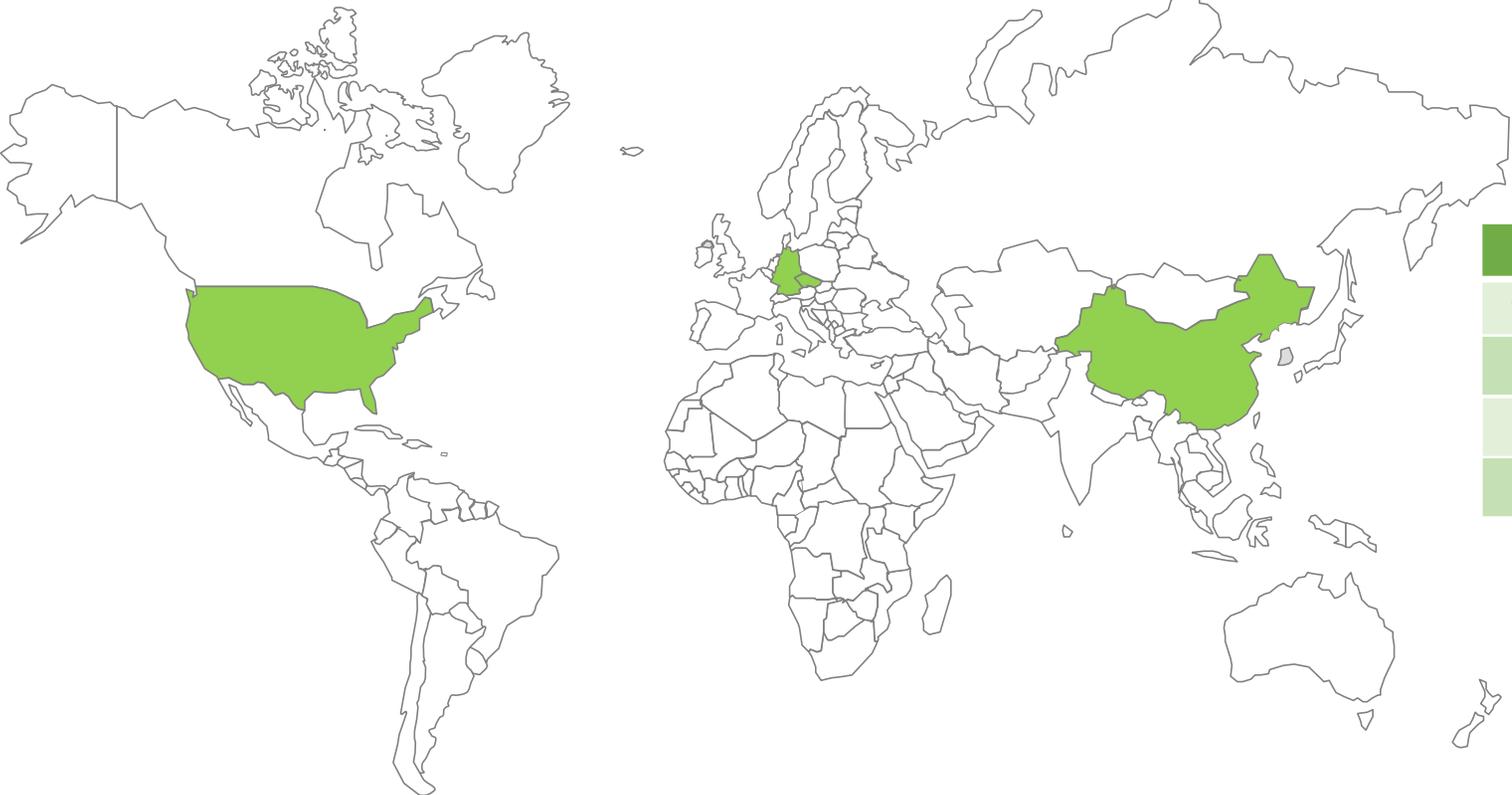


Country	Acres	% of world
Germany	46,855	35.7%
USA	42,684	32.6%
Czechia	11,900	9.1%

Reduction of 29 acres
(0.6%) vs. 2024

Source: Hopsteiner Guidelines

Global Hop Acreage – Crop 2025

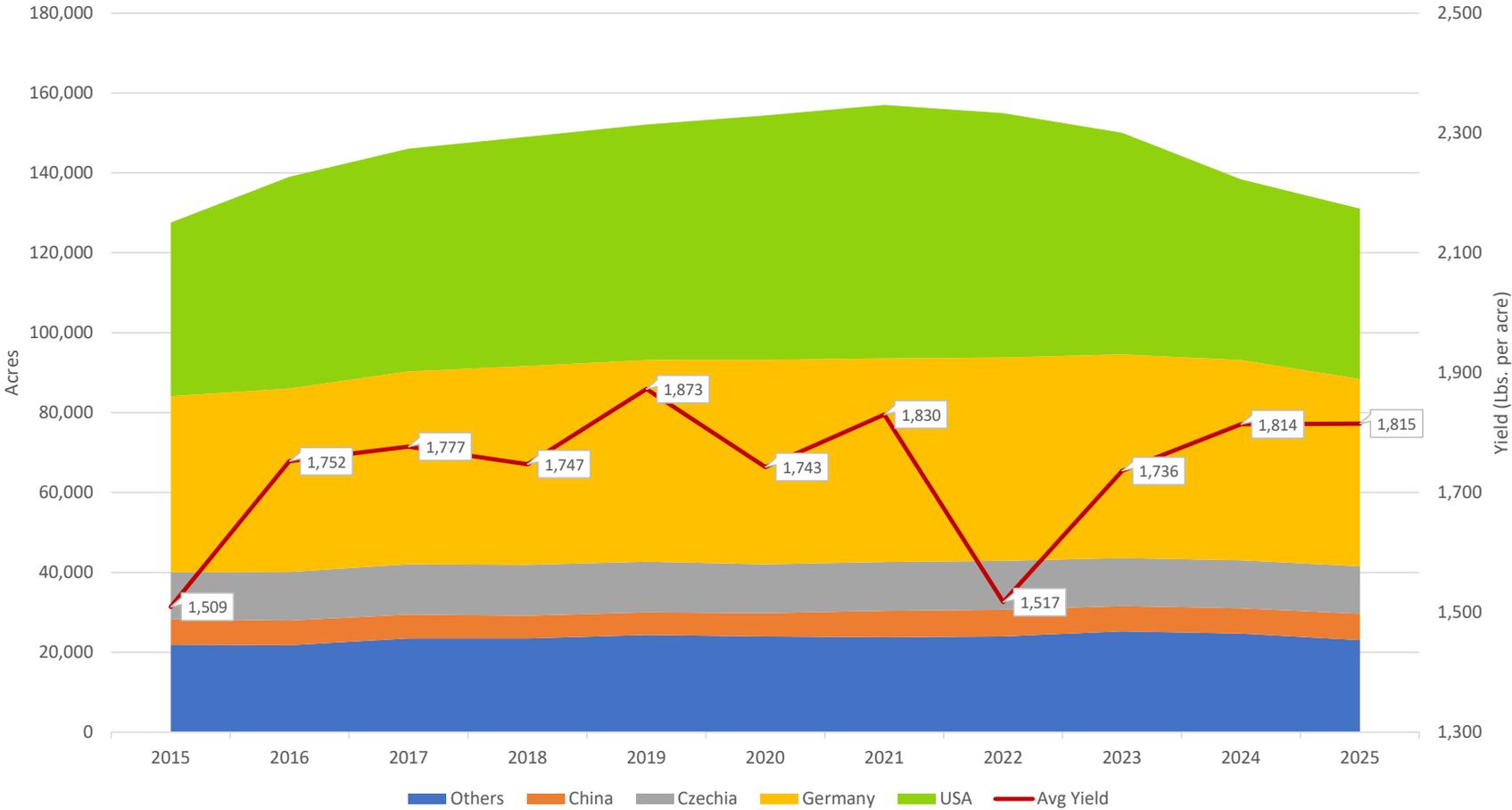


Country	Acres	% of world
Germany	46,855	35.7%
USA	42,684	32.6%
Czechia	11,900	9.1%
China	6,607	5.0%

Increase of 306 acres
(4.9%) vs. 2024

Source: Hopsteiner Guidelines

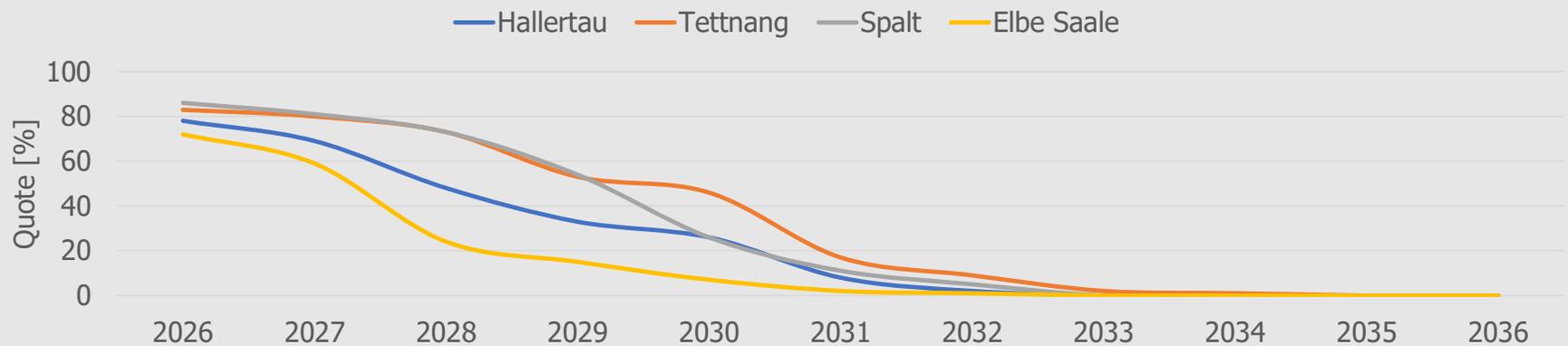
Global Acreage and Yield Development



Source: Hopsteiner Guidelines + Estimate 2025

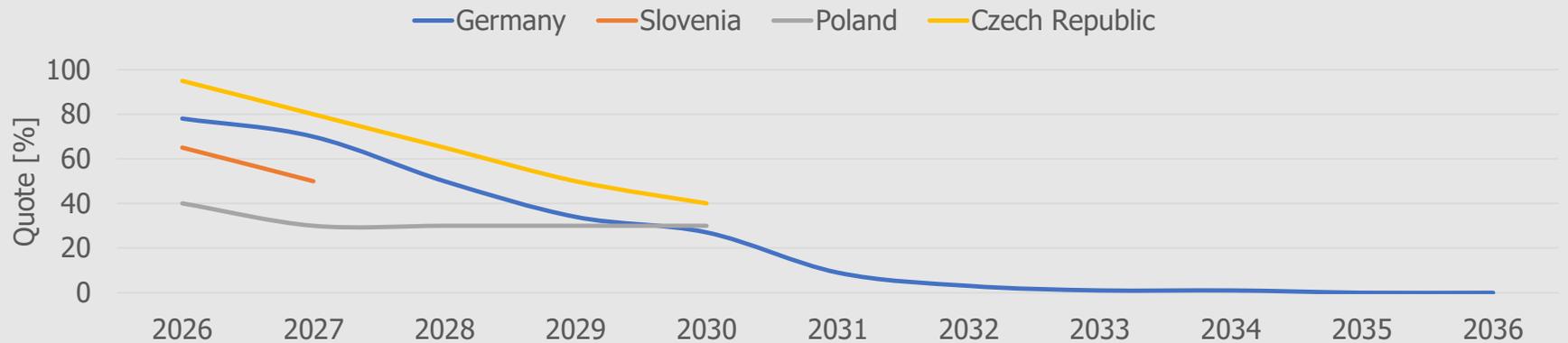
Contract Situation - Germany

Quote in %	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Aroma	81	72	57	43	34	9	2	0	0	0	0
Bitter	77	68	46	30	24	8	2	0	0	0	0
Hallertau	78	69	48	33	26	8	2	0	0	0	0
Tettnang	83	80	73	53	46	17	9	2	1	0	0
Spalt	86	81	73	54	26	11	5	0	0	0	0
Elbe Saale	72	59	24	15	7	2	1	0	0	0	0
Germany total	78	70	50	34	27	9	3	0,6	0,5	0,3	0,1



Contract Situation - Europe

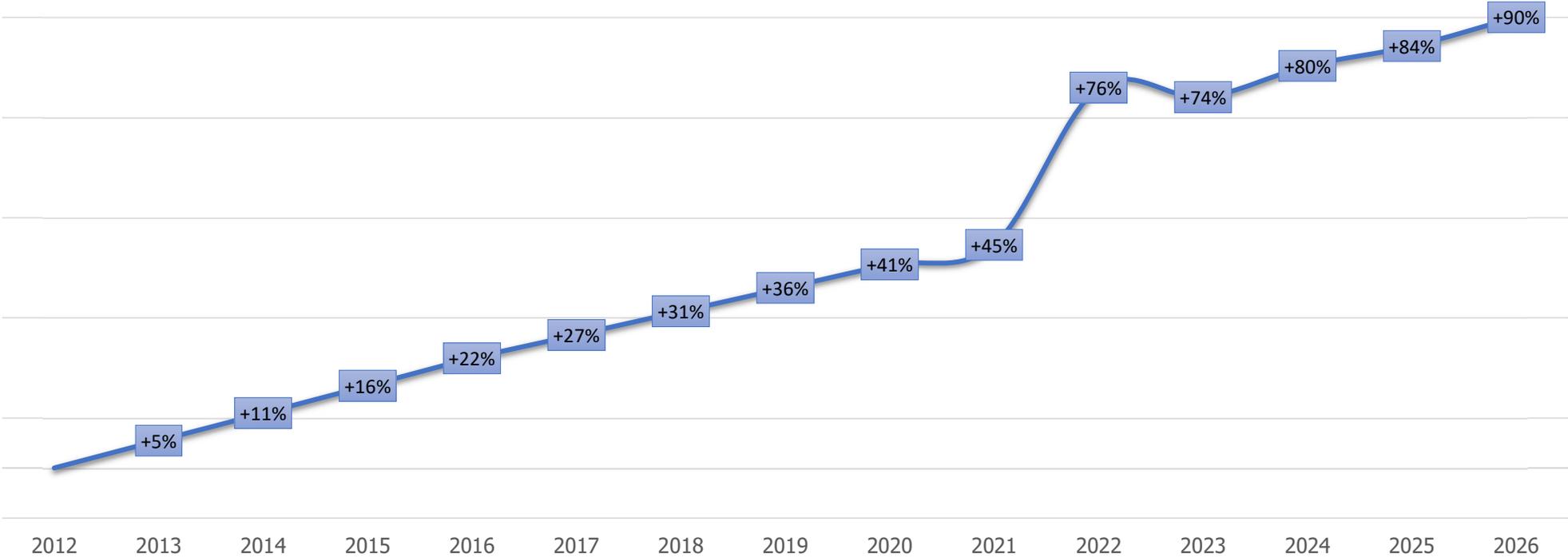
Quote in %	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Germany	78	70	50	34	27	9	3	0,6	0,5	0,3	0,1
Slovenia	65	50									
Poland	40	30	30	30	30						
Czech Republic	95	80	65	50	40						



Inflation – German Hop Growing

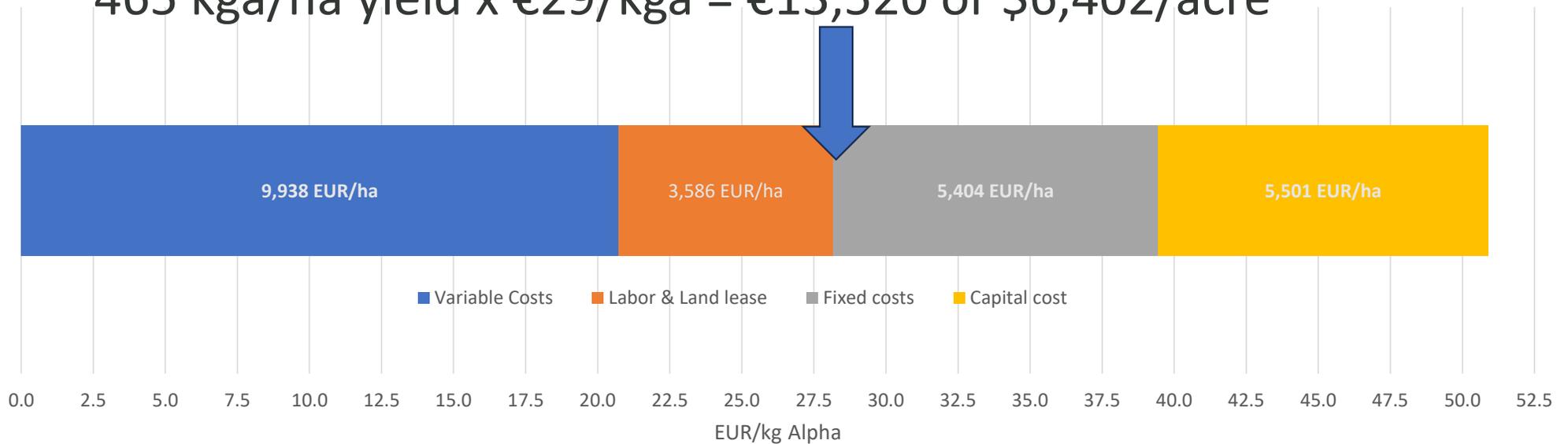
2012-2026 (2026 Forecast)

% compared to 2012



Herkules – cost vs. revenue

465 kga/ha yield x €29/kga = €13,520 or \$6,402/acre

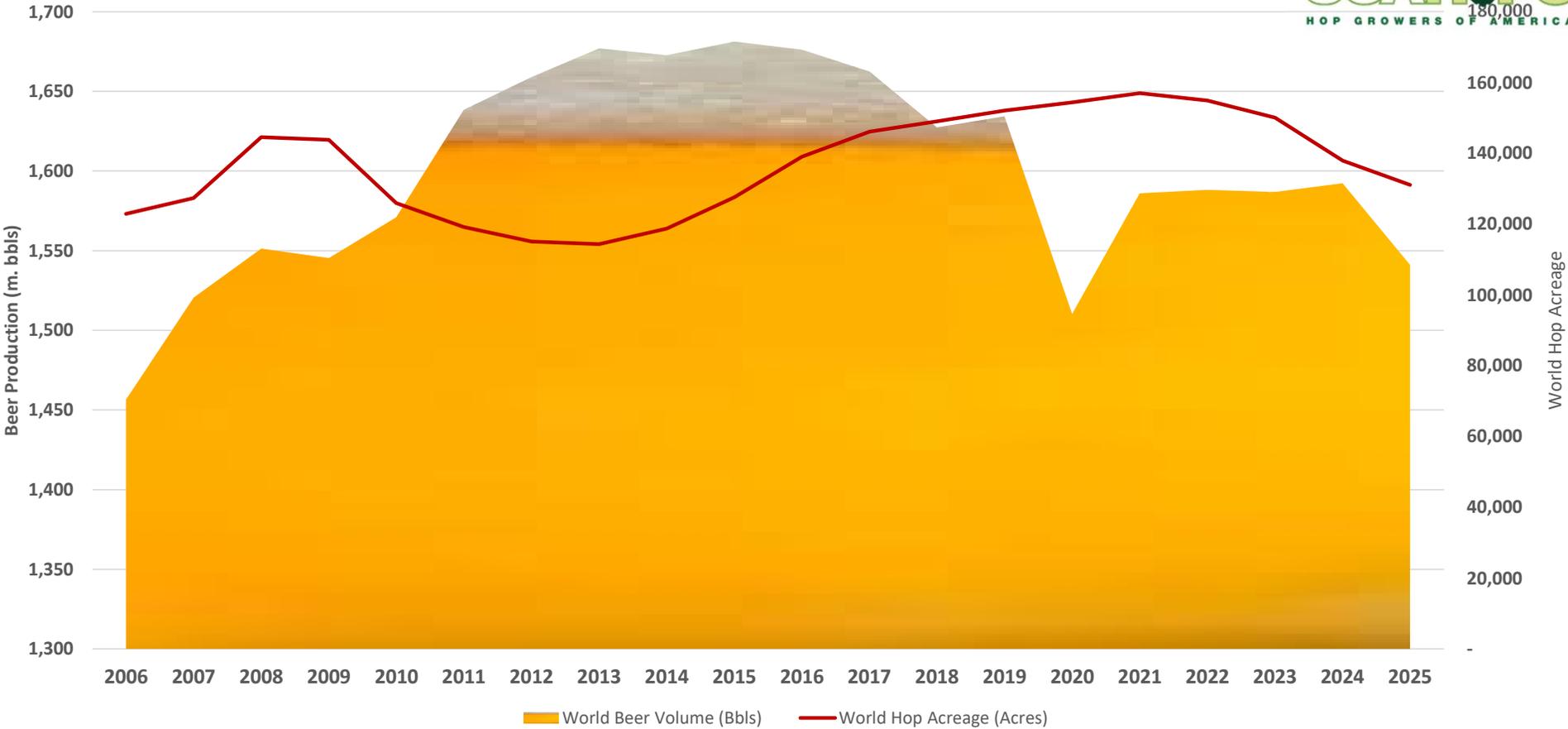


Note:

- 7,8 % VAT and 215 EUR/ha subsidies not included
- Capital cost: Initial investment, holding cost, WACC impact

Global Hop Market – Beer & Hops

World Beer Volume (Millions of Barrels) and Hop Acreage (Acres)



Source: Hopsteiner Guidelines + Estimate 2025

Global Hop Market – Detailed Hop Supply and Demand



Production Year	World Acreage (Acres, prior year)	World Hop Crop (1,000's Lbs.)		World Beer Prod. (Mio. Barrels)		Alpha Dosage (gr. alpha/Bbl)	Alpha Demand (1,000's Lbs Alpha)		Alpha Prod. (1,000's Lbs. Alpha)	Alpha Balance (1,000's Lbs. Alpha)
2023	154,909	235,011	Mainstream	1,544.5	97.31%	4.2	14,358.2	74.63%	21,390	2,150
			US Craft	23.4	1.48%	61.9	3,195.5	16.61%		
			Other Craft	19.2	1.21%	39.8	1,686.5	8.77%		
			Total:	1,587.2		5.5	19,240.3			
2024	150,059	260,443	Mainstream	1,546.8	97.35%	4.2	14,273.9	74.19%	23,859	4,966
			US Craft	22.4	1.41%	59.7	2,945.8	15.31%		
			Other Craft	19.7	1.24%	38.6	1,673.3	8.70%		
			Total:	1,588.9		5.4	18,893.1			
2025*	137,939	250,180	Mainstream	1,500.4	97.36%	4.1	13,580.0	70.58%	23,420	5,533
			US Craft	20.2	1.31%	58.3	2,588.8	13.46%		
			Other Craft	20.5	1.33%	38.0	1,719.0	8.93%		
			Total:	1,541.0		5.3	17,887.9			
2026*	131,077	237,967	Mainstream	1,455.4	97.36%	4.1	13,212.0	68.67%	24,261	6,912
			US Craft	19.5	1.31%	57.9	2,496.1	12.97%		
			Other Craft	19.9	1.33%	37.4	1,641.8	8.53%		
			Total:	1,494.8		5.3	17,349.9			

*Estimates; 2026 beer assumes 3% volume decrease

Agenda

- Global Beer & Hop Markets
- Beer and Hop Industry Trends
- US Beer & Hop Markets
- Q&A

Our Collective Challenges

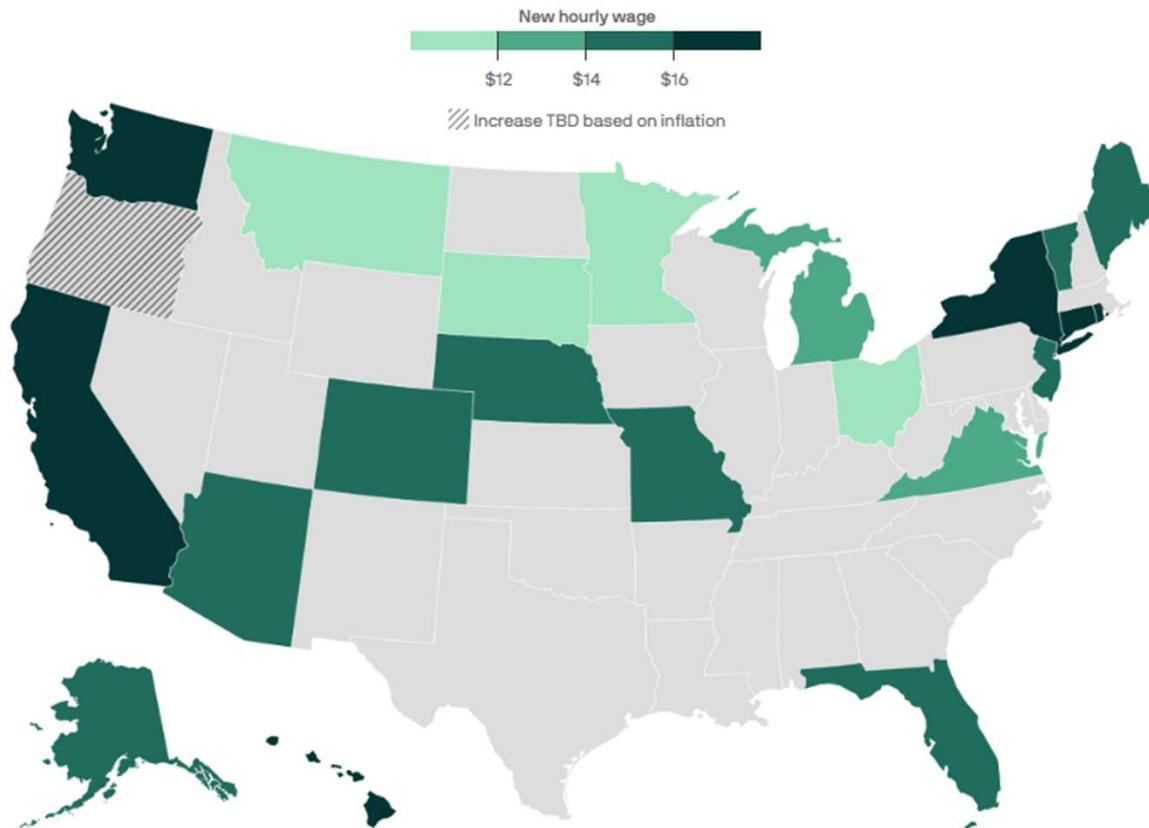
We are in this together



- **Costs**
- **Supply**
- **Demand**
- **Whole picture**

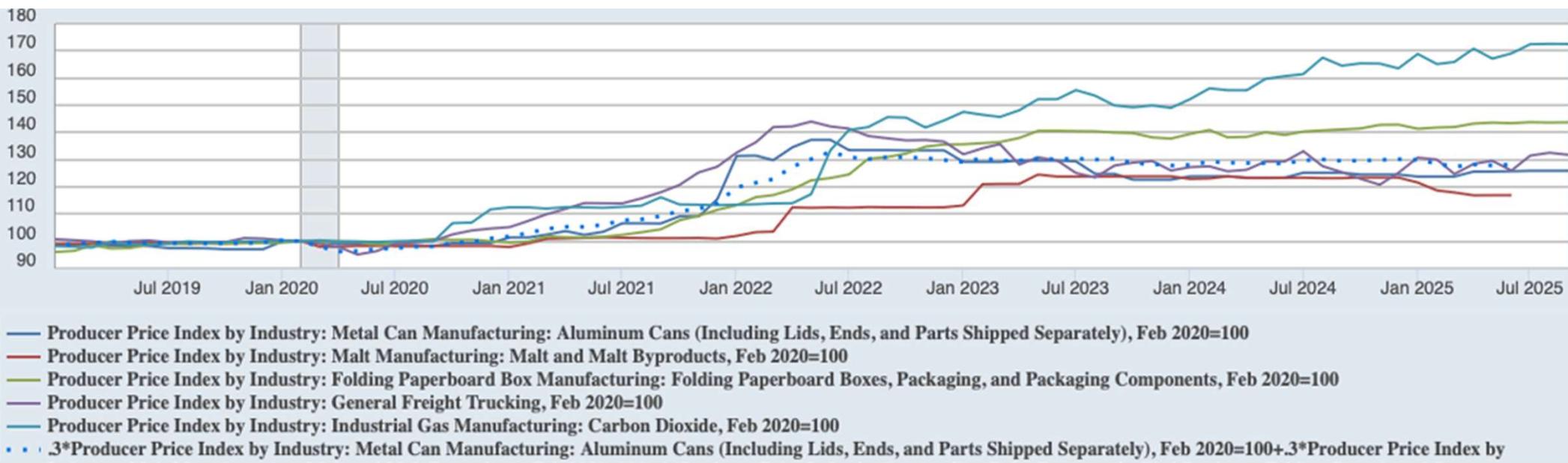
Collective Costs are increasing.

States raising minimum wage in 2026



Data: [National Employment Law Project](#); Map: Kavya Beheraj/Axios

Brewer's Costs are increasing.

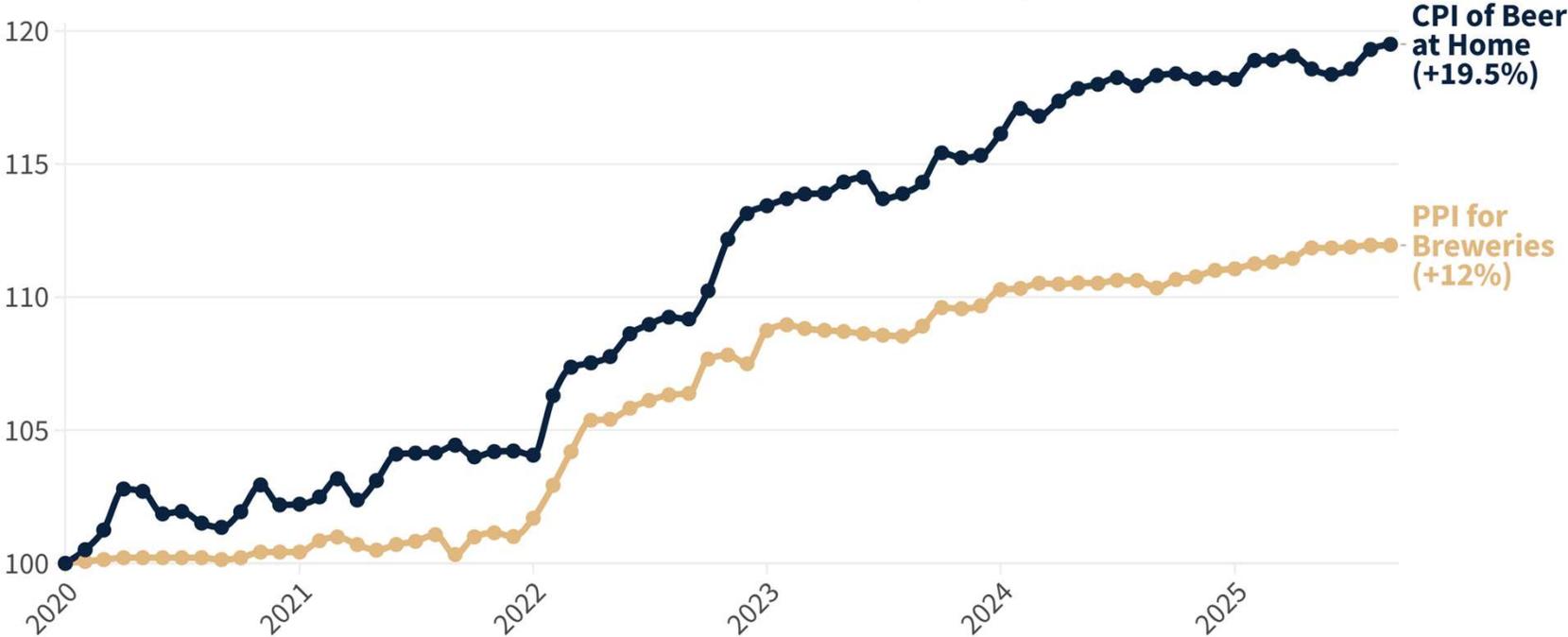


Source: US Department of Labor and Statistics: FRED



Brewers' Costs Up, Beer Prices Also Up

Producer Price for Breweries & Consumer Price of Beer at Home (January 2020 = 100)



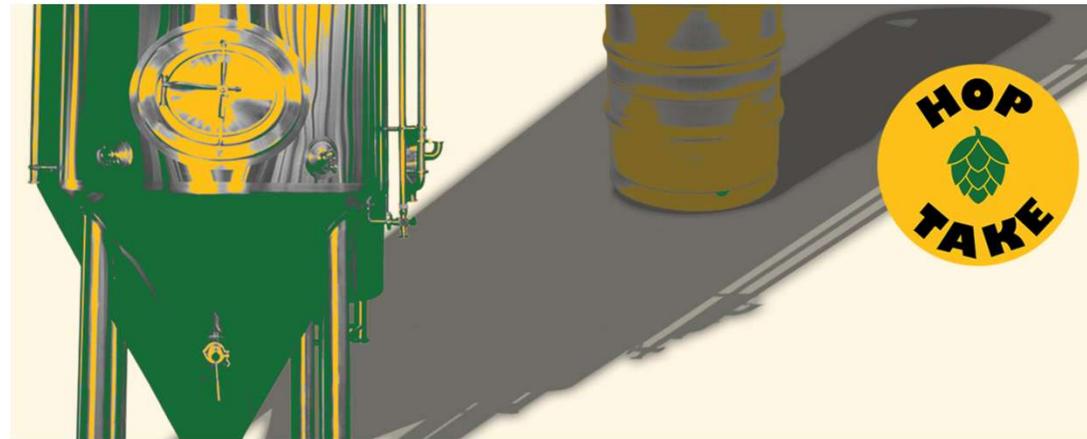
Source: "Navigating Headwinds in an Evolving Brewing Industry" by Andrew Heritage, Chief Economist, Beer Institute, Jan. 2026. Original data from Bureau of Labor Statistics, Wholesale Trade;



Excess Capacity

- **BA's 2018 survey – 61% Capacity**
- **BA's 2024 survey – 55% Capacity**
- **Overall beverage manufacturing
70-79% Capacity**

- **Consolidation**



HOP TAKE
**America Can Brew Way More Beer Than We Drink. It's
Causing Problems.**

WORDS:
DAVE INFANTE

PUBLISHED:
AUGUST 29, 2025

ILLUSTRATION:
MARCELLO BEVILACQUA

Source: <https://vinepair.com/articles/hop-take-america-brewing-more-than-drinking/>

USA HOPS
HOP GROWERS OF AMERICA

Our Collective Challenges

We are in this together

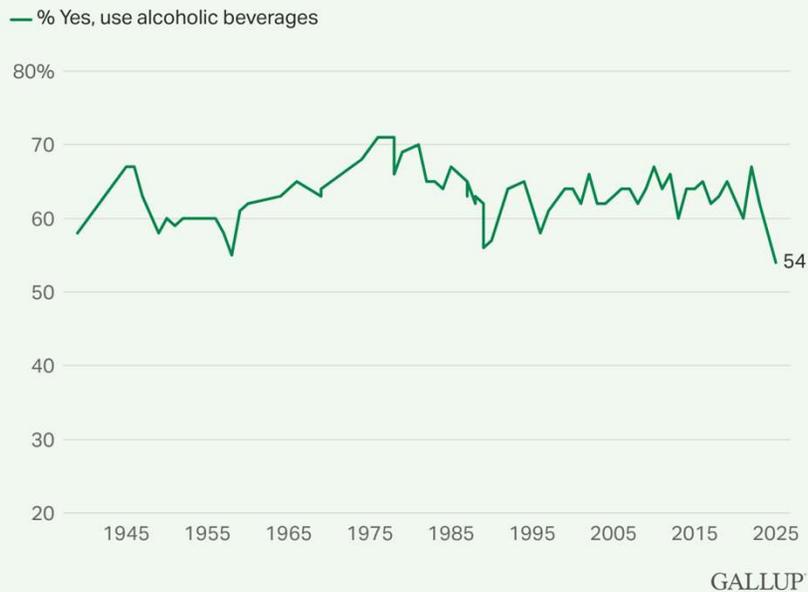


- Costs
- Supply
- **Demand**
- Whole picture

Consumers Drinking Less Alcohol

Americans' Use of Alcoholic Beverages, 1939-2025

Do you have occasion to use alcoholic beverages such as liquor, wine or beer, or are you a total abstainer?



Recent Trend in Percentage of U.S. Adults Who Report They Drink Alcohol, by Subgroup

	2023	2024	2025	Since 2023
	%	%	%	(pct. pts.)
U.S. adults	62	58	54	-8
Gender				
Men	62	61	57	-5
Women	62	56	51	-11
Race/Ethnicity				
White adults	67	64	56	-11
People of color	54	48	52	-2
Age				
18 to 34	59	50	50	-9
35 to 54	66	70	56	-10
55 and older	61	54	56	-5
Annual household income				
Less than \$40,000	53	43	39	-14
\$40,000 to \$99,999	58	61	54	-4
\$100,000 or more	79	71	66	-13
Party ID				
Republicans	65	57	46	-19
Independents	61	58	55	-6
Democrats	64	61	61	-3

July 7-21, 2025

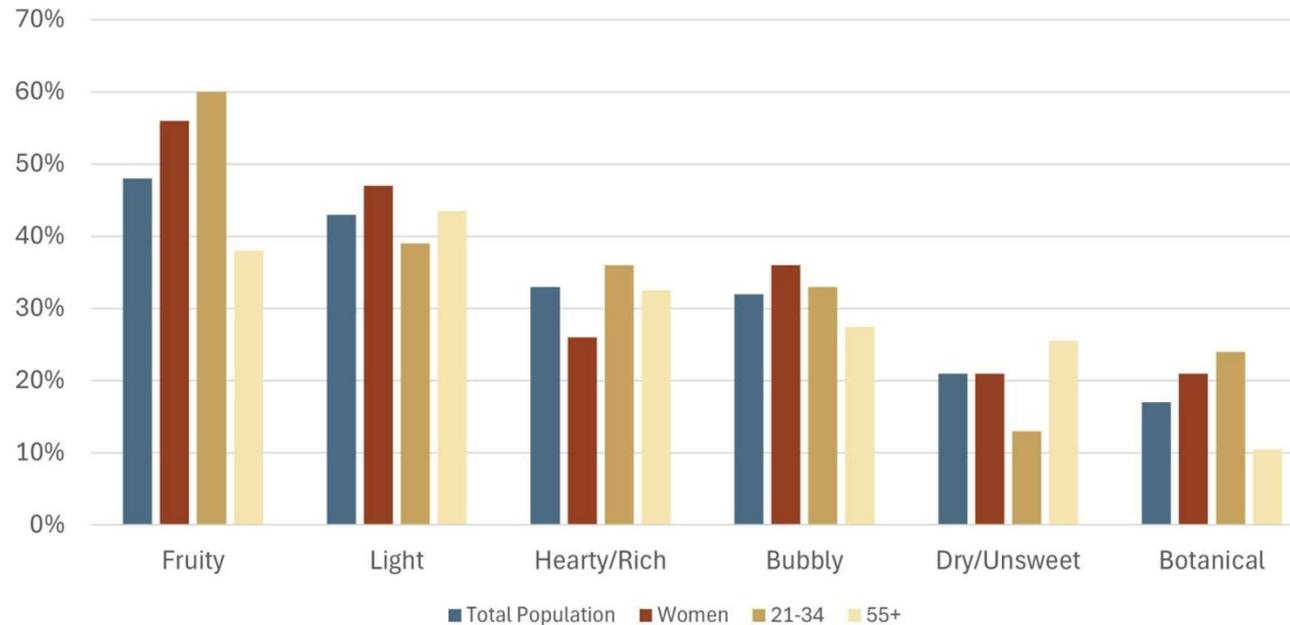
GALLUP

Source: "U.S. Drinking Rate at New Low as Alcohol Concerns Surge" by Lydia Saad, Gallup, Aug. 13, 2025.
<https://news.gallup.com/poll/693362/drinking-rate-new-low-alcohol-concerns-surge.aspx>



Consumer Taste Changing

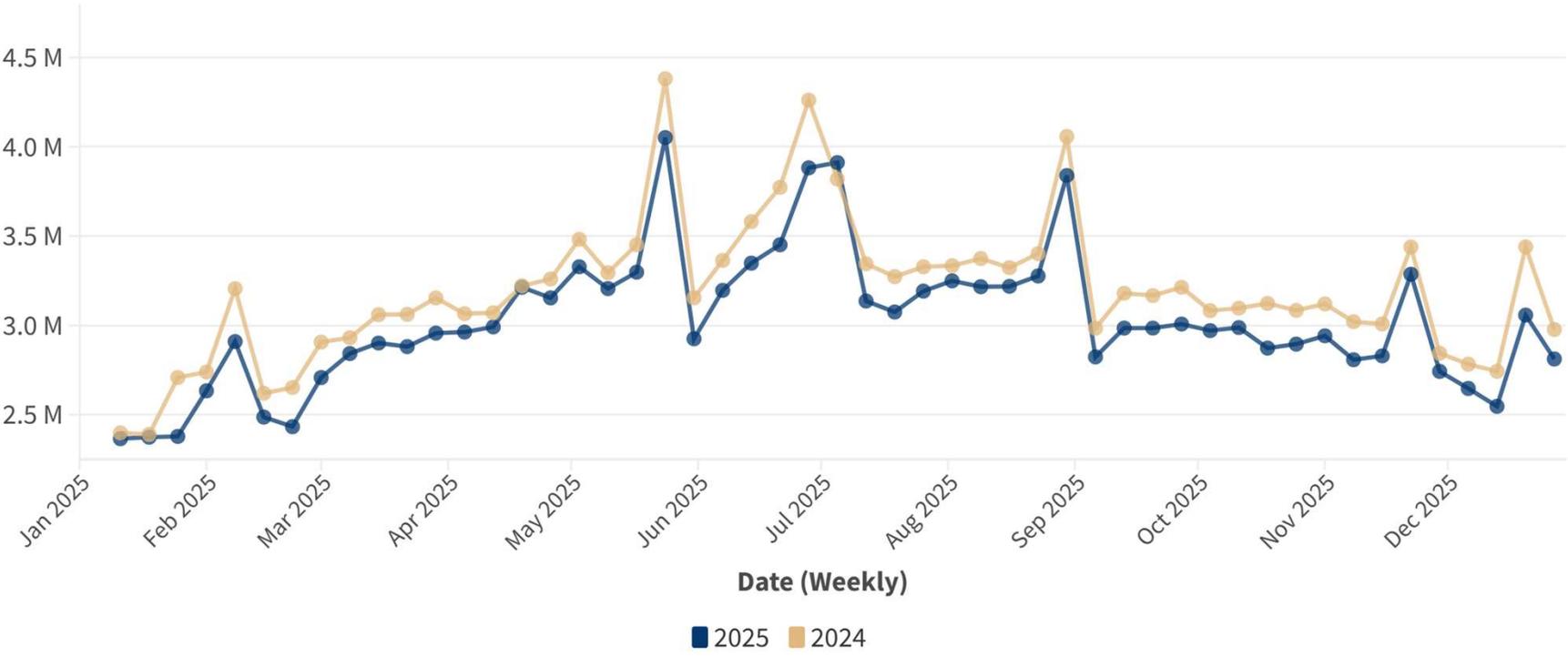
Beverage Alcohol Flavor Preferences by Select Groups
Harris Poll (2025)



Source: "Inside Voices: 2025 Consumer Survey" by Matt Gacioch, Staff Economist, Brewers Association, July 14, 2025.
<https://www.brewersassociation.org/insights/inside-voices-2025-consumer-survey/>

Beer Demand is Declining

Beer Depletions - Weekly Year-over-Year Sales

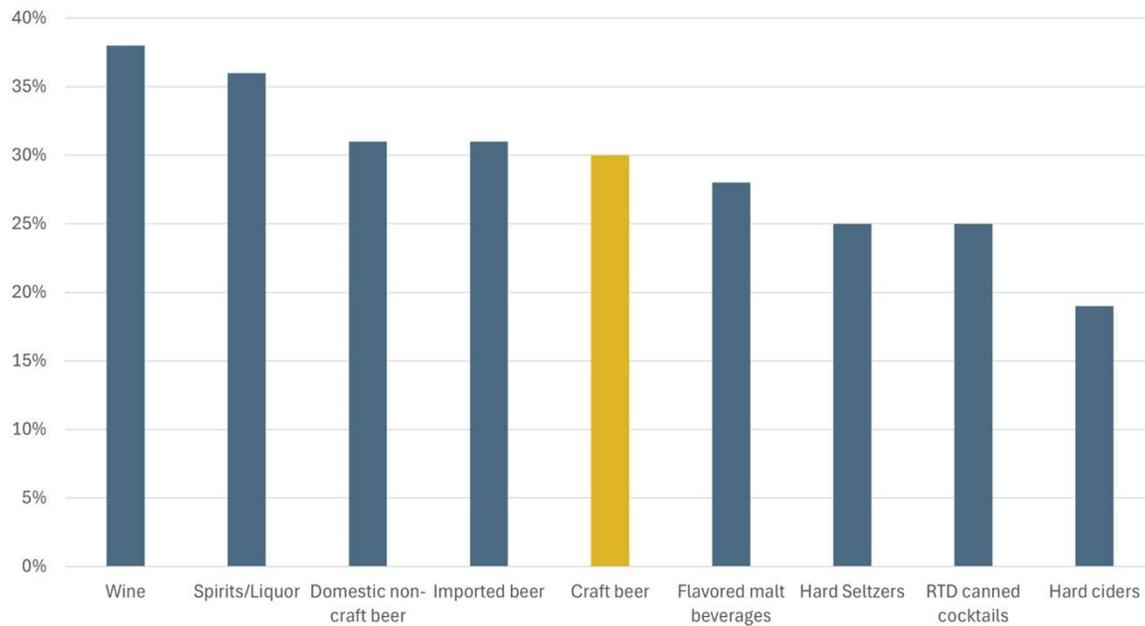


Source: "Navigating Headwinds in an Evolving Brewing Industry" by Andrew Heritage, Chief Economist, Beer Institute, Jan. 2026.

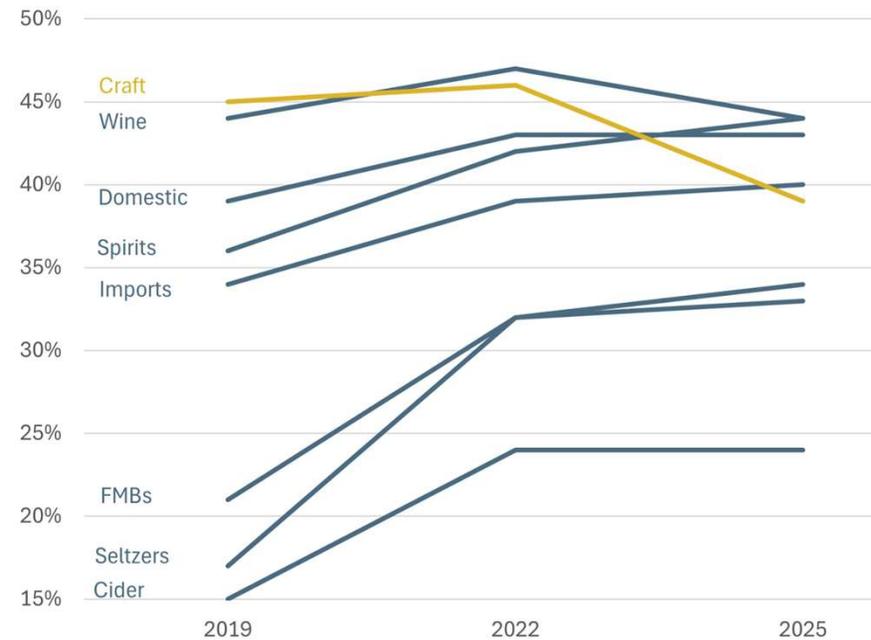


Consumer Tastes Changing

Share of LDA Adults Drinking Bev Alc Categories Several Times a Month or More Often
Harris Poll (2025)



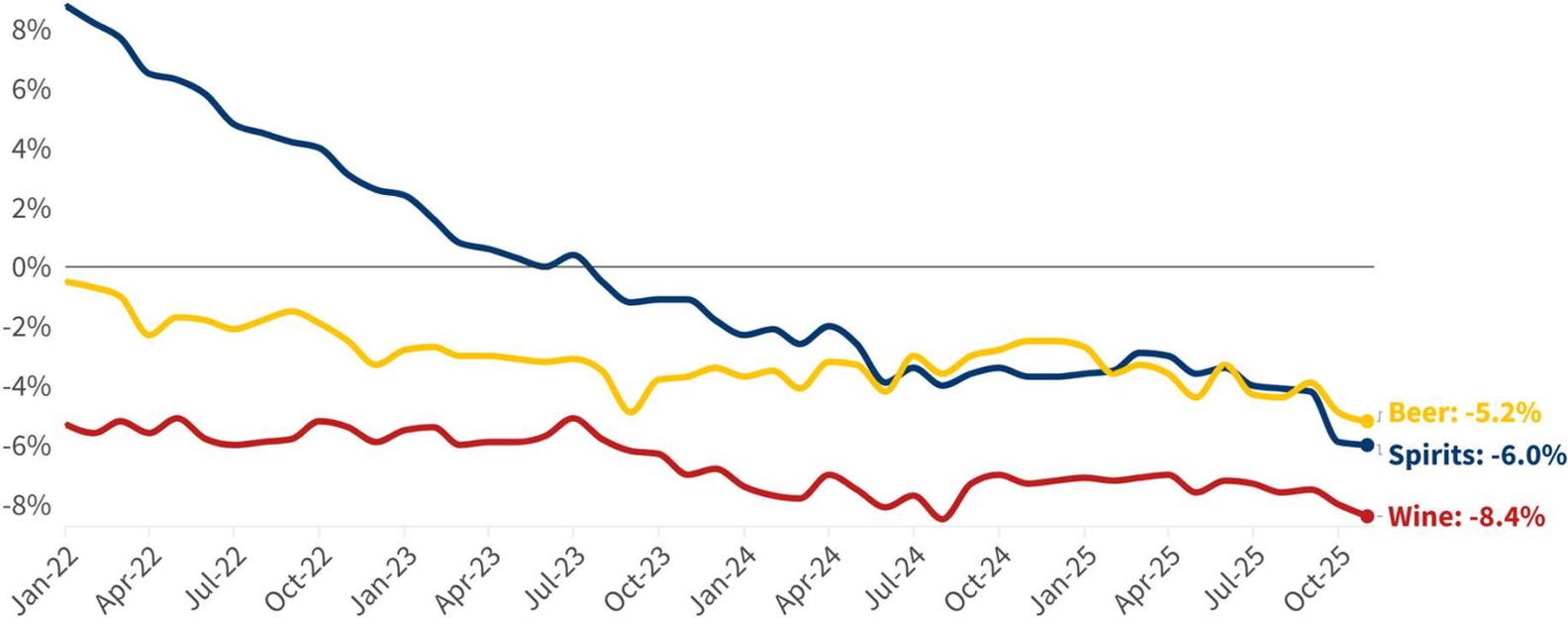
Share of Craft Drinkers Consuming Categories Weekly
Harris Poll (2019-2025)



Source: "Inside Voices: 2025 Consumer Survey" by Matt Gacloch, Staff Economist, Brewers Association, July 14, 2025.
<https://www.brewersassociation.org/insights/inside-voices-2025-consumer-survey/>

Beer Performing Slightly Better than Other Alcohol Bev

Depletions (% Change in Volume, Last 12 Months)



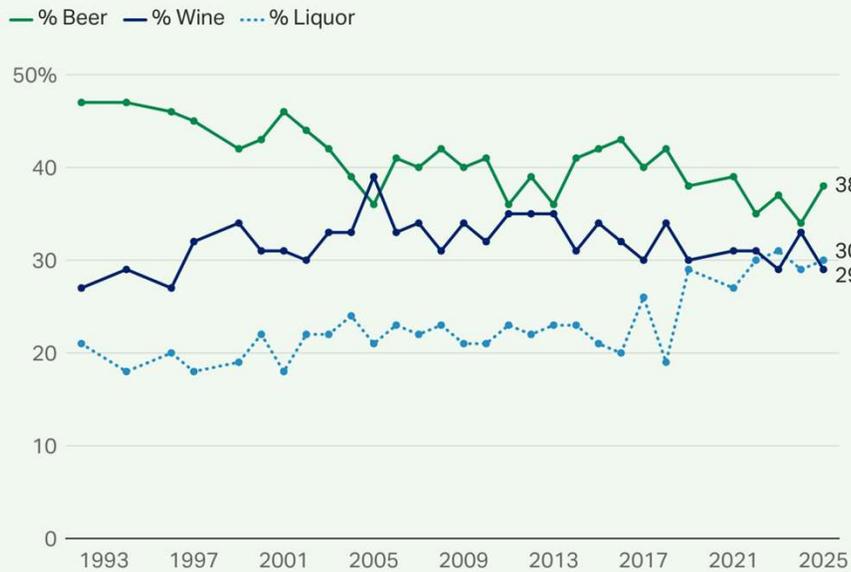
Source: "Navigating Headwinds in an Evolving Brewing Industry" by Andrew Heritage, Chief Economist, Beer Institute, Jan. 2026. Original data from Beer Institute & SipSource (Last 12 Months Through November 2025)



Beer: the Drink of Choice

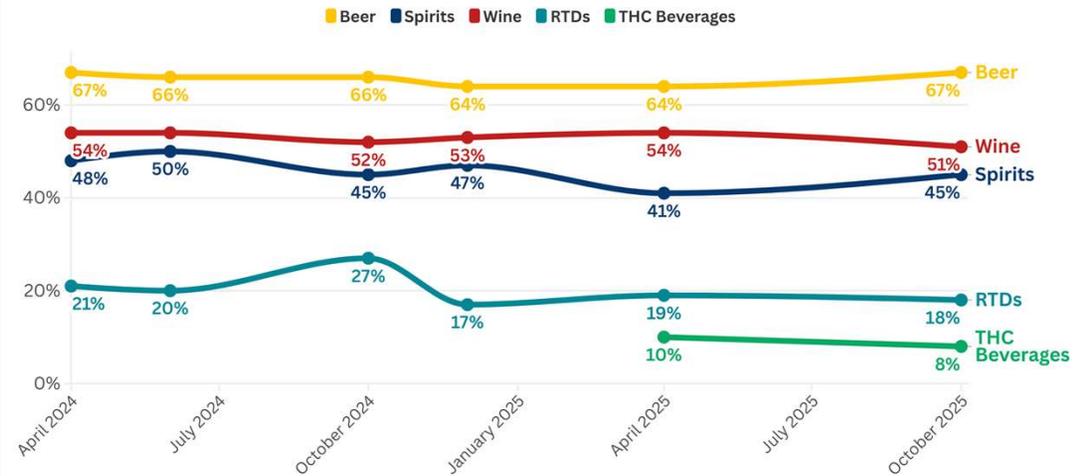
U.S. Drinkers' Preferred Alcoholic Beverage, 1992-2025

Do you most often drink liquor, wine or beer?



Based on U.S. adults who say they drink alcoholic beverages

GALLUP



Source: "Navigating Headwinds in an Evolving Brewing Industry" by Andrew Heritage, Chief Economist, Beer Institute, Jan. 2026. Original data from Morning Consult (April 2024 - October 2025) Which of the following, if any, have you consumed in the past three months?

Source: "U.S. Drinking Rate at New Low as Alcohol Concerns Surge" by Lydia Saad, Gallup, Aug. 13, 2025. <https://news.gallup.com/poll/693362/drinking-rate-new-low-alcohol-concerns-surge.aspx>



How do we influence all of this change?



[Become a Beer Advocate](#)

It's me, Beer.

When it comes to helping with moderate consumption, I've been the sensible choice since way back.



Our Industry's Market Situation

- Higher Input Costs

- Higher Wages

- Excess capacity

- Lower Demand

- Changes in consumer preferences

- Higher Input Costs

- Higher Wages

- Excess capacity

- Lower Demand

- Changes in consumer preferences

We are in this together.

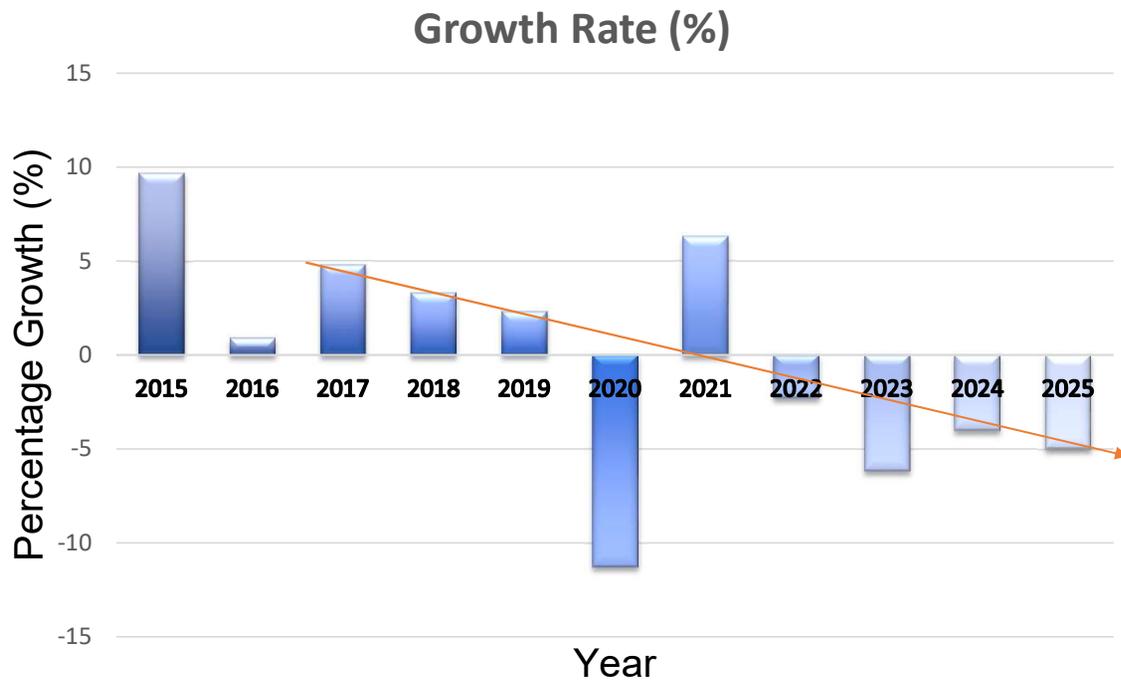


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Annual Change in US Craft Beer Growth Rates



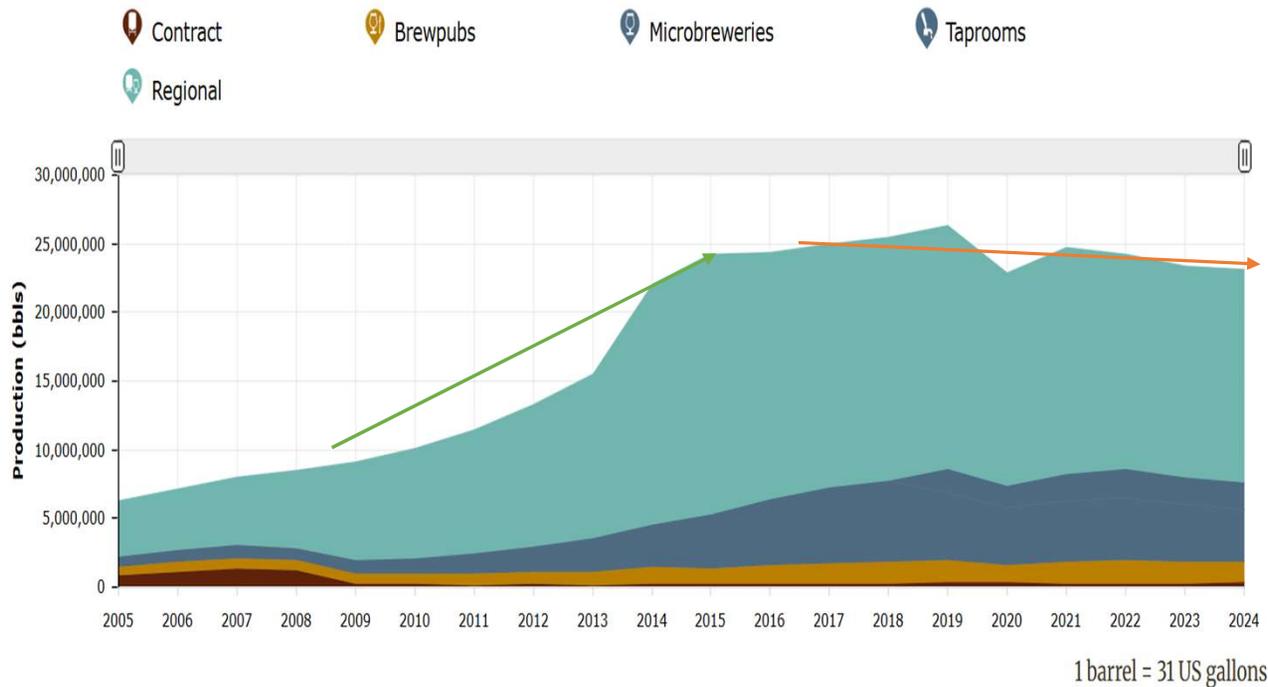
*Note: U.S. Craft. Does not include international craft or "Macro-Craft"

- 2024 estimated decline of 5% was revised to 4%.
- 2025 estimate is for another 5% decline.
- Possible question for discussion: How long do we expect this to continue?

(BA Reports 2024/BA Year in Beer 2025)

HISTORICAL CRAFT BREWERY PRODUCTION BY CATEGORY

Historic



*Note: Does not include "macro-craft"

- Annual barrels produced by U.S. Craft Breweries. (Regional craft, Taprooms, Brewpubs, Microbreweries, and contract breweries).

- Takeaway from this slide?

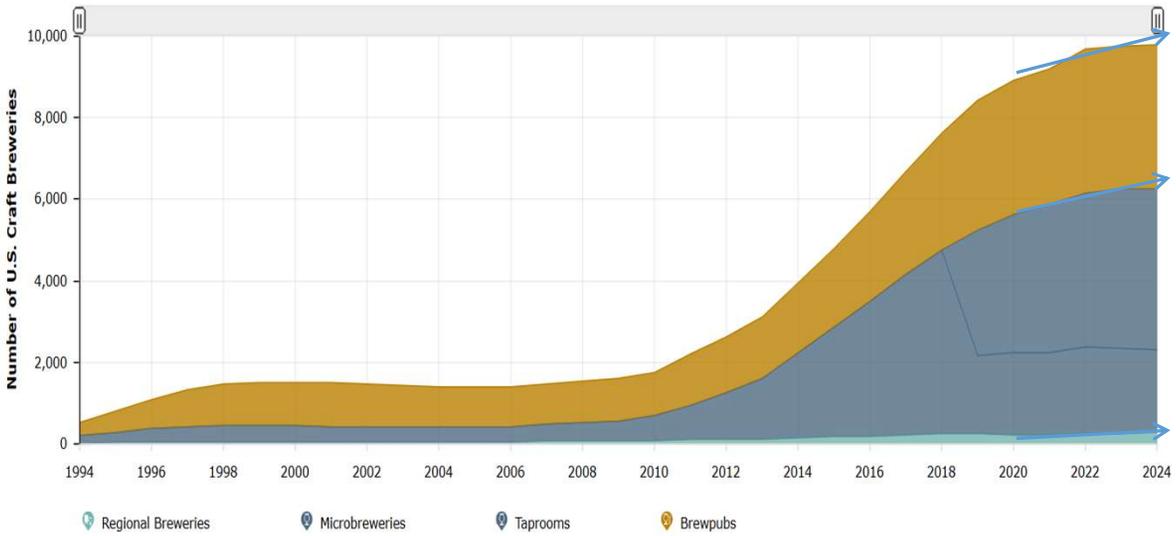
Previous 15 years have seen a dramatic increase followed by modest correction.

(Brewersassociation.org)



NUMBER OF US CRAFT BREWERIES

U.S. Craft Brewery Count by Category



Despite the high-profile closings we've all heard about recently, the number of regionals, taprooms, and brewpubs modestly increased between 2020 and 2024.

2020: 220 Regionals
2024: 279 Regionals

2020: 3,389 Taprooms
2024: 3,936 Taprooms

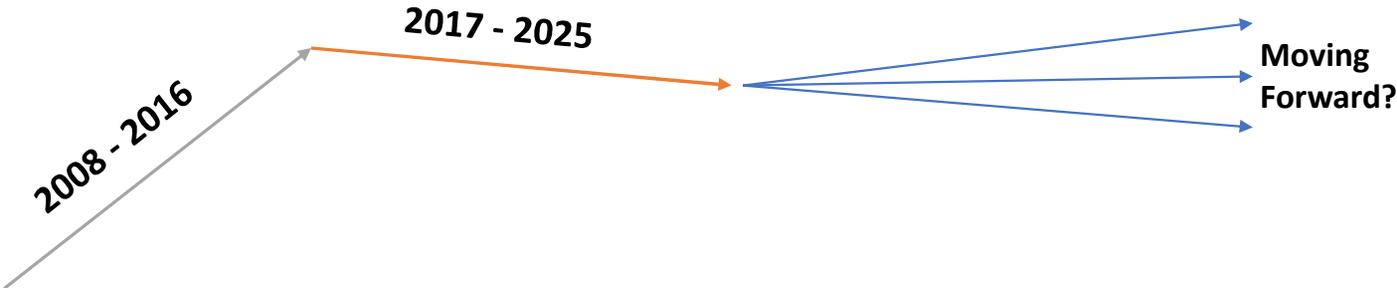
2020: 3,309 Brewpubs
2024: 3,552 Brewpubs

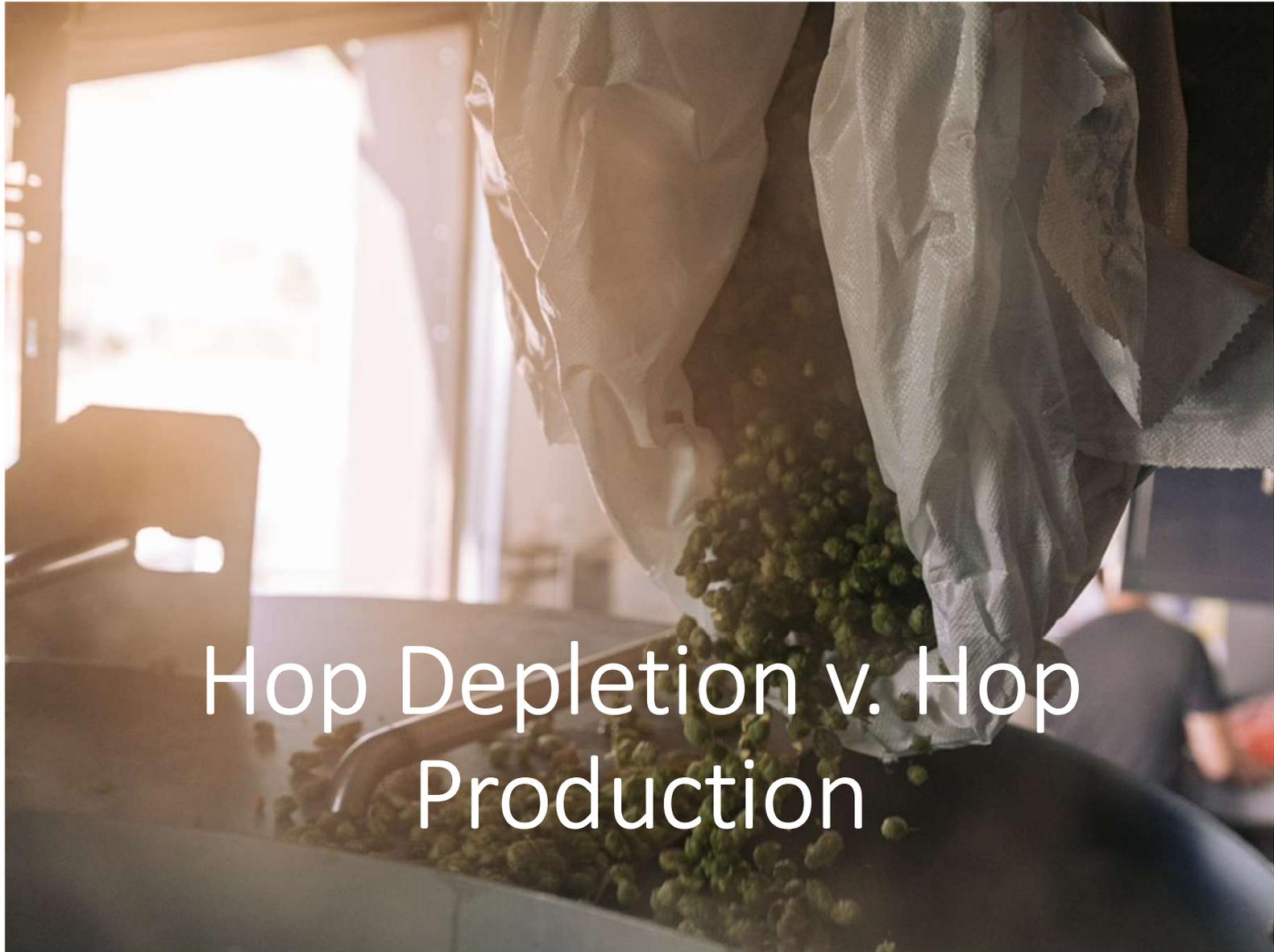
(Brewersassociation.org)





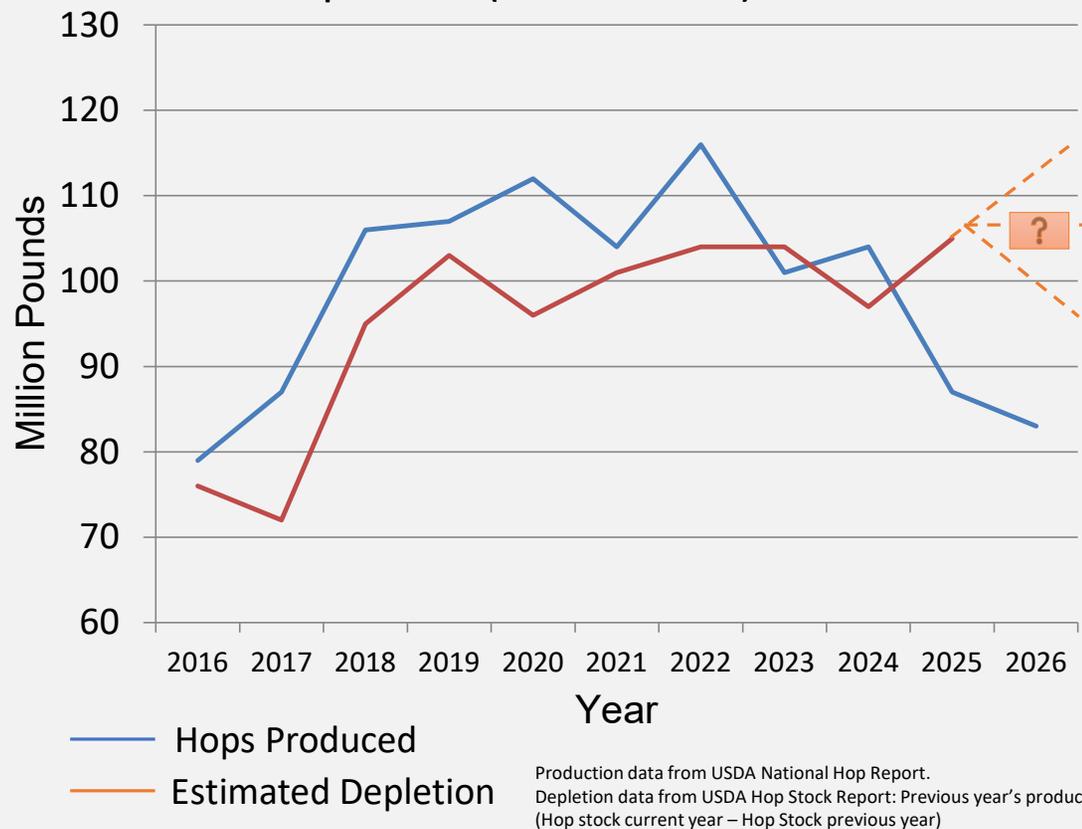
U.S. craft in 5 colorful lines...





Hop Depletion v. Hop Production

U.S. Hop Production vs Estimated Depletion (2016–2026)



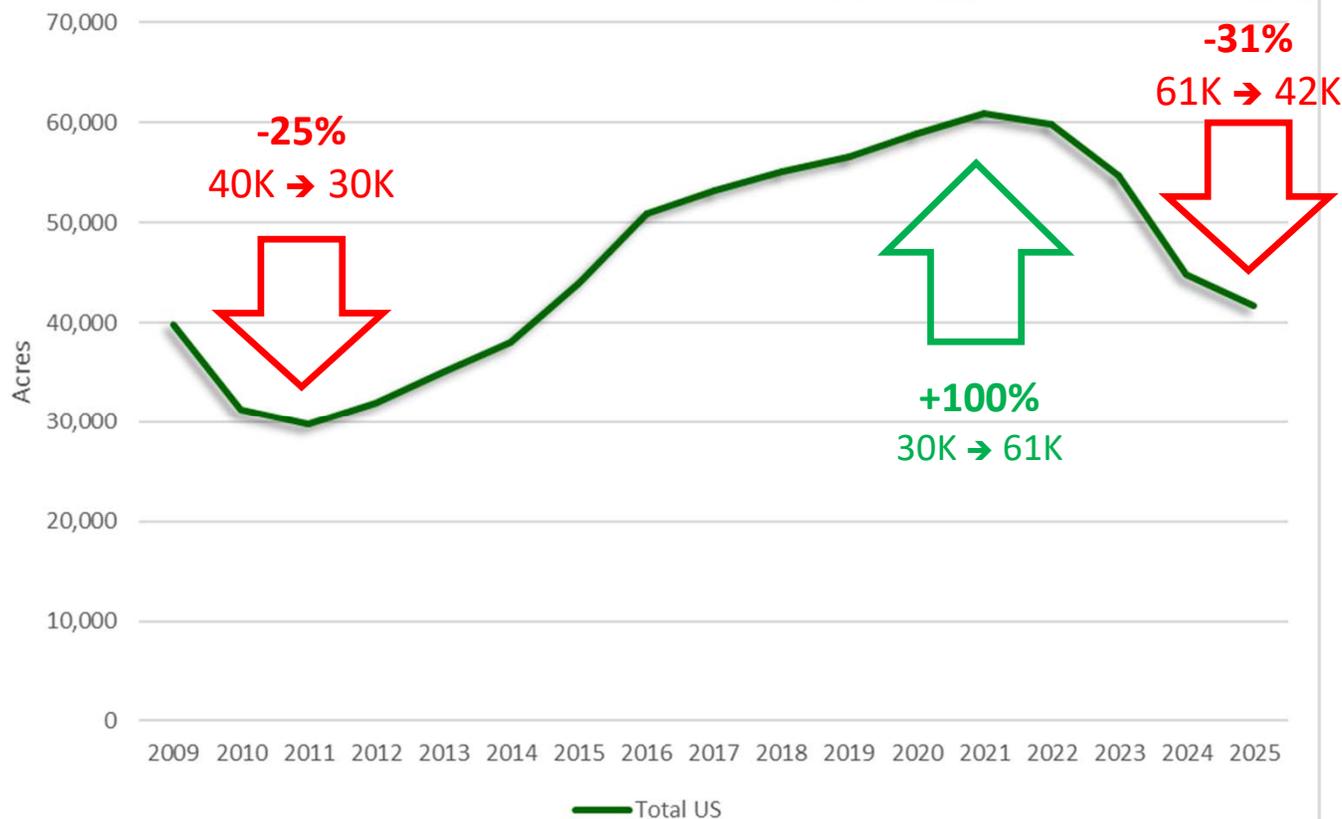
*One quick caveat: Depletion is an estimate of shipments and disposal.

- Supply far outpaced demand 8 years out of 9 leading up to our crop 2024 correction.

- Good news: we depleted more hops in calendar year 2025 than we produced (crop 2024).

- Possible topic for discussion: How can we make more timely supply-side corrections?

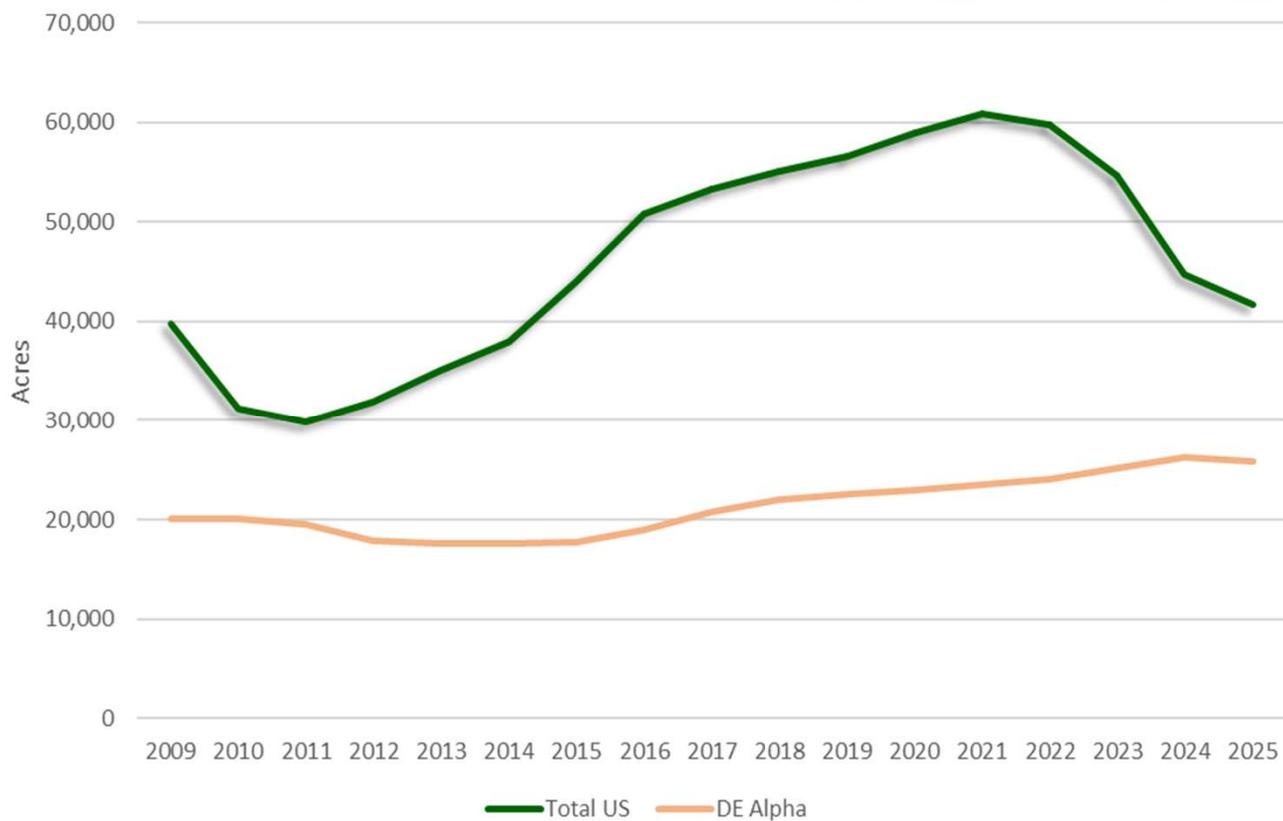
Acres Development - US



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

Source: HGA Stat Pack, USDA

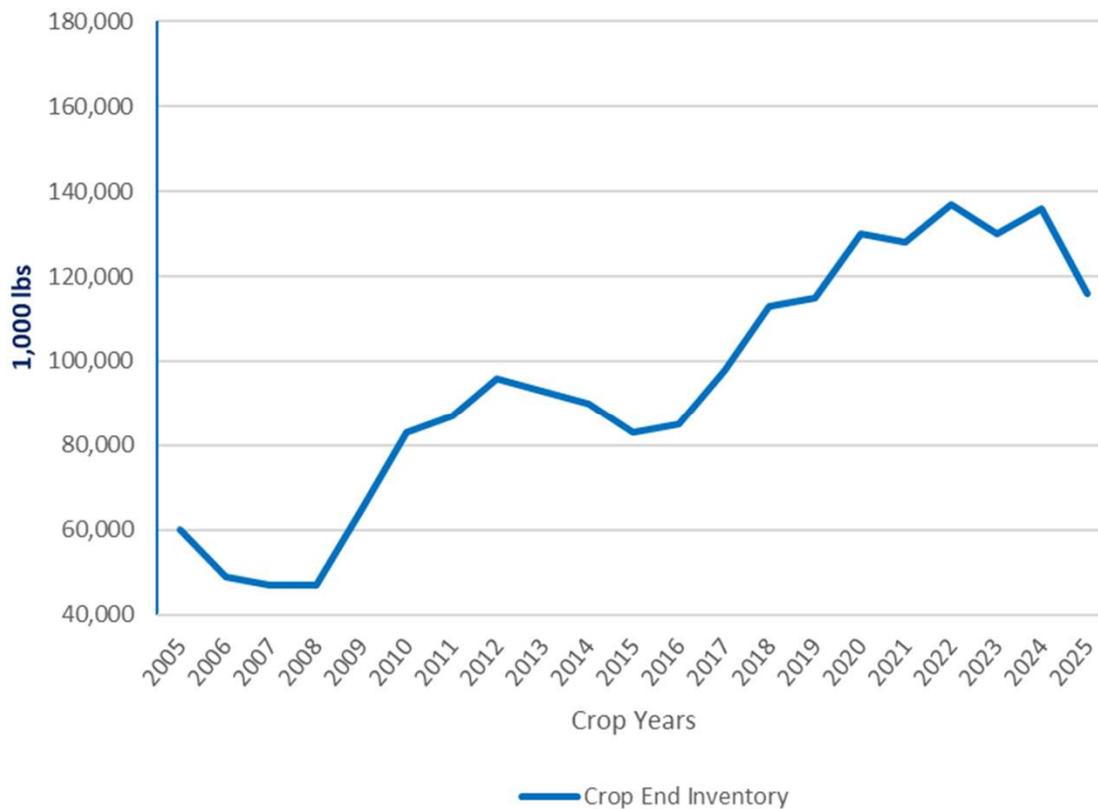
Acreage Development - US/DE



- Germany much more measured
- Total crop 2025 acreage down -7%.
- However, mostly aromas. German alpha down -2%

Source: HGA Stat Pack, USDA, BarthHaas Publications

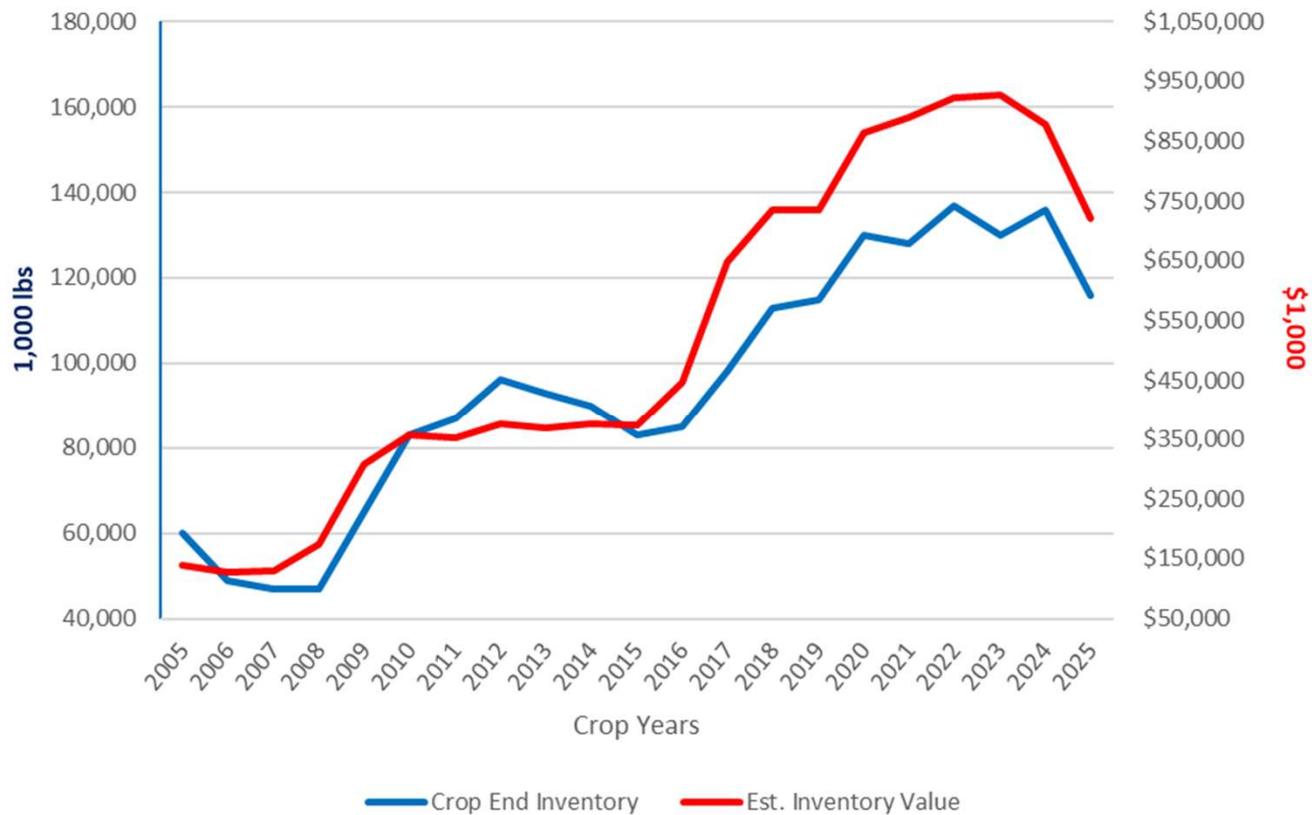
Accumulated Inventory - US



- Prior year inventory:
 - 116M lbs
 - -20M lbs (-15%)
 - 14 months of demand

Source: USDA, HGA Stat Pack

Accumulated Inventory - US (Cost)



- Prior year inventory:
 - 116M lbs
 - -20M lbs (-15%)
 - 14 months of demand
 - \$720M
- Just prior to new crop
 - \$447M Farm Gate
- ~\$1.2B in total Inventory
- ~\$75M in annual interest costs
 - \$45M Old Crop
 - \$30M New Crop

Source: USDA, HGA Stat Pack

US Acreage Development

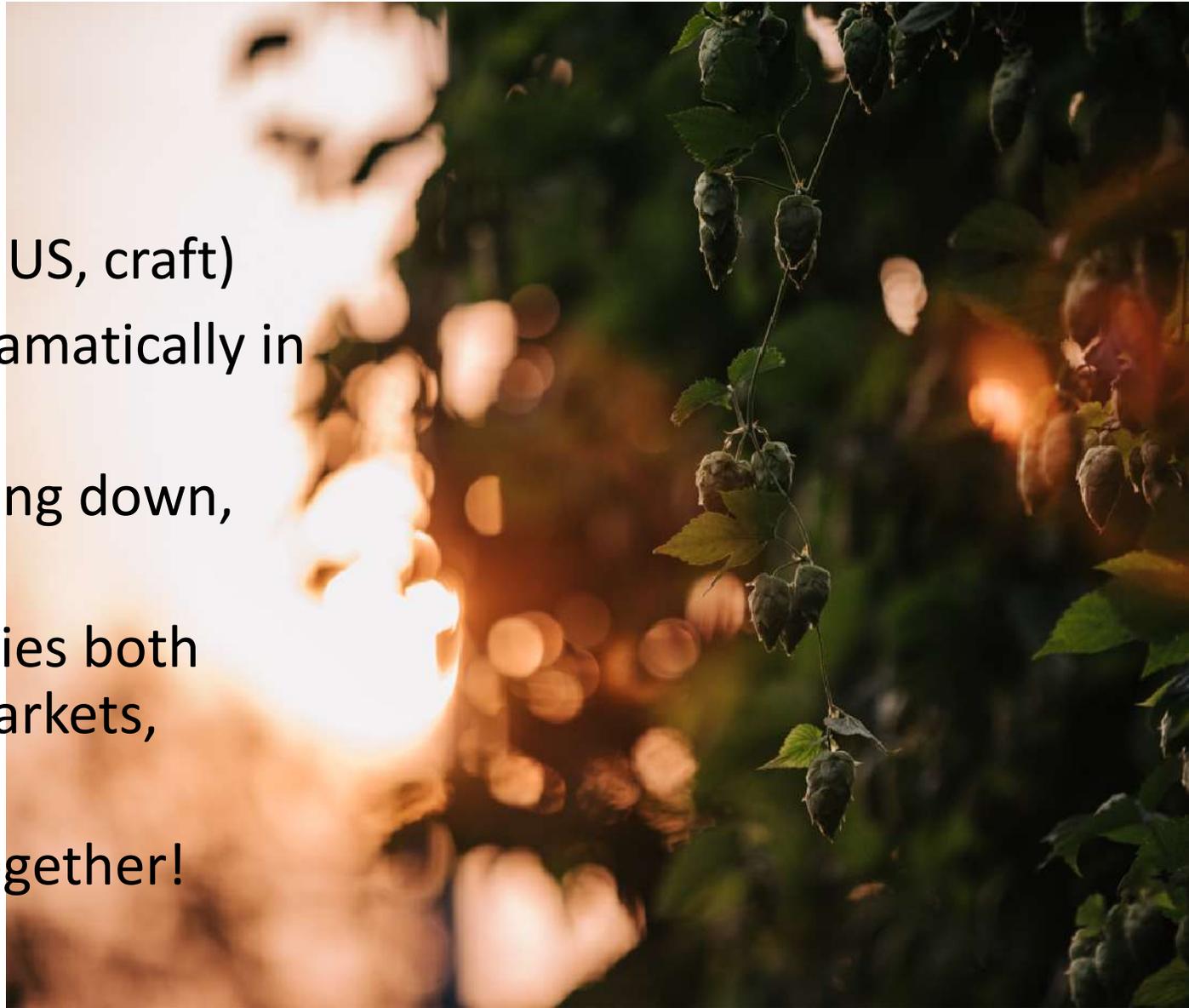


Acreage Outlook for
Crops 2026 and
2027+
???

Source: HGA Stat Pack, USDA

Summary

- Beer down (global, US, craft)
- Hop acreage cut dramatically in US, some ROW
- US hop stocks coming down, but still high
- Hop & beer industries both feeling the pain (markets, inflation, interest)
- We are all in this together!





Text Questions
Anonymously
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