



MARKET REPORT 2005

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The final numbers of crop 2004 are now available. The world hop production amounted to 92,300 mts in the past year. 36% of the total quantity were harvested in Germany, 27% in the USA and 10% in China. Approx. 8,100 mts of alpha acids were produced, which gives a calculated world average alpha of 8.8%. 38% of this alpha quantity were produced in Germany, 33% in the USA and 8% in China.

In 2004, more than 1.5 billion hl beer were brewed worldwide, i.e. beer production rose by around 4.9% from 2003 to 2004. The largest increases were shown in China and Russia. For the coming brewing year 2005 a further rise of beer output by around 2-3% can be expected. However the alpha dosage is further declining. With calculated 5.0 grams alpha per hl beer, the necessary quantity of alpha acids amounts to 7,900 – 8,000 mts.

The result from these numbers is that the alpha quantity of crop 2004 will cover the need for the brewing year 2005 with a remaining calculated surplus of approx. 100 – 200 mts of alpha acid.

This slight oversupply applies exclusively to the high alpha sector. An estimated 100 – 200 mts alpha of crop 2004 are supposed to be unsold in the hands of international dealers, partially also of hop growers. Earlier crops have been sold out almost completely. The aroma market 2004 is sold out. Neither growers nor dealers will have considerable unsold quantities of aroma hops at the beginning of the 2005 harvest.

The inventory situation at the breweries is becoming more and more intransparent due to the increasing concentration within the brewing industry. There are no statistics on numbers about the stock situation of the customers. Therefore we do not know which quantities were bought by the brewing industry not to cover the current need, but as stock purchase due to the favourable prices, in particular for high alpha hops crop 2004.

According to projections based on the numbers available, total world hop acreage has changed only insignificantly in 2005. However, there are shifts between the aroma and high alpha sector and also between the hop growing countries. Aroma acreage was removed in the Czech Republic, in Germany, especially in the Hallertau, however, the aroma surface increased by approx. 200 hectares. Altogether the world aroma hop surface has increased. The German high alpha surface was reduced by approx. 500 hectares. On the other hand the US high alpha surface has increased by more than 400 hectares. It has to be noted that these new plantings were necessary for the fulfillment of precontracts which were concluded earlier.

The contract quotas in almost all countries are higher than in the past years. Assuming average yields, e.g. 75 to 80% of the German harvest has already been sold at present. This means that there will be less hops available on the spot market. At present no hop growing country shows signs of a bad crop 2005. With average yields and average alphas the hop supply of the world market will be guaranteed, prices will, however, probably be higher than in the last year.

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