DHWV
Deutscher HopfenWirtschaftsVerband e.V.

MARKET REPORT April 2014

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There are still no precise weighting figures for the 2013 harvest from all hop growing countries, but we can nonetheless quantify the results of the harvest with sufficient precision.

In 2013, we assume a harvest quantity of approx. 83,000 tons of hops. This breaks down 42,500 tons for Europe, 31,500 tons for the US and 9,000 tons for the remaining countries. The break-down according to the most important hop growing countries provides the following results: Germany 27,500 tons; Czech Republic 5,300 tons; Poland 2,250 tons; Slovenia 1,600 tons; US as previously reported, 31,500 tons and China approximately 5,600 tons of hops.

In alpha acid, there were 8,200 tons worldwide based on fresh alpha values after harvest. Of these, 3,750 tons were produced in the US and 2,750 tons were produced in Germany. The considerable decline of alpha production in Germany compared to last year (minus 1,000 tons alpha) can primarily be explained by poor yields and below average alpha values in the aroma varieties.

The global acreage has remained virtually the same from 2012 to 2013. Germany had a share of 275 hectares out of almost 600 ha decline in Europe. The decline in Europe was more than compensated for by expanding the area in the US by more than 1,300 ha.

Beer sales in 2014 will continue to increase and we are expecting the world beer production to approach 2 billion hl.

Theoretically, without the effects of special beers, we are expecting an alpha acid demand of about 8,600 tons of alpha based on fresh alpha acid values after harvest. However, in the alpha calculation the demand of the global craft brewer scene, mainly based in the US, should not be neglected. The hops used for brewing in this segment can only partially be found as analysable bitter components in beer and the total amount of alpha is estimated to be at least 1,000 tons. By adding the quantity of alpha acid which is required outside of the brewing business, the total demand amounts to 9,800 tons, based on fresh alpha acid values after harvest. The result is a computational shortfall in relation to the 2013 harvest year and the 2014 brewing year of 1,600 tons of alpha acid.

Despite the reduced availability of alpha acids, which has been below the calculated demand of the brewing industry since many years, there were notable fluctuations on the market. We already reported about this in December. The overstock in the past few years has hindered appropriate reactions. However, the stock considerably decreased due to the poor harvest of aroma hops. We were able to detect a reduction in the bitter and high-alpha varieties, however, this was considerably less noticeable. We estimate the cumulative overstocks of hops and hop products to still be at least 7,000 tons of alpha before the campaign 2014. This still constitutes more than 75 % of an annual demand. These overstocks are mainly in the form of products from high-alpha hops.

For crop 2014 we are expecting a world-wide increase of the hop growing acreage which is expected to be 1,400 – 1,500 ha up to approximately 48,000 ha. In Germany, the crop area will only increase to a minor extent (100 ha). However, we are anticipating a changeover from Magnum to Herkules of about 400 ha. In the US, we are expecting an expansion of the growing area by at least 1,200 ha. This expansion mainly consists of Cascade and aroma hops, almost exclusively destinated to the demand by US craft brewers. It remains to be seen whether the amount of hops which is grown in the additional area in the US and the aroma hops of a normal harvest in Europe will be sufficient to satisfy the added hunger of the craft brewers. Currently, the demand for this sector of the brewing world is continuously growing. The reaction of the hops industry worldwide to this positive development seems to follow this trend with a certain delay.

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Sämtliche Zahlenangaben spiegeln die Meinung der Mehrheit der Mitgliedsfirmen des DHWV wider. Einzelne Mitgliedsfirmen können in dem von ihnen veröffentlichten Zahlenmaterial geringfügig davon abweichen.