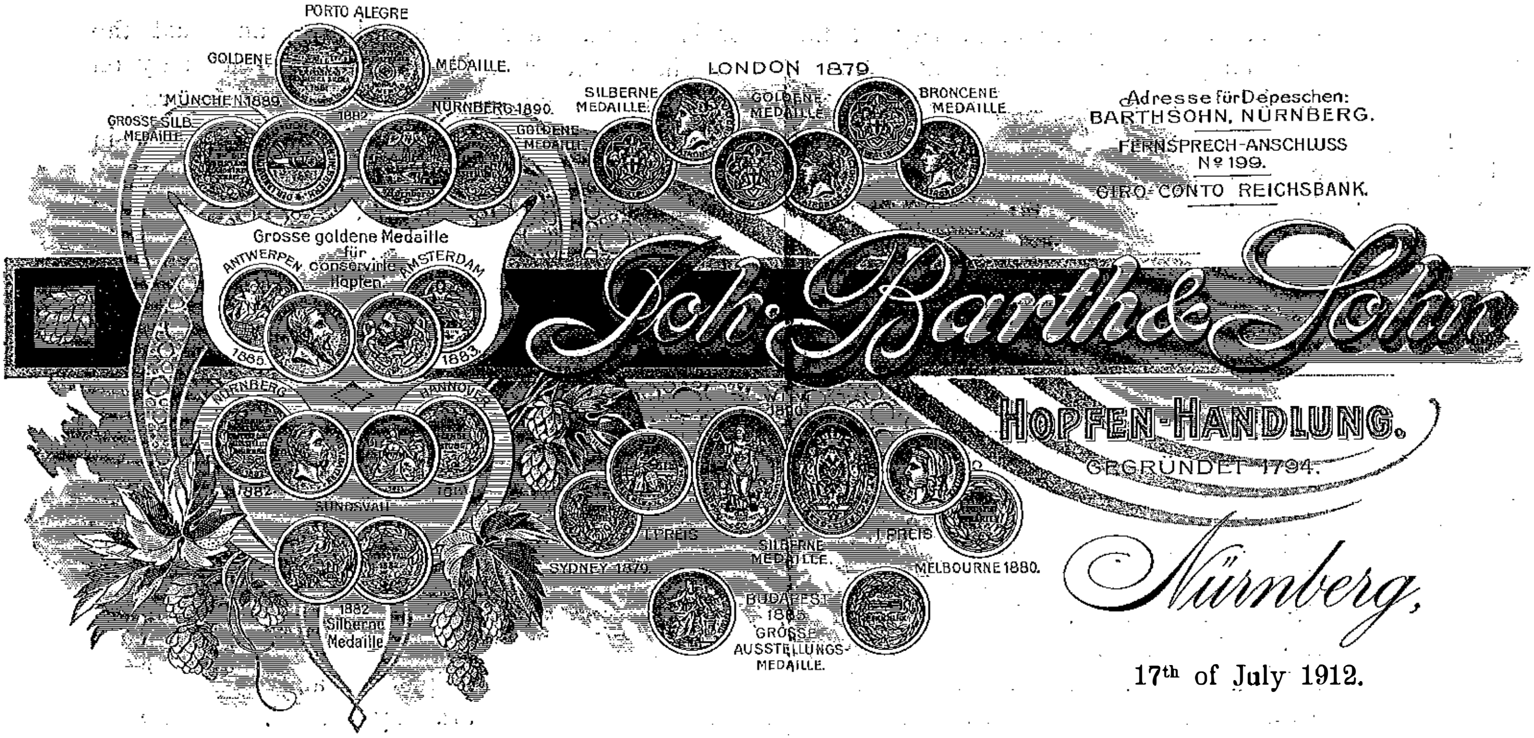


Adresse für Depeschen: BARTHSOHN, NÜRNBERG.
FERNSPRECH-ANSCHLUSS Nº 199.
GIRO-CONTO REICHSBANK.

Nürnberg, 17th of July 1912.

Branch house in Saaz.

Annual Hop-Report for 1911/12.

We are now approaching the end of a year which will be memorable in the hop business for a long time to come.

World trade decisive for the market conditions.

The **expansion of the National Industries** beyond their former limits to those of World Industries appears to develop more and more in the hop trade, the same as in all other branches of trade and commerce. Just as there arises for Germany's industrial life the spontaneous necessity to consider the requirements of the World's markets, in the same way the German
markets and possibilities of sale.

Different effects of overproduction and small harvests.

In times of overproduction it is possible that in every state the movement of prices develops independently from that of other countries, brought about by local interests and conditions. But in times of insufficient harvests the raw product is only prized from a general standpoint and the **internationality of the hop market** becomes more and more apparent. The non-consideration
consideration of the home market has caused very great deceptions this year to the larger part of the German hop merchants and growers.

If the events of the last year have confirmed the correctness of the above assertions as an **important lesson for the future**, then a retrospect challenges in the first instance criticism against a great number of inaccurate reports appearing every year shortly before the harvest and against the estimates mostly based on no foundations whatever. The losses which have been suffered should serve to all those concerned in the hop business as warning so that decisions in future may only be taken on the basis of **respect for facts.**

Sellhelp of the growers.

For these reasons we welcome the formation of the "Centralstelle der Hopfenbauvereinigung Mittel-Europas" **(Central Agency for the Union of Hopgrowers in Central-Europe)** with its seat in Saaz, and hope that this new union will avert the danger which all the interested unions have to oppose, i. e. the exaggeration of the standpoint of those interested. We only regret that the centre of gravity of this association has been placed abroad, and that the German production has delegated the guidance which undoubtedly belongs to it — not only on the basis of ancient traditions but also on account of fundamental data — to foreign parts.

Largely increased Beer consumption.

The position of the brewing industry in almost all countries has materially risen in contra-distinction to that of the previous year. The **world's beer production** rose last year from 273 million hectolitres by the **enormous amount of almost twenty million hectolitres** to 293 millions.

In the different countries the beer production has during the years 1910/11 assumed the following proportions.

Production of Beer in 1910/11.

	thousand hectolitres		thousand hectolitres		thousand hectolitres
United States	74231	Italy	598	Peru	70
Germany	69709	Brazil	590	Uruguay	50
Great Britain	58777	Norway	450	Venezuela	49
Austria-Hungaria	25638	New-Zealand	440	Egypt	40
Belgium	17942	Mexico	320	Philippine Islands	35
France	17032	Japan	319	Paraguay	30
Russia	10897	India	242	Portugal	28
Sweden	3050	Rumenia	240	Bolivia	27
Denmark	2663	British South Africa	220	Equator	22
Switzerland	2641	Spain	217	Greece	18
Australia	2382	Cuba	200	Panama	18
Canada	1950	Bulgaria	184	Algeria	18
Netherlands	1879	Turkey	148	Colombia	16
Argentine	1080	Serbia	134	Guatemala	15
Chili	800	China	72	German South Africa	11

Growing Period of the 1911 hopplant.

After the large world-harvest of 1910 with low prices and in consideration that the total failure of the world's crop in 1909 also brought no abnormal quotations, one at first, generally speaking, viewed the harvest of 1911 without concern. The **development of the hop plants** in all countries was, till the beginning of July, perfectly normal. In consequence of the long spell of dry and hot weather with a temperature of more than 40° C. in the shade, the prospects grew worse from week to week until, at the beginning of August, the increasing drying-up of many plantations made the danger of a failure of the crop more than probable.

The change in the weather which occured towards the middle of August with sufficient rainfalls just arrived in time to save many hopgardens and thus it was possible to get more than a hundred thousand cwts. ripened, which were already looked upon as lost.

Unexpected effects of the scarcity in 1910 hops.

Unfortunately the **scarcity of the 1910 hops** which occured in July of last year and the rise in prices, owing to the bad prospects, caused such an **excitement** that the growers, as well as the greatest part of the trade, entirely lost the scale for the approximate height of the quotation for the new product. Almost the whole branch found itself in a **perfect confusion.** It is astonishing and remarkable, how careless the trade invested millions at the highest prices notwithstanding the great political tension during the autumn months, which certainly should have taught prudence. Nearly the whole trade entirely ignored the danger and the possibility of loss, a sign of the extent to which the **optimism of speculation** governed the market.

In the first two weeks of August the business was done in hops of older growths and of 1910, owing to the want of new hops, for the picking had only just begun. It should be emphazised that the total turnover in 1910 hops amounted within 4 weeks to scarcely 1000 bales. This was however sufficient to raise the prices from 150 to 325 Marks per cwt., the same as the turnover of 3000 bales of old and almost useless hops brought about **a rise of nearly a thousand per cent.** Considering the above facts it appeared desirable to do everything in order that this **unhealthy and extremely dangerous position** of the market might not serve as basis for the rate of prices of the new produce.

Our warnings to the market.

We therefore considered it our duty to take up at once towards the middle of August a position against this **excessive speculation.** The **quotations for the new goods,** which at this time stood at about 410 Marks per cwt. receded in the following weeks by about 100 Marks and during the whole of the season have never again even approximated the above range of prices.

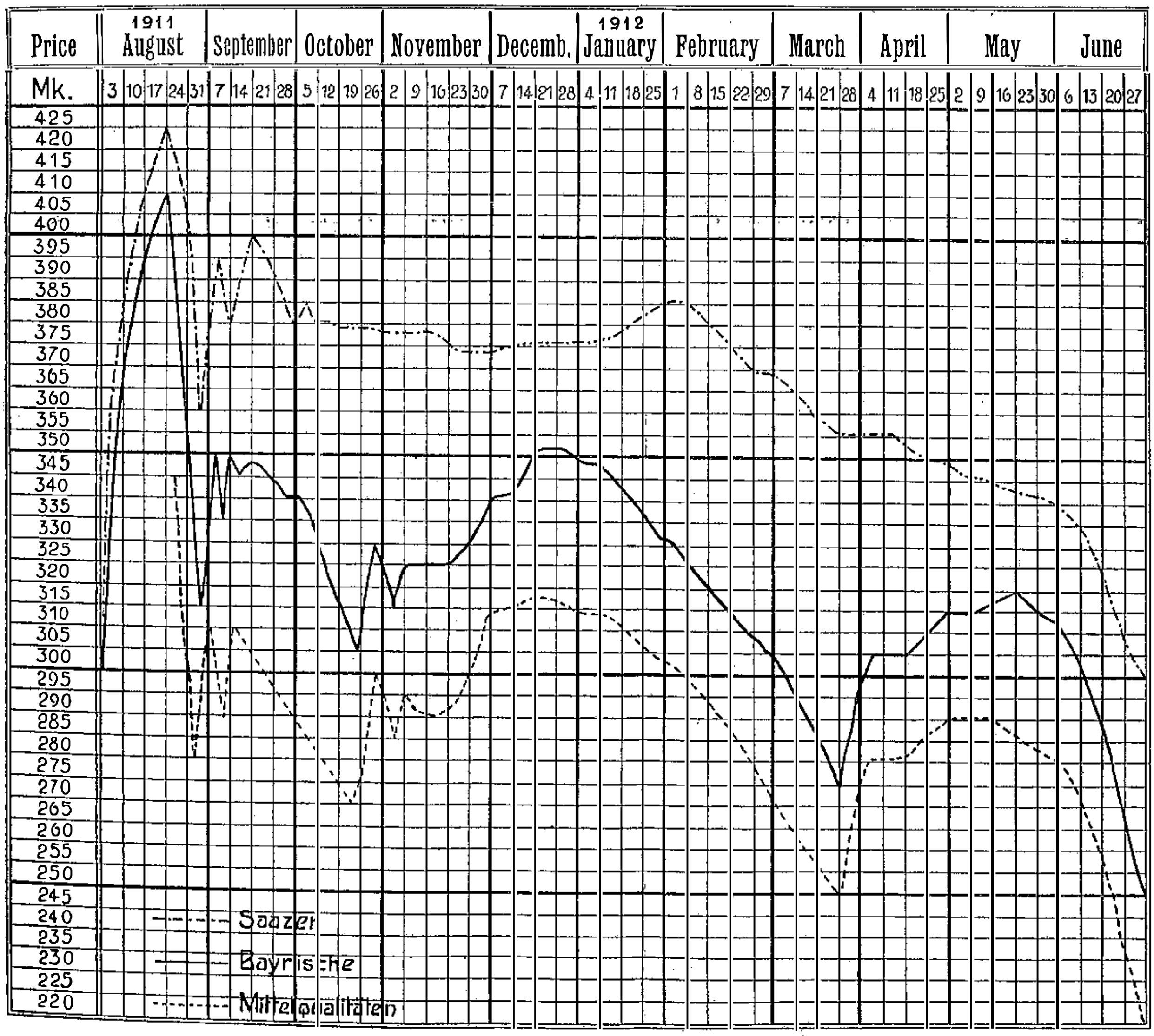
Calmor appreciation of the position in tho foreign Markets.

How very much cooler the **position was judged abroad** especially in Belgium, England and the United States of North America, appears most clearly from the initial quotations which were almost two hundred Marks lower. It was to be expected that these low quotations would attract many buyers and in England alone there were bought for continental account about 40,000 cwts. The rise thereby caused in these countries coincided towards the end of October with the continually receding prices of the German medium qualities, so that at about this time **the international equalization of prices** could be considered as **carried through** and the **position of the market** declared to be **in a healthy state.**

Price Movement 1911/12.

The prices developed as we had reported, and we refer to the following

Graphic Representation of the Hop Prices 1911/12.



Prices for 50 Kilos of the best existing raw-product.

About Saaz hops.

The increasing preference given to the hops of the "Saaz-Country" and the prevelant taste to use this class of hops for light coloured beers, brewed like those of Pilsen, induces us to recommend besides the Austro-Hungarian sorts, also the German home plants as suitable for this purpose. This is done from the intimate knowledge and from the real conviction that for most of the light coloured beers the German hops are just as suitable. As a proof of this, we repeat the **assertions of the "Versuchs- und Lehranstalt für Brauerei"** (Institute for the Teaching and Experimenting in Brewing) in Berlin, which only have been made as the result of most careful brewing experiments:

Equal value of the German hops.

"One cannot now anymore maintain the standpoint that for the preparation of a light coloured beer with a pronounced hop aroma, it should be necessary to use Bohemian or Saaz hops. On the contr **present excellencies of the Saaz hops are to be equally found in those German hop districts.** The principal characteristics of the hops, which are produced on our own good and heavy soils, are mild and delicate aroma, which is free from non-delicate and undesirable degrees of odour, a high percentage of lupuline, and a fine and slender formation of the ribs. Neither in the aroma nor in the lupuline do they stand in any way behind the best Bohemian growths."

Introduction of proper names for the different growths.

In consideration of these authoritative statements and also that the hitherto usual designation of **"Saaz Seedlings"** or **"Saazer Fechser"** as substitute for hops of the Saaz country could have given rise to a misconception respecting the origin, we have decided to introduce from the coming season a quality of hops of German origin under the name of

German hops, Saaz Substitute

hoping that our endeavours will meet with the approval of the brewing industry.

In harmony therewith we shall name in future the growths from Austro-Hungary

Austrian hops, Saaz Substitute

instead of the designation **"Bohemian hops"** which has been permissible for these growths up till now, but which will be forbidden on the basis of the Austrian law of origin from October this year.

Request to the government.

We fully and entirely concur in the wish expressed by the Chamber of Commerce to the Government to call again together for mutual discussion the Committee of those interested in the cultivation and commerce of hops and in the Brewing Industry. The **important changes** which have been made **in the planting, importation and exportation-conditions** of the last years make it desirable for those interested in the maintenance of the vitality of the Bavarian and German production to promote co-operation by means of a common consultation under the impartial **protection of the Government** so that no differences may arise when mutual interests should combine them.

Examination of the Crop Estimates.

Guided by the intention to submit our former crop estimates to an **examination,** we addressed ourselves to the local boards of the hop districts with the request to let us have a statement of the quantities of hops weighed during the last years. The assumption that since 1909 almost the whole of the crop was sold, justifies the conclusion that the stated numbers are, within small quantities, identical with the real receipts. The following are the

Quantities of the Crop of the Spalt Country

	1909	1910	1911
	cwts	cwts	cwts
Spalt-Stadt	2796	3763	1126
Spalt-Bezirk	6729	10130	4683
Spalt-Kreis	3407	7518	3444
Spalt-Land	2807	5918	2720

	1909	1910	1911
	cwts	cwts	cwts
Total yield of the Spalt Country	15739	27329*)	11973
Our estimates	15340	32316	**11767**
Deutscher Hopfenbau-Verein	15000	28000	8000

* On account of bad colour a part remained unsold, so that the real yield was larger.

The corresponding figures for the Hallertau were mostly only obtainable for this annual growth. We believe however that we can deduce the fact that during the last few years the **Hallertau has harvested up to 20% more** than has been generally supposed. This year is the

Yield of the Hallertau.

	cwts		cwts		cwts
Au-Nandlstadt	18749	Rottenburg	2108	Total Yield of the Hallertau	77903
Wolnzach	16534	Neustadt	2004	**Our est**	**77661**
Mainburg	13400*)	Geisenfeld	1990	Official taxation of the government	64414
Pfaffenhofen	6900	Langquaid	1626		
Siegenburg	5240	Abensberg	1368	Deutscher Hopfenbau-Verein	60000
Pfeffenhausen	3682	Other districts	4302		

*) On the basis of 6800 bales weighed, as the local board refuses to give the correct figures.

Numbers prove the exactness of our assertions.

As may be seen from the above statement, **our estimate**
accurate and careful inquiries **almost approximate to the real crops,** so that the assumption seems justified that our other estimates based on the same data correspond with the real facts. We should especially like to fix this in consideration of the violent attacks which our estimates have encountered this year.

In the following we give our usual and revised Crop-Statistics.

Hop Acreage and Production.

Producing Countries	Acreage hectares		Yield per hectare in Cwts. of 50 kilos each		Estimate of the crops in 1000 Cwts. of 50 kilos each							
	1910	1911	1910	1911	1904	1905	1906	1907	1908	1909	1910	1911
Hallertau	8629	8766	14,6	9	125	142	148	123	147	80	126	78
Spalt	2693	2615	12	4,5	32	43	39	33	48	15	32	12
Kinding	235	217	10	3	5	7	6	5	4	—	2	1
Aischgrund	1771	1504	10	3	19	30	20	20	28	1	18	5
Gebirg and Markt	4456	4273	10	3	58	103	37	82	80	2	45	13
Bavaria	**17784**	**17375**	**12,5**	**6,3**	**239**	**325**	**250**	**263**	**307**	**98**	**223**	**109**
Wurtemberg	3400	3182	14	11	70	87	52	61	68	12	47	35
Alsace-Lorraine	3989	3947	23	18	79	125	72	95	104	12	92	71
Baden	1112	1036	16	4	35	38	31	29	35	2	18	4
Prussia	1181	1118	12	8	19	32	17	22	22	7	14	9
Germany	**27466**	**26658**	**14,4**	**8,5**	**442**	**607**	**422**	**470**	**536**	**131**	**394**	**228**
Saaz	11029	11250	15,5	8,6	85	188	74	143	196	79	170	95
Auscha-Dauba	3686	3620	15,5	8,5	43	105	29	93	88	25	56	31
Bohemia	**14715**	**14870**	**15,5**	**8,5**	**128**	**293**	**103**	**236**	**284**	**104**	**226**	**126**
Styria	2066	1898	14,5	10	13	17	18	26	25	23	28	19
Galicia	2293	2166	6,5	6,5	15	23	25	25	18	14	15	14
Austria	522	522	12	8	8	7	8	5	7	4	6	4
Moravia	499	463	14	9	6	9	8	10	10	5	7	4
Hongria	964	1357	16	20	10	12	12	16	15	14	15	19
Austria-Hungaria	**21059**	**21276**	**14**	**8,7**	**180**	**361**	**174**	**318**	**359**	**164**	**297**	**186**
Belgium-Hollande	1940	1900	29,9	27,3	103	107	45	55	78	29	58	52
France	2741	2725	19,7	17,6	51	71	75	79	80	27	54	48
Russia	9068	9000	6,4	7,2	40	100	55	80	75	60	58	65
Continent	**62274**	**61559**	**13,7**	**9,4**	**816**	**1246**	**771**	**1002**	**1128**	**411**	**861**	**579**
England	13319	13388	22	26,4	290	707	249	380	475	205	296	354
Europe	**75593**	**74947**	**15**	**12,4**	**1106**	**1953**	**1020**	**1382**	**1603**	**616**	**1157**	**933**
America	18428	18145	21,7	22	435	504	571	520	410	310	400	400
Australia	740	740	13,5	20,3	14	15	15	14	14	10	10	15
World-Production	**94761**	**93832**	**16,5**	**14,3**	**1555**	**2472**	**1606**	**1916**	**2027**	**936**	**1567**	**1348**

Concerning the **quality of the cro**
were exceedingly finely grown as well in color as in aroma and excellence of lupulin.

Large increase in the planting area.

The **acreage** which in this year with 93832 hectares was the lowest since 1882 is again in all countries **strongly in the ascendant.** Thus the disproportion between production and development in the consumption may, as starting from 1913, be well considered as overcome.

In order to be able to establish a clear comparision respecting the causes and effects of the dearest hop years during the last 30 years, we publish the following compilation.

Statistics of Expensive Hop-Years.

The world's acreage in hectares was	1882 89 063	1883 103641	1890 114 730	1893 117 411	1903 107 241	1904 113 304	1909 97 435	1911 93832
The world's yield per hectare reached . . .	9,66 cwts	15,67 cwts	11,33 cwts	12,44 cwts	14,53 cwts	13,72 cwts	9,48 cwts	14,36 cwts
The world's crop was a	total failure	large crop	small crop	weak medium crop	good medium crop	medium crop	total failure	medium crop
The prices moved between . . . . Marks	320-480-380	190-170-195	245-175-145	300-250-200	155-215-190	175-200-160	170-250-200	410-350-270
The average price for finest Bavarian hops was	430.—	190.—	170.—	250.—	195.—	190.—	215.—	325.—
The tendency of the season was.	rising	unsettled	falling	falling	rising till February then falling	unsettled	rising till February then falling	very unsettled, essentially falling
The stocks from former years amounted at the beginning of the season at about Cwts.	140	—	1000	610	700	510	1150	360
The world'scrop amounted to . . . . Cwts.	860	1624	1300	1461	1558	1555	936	1348
The crop and the stocks were sufficent for about	9 months	14 months	17 months	15 months	15 months	14 months	15 months	12 months
The world's hop consumption was estimated at. . . Cwts.	1390	1400	1590	1650	1750	1760	1650	1700
Stocks at the end of the season in the market and at the breweries in . . . . . . Cwts.	Shortness covered by saving and substitutes.	224	710	421	508	305	436	stocks of saved amounts not to be controlled.

Important influences on the course of prices.

As may be seen from these statements, it is not only the size of the respective crops which determines the movement of prices, but, in a much larger measure, the existing stocks on the markets and at the breweries. A **clearance of the stocks** always leads even in the case of a good harvest to higher prices, because the demand arising from all quarters is too great and permanent to allow the quietude and dullness to develop early, which is necessary for a fall of prices. If therefore once the prices start at a certain height, it is, owing to the said reasons, very difficult to bring about in time a real reduction.

Stocks of the market and at the breweries.

The course of the 1911 season has shown that the crop, in conjunction with the stocks, was sufficient to cover the world's requirements in hops. The remarkable fact even appears that the **stocks in the open market** are in this year larger than at the same period of the preceding year. How large the **stocks in the breweries** will be in this autumn cannot be ascertained, for these stocks **depend mostly on saved amounts** and in each brewery they may have assumed other proportions. On the basis of a normal addition of hops the stocks would probably all be used up.

Contracts for 1912 hops.

Unfortunately some of the hop merchants have also this year again decided upon continuing to sell on **contracts for 1912 deliveries,** a process which is so contrary to sound commercial views. We have never advocated this kind of business but have always been opponents to it, because every contract for future delivery, is, as long as the hops are not harvested, a **game of chance** and in order to remain true to commercial principles it should not be done in business transactions. This sort of contract can truly be stigmatized as unsound and speculative to the utmost degree.

Starting from the old commercial standpoint that the good relations between consumer and producer must rest on the sound basis of **mutual recognition**, we decline all dealings in speculative contracts be it in buying or selling, as long as the crop is not harvested.

In the following we publish our numerical statement concerning the

World's Hop Consumption 1912/13.

World's Hop Consumption.

	Probable Production of Beer 1912/13 hectol.	Dose of Hop per hl. in pounds.	Hop-Consumption in 1000 Cwts.
Germany	69,000,000	0,38	262
Austria-Hungaria	26,000,000	0,55	143
France	17,000,000	0,5	85
Belgium and Netherlands	19,000,000	0,5	95
Russia	11,000,000	0,8	88
Scandinavia and Denmark	5,700,000	0,5	28
Switzerland	3,000,000	0,5	15
Spain, Portugal and Italy	800,000	0,5	4
Continent	151,500,000		720
Great Britain (as per Government Statistics from 1st October 1910 until 30th September 1911 574251 cwt.)	58,000,000	1,0	580
Europe	209,500,000		1300
United States of America	74,000,000	0,5	370
Canada	1,900,000	0,6	11
Central-America	600,000	0,6	3,5
South-America	2,800,000	0,6	16
East Asia	400,000	0,6	2,5
Australia and New-Zealand	2,800,000	0,75—1,0	23
Africa	300,000	0,6	2
Orient and India	900,000	0,7	6
World's Consumption	293,200,000		1734

Condition of the 1912 plant.

The **1912 plantations** do not give rise to any fear, although we cannot agree with the too optimistic views respecting the prospects, as the consequences of last year's dryness has not entirely passed over the plants without leaving its mark. The several weeks dryness in this spring very much retarded the growth and though in consequence of copious falls of rain, the same has been very much helped, many plants, though perfectly sound, are, in comparision to other years weaker in their development. We can therefore only state that the present position of the plants is **satisfactory** but wish to accentuate that if the present weather continues it may considerably improve the growth. Whatever one says now about the future crop is naturally **a mere supposition,** as all depends upon the weather in the immediate future.

Considering the critical course of the year we will not close without advising the brewing industry, trade and production as already repeatedly stated in the last few years, to meet the events of the coming crop with proper consideration of the real state of affairs.

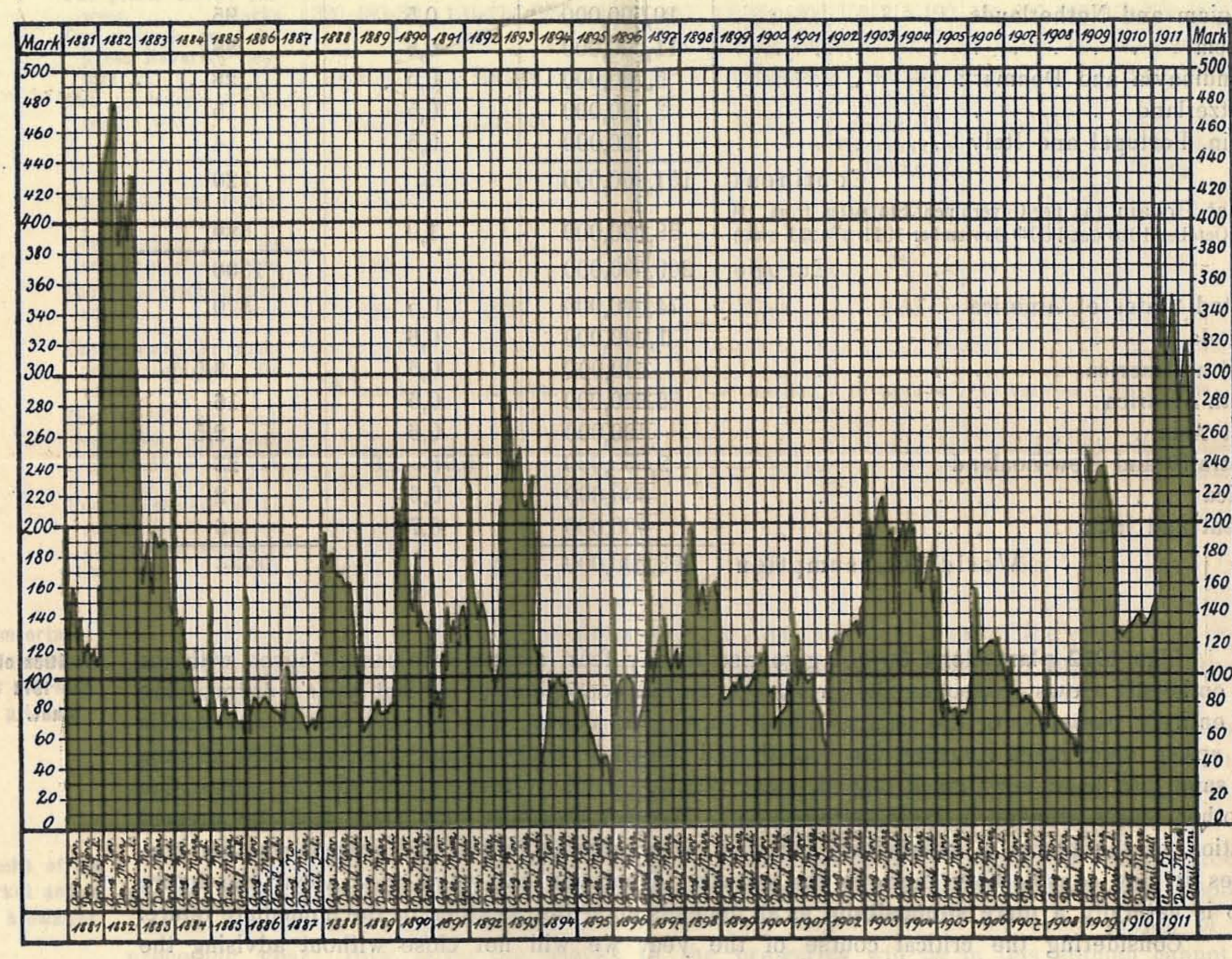
Joh. Barth & Sohn.

Hop-Prices

of the Years 1881–1911

stated by

Joh. Barth & Sohn, Nuremberg.



Market Prices for 50 kilos of best Bavarian Hops in unpacked condition according to our books.