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Joh. Barth & Sohn

HOP MERCHANTS

ESTABLISHED 1794.

Nuremberg,

9th of July 1914.

Annual Hop-Report for 1913/14.

The political unrest, from which Commerce and Industry in Europe had to suffer for a long time, has happily been removed by a more confident feeling. It was however followed by the general **retrogression of the conjuncture** that became more and more perceptible and, as may be readily realised, affected the Brewing Industry of all countries, although up to the present in a very unequal degree.

Beer production.

The **beer production of the European states** remained about the same as last year, not taking the slight fluctuations into account; only Great Britain produced $1^1/_2$ million hectoliters more. Should the general depression continue, the consumption of beer in the various countries would similarly suffer by it, unless a compensation be offered by exceptionally favourable "drinking" weather. In France, Belgium and Austria-Hungary the beer production is already heavily on the decrease since the beginning of this year, principally on account of slack trade in general.

Far more remarkable than in the countries mentioned above is the **shortage of beer brewing,**

the prevailing crisis there, due to bad harvests, over-speculation

of capital. In **Mexico,** the increase in the production of beer, which made rapid progress during the past few years, was also strongly checked, owing to the revolution. The **U. S. of North America,** which with their production stand far ahead of all beer producing countries, are having already a decrease of over 1 million hectoliters since the beginning of 1914, while last year they increased their total output by nearly 4 million hectoliters.

Abstinence movement.

The **movement against alcoholic beverages,** which has laid hold of all countries, is making the most stir **in North America.** In Washington a bill has been put before the Congress, by which it is proposed to carry through **national prohibition,** with the aim to prevent the public sale of alcoholic drinks in any form. We do not think that this resolution can possibly become a law, as the members of the American Congress hardly can expose one of their chief industries to ruin. We have been informed, however, that very many votes will be given for the prohibition and that under the most favourable circumstances **only a majority of 25 votes** can be counted on **for beer-drinking.**

The **world production of beer** amounts at present to about **295 million hectoliters.** How this figure works out in the different countries, according to the calendar or fiscal year, is specified in the following table showing the

Production of Beer in 1913.

	1000 hectoliters		1000 hectoliters		1000 hectoliters
United States . . .	76626	Italy	673	Uruguay	74
Germany	67872	Norway	551	Peru	65
Great Britain . . .	60667	Mexico	500	Ecuador	55
Austria-Hungary . .	24757	Chile	490	Columbia	55
Belgium	16000	New Zealand . . .	454	Egypt	52
France	16096	Japan	394	Bolivia	50
Russia	10666	Rumania	353	Portugal	40
Australia	2936	British South Africa	300	Philippine Islands .	38
Switzerland	2920	Spain	310	Algeria	35
Sweden	2834	Cuba	255	Venezuela	35
Denmark	2465	Bulgaria	213	Panama	30
Canada	2353	India	170	Paraguay	28
Netherlands	1780	Serbia	133	Greece	25
Argentine	1000	Turkey	97	Guatemala	15
Brazil	700	China	80	German South Africa	11

Feelings of discontent.

The **1913 hop season** closes with a general feeling of discontent. The growers are disappointed, because the exceedingly high top-prices they expected have not been granted to them; the dealers are not in high spirits as they have had an unproductive year, and the brewers are mostly ill-humoured for they had to part with their reserve hops, owing to the high prices.

Growing period of the 1913 hops.

Looking back on the **growing period** of the 1913 hops, it must be stated, that the dealers and brewers awaited the harvest during the summer months rather with indifference. The general opinion, even amongst the producers, was that in consequence of the big stocks owned by the brewers the **prices would not** possibly **rule higher than the average,** even in the case of a bad crop.

Aphis fly.

Until the month of July no notice was taken of the appearance of **leaf lice** called forth by the **aphis fly in the Saaz district** and in **Alsace-Lorraine,** probably because the hop raisers in England and Belgium had succeeded in destroying the vermin by washing in good time. The belief that the growers in the Saaz district and in Alsace-Lorraine would, like their colleagues abroad, adopt adequate measures for the suppression of that plague has, unfortunately, not been verified, so that their respective districts had very bad harvests.

Results of unfavourable weather.

The **unfavourable cold wet weather** during summer time retarded the growth in nearly all the hop districts, and the burr was not plentiful, though the yards looked fairly healthy. The cones could not properly ripen, and almost without exception, the **late hops** had to be **picked before they were full-grown.** The smaller crop yield caused thereby made the **producers spread** abroad **excessively reduced estimates,** far below the actual quantities. In this aim they were strongly supported by both foreign and home speculators.

A change in the views.

Although the world crop has exceeded our estimate which placed the total amount of hops at 1 500 000 cwt., the numerous reports suggesting the **fear of a scarcity of hops** gave rise to a universally injurious rush of prices during the month of September. The **hostile attitude and agitation against low prices** setting in, which first was perceived on the part of the German and Austrian producers only, was immediately taken up by all European farmers, provoking a general feeling of uncertainty. This had the consequence of leading a part of the trade to form, in a surprisingly short time, an entirely different idea as to the business position, and of inducing many quarters which formerly had been seen giving support to reconciling methods, to operate in a direction that resembled a **propaganda for a rise in price,** rather than the contrary.

Despite great difficulties which we found in our way when re-examining the crop figures, we can state again in these pages that **our estimates** for last year's crop based on reliable information, **fully agree with the actual quantities harvested,** small differences excepted. Some districts, such as the Saaz country for instance, have grown even more than was specified by us. Another example is the Hallertau, which we estimated at 104 000 cwt., a figure fiercely attacked by all, who declared it as entirely false, because the official returns granted to the Hallertau only 77 468 cwt. In prognosticating for the said district a total yield of 104 000 cwt., as we did, we came very near the truth, for the Hallertau picked altogether in 1913 about 102000 cwt.

In the different districts the result is for the

Yields of the Hallertau in 1913.

	cwts.		cwts.		cwts.
Au-Nandlstadt . . .	21969	Langquaid	4280	Hops grown by Hallertau brewers for their own use	1950
Wolnzach	17434	Neustadt	3760	**Total yield of the Hallertau**	**101540**
Mainburg	12970	Abensberg	2520	Our estimate	104000
Pfaffenhofen	9313	Geisenfeld	1980	Offic. government returns	77468
Siegenburg	9200	Rottenburg	1680		
Pfeffenhausen . . .	4534	Various other sections	9950		

Colour of the hops.

Unlike the year 1912 the **picking was favoured by good weather;** in spite of this fact only an extremely small portion of the 1913 hops can be classified as first-rate in every respect. Due to the sudden heat during picking time, the majority of the hops became yellowish, or spotted, so that **bright green-coloured cones** were a **great rarity.**

of the trade.

In consideration of the late harvest,
growers to believe that the stocks in brewers' hands could not possibly be so large, as was generally supposed; otherwise the demand would have been less brisk.

Warning of the German Brewers' Union.

The wave of unrest rose higher week by week, and this resulted at length in the **German Brewers' Union** putting a warning against a precipitation of buyings.

Our own warning.

As the market disregarded that call, we appealed in public on the 20th September with **a further warning.** This happily did not miss its effect, as a **signal to stop.** Although the opinions and views regarding the judiciousness of our step varied and much argument ensued, as very many parties had different ideas about the matter, it was however taken notice of by all, and it is thereby that it attained its design. Since then the futnre of the market was considered with a calmer eye and we can state to-day with satisfaction that doubtless we have put a stop to a further rise in prices and consequently crossed the aim of many to strengthen the unsound situation of the market.

If the Hop producers thought that we particularly opposed them, we cannot but refute this energetically. **We were only opposing exaggerations of the market and an unsound formation of the prices,** for a sound market, free from exaggerations is always the safest basis for all parties.

Crop statistics and official estimates.

In the following page we publish our annual, carefully **revised crop statistics.** We add the **official estimates,** for the general interest, because of the great differences which the official figures brought out by the governments of the different countries partly show, when compared with ours. It would be a good thing if the Statistic-Offices of Germany would make it a point to **re-examine the crop figures** at the close of each season, on the ground of the real picking results. Slight differences, it is true, cannot be avoided; however, in the case of a continuance of the present methods, in years to come the German hop statistics will prove perfectly wrong. It is unnecessary to say that the value of the official records will be most sincerely affected thereby, which in itself means that an early and radical reform of the whole system is badly wanted. It is perhaps worth mentioning that even the German Hop Growers' Association published a higher yield than the German government.

Hop Acreage and Production.

Producing Countries:	Acreage Hectares		Yield per hectare in cwts. of 50 Kilos each		Our Estimate of the Crops in 1000 cwts. of 50 Kilos each							Official estimates
	1912	1913	1912	1913	1907	1908	1909	1910	1911	1912	1913	1913
Hallertau	9085	9093	20,8	11,3	123	147	80	126	78	182	102	77
Spalt	2642	2600	12,2	9	33	48	15	32	12	32	23	22
Kinding	208	184	14	10	5	4	—	2	1	3	2	3
Aischgrund	1281	1245	11	8	20	28	1	18	5	14	10	8
Gebirg and Markt	4409	4354	11	7	82	80	2	45	13	47	31	23
Bavaria	**17625**	**17476**	**16**	**9,6**	**263**	**307**	**98**	**223**	**109**	**278**	**168**	**133**
Wurtemberg	3281	3329	15	9,7	61	68	12	47	35	47	32	27
Alsace-Lorraine	4055	4185	24	8,5	95	104	12	92	71	95	35	32
Baden	997	1006	21	9	29	35	2	18	4	21	9	9
Prussia	1008	1052	19	18	22	22	7	14	9	19	18	11
Germany	**26966**	**27048**	**17**	**9,7**	**470**	**536**	**131**	**394**	**228**	**460**	**262**	**212**
Saaz	11860	11985	21,3	6,8	143	196	79	170	95	240	80	83
Auscha-Dauba	3233	3393	29	16	93	88	25	56	31	94	52	43
Bohemia	**15093**	**15378**	**22,5**	**8,8**	**236**	**284**	**104**	**226**	**126**	**334**	**132**	**126**
Styria	2049	1715	17	13	26	25	23	28	19	32	23	21
Galicia	2175	2208	9	7	25	18	14	15	14	19	15	17
Austria	522	522	16	7	5	7	4	6	4	8	4	2
Moravia	509	472	15	10	10	10	5	7	4	7	5	6
Hungary	2176	2507	22	20	16	15	14	15	19	30	44	45
Austria-Hungary	**22524**	**22802**	**20**	**10**	**318**	**359**	**164**	**297**	**186**	**430**	**223**	**217**
Belgium, Holland	2109	2283	36,8	32	55	78	29	58	52	70	63	64
France	2800	2861	22	17	79	80	27	54	48	60	48	36
Russia	9000	9000	7,5	6,8	80	75	60	58	65	67	61	60
Continent	**63399**	**63994**	**17,6**	**10,3**	**1002**	**1128**	**411**	**861**	**579**	**1087**	**657**	**589**
England	14107	14449	28	19,8	380	475	205	296	354	375	280	259
Europe	**77506**	**78443**	**19,5**	**12,2**	**1382**	**1603**	**616**	**1157**	**933**	**1462**	**937**	**848**
America & Canada	19765	21790	27	28,4	520	410	310	400	400	499	560	562
Australia & New Zealand	755	845	19	20	14	14	10	10	15	14	15	19
World Production	**98026**	**101078**	**20,7**	**15,5**	**1916**	**2027**	**936**	**1567**	**1348**	**1975**	**1512**	**1428**

Small offerings.

The opening prices for the first few pockets offered were around Mk. 170.— per cwt. for choice quality. That business remained limited to quite a small volume, despite the **encouraging cheap rates,** is founded on the fact that the **quantities on sale** during the first few weeks **were exceedingly light,** owing to the extreme lateness of the crop and to the fact that the **growers were by no means anxious to press sales** until the whole crop was picked.

Price movement.

In consideration of these **small offers** it was an easy thing to push values higher by 5 to 10 Mks. every day. In most quarters the late harvest was not sufficiently taken into account, and the situation was judged chiefly by the scarcity of the hops to be had. The **quotations** were at **their highest on September 20th** and all sorts fell during the month of October for about Mks. 20.— per cwt.

Advance of qualities and colours.

As a result of the continued contradictory opinions the **brewing industry** became doubtful and **towards** the early part of **November began to show interest in the market.** From fear that the qualities and colours would advance later on, most of the brewers bought their requirements in the course of November, stimulated as they were by the fact that the offers made were up to 40 Mks. lower than the month before.

The **greater inquiry** resulting therefrom **gave the market** a very **strong tone** and caused an **upward tendency,** from 10 to 20 Mks. per cwt., according to growth and quality. This rising movement lasted up to the beginning of December, since when the market shows a slow but continued fall, which only once during February came to a temporary standstill.

Here it seems opportune to point out that in consequence of the different opinions the **Nuremberg market showed** for a long time a **lack of uniform tendency.** One could speak of

double prices during almost the entire season, according to the views which the hop owner had of the future of the market and to the concessions that he was willing to make. The trade price for one and the same quality varied to quite a considerable extent: the trade papers, for instance, quoted strictly high-grade qualities, of one and the same description, at figures varying by 20 to 25 Mks., while for second class qualities this discrepancy of value went up to 50 Mks.

American imports.

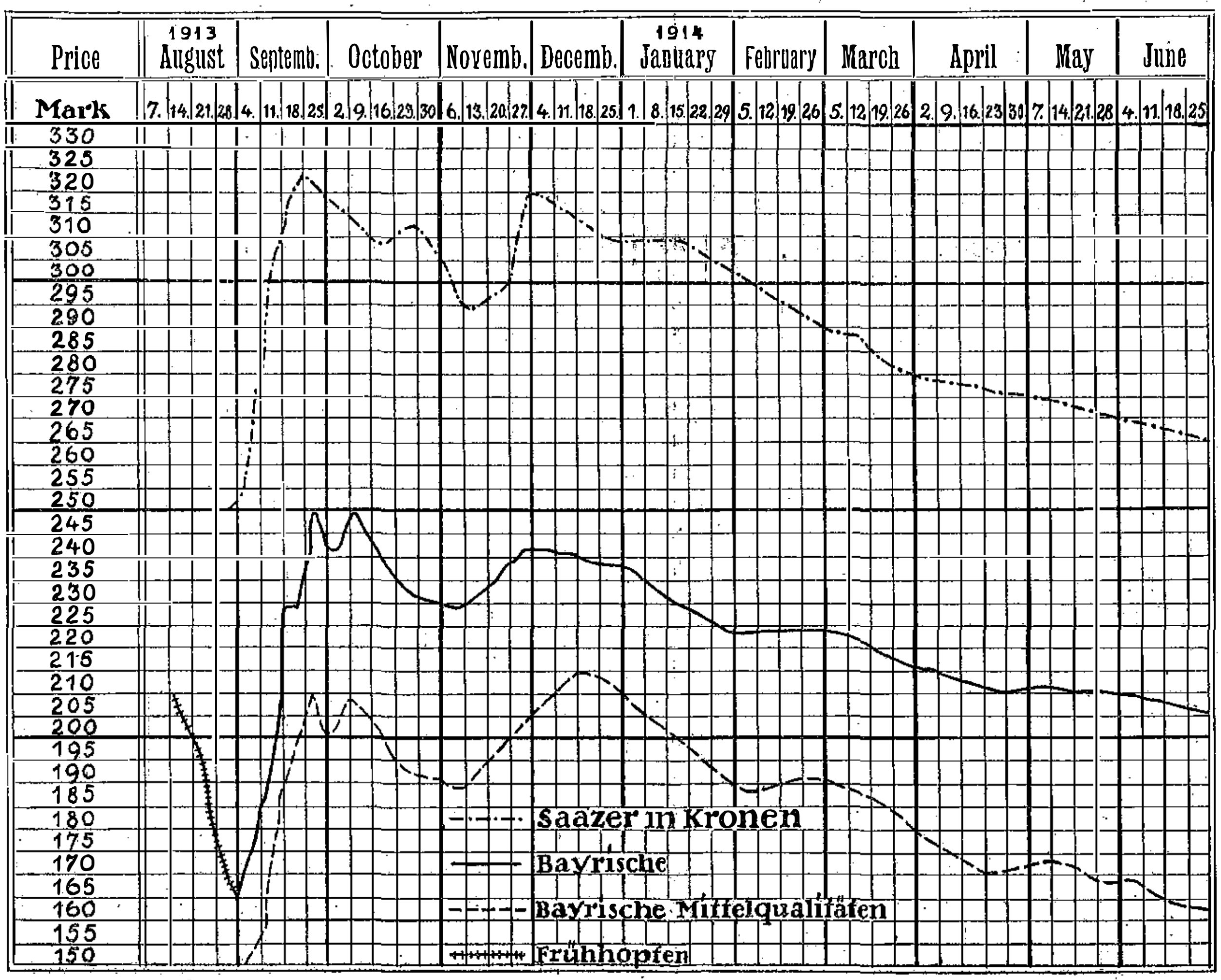
The belief that with the season advancing, higher, even very high prices would have to be paid, as reported by all those connected with growers and speculators, has not been confirmed, just as little as the hope that the **small harvest in England** would bring about a rise in prices on the Continent. From the **record harvest of the United States** nearly 190 000 cwt. have been sent up to the present time to England, a quantity which formerly was looked upon as an impossibility, but which proves at the same time, **how very independent England has become of the German market.**

English price policy.

Notwithstanding the small English crop the English brewing industry has contrived to bring the English hops to a considerably lower level than the Continental ones, viz. from 205—210 shillings to 120—130 shillings, without raising the range of prices on the American market by the large demand for American hops. On the contrary, it has even reduced the quotations of the latter market, bringing them from 26 cents down to 15 cents per pound or from 120 shillings down to 70 shillings per cwt.

How the values moved during the whole season in Germany and in Austria-Hungary may be gathered from the following

Graphic table of the Hop prices 1913/14.



The quotations above are for 50 kilos of the best existing raw-product.

Those brewers who had not entered the market and had been waiting for lower prices, could profit a great deal by the **falling tendency** later in the season, for, expressed in figures, the **prices** have **lost** from 40 to 50 Mks. **from their highest point.** Although such decline is denied from many sides, we wish to state it firmly here.

German Hop growing.

The **diminution of hop acreage** which was carried through until last year by the German growers resulted in the impossibility of supplying the world market with sufficient stock. As a natural consequence thereof the German hops are losing ground from year to year. Although a restriction of the acreage is a wise thing to do in times of over-production and a valuable stimulant towards **healthy conditions,** it is undeniable that the German hop raisers have gone too far, contrary to what has been the case in other conntries which did not lose sight of the **insufficiency of the world market supplies.**

Loss due to diminution of hop acreage.

The **heavy loss** sustained by the German hop producers can be best realised by the fact that the value of the wood alone involved in hop poles on an area of 13,000 hectares, formerly devoted to Hop growing and now given up, represents a sum of 15 million Marks. If one adds to this the loss of value of the land resulting from the suppression of hop planting, one can safely state that the **German Agriculture has lost** a round sum of **at least 50 million Marks.** This will be easily understood from the fact that contrary to grain producing ground, which in the hop regions has a value of 1800 to 2400 to 4000 Marks per hectare, hop ground is worth from 3000 to 6000 to 9000 Marks per hectare, which is more than the double.

Value of the German hop fields.

In spite of this, there is still enormous capital at the present invested in hop growing. The value **of the hop ground, in the German Empire,** can be put at least, with an average of 6000 Marks per hectare, at **160 million Marks,** not including the value of the hop stores and drying houses, nor the kilns, which the farmers have put up for no other purpose than for handling hops.

There is no doubt that there very much can still be done in Germany for a **more intensive productiveness** of the ground. „It has been found that a hectare of hop ground in Germany, when properly cultivated and manured, renders from 5 to 7 cwt. more than plantations which receive little or no manure.

Different yield per hectare.

It may prove interesting on this occasion to show **how different the yields are** in the different principal hop raising conntries of the world.

Different yields per hectare in the principal hop growing countries.

Crops	the yield per hectare goes up to cwts.:				
in the case of a:	**Germany**	**Austria-Hungary**	**England**	**Belgium**	**United States of America**
Record crop	17	20	35	40	35
Very big crop	15	16	32	35	29
Big crop	14	14	28	32	27
Good medium crop	12	12	24	29	25
Medium crop	11	11	22	26	23
Low medium crop	10	10	20	23	21
Small crop	9	9	18	20	19
Very small crop	8	8	16	17	17
Failure of a crop	6	7	13	14	15

Need for expansion of German hop growers.

In order to maintain the capital invested and to prevent the entire loss of their former position in the world market, the **German producers are forced to turn to rational methods** and **expansion in** area, which must be in proportion to the attempt made by foreign countries to keep German hops out of the market.

Hop growing a good business.

The assertion formerly advanced by the German agriculturist that hop raising does not pay, has lost nowadays its value as an argument against increase of hop acreage because **hop planting in Germany** has again become, as in olden times, **one of the most lucrative branches of agriculture.** Even if this is granted by the majority of the producers, it may be of interest to state the fact, based on governmental information, that one hectare of

hop-land gives its owner
producing land, despite the producing expenses which vary, according to harvest results, from 60 to 135 Marks per cwt.

The demand of the German hop growers for a "**Law of origin**" has our entire sympathy and strong support, and we feel sure that such a law would be heartily welcomed by all serious dealers. **Law of origin.**

Below we give the figures, based mostly on official communications of the

World's hop consumption in 1914/15.

	Probable Production of Beer 1914/15 hectol.	Dose of Hop in pounds	Hop-Consumption in 1000 cwts. of 50 Kilos each
Germany	69,000,000	0,38	262
Austria-Hungary	24,000,000	0,55	132
France	16,000,000	0,5	80
Belgium and Netherlands	18,000,000	0,5	90
Russia	11,000,000	0,6	66
Scandinavia and Denmark	5,900,000	0,4	23,5
Switzerland	2,900,000	0,5	14,5
Spain, Portugal and Italy	1,000,000	0,5	5
Continent	147,800,000		673
Great Britain	61,000,000	0,95	579,5
Europe	208,800,000		1252,5
United States of America	75,000,000	0,5	375
Canada	2,500,000	0,6	15
Central America	800,000	0,6	5
South America	2,300,000	0,6	14
East Asia	500,000	0,6	3
Australia and New Zealand	3,700,000	0,75—1,0	33
Africa	400,000	0,6	2,5
Orient and India	900,000	0,7	6
World consumption	294,900,000		1706

The **stocks** in the world markets as well as those in brewers' hands, taken together, will suffice, roughly speaking, till November of the present year. **Stocks.**

Independent of the size of the coming crop the **contract business** for forward delivery will influence the level of values at the beginning of the new season. It is impossible to say now if they will do so in an upward or downward trend, as was the case last year, for this depends entirely on the chances which the crops offer to those gamblers. It is to be regretted that latterly these contracts, which in former times had been confined to Austria-Hungary, Belgium, Russia, and the United States of America, have spread to Great Britain. **Contract business.**

The advantages which the English brewing industry has secured this year in buying American hops, prompted many very conservative English brewers to make **delivery contracts for American growth**, some **even for several years**. This may prove of the **greatest importance for the formation of prices** next autumn, as England, unlike previous years, is not absolutely bound to cover its wants of hops from the German markets. As we have repeatedly pointed out, we are seriously opposed to the **contract business**. We again emphasize this fact here, because our opponents say every year that our attitude towards the market is caused by our being interested in the contract business. This assertion is however, entirely false and is based upon a radical misconception of our relation to the hop market.

The **prospects for the 1914 crop** are up till now fairly good, although the adverse wet and cold weather which we have had during May checked the growth by about a fortnight. **The 1914 crop.**

The aphis fly that had made its appearance in nearly all hop growing districts is on the decrease everywhere and has not caused any damage. The bines in general look healthy, and though the definite size of the crop still depends upon many circumstances which it is impossible to foresee, the general

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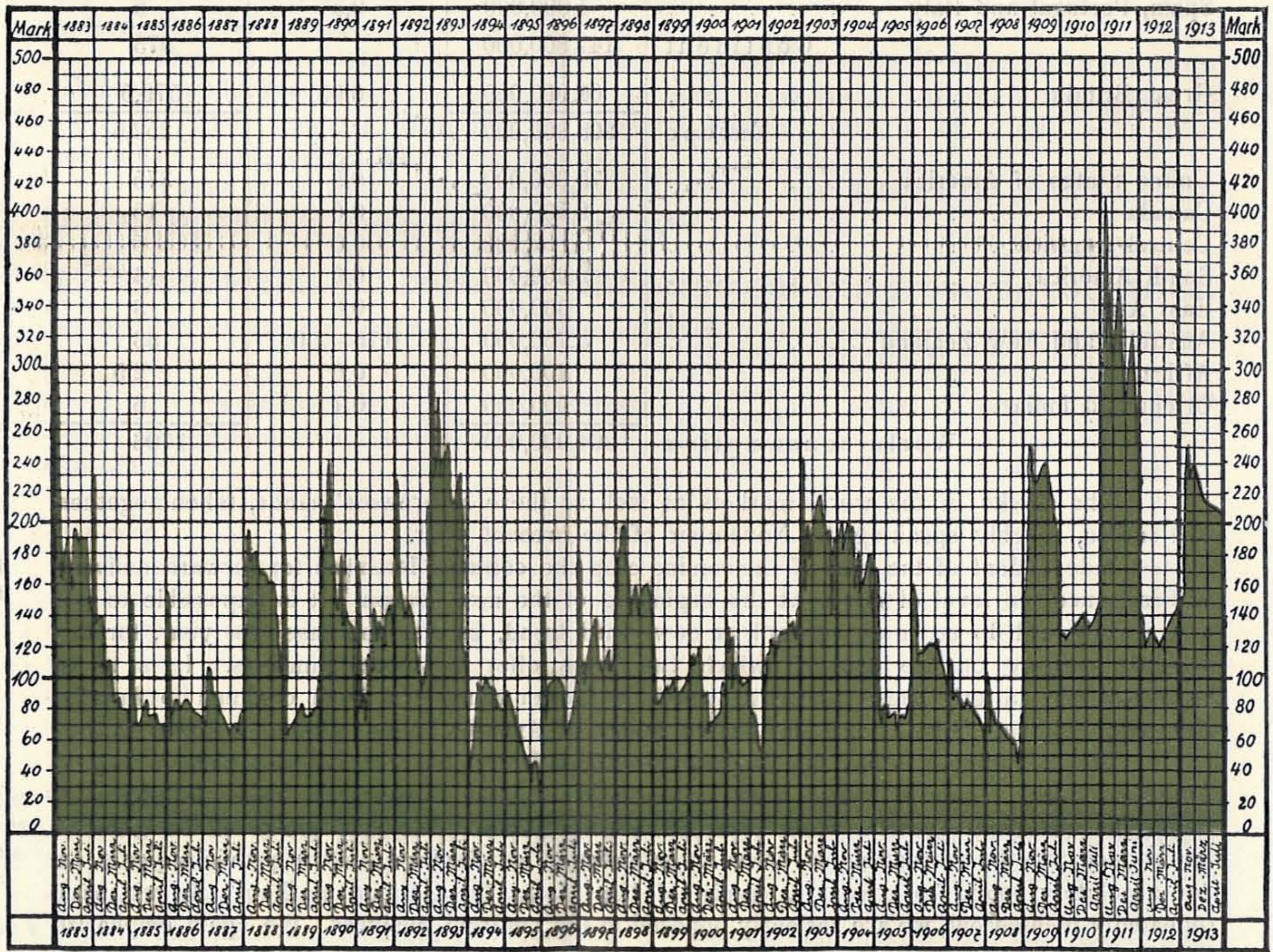
Hop Prices in the Years 1883—



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