

Cable Address:
BARTHSONN NURNBERG
Barth Hop-Code
All usual Codes



Home Office: Nuremberg, Germany
Branch Houses at Saaz, Strasbourg and New York
Hop Farm "Barthhof" in Hallertau (Bavaria)

Nuremberg, June 25th, 1938.
Germany.

Hop Report for 1937/38.

In the course of the first six months of 1937 the volume of the world trade rose to more than 90 p.c. of the maximum point in 1929. However, the war in the Far East and the beginning new crisis in the United States brought about a collapse of prices for raw materials since autumn 1937 so that in the meantime the foreign trade declined in many countries. It is possible that the downward trend of the international economical situation will also be reflected in the German exports during the coming months, notwithstanding the own ways which the German economy has taken during the last years.

From the maximum level of the world's economical situation of 1937 an increase of the world's beer production resulted for 1937. **The world's beer production** for 1937 figures at about 186 million barrels as against 175,5 million barrels in 1936.

Beer Production.

The following countries, owing to the rising economical situation, have been able to **increase their beer production in 1937**: Algiers (22 p.c.), Australia (10 p.c.), Belgium (3 p.c.), Brazil (8 p.c.), Bulgaria (77 p.c.), Canada (4 p.c.), Chile (8 p.c.), Columbia (9 p.c.), Corea (21 p.c.), Costa Rica (30 p.c.), Cuba (22 p.c.), Czechoslovakia (10 p.c.), Dantzig (9 p.c.), Denmark (5 p.c.), Esthonia (26 p.c.), France (5 p.c.), Germany (9 p.c.), Great Britain (7 p.c.), Greece (2 p.c.), Guatemala (42 p.c.), Hungary (19 p.c.), Italy (2 p.c.), Japan (5 p.c.), Jugoslavia (32 p.c.), Lithuania (72 p.c.), Livonia (42 p.c.), Luxemburg (8 p.c.), Mexico (22 p.c.), New Zealand (18 p.c.), Norway (7 p.c.), Philippine Islands (14 p.c.), Poland (13 p.c.), San Salvador (12 p.c.), South African Union (16 p.c.), Sweden (8 p.c.), Switzerland (4 p.c.), U.S.A. (3 p.c.), Venezuela (25 p.c.).

The **German beer consumption** has risen by 3.167.000 barrels to 37.150.000 barrels. To this will be added in future the beer consumption of Austria which in 1937 had an output of 1.882.000 barrels and which since its incorporation could increase its beer consumption considerably.

Only the following countries still have a **retrograde movement of the beer consumption** in 1937, viz.: Egypt (5 p.c.), India (3 p.c.) and Ireland (6 p.c.).

From authentic sources it is reported that a falling off in beer production is noticeable in numbers of South American countries in 1938 on account of economical depression.

IMPORTANT NOTE: ALL BARRELS mentioned in this report are to be understood in AMERICAN BARRELS.

1 American barrel = 31 gallons = 117.35 liter; 1 English barrel = 163.57 liter or 1.383 American barrels.
1 American gallon = 4 quarts = 8 pints = 160 ounces = 1,280 drams = 76,200 minims.
1 liter = 1.77 pints = 35 ounces = 283 drams = 17,000 minims.
1 cwt. = 112 lbs., 1 Zentner = 110.2 lbs., 1 cwt. = 1.016 Zentner, 1 lb. = 0.453 kilos.
1 bushel malt = 34 American lbs.; 1 bushel barley = 48 American lbs.
1 foot = 30,48 cm; 1 cm = 0,0329 foot. 1 inch = 2,54 cm; 1 cm = 0,394 inch.

NEW YORK EXCHANGE on June 1st, 1938:

1 US \$ = Reichsmark (RM) 2.491	1 £ = US \$ 4.947	1 US \$ = French Francs (ffrs.) 36.052
1 RM = US \$ 0.40	1 US \$ = Czechosl. Crowns (Kc.) 28.767	1 US \$ = Belgian Francs (bfrs.) 29.612
1 US \$ = Pound Sterling (£) -4.1.	1 US \$ = Jugosl. Dinars 43.103	1 US \$ = Polish Zloties (Zl.) 5.299

World's Beer Production in 1937

in 1000 American Barrels.

*U.S.A.	58.146	Columbia	456	*Estonia	69
*Germany	37.151	Spain ¹⁾	426	*Dantzic	60
*Austria	1.882	*Norway	406	*Bulgaria	59
*Great Britain	24.873	Luxemburg	402	*India	55
*France	12.666	*British South Africa	400	Portugal	51
Belgium	12.134	Roumania 1936	392	*Egypt	43
*Czechoslovakia	7.086	*Finland	377	Dutch Indian Colonies	43
Russia ¹⁾	4.260	*Cuba	372	Philippine Islands	35
*Australia	2.715	Jugoslavia	239	*Turkey	19
*Irish Free State	2.403	*Hungary	221	*Syria	19
*Sweden	2.343	Bolivia	132	*San Salvador	15
*Canada 1936	2.204	*Uruguay	130	*Costa Rica	14
*Denmark	2.006	Peru	128	*Guatemala	14
*Japan	1.954	Manchuria	119	*Siam	13
*Switzerland	1.815	*Corea	113	Honduras	13
Brazil	1.406	China	107	Congo	11
Argentina	1.227	*Lithuania	101	*Paraguay	7
*Poland	1.128	*Venezuela	96	*Nicaragua	7
*Mexico	1.029	*Livonia	87	Jamaica	3
*Netherlands	1.011	*Greece	83	*Iceland	3
Chile	574	*Algiers	79		
*Italy	556	*Ecuador	79		
*New Zealand	526	Panama	79		
				World's Beer Production	186.672

* official figures.
1) estimated.

Growth of the 1937 Hop Plants in Germany.

The mild winter 1936/37 with little snow was followed in January by a spring with too much humidity. Early summer weather in May caused quick development of the hop plants which was still furthered in June by a few weeks of tropical heat. Blooming began already towards June 20th. The following development until shortly before the harvest was slow and unequal.

The growth was disturbed by fleas, grub-worms, downy mildew and in July by severe attacks of lice, but without lasting damages. The weather throughout the growth was rather dry, but rains came mostly at the right moment.

Precipitation at our hop-farm Barthhof-Hallertau figures from January to August 16th, 1937 at 21,6 inches (1936: 36,6 inches, average 18,1 inches).

German Crop.

Towards middle of August, ten days earlier than usual, the picking began. The growth of the plant was healthy, not as copious and bushy as the year before, but full of hops from down below promising a good yield. Notwithstanding the scarcity of labour in Germany, pickers were supplied in sufficient numbers by the labour offices. Fine weather during picking favoured the gathering of the late varieties in Spalt, Hersbruck and Wurttemberg.

In the **Hallertau** the hops had to be sprayed against downy mildew 6 to 9 times and twice against lice. Hail storms caused damage in isolated cases. Colour and quality of the crop were normal, the content of lupulin was better than in 1936.

The district of **Spalt** suffered in May from hail, and in July and August from drought. The product remained small in size and the crop below average as regards quantity.

The crop in the district of **Tettwang** was favoured by adequate weather, neither pests nor insects caused trouble. Picking began already on August 10th and brought a record crop of excellent quality which was willingly taken over on account of the increasing demand for this variety all over Germany and abroad.

In the **Wurttemberg Unterland** and **Baden** a product of unequal size was brought in on account of drought during summer. Downy mildew, red spider and lice had to be combated.

The regions of **Hersbrucker Gebirge**, **Jura**, **Aischgrund** and **Rheinpfalz** registered larger crops than in 1936 although they suffered partly from dry weather, red spider and lice. The good qualities were quickly sold to merchants and consumers.

Quality of the German crop was judged as follows:

	prime	medium	inferior
	p. c.	p. c.	p. c.
Hallertau	30	65	5
Spalt	20	45	35
Tettwang	35	50	15
Wurttemberg Unterland	25	50	25
Baden	30	55	15
Hersbrucker Gebirge	25	40	35

Hop Acreage and Production in the years 1934 to 1937.

Producing countries	Acreage in acres				Yield per acre in pounds				Yields in 1000 pounds						
	1934	1935	1936	1937	1934	1935	1936	1937	1934	1935	1936	1937 ¹⁾			
Hallertau	11,283	12,464	13,361	11,614	673	1,360	1,132	1,217	7,625	15,391	14,144	14,116			
Spalt	2,481	2,701	2,938	2,614	687	700	891	766	1,710	1,744	2,410	2,007			
Hersbruck	2,441	2,755	3,239	2,580	812	651	419	771	1,991	1,598	1,158	1,987			
Aischgrund	324	366	410	304	392	464	209	392	127	151	77	119			
Jura	153	193	301	249	531	968	646	1,038	82	149	125	258			
Rheinpfalz	133	141	153	151	865	1,694	1,159	1,574	115	226	164	242			
Tettwang	1,357	1,611	1,612	1,648	986	1,828	1,382	1,739	1,338	2,485	2,231	2,806			
Württemberg Unterland	1,225	1,292	1,433	1,342	959	1,217	873	1,047	1,175	1,497	1,134	1,407			
Baden	620	573	734	553	642	874	1,159	905	400	503	667	503			
Prussia etc. ²⁾	27	67	314	274	936	1,173	—	—	237	227	36	42			
Germany	20,289	22,408	24,495	21,329	727	1,177	1,043	1,096	14,800	23,971	22,146	23,487			
Saaz	20,638	21,132	21,226	21,313	566	535	945	927	10,937	10,965	20,056	19,715			
Auscha	3,450	3,469	3,479	3,499	830	932	967	1,141	2,535	3,218	3,372	3,984			
Raudnitz	2,382	2,123	2,268	2,268	566	736	1,092	1,007	1,234	1,565	2,325	2,292			
Dauba	356	469	371	356	1,048	1,084	651	989	330	386	242	353			
Moravia	}	670	717	729	400	296	410	1,065	735	766	704	242	716	529	308
Slovakia															
Czechoslovakia	27,496	27,910	28,073	28,132	602	611	949	954	15,328	16,850	26,524	26,861			
Alsace	3,546	3,516	3,533	3,442	1,378	1,075	807	1,208	4,694	3,780	2,843	4,165			
Burgundy and Lorraine	840	808	754	442	945	843	245	896	771	683	187	397			
Northern France	556	618	593	415	1,574	1,284	891	1,721	705	716	529	716			
France	4,942	4,942	4,880	4,299	1,342	1,048	726	1,226	6,170	5,179	3,559	5,278			
Wolhynia	3,706	4,324	5,001	5,189	994	763	1,119	285	2,590	2,833	4,849	1,433			
Congress Poland	1,890	1,977	1,977	1,977	633	696	722	584	1,080	1,322	1,433	1,157			
Galicia	996	890	946	946	348	433	615	410	298	386	551	386			
Posen	445	494	494	494	776	446	891	891	220	198	440	440			
Poland	7,037	7,685	8,418	8,006	771	073	945	405	4,188	4,739	7,273	3,410			
Wojwodina	3,645	4,448	4,448	4,448	803	981	789	343	2,336	3,582	3,526	1,543			
Slovenia	3,707	4,201	4,448	4,571	647	1,275	1,128	1,186	2,380	4,739	4,739	5,289			
Jugoslavia	7,352	8,649	8,896	9,019	954	1,128	954	766	4,716	8,321	8,265	6,832			
Russia³⁾	2,471	2,471	3,707	3,707	579	579	579	579	1,433	1,433	2,204	2,204			
Alost	445	519	618	667	1,561	1,855	1,377	1,516	694	827	716	937			
Poperinghe	1,332	1,549	1,260	1,112	1,516	1,654	873	1,582	1,763	2,204	1,102	1,763			
Belgium	1,777	2,068	1,878	1,779	1,744	1,704	967	1,516	2,457	3,031	1,818	2,700			
Various countries	741	741	988	988	600	600	593	593	440	440	584	584			
"European" Continent	72,105	76,874	81,335	77,859	722	887	940	914	49,532	63,964	72,373	71,362			
Kent	10,009	10,142	10,106	9,916	1,747	1,613	1,667	1,462	17,539	16,386	16,884	14,521			
Sussex	1,420	1,462	1,586	1,584	1,781	1,512	1,850	1,333	2,520	2,218	2,709	2,116			
Hereford	4,016	3,998	3,993	4,038	1,277	1,333	1,257	1,538	5,118	5,331	5,038	6,158			
Worcester	1,851	1,901	1,893	1,819	1,456	1,467	1,315	1,351	2,688	2,800	2,497	2,463			
Hants, Surrey etc. . . .	741	748	736	736	1,512	1,546	1,471	1,426	1,143	1,075	1,086	1,052			
England	18,037	18,251	18,314	18,093	1,613	1,523	1,542	1,453	29,008	27,810	28,214	26,310			
Europe	90,142	95,125	99,649	95,952	919	1,017	1,056	1,016	78,540	91,774	100,587	97,672			
Washington	6,300	6,000	4,500	4,991	1,712	1,164	1,614	1,645	8,395	7,000	7,264	7,413			
Oregon	23,000	26,000	20,964	22,261	1,026	977	526	1,043	19,550	22,500	11,112	21,965			
California	7,500	6,900	5,392	6,788	1,753	1,405	1,248	1,961	11,250	9,700	6,739	10,592			
United States of America	36,800	38,900	30,856	34,040	1,293	1,061	811	1,293	39,195	39,200	25,115	39,970			
Canada	1,156	1,123	1,062	1,075	1,288	1,572	1,502	1,417	1,399	1,766	1,598	1,509			
Australia and New Zealand .	1,750	1,730	1,730	1,730	1,810	1,784	1,908	1,814	2,975	3,086	3,306	3,140			
World's production	129,848	136,878	133,297	132,797	1,030	1,043	976	1,070	122,109	135,826	130,606	142,291			

¹⁾ Preliminary.

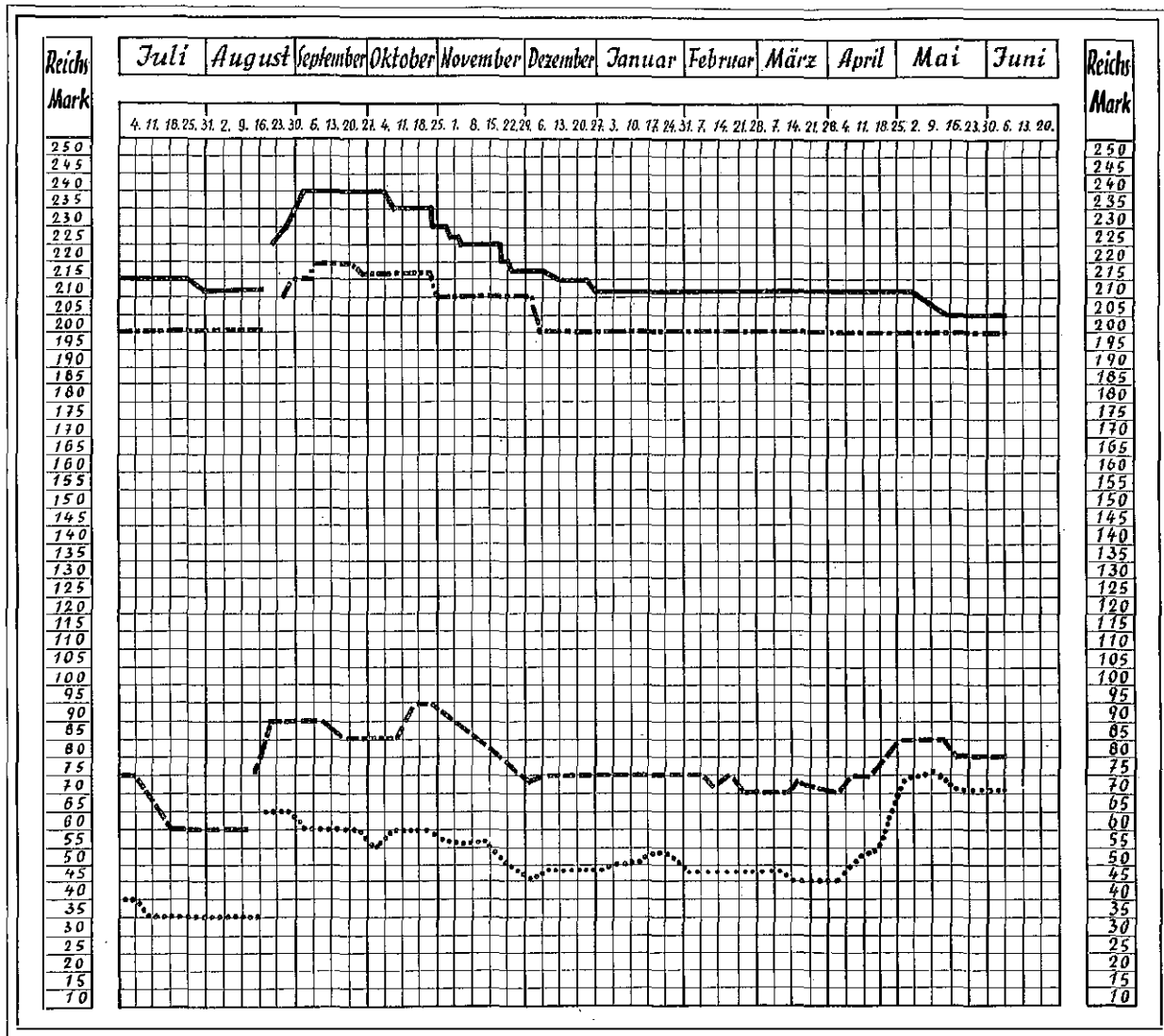
²⁾ 1934 and 1935 also "all faults".

³⁾ Estimated.

Movement of Prices 1937/38.

Movement of Prices for 1936 Hops in July and Aug. 1937, and also for 1937 Hops;

the prices are given per 50 kilos for best obtainable Prime and Medium Qualities of Hallertau and Saaz Hops with Seal and Certificate.



————— Hallertau choice quality Saaz choice quality } per cwt.
 - - - - - " fair average quality - " fair average quality }
 RM. 100 = \$ 40 (June 1938)

Buying.

In spite of the early harvest a lively demand for the new product set in at the beginning of the picking in all German hop-growing districts,

In the **Hallertau** producers' prices at the beginning of September 1937 moved between RM. 200 and RM. 235 and increased temporarily by RM. 10—15 and more in the first half of that month owing to low evaluation at the beginning of the crop, increased demand and apparent quick clearance. Upon cooler reflection they soon went back to the former level. Almost to the end of October the range of prices remained at RM. 200—230. Later on when the stocks were almost cleared, the prices moved in favour of the buyers.

In the **Spalt** district RM. 220—285 were quoted at the beginning whilst brewers in some cases paid up to RM. 300. These maximum prices were not maintained owing to the large difference in comparison with the price for Tettwang hops. In the course of September prices ranged in Spalt from RM. 200—250, but later on the maximum limit for the remaining stocks dropped considerably.

In **Tettwang** RM. 210—245 were paid in August. At the beginning of September the maximum price was RM. 230 and in the second half of that month the prices ranged between RM. 200—220 for the remaining quantities.

In the **Wurttemberg Unterland** producers quoted RM. 170—205, in **northern Baden** RM. 180—230, in the **Jura** district RM. 200—250, in the **Hersbrucker Gebirge** RM. 170—190, in **Aischgrund** RM. 170—185 and in **Rheinpfalz** RM. 170—185.

Since the end of October the hop market was very quiet with slightly declining prices.

The final yield of the 1937 hop crop in Germany was higher than estimated at the middle of August; therefore the quantity released for export shortly after the picking, could be increased. The exportation to U.S.A. has strongly declined on account of the temporary unfavourable interpretation of the dumping acts.

The German Hop Traffic Company (D.H.V.G. = Deutsche Hopfenverkehrsgesellschaft) has given to the trade for exportation up to the end of May 1938 roughly 4.104.950 lbs. of 1937 hops (4.363.590 lbs. in 1935, 5.165.514 lbs. in 1936).

German Hop Imports. German Hop Exports.

Oct. 1st, 1935 to Sept. 30 th, 1936	6.078.412 lbs.	8.189.403 lbs.
Oct. 1st, 1936 to Sept. 30 th, 1937	5.782.855 „	8.051.653 „
Oct. 1st, 1937 to March 31 st, 1938	4.727.139 „	5.173.449 „

The analysis of the 1937 hops as to their content of soft resins made according to the Wöllmer method by the Wissenschaftliche Station in Munich and the Staatliche Brautechnische Versuchsstation at Weihestephan has given the following results to which those for the years 1933 to 1936 have been added:

Bitter Principle
of the 1937 Crop.

Origin	1933	1934	1935	1936	1937
	Soft resins without water	Soft resins without water	Soft resins without water	Soft resins without water	Soft resins without water
	p. c.	p. c.	p. c.	p. c.	p. c.
Hallertau	14,2—16,9	11,9—15,6	15,6—18,6	14,0—18,1	14,9—18,4
Spalt	13,0—16,1	13,0—16,0	15,1—17,4	15,1—19,2	14,9—17,8
Hersbrucker Gebirge	11,5—16,8	12,1—15,6	14,4—18,0	15,7—16,8	12,6—17,1
Wurtemberg	13,4—17,7	14,0—16,4	14,1—18,5	13,6—19,4	14,1—19,0
Baden	15,6—16,2	12,3—12,8	13,3—17,1	19,4	11,4—17,4
Saaz	12,7—14,1	12,2—15,4	13,5—16,8	10,8—15,3	13,0—16,8
Auscha	13,7—15,8	11,5—12,5	14,1—16,3	12,8—17,1	13,3—16,6
Alsace	12,9	13,4—14,4	16,1	17,3—18,5	13,3—14,9
Styria	12,1—13,2	14,1	14,4—16,8	13,3—15,7	15,0—17,7
Backa	15,7—16,4	14,9	14,8—17,6	17,4	17,1—17,4
Poland	12,4—13,7	11,3—12,7	15,1—15,4	13,2	15,3—16,9

The regulations for the sale of the 1937 crop prescribed by the Association of the German Brewing Industry (H. V. d. B. = Hauptvereinigung der deutschen Brauwirtschaft) brought few changes as compared with the preceding year. **Producers' prices** remained unaltered (RM. 200—300 for Hallertau, Spalt, Tettngang and Jura, RM. 170—300 per 50 kilos for the remaining districts). The tax for the furtherance of the sales amounted to 20 p. c. against 25 p. c. in 1936. The buying of "all faults" ("**Ausschuss**" hops) was exclusively in the hands of the German Hop Traffic Company. In the terms of payment for the brewing industry a credit of six months free of interest was granted from the date of order as compared with 3 months the year before.

Sales' Regulation
of the German 1937 crop.

The German brewing industry having covered most of its requirements, the D.H.V.G., on February 10th 1938, took up the unsold stocks at the growers, amounting to about 992.000 lbs.

The Austrian brewing industry voluntarily agreed to take up more than 220.000 lbs. of 1937 hops and the remaining quantities fit for use could be disposed of to the German brewing industry at reduced prices. The latter has thus uniformly been provided with hops up to April 1st, 1939. We may mention here that within the provisions of the Four Years Plan the possibility is given of using spent hops for the production of cardboard-paper.

In accordance with decree No. 35 of the H. V. d. B. new plantations and the maintenance of acreage already existing are subject to the permission of the H. V. d. B. The Hop Department of the H. V. d. B. in Munich has been entrusted with carrying through the regulation of growing and marketing hops.

Regulation of the
German Hop Acreage
1938.

The reduction of the German acreage to 19.768 acres has not been interrupted. New acreage will not be allowed; the ploughing out of non-certified hops is almost completed. Before laying out a new plantation an old one of equal size must be ploughed out. — **The German hop acreage 1938 amounts to about 20.510 acres** to which are to be added about 99 acres of the Mühlviertel in Austria.

From a retrospective survey of the 1937 crop of Central Europe, we come to the following conclusions:

1937 Crop in
Central Europe.

1) The weather of the year 1937 was remarkable for drought. This turned out disadvantageously only in a few districts of **Jugoslavia, Poland and Spalt**. Owing to extraordinary heat from middle of May the blooming began four weeks, and the picking a fortnight earlier than normally.

Size and colour of the cones as well as quality and content of lupulin can generally be regarded as normal. The aroma was less uniform than usual, perhaps as a consequence of the unequal growth.

2) There were bad harvests in **Wolhynia** owing to **lice and blight**, and in the **Backa** through downy mildew. In U.S.A. 10 p.c. of a rich crop remained unpicked, principally owing to shortage of pickers. This seems paradox in a country with about six millions unemployed in autumn 1937.

3) The **international range of prices** for hops — with the exception of the countries with marketing regulations, i. e. England and Germany — was **absolutely unremunerative** for the hop grower, as the **average of RM. 30 to RM. 75** per 50 kilos (equal to 11—27 c per lb.) was below the cost of production.

Office for Hop-Growing
in Central Europe.

A meeting of the **Centre for Hop-Growing in Central Europe** was held in Nuremberg on December 13th, 1937. It was stated that a certain reduction of acreage is necessary in order to reestablish sound conditions of the hop world market. This reduction was particularly claimed by the so-called export countries, the organizations of which would have to ask their governments for a legal regulation of the acreage. **Those countries with a smaller surplus**, such as France and Germany, would have to bind themselves not to increase the acreage.

A further conference took place at Prague on April 8th, 1938. Delegates were present of **Czechoslovakia, France, Germany, Jugoslavia and Poland**. The propositions of December 13th, 1937 having remained without success so far, it was proposed to disregard the fixing of a contingent of the acreage which to carry out would create so much difficulty, and to proceed instead to a contingent of the harvest. The basic quota would have to be **18.734.000 lbs. for Czechoslovakia, 5.510.000 lbs. for Jugoslavia and 3.967.000 lbs. for Poland**. These three principal countries of exportation would have to fix the quota of their crops in such a way as to represent a reduction of 30 p.c. These three countries will continue to negotiate in order to apply the contingent already agreed upon to the 1938 crop.

Germany agreed to reduce her acreage to 19.768 acres whilst **France** will fix hers at 4450 acres.

A **contingent of a crop** means the use of only a certain quantity whereas the remains are grown to no purpose. It also signifies waste of hops, but of course this procedure is more flexible than the reduction of the acreage. Every export country has the chance of immediately reincreasing its contingent for export if this is possible owing to bad crops of other countries, or if isolation from the world market has to be avoided. The continuation of a **contingent of the crop** of several countries for many years will by itself lead to a reduction of the acreage, but its **perpetuance depends upon the faultless function with all partners**.

Czechoslovakia.

Saaz: The uncovering of the plants and the pruning began end of March and was finished end of April 1937. The winter having been sufficiently humid, the warm days in May and June furthered the rapid development of the plant, but at the end of the latter month the growth came to a temporary standstill in the dry areas. Early blooming showed itself about middle of June. In the first half of July part of the blossoms developed already into cones and at the middle of that month the conformation of the cones was complete in some gardens. The rain which fell end of July and beginning of August was favourable to the late blooming, but the latter could not develop fully so that the cones partly were not uniform. Still, the late blooming contributed largely to the increase of the total yield.

Hop-fleas appeared strongly, and they were successfully combated by 'Rotenox'. In some parts **snout-beetle** was noticed again and had to be picked off. **Red spider** showed itself in June and July without becoming dangerous. From May to August **lice and aphid** appeared more or less strongly in the various regions and were combated. **Downy mildew** was present from the beginning of the growth, and was noticed particularly in the young plantations to an extent never known before in the Saaz district. Few growers sprayed twice, and the crop was only saved by the comparatively dry summer.

The **rainfall** in the district of Saaz from January to August 1937 inclusively amounted to 11,4 inches, and August was the most humid one with 2,1 inches of precipitation.

The harvest began on August 8th in the early parts, became general round the 14th, and was finished on about August 28th. The weather was dull at the beginning with some rain. On August 21st and 22nd the picking had to be interrupted on account of strong rain, but towards the end of the harvest the weather was good again. The whole crop was picked. Pickers' wages including board amounted to Kc. 1,60 (equal to 5,8 c) or to Kc. 1,80 (equal to 6 c) without board, per quarter of 30 litres of green hops.

The **quantity harvested** was not much behind that of the previous year. The colour of the product was green and there were very few spotted hops. The quality was equal to that of the past year; content and aroma were somewhat better whilst the conformation of the cones was not quite uniform. The picking left to be desired, and upon second treatment the hops brittle slightly.

The Goldbachtal, the district of the Eger River, Horosedl as well as the second and third Bohemian Waldtal were particularly favoured.

The number of hop growers in the Saaz district is reported to be 10,051 half of which is of German origin. The German section of the hop growers' association became incorporated with the Board of Alimentation of the German Sudetics in May 1938.

At the middle of September producers had sold half of the crop and at the beginning of November the stocks amounted to about 2.205.000 lbs. in growers' hands, and to approximately 1.650.000 lbs. at the dealers. At the end of 1937 the unsold stocks in producers' and dealers' hands were estimated at 1.650.000 lbs.

On August 14th the first contracts were concluded. **The range of prices** was then Kc. 800—1000 (equal to 25—31,5 c per lb.) and soon after Kc. 750—1065. Middle of September prices moved between Kc. 700—1000 and beginning of October between Kc. 625—1000. They reached the maximum of Kc. 700—1100 at the middle of the latter month. Up to beginning of December prices declined to Kc. 525—825 and again rose slightly to Kc. 550—850, remaining on this level during the whole of December. In January 1938 the medium qualities gained Kc. 100 and till middle of March prices changed only slightly. The brisk demand caused by Austria's incorporation with Germany reduced the stocks up to end of May to about 132.240 lbs. with prices between Kc. 850 and Kc. 975.

Auscha: The development of the plant was absolutely favourable. By middle of June full height of the trellis had been attained nearly everywhere. Apart from early blooming there was a new onset of blossoms later on which also developed into cones. In July and August lice appeared strongly. Owing to the experience made in 1936 **downy mildew** was almost generally combated thanks to energetic propaganda. Spraying was effected three times on an average.

The **rainfall** from January 1st to August 31st, 1937 amounted to 20,6 inches. **Picking** began middle of August and lasted till about September 8th; towards the end it was disturbed by showers.

Colour and quality were very satisfactory as compared with the 1936 hops that were strongly affected by downy mildew. With the exception of the regions damaged by hail **the conformation of the cones** was generally normal.

Buying went on rapidly. The commencing prices of Kc. 500—525 (equal to 15,7—16,5 c per lb.) rose to Kc. 750 and more in October and fell to Kc. 450 at the end of the year. At the beginning of October the stocks in growers' hands were estimated at only 110.200 lbs.

Raudnitz: Spraying was effected three times against **downy mildew** which appeared a little stronger than in the district of Auscha. Besides, **lice**, and shortly before the picking, **red spider** were noticed in isolated cases. Rainfall from January 1st to August 31st, 1937 totalled 19,2 inches.

Picking started on August 10th, and was finished about September 8th. The product was satisfactory in colour and quality, and the cones were fully mature. The drying in the kilns ought to be attended with more care in order to avoid damaged lupulin.

Prices set in with Kc. 350 for inferior hops and with Kc. 500—525 (equal to 15,7—16,5 c per lb.) for prime quality; the demand, quiet at the beginning, soon became brisk. Best obtainable hops rose up to Kc. 750 and fell subsequently to Kc. 600. The stocks at producers' early November were estimated at only 66.100 lbs.

Dauba: Downy milde wappeared strongly, and two or three sprayings were effected. Colour and quality of the product were considerably better than those of last year. The commencing prices of Kc. 400—500 rose to Kc. 500—650 and gave way to Kc. 400—500 at the beginning of November. At that time the stocks in growers' hands amounted to about 93.670 lbs.

Moravia: There was no fighting against **downy mildew**. The colour and the quality of the hops were inferior to those of 1936, also owing to the unfavourable weather during the harvest. At the beginning of November the crop was sold with the exception of a very small lot. The prices mostly moved between Kc. 400—500 (equal to 12,5—15,7 c per lb.).

Efforts were made formerly to render hop growing profitable by reducing the acreage about 30 p. c., but now the same result is being aimed at by fixing contingents of the crop or of the requirements.

Marketing Scheme.

Only a certain quota of the Czechoslovakian crop will be released to the trade, depending upon the size of the world's crop and requirements. Each producer will get a basic quota according to a uniform scheme. Of this quota a percentage adapted to a year's requirements will be fixed, representing the maximum quantity that each producer will be permitted to sell. The remains of the crop will neither be allowed for inland nor export use.

These provisions will only come into force if the quantity of the Czechoslovakian crop exceeds 18.734.000 lbs. and if a larger Czechoslovakian crop is not likely to be taken up by the world requirements at acceptable prices.

It is the purpose of the plan to secure remunerative hop prices for the Czechoslovakian growers. The success of the plan will largely depend upon whether the other export countries such as Jugoslavia and Poland will be prepared to reduce their export quantities accordingly.

The competent leadership will have to face every year grave and hard opposed resolutions in the fixing of the Czechoslovakian export quantity.

Quality was judged:	prime	medium	inferior
	p. c.	p. c.	p. c.
Saaz	25	50	25
Auscha	40	50	10
Raudnitz	30	45	25
Dauba	35	40	25
Moravia	20	55	25

Czechoslovakian Exports.

Sept. 1st, 1935 to August 31st, 1936	11.650.344 lbs.
Sept. 1st, 1936 to August 31st, 1937	19.605.462 "
Sept. 1st, 1937 to April 30th, 1938	21.241.050 "

Jugoslavia.

Slovenia: The uncovering of the plants in spring 1937 was delayed by unfavourable weather. Towards middle of May it became warm so that the development of the plant progressed rapidly. The general state remained nevertheless unequal for a long time. There was plenty of rain during the period of growth. **Downy mildew** which was combated by four sprayings could make way only in rare cases. **Red spider** made some appearance; it was successfully fought and prevented from spreading by heavy rains. **Picking** commenced on August 10th, and was finished at the end of that month; it had to be interrupted repeatedly owing to the weather not being quite settled. All hops were picked. The colour of the product was green and unspotted, but that which was stored for a longer time lost more in colour than usual. Regarding the quality, the hops were rich in lupulin, but contained more seeds than in the preceding year, perhaps owing to the wet period of growth and as a consequence of too much manuring. The conformation of the cones was not quite uniform.

The opening prices were 900 to 1200 Dinars (equal to 19—25 c per lb.), and middle of September prices ranged between 850 to 1250 Dinars, then rose up to 1350 Dinars for best obtainable hops. In the second half of October best medium and prime hops were quoted at 900 to 1100 Dinars, but fell to 750 to 900 Dinars at the beginning of November. Discoloured and inferior grade hops attained 400 to 650 Dinars. About middle of September approximately half of the crop was already in dealers' hands. Producers' unsold stocks amounted to 1.102.000 lbs. early in November, and to about 440.800 lbs. at the end of December 1937.

Wojwodina: April and early May were remarkable for great humidity. Till the end of the latter month very hot weather prevailed, and it remained favourable in June and the first half of July. There was an abundance of rain in the subsequent month. **Downy mildew** was already noticed end of April and in the later course of spring in all gardens. **Lice** appeared in July. The state of the plants which had already been unequal during the period of growth, rapidly became worse in August owing to humidity, for **downy mildew was combated only in very isolated cases. The work of destruction of this pest was completed by the rain which fell immediately before the picking.**

Picking was effected from August 25th to September 5th, and it was hindered by further rainfall. **The yield of the harvest was disastrous.** The product was mostly unripe, stunted and discoloured, and part of the cones having become hard, fell off. **About 55 p. c. of the crop remained unpicked,** for the expected price would hardly have covered the cost of picking and drying. The quantity picked amounted to 1.542.800 lbs. The few gardens which were sprayed proved that even with unfavourable weather a satisfactory yield could be obtained provided the plants were carefully cultivated. A reduction of the acreage by 15—20 p. c. is expected owing to the two last bad crops and on account of the disadvantageous prices which have not been remunerative for years.

The demand was weak even at the middle of September as a consequence of comparatively high commencing prices which were asked on account of the small yield. Beginning of November producers had sold little more than half of the crop. The prices were 700 to 800 Dinars for

best obtainable hops, 500 to 650 Dinars for medium quality, and 300 to 400 Dinars for inferior quality. Large quantities of inferior grade hops were sold to England.

The quotation of the Reichsmark in Belgrade renders it impossible for German buyers of Jugoslavian hops to make payment through the clearing and therefore the sales for German account will remain within narrow limits.

Quality was judged:	prime	medium	inferior
	p. c.	p. c.	p. c.
Slovenia	50	40	10
Wojwodina	3	10	87

Jugoslavian Exports.

September 1st, 1935 to August 31st, 1936	7.771.304 lbs.
September 1st, 1936 to August 31st, 1937	10.841.476 „
September 1st, 1937 to April 30th, 1938	5.660.643 „

Wolhynia: The development of the plant suffered from drought particularly in the months prior to picking. Strong appearance of **lice** and **blight** did great damage to the gardens. The large producers who have combated the lice got a medium crop, but the majority of the small growers did not spray and had an entirely bad harvest. **Red spider** showed itself only sporadically. **Downy mildew** was not noticed thanks to the warm and dry weather.

Poland.

Picking started in some cases as early as August 10th, and lasted till middle of September during good weather. **The quantity harvested amounted to less than one third** as compared with that of 1936. The quality was unequal; a large part represented inferior grade hops as a consequence of bad development. The percentage of unpicked quantities in the various regions varied between 10 and 40 p. c.

Owing to the small yield the higher prices asked for at the beginning were not paid so that in September only small quantities were sold at 135 Zloty, the general price range being 100 to 120 Zloty (equal to 17—20 c per lb.). In October 90 to 110 Zloty and in November 70 to 100 Zloty were paid for prime quality. Quotations for inferior hops fell to 50 Zloty. In November about half of the crop was still unsold. — Contracts, mostly for American account were signed in July 1937 for \$ 15 to \$ 26 and also for \$ 11 to \$ 13 for medium quality. The speculative export trade suffered considerable losses on these contracts.

Congress Poland: Owing to the dry period of growth the same insects appeared as in Wolhynia, viz. **lice**, and in rare cases **red spider**, but the lasting damage was considerably smaller. The second generation of the hop-flea showed itself to a large extent in many cases. As a precautionary measure about 60 p.c. of the gardens sprayed two to four times against **downy mildew** of which only traces existed. The product surpassed last year's hops considerably in colour and quality; maturity and conformation of the cones were normal. Picking took place 10 days earlier than usual from August 1st to 25 th. The beginning prices of 50 to 120 Zloty soon rose to 80 to 165 Zloty. In September when the demand was very lively about nine tenths of the crop were sold. Later on the prices fell about 50 p. c.

The Hop Growers' Association has laid out a garden for experimental growing in Zemborzyce.

Galicia: Galicia suffered from the same pests as the other regions of Poland. The colour of the product was better than in 1936, the quality was somewhat weaker. Quotations were 30 to 110 Zloty at the beginning of September and soon rose about 50 p. c.; in November they fell to the former level.

Posen: Contrary to the other regions, the plant received sufficient humidity, but was also affected by insects. The quality of the product was equal to that of the preceding year, the colour was better. The conformation of the cones was not quite uniform owing to the picking having set in too early in some parts. Prices at the beginning moved between 85 and 125 Zloty and were cheaper later on.

Quality was judged:	prime	medium	inferior
	p. c.	p. c.	p. c.
Wolhynia	20	35	45
Congress Poland	65	25	10
Galicia	25	45	30
Posen	20	70	10

The Polish hops, especially those from Wolhynia, Posen and Galicia, can, only owing to their cheaper prices, maintain themselves on the world market, for too little is done for the improvement of their quality.

The official figures of the grown crop are of little value producers' reports which are mostly inexact.

The Polish hop acreage for 1938 is reported to be 494 acres smaller as compared with 1937.

	Imports into Poland.	Exports from Poland.
Sept. 1st, 1935 to August 31st, 1936	18,514 lbs.	4,425,632 lbs.
Sept. 1st, 1936 to August 31st, 1937	21,158 "	6,610,457 "
Sept. 1st, 1937 to April 30th, 1938	19,836 "	2,469,141 "

France.

Alsace: The development of the plant was favoured by the weather. After a warm spring, rain in June and July furthered the growth. The subsequent period of drought was followed later on by torrential rains which greatly influenced the quantitative result. **Downy mildew** was successfully combated by five to six sprayings. Lice appeared end of June. Picking was effected from end of August to middle of September, and the weather was generally good with the exception of a few rainy days towards the end. The colour of the product was green and unspotted. The quality of the hops was considerably better than in 1936 and well mature; the conformation of the cones was mostly normal. The quantity harvested was nearly 50 p.c. larger than in the preceding year. The paid prices of ffrs. 500 to 800 (equal to 13—20 c per lb.) were unremunerative, as the producers' costs amounted to ffrs. 600 to 800. In May 1938 ffrs. 725 to 755 were paid.

Nord: Spraying was effected partly four to five times against insects and **downy mildew** which appeared less strongly than in 1936. The acreage of 1936 was reduced by 30 p.c. to 415 acres in 1937. There will probably be a further decrease, as the prices attained involved again losses for the growers who were very disappointed. Colour and quality of the product were better than in 1936; the conformation of the cones was partly not uniform. The quotations of ffrs. 400 to ffrs. 550 (equal to 10—14 c per lb.) fell to about ffrs. 350 in November/Dezember. In May 1938 the price was ffrs. 500.

The decree of August 31st, 1937 regarding the use of home grown hops in the French breweries up to a certain minimum percentage has not yet come into practical force. The decree of March 9th, 1938 provides that every year between July 1st and 10th the brewers state the quantities of hops of home and foreign origin used in the preceding business year as well as their stocks. They will then receive an import licence for a relative quantity of foreign hops against payment of ffrs. 15 per 220 lbs. for expenses. An act of April 8th, 1938 fixed a contingent of importation at 771,400 lbs. for the time up to August 31st, 1938.

The growers aim at an increase of the import-duty to ffrs. 1000 per 220 lbs. (at present ffrs. 410 per 220 lbs.), the fixation of minimum prices, the obligation for the use of 70 p.c. of French hops and premiums for the improvement of the varieties of hops grown in France as well as for improvement of the hop-kilns and also premiums for the exported merchandise.

Quality was judged:	prime	medium	inferior
	p. c.	p. c.	p. c.
Alsace	50	45	5
Nord	25	60	15
	French Imports.		French Exports.
1935	2,488,977 lbs.		1,740,278 lbs.
1936	2,801,504 "		1,072,687 "
1937	2,549,146 "		1,626,772 "

Belgium.

Poperinghe: **Downy mildew** showed itself during the whole period of growth in 1937, but, owing to favourable weather, to a smaller extent than in 1936. It was successfully combated, as the growers sprayed three times on an average, and in some cases up to ten times. The persistent appearance of lice between end of May and middle of July had also to be fought. **Picking** was effected from August 26th to September 15th; the weather was wet at the beginning and mostly good subsequently. The product was better in colour than in 1936, partly also in quality although the conformation of the cones was unequal in some cases. There were more hops of medium quality than a year before. As compared with 1936 the acreage was 12 p.c. smaller, equal to about 150 acres. A further reduction is expected for 1938 owing to unremunerative prices. **Contracts** were concluded at prices between bfrs. 400 to 650. After the harvest bfrs. 400 to 525 (equal to 12—16 c per lb.) were paid, and later on "Buvrines" brought up to bfrs. 650

whilst in December bfrs. 300 to 400 were quoted for this variety. Although only about 66,120 lbs. of Tettang seedlings have been grown, part of them was still unsold in January; they were quoted at prices between bfrs. 650 and bfrs. 850.

Alost: Downy mildew appeared strongly during picking and even then caused considerable damage. Spraying was not effected generally, but in some cases seven to eight times and more. Besides other insects red spider showed itself. Some of the small growers who only yield about 200 to 550 lbs., have not the means for the proper training of their hops. Picking took place during the time of August 20th to end of September. The weather was generally good at the beginning whilst the second half was rainy. **Colour and quality** of the product were inferior to those of 1936. The **prices** of Hallertau seedlings moved between bfrs. 850 to 950 and of the "Groene Bel" between bfrs. 675 to 750. Inferior sorts were quoted at the beginning at bfrs. 500 to 525 and later at bfrs. 400 to 450. Early in November the stocks in producers' hands amounted to about 55,100 lbs. of mostly inferior grades.

The hop acreage 1938 of the district of Poperinghe has decreased by about 198 acres as against 1937 whilst a slight increase of the acreage of Alost has been reported.

Quality was judged:	prime	medium	inferior
	p. c.	p. c.	p. c.
Poperinghe	35	60	5
Alost	15	55	30
	Belgian Imports.		Belgian Exports.
1935	4,476,324 lbs.		841,708 lbs.
1936	5,803,793 „		1,034,998 „
1937	5,245,300 „		883,583 „

The winter 1936/37 was abnormally wet and the weather during spring was equally unfavourable so that the plant was **backward in May**. Severe attacks of **aphis** have been reported in the early growing season, and its descendants, the **lice** had to be combated continuously. **Downy mildew** was well kept under control by spraying which was generally effected three or four times. **Red spider** was noticed in some districts. The wet weather continued until end of June, and by that time very few heads had reached the top wire. Middle of August, after a continued drought, heavy rainfalls were of great benefit for the last development. The cones made considerable progress, especially in the Midlands and the hops looked generally free from any defect.

England.

Picking commenced in the last days of August; it was finished in the South about September 18th and in the Midlands at middle of October. The weather during picking was generally excellent; only in the Midlands the ingathering was partially hindered by rain, cold weather and extreme shortage of labour.

In Herefordshire for the first time **mechanical hop-pickers** were employed dealing with 6,000 strings of hops in 24 hours. The machine costs about £ 2000 and works at a cost of 1 s. an hour.

The whole crop was picked, as the total fell short of the Hops Marketing Board quota by more than 10,000 cwt. Whilst "Goldings" yielded well, the principal decrease as compared with 1936 was reported from the Weald of Kent, the real home of the "Fuggle" hops.

The quality of the crop was above average, more uniform and regular than for some years past, and ranged within much narrower limits.

The cones although smaller than usual were well developed in size and weight, exceptionally clean and free from disease and with a high lupulin content. "Goldings" and "Mathons" were the growth of the season.

Quality was judged:	prime 75 p. c.	medium 20 p. c.	inferior 5 p. c.
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The Hops Marketing Board (H.M.B.) has stated that assuming the pockets to average the same weight as last year, the total quantity of 1937 hops consigned by growers amounted to 208,743 cwt. as against 229,030 cwt. last year. The Ministry of Agriculture estimated officially **the total 1937 crop at 235,000 cwt.** against 252,000 cwt. last year. The difference is due to the quantity of hops grown by brewers on 933 acres in 1937. The brewers stated their requirements to be 210,561 cwt. Their firm contracts were 191,000 cwt. leaving a balance to complete requirements of 17,512 cwt.

On basis of the average price of £ 9 per cwt. the range of prices lay between £ 8.5.— and £ 11. Inferior grade hops being extremely scarce, the best quality had to be sold at lower prices than usual. This hardly encourages producers to increase the yield in future years, especially as the cost of production has seriously risen.

The same methods of valuation as last year were again adopted. The annual quota had been fixed by the H. M. B. at 98 per cent. of the basic figure. All quota transactions had to be completed and notified to the H. M. B. by October 7th. One alteration was made in the terms of the contract inasmuch as the brewers' Levy Fund had been reduced from 10 s. to 3 s. per cwt.

Sampling commenced at the end of the first week in September for preliminary grading purposes. At the end of October merchants received the one in ten samples and were then engaged in distributing them to brewers.

Valuation began in the last week of October, about ten days earlier than in 1936. The task of the valuers was lessened this year by the absence of extremes in quality, the increased experience in collective evaluation and the better natural light available. Trading in 1937 hops commenced officially on November 29th or six weeks earlier than last season.

The market became free on January 13th. Owing to the scarcity of 1937 hops there has been some trading in yearlings and 1935 hops that had been kept in cold store. The weighing of the 1937 crop was completed end of January, one month earlier than in 1936.

At the end of the third week in January the whole of the 1937 crop was sold to consumers, with the exception of a few pockets of "All Faults"; by end of February the 1937 English crop was quite cleared out, which is an unparalleled clearance of new season's hops at this time of the year. The stock of 1936 hops remaining in merchants' hands were practically exhausted already at the beginning of 1938. There were no stocks in England held of old hops either of home or foreign origin but for a few 1935 hops in cold store and a small surplus of the 1936 crop amounting to 10,089 cwt. carried forward by the H. M. B. At the end of February the H. M. B. instructed the factors to offer this small unsold balance of the 1936 crop for sale without any addition to the Levy Fund which means a reduction of 10 s. per cwt. in the selling price. As 1936 hops in this way were only 3 s. below the price of 1937 hops, there was no inclination to buy.

The quota of the crop 1938 was fixed at 102 p.c. or 232,000 cwt. as against 98 p.c. or 222,500 cwt. in 1937. During the past season 6,000 cwt. of foreign hops have been imported in excess of the 15 per cent. allowed under the White Paper agreement.

	English Imports.	English Exports.
Sept. 1st 1935 to August 31st 1936	44,778 cwt.	15,011 cwt.
Sept. 1st 1936 to August 31st 1937	34,838 „	18,600 „
Sept. 1st 1937 to April 30th 1938	52,016 „	13,311 „

U.S. A.

Washington: The weather during the growing period was mostly unfavourable, especially in the Yakima Valley which suffered from aphid and red spider. Traces of downy mildew could be found only in isolated cases rendering spraying superfluous. Western Washington was favoured during the growth, but owing to aphid damage, mould and shortage of labour the yield was decreased shortly before and during the picking time. The rainfall was abnormally low and is reported with 7,31 inches from January to August 1937. Picking began on August 25th, and was finished on September 1st in Western Washington, and one month later in the Yakima Valley. Quality and colour differed more than in 1936; the cones were more mature, but smaller, and the flavour stronger.

Oregon: Owing to heavy rains throughout spring the work in the gardens was much retarded. Attacks of downy mildew were checked by hot weather in the later growing period and by spraying three to five times. Red spider principally noticed on Fuggles was scarcely combated, and lice have done but little damage. The crop was started on August 20th, and lasted generally one month. The weather was excellent in the first two weeks, but much rain fell later and brought about new attacks of downy mildew. They resulted in partly discoloured hops, and the quality remained considerably behind that of the previous year. The conformation of the cones was mostly larger, and the ripeness was not uniform.

California: As early as February and March 1937 downy mildew showed itself, and disappeared when the weather became favourable after May. Red spider appeared slightly in Mendocino and Sonoma. The latter district suffered also from a heavy lice infestation during the harvest. There was less rain than in the previous year, viz. 23,84 inches in Sonoma, 25,73 inches in Mendocino and 16,76 inches in Sacramento. Picking began August 17th in Sonoma, August 20th in Mendocino and August 5th in Sacramento, and lasted partly till beginning of October owing to shortage of labour. Colour and quality varied in Mendocino as well as in Sonoma whereas the Sacramento Valley produced equally grown hops. The conformation of the cones was large and often over-ripe in the former two districts, whilst Sacramento had smaller cones of more uniform ripeness.

The production of much poor quality in all hop growing districts in U. S. A. is also accounted for by **shortage of labour** during harvest. In the Sacramento Valley **picking machines** did good service.

Due to the low prices in 1937 a considerable reduction of the acreage was expected for 1938. We do not believe that a material change will take place before the new marketing orders will be known.

Quality was judged:	prime	medium	inferior
	p. c.	p. c.	p. c.
Washington	35	45	20
Oregon	25	45	30
California	50	30	20

On September 1st, 1937, at the beginning of the new crop **stocks** of old hops in growers' hands were estimated at 13,536,000 lbs. as against 15,825,000 lbs. in 1936. The quantity of hops used by breweries from July 1936 to June 1937 is calculated at 37,004,749 lbs. (1935/36 at 34,516,246 lbs.).

By middle of May 1937, **prices** for Oregon hops of the 1936 crop were nominally between 35 and 40 c per pound net to grower. Washington growers were holding their light stocks at the same prices and 1935 hops at 20 to 25 c. In California, Mendocino producers reported bids of 21, 19 and 18 c for equal quantities of 1937, 1938 and 1939 hops. Sonoma and Sacramento Valley producers offered at 23/25, 20 and 20 c for three-year contracts. 1937 hops were mostly held at around 25 c. In spring and summer 1938 the demand and prices declined.

As the 1937 harvest drew near, **contracts at 14 to 15 c for 1937 hops** were offered by growers who were anxious to finance harvesting. The prices were materially lower than during August 1936 when most transactions ranged from 35 to 37 1/2 c. Until the first week in September prices fell to 12 1/2 to 13 c for new hops, but rose sharply afterwards, reaching 18 c in Oregon and 17 c in California by middle of October. About this time the market became more quiet. By end of December 10 to 12 1/2 c were paid in Oregon, 10 to 14 in Washington and 10 to 13 c in California. **This signifies that 1937 hops brought only about one third of last season's prices.** 1935 and 1936 hops were quoted at 5 to 10 c.

The following months brought slow business at prices from 12 to 15 c for 1937 hops; 1935 and 1936 crops were quoted from 7 to 10 c. Contracts for 1938 hops were offered at 20 c without meeting interest. In May when business was very quiet, prices ruled from 10 to 14 c.

In December 1937 the Agricultural Adjustment Administration (A. A. A.) has announced a diversion program for hops whereby 1934 and older hops may be diverted to fertilizer, mulch and other approved uses. With the sum of \$ 560,000 which has been appropriated, up to 16,000,000 lbs. or 80,000 bales may be disposed of, as \$ 7 a bale will be paid. The plan will be administered by the Pacific Coast Hops Stabilization Corporation, Oakland, California. The growers' aim at removing the remaining stocks of 1935, 1936 and 1937 from the open market under a similar plan to the diversion agreement, is now in force.

Destruction of old Hops.

Since 1934 efforts have been made with a view to formulate a united program for stabilization of the hop industry in order to overcome the three problems facing it, viz. **overproduction, undesirable forward contracting and excessive importation.** As the outcome of various meetings of growers, dealers and brewers of the United States, the Mac Nary Bill has been passed by the American Senate in April 1938 and been signed by the President meaning Federal control of hop-production. Hops are now included as one of the commodities subject to marketing orders by the Secretary of Agriculture and marketing agreements between producers, dealers and the said Secretary. Only registered growers will be allowed to grow hops, and future contracting for more than the current year will be prohibited. Growers will receive for their hops the cost of production plus a reasonable profit, and it is assumed that the prices to growers during the next two years — the agreement has been made for a limited period of two years as a trial, i. e. for the seasons 1938 and 1939 — will be in excess of 20 c per pound, up to about 25 c. Finally, the excessive importation of European hops will be opposed. The present system of marketing through the dealers has been left undisturbed.

Marketing Program.

A trade agreement with Czechoslovakia, becoming effective on April 16th, 1938, reduces the duty on imported Czechoslovakian hops from 24 to 18 c per pound providing the market value at point of production is 30 c or more on the day of exportation. The duty on hops with a home market value of below 30 c remains 24 c per pound as before. The duty on lupulin was reduced by 50 p.c. to 75 c per pound.

U.S. Trade Agreement with Czechoslovakia.

This agreement will also favour imports of hops from **Jugoslavia and Poland**, being most favoured tariff nations. It will hardly be understood by U.S.A. growers who strongly oppose rising imports. Hops imported from **Germany** are subject to a duty of 24 c per pound as heretofore;

according to American statistics it amounted only to 93,274 lbs. during the first months of the hop year 1937/38 as against 1,816,000 lbs. a year ago.

	Imports to U.S.A.	Exports from U.S.A.
July 1st 1935 to June 30th 1936	5,935,223 lbs.	6,348,538 lbs.
July 1st 1936 to June 30th 1937	14,045,631 "	3,859,764 "
July 1st 1937 to March 31st 1938	10,484,984 "	5,955,179 "

New Zealand and Australia.

Hops are grown in the district of Nelson (New Zealand). The acreage amounts to **620 acres** which yield about **950,000 lbs.**

The acreage in **Tasmania** (Australia) the size of which depends on the demand in Australia, at present amounts to about **900 acres** which in 1937 yielded 7500 bales of 240 lbs. each, i. e. **1,800,000 lbs.** The picking took place from March 10th to end of April.

Hops are also grown in the province of **Victoria** (Australia) amounting to about 1600 bales equal to **384,000 lbs.** The 1938 crop was favoured by good weather.

World's Stocks of Hops beginning of June 1938.

In **Germany** the stocks at the beginning of June 1938 amounted to about 551,000 lbs. of 1937 hops and to 440,800 lbs. of 1935 hops; nearly the total of these quantities are in the hands of the D. H. V. G. The stocks of 1937 hops in **Czechoslovakia** amounted to about 187,300 lbs., in **Jugoslavia** in the district of Wojwodina to 440,800 lbs. whilst Slovenia is absolutely cleared, in **Poland** to 176,300 lbs., in **France** to 44,000 lbs. and in **Belgium** in the district of Poperinghe to about 165,300 lbs.

Therefore in **Central Europe** about **1,564,700 lbs. of 1937 hops** are still available which can be regarded as being of more or less low quality. The stocks of 1936 hops at the same time of the past year amounted to 2,138,000 lbs. In **England** there were only left small remains of the 1936 crop. In **U.S.A.** the stocks on March 1st 1938 in producers' hands amounted to 41,820 bales and to 71,000 bales (of 200 lbs. each), in merchants' hands; of the latter 54,700 bales were 1937 hops.

World's Hop Consumption 1937/38.

	Beer-Production 1937 American barrels	Dose of hops per barrel in lbs.	Hop Consumption in 1000 lbs.
Balkan	179,000	0.64	115
Baltic States	635,000	0.71	451
Belgium and Luxemburg	12,536,000	0.58	7,295
Czechoslovakia	7,086,000	0.77	5,498
Dantzig	60,500	0.64	39
Denmark, Iceland	2,008,500	0.42	857
France	12,666,000	0.48	6,061
Germany	37,150,500	0.57	21,140
Austria	1,882,500	0.64	1,217
Netherlands	1,011,500	0.55	562
Norway	405,500	0.55	225
Poland	1,128,000	0.64	729
Roumania, Jugoslavia, Hungary	851,000	0.67	572
Russia	4,260,500	0.64	2,755
Spain, Portugal, Italy	1,032,500	0.64	667
Sweden	2,343,500	0.42	1,000
Switzerland	1,815,000	0.51	938
"European" Continent	87,051,500	—	50,121
Great Britain	24,873,000	1.23	30,599
Irish Free State	2,403,000	1.94	4,661
Europe	114,327,500	—	85,381
Africa	533,500	0.90	482
Australia and New Zealand	3,240,500	1.16	3,771
Canada	2,203,500	0.97	2,137
Central America	1,548,500	0.64	1,001
Eastern Asia	2,340,500	0.64	1,513
India, Dutch Indian Colonies	98,000	1.16	114
South America	4,235,000	0.64	2,738
United States of America	58,145,500	0.66	39,343
World's consumption	186,672,500	—	136,480

Whilst January was wet with little frost, the subsequent months of 1938 were remarkable for drought. A mild and sunny March was followed by a cool April with night-frosts in the second half down to 14° Fahrenheit, and even lower. Warm days accompanied by rain only came after the middle of May. **Germany:** Hop-fleas brought no damage. Downy mildew has been rare up to the present; precautionary spraying has been started. The state of the plants was generally healthy and vigorous, but the growth was unequal and about 14 days backward. In **Czechoslovakia** hop-fleas and snout-beetle hindered the early development of the plants. End of May when the nights were cool and wet, aphids appeared strongly. Like in Germany, the growth was backward, but it was favoured by the warm weather which set in in the meantime. **Belgium** and **France** reported slow and unequal development up to now as well as a strong appearance of aphids. The growth was normal in **Congress Poland**, but much retarded in **Volhynia**. **Jugoslavia** reported an unequal growth with a recent strong appearance of lice from Slovenia. In the Backa district, spraying has been made obligatory in order to prevent failure crops. In **England** owing to cold weather the plant was backward. **U.S.A.:** Whilst the districts of Washington and California reported a favourable progress of the growth, the news were more unfavourable from the largest hop growing area of Oregon where many missing hills and the appearance of downy mildew had a disadvantageous influence upon the state of the plants.

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