



Hop Report

August 2022

- **Drought and heat wave takes toll on European hop crop**
- **German crop estimated to be down by 20% vs. 2021**
- **Average crop expected in the US**

I. GROWING CONDITIONS GERMANY

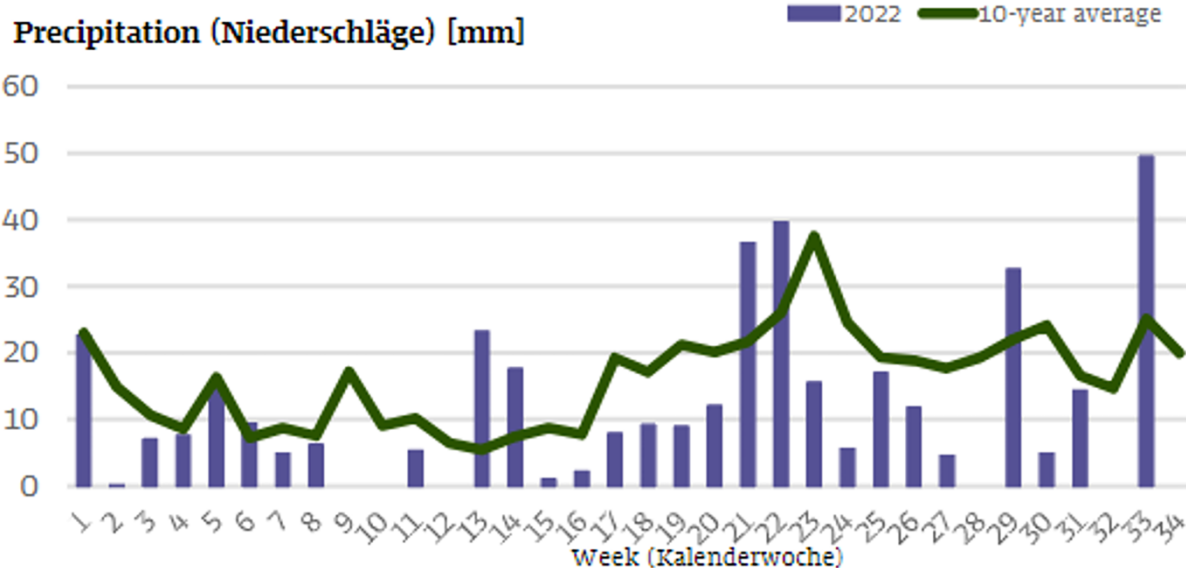
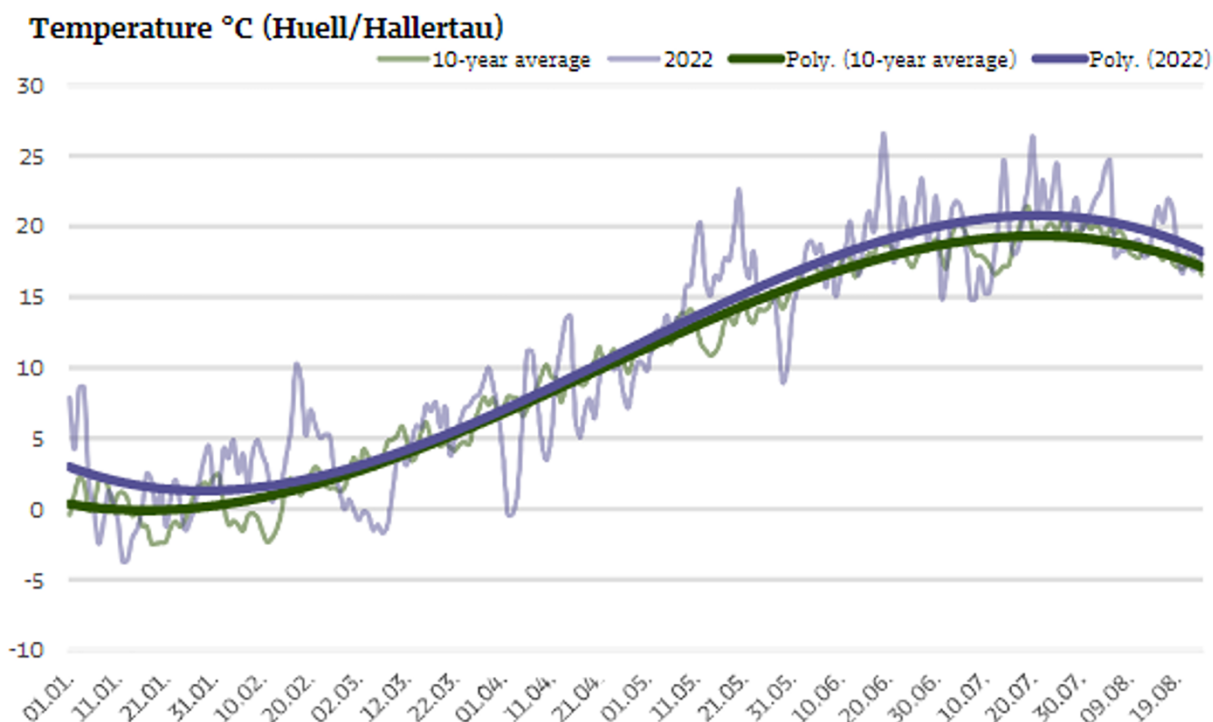
Growing conditions in Europe have been characterized by above average temperatures through most of the growing season and below average precipitation. The official crop estimate for Germany is showing a yield that is 18% below what one would expect from a normal crop.

GROWING AREA	CROP ESTIMATE (TO)	DEVIATION FROM EXPECTED AVERAGE
Hallertau	32.500	-18.5%
Elbe-Saale	2.691	-13.3%
Tett nang	2.421	-11.5%
Spalt	491	-32.6%
Total	38.103	-18.1%

While the German crop is estimated to be short by 18% vs. a normal crop, it is down by 20.4% compared to crop 2021, which yielded 47.862 tonnes.

Particularly the early maturing varieties (Hallertau Mittelfrüh, Northern Brewer, Hall. Tradition, Perle) are affected and will yield poorly. Rainfalls towards the end of August are giving hope for the later maturing varieties that still have time to recover.

Early alpha acid screening indicates, as can be expected, that alpha acid levels will also be below their respective long-term average.



For a more detailed report on the growing conditions as well as a deeper look into the challenges of organic hop growing, please check out our **August HopUpdate**:

[BarthHaas/Blog](#)



II. EUROPE

Europe:

The other European growing areas have seen similar conditions and crop expectations are a mixed bag compared to 2021. After a record crop in 2021 the Czech Republic is in store for a very poor crop this year.

GROWING AREA	CROP 2022 ESTIMATE (TO)	CROP 2021
Czech Republic	4.700	8.306
Slovenia	2.500	2.186
Poland	3.250	3.108

III. MARKETS

What all of this means for the markets is very hard to gauge. There is certainly supply from previous crops that will help to mitigate the shortfall, but these inventories are not necessarily of the varieties that are most needed.

Many brewers are reporting very good beer production volumes for the first half of 2022 as the on-premise business is back in full swing. Some have even exceeded their output levels of the first six months of 2019. Therefore, demand is mostly strong across the globe.

Overall, we believe there is enough supply available to satisfy demand, but it will require the cooperation and flexibility from brewers with regards to crop year and varieties. The 2022 crop will also present an opportunity to make corrections to over-contracted forward positions. Finding the right price point for every variety in the spot market will prove tricky in view of a short crop 2022 in combination with inventories from previous crops at very variable levels.

What is certain is that forward prices will be higher than in the past. Growers are facing significant cost increases, much higher than general inflation, and will not be able to operate at historic price levels. We also encourage brewers to embrace modern varieties that are better suited to the changing climate and provide more stable yields than the well-known workhorses of the past.

We hope to see you at our booth at Drinktec (Sept. 12 - 16, Hall A5). Until then,



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