

2008
GUIDELINES
FOR HOP BUYING



*Estimate

International Conversion Table

1 metr. ton (mt) → 1,000 kg → 2,204.6 lbs.
 100 lbs. → 45.359 kg

1 hectare (ha) → 2.471 acres
 1 acre → 0.405 hectare (ha)

1 hectoliter (hl) → 100 litre (Ltr.) → 0.8523 bbl. [USA] → 0.6114 bbl. [Brit.]
 1 bbl. [USA] → 117.34 litre (Ltr.) → 1.1734 hectoliter (hl)
 1 bbl. [Brit.] → 163.65 litre (Ltr.) → 1.6365 hectoliter (hl)

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Foreword

” The hops and brewing industries have just completed an astounding twelve months. The 2007 hop crop was the third in a row that did not produce the alpha that was required for the coming brewing year. Consequently, hop inventories in all market areas are at historically low levels. Prices for available hops reached record levels, and the spring of 2008 witnessed an acreage increase in USA that had not been seen for over thirty years. It should be noted that during these challenging times the hops and brewing industries were able to work together to find solutions to the supply crisis by finding alternative varieties and products to meet each user's requirements.

In addition, during the past twelve months there has been an unprecedented rush to consolidation in the brewing industry. While it is possible to speculate on the effects of these moves upon the hop market, only time will tell how the changes in the brewery landscape will affect the producers and processors of hops.

The 2008 edition of Guidelines for Hop Buying presents relevant and current hop market data for these challenging times. We will continue to report as developments occur, and, as always, look forward to working with you in the months and years to come. “

October 2008
S. S. Steiner, Inc.
Simon H. Steiner, Hopfen, GmbH
Steiner Hops Limited



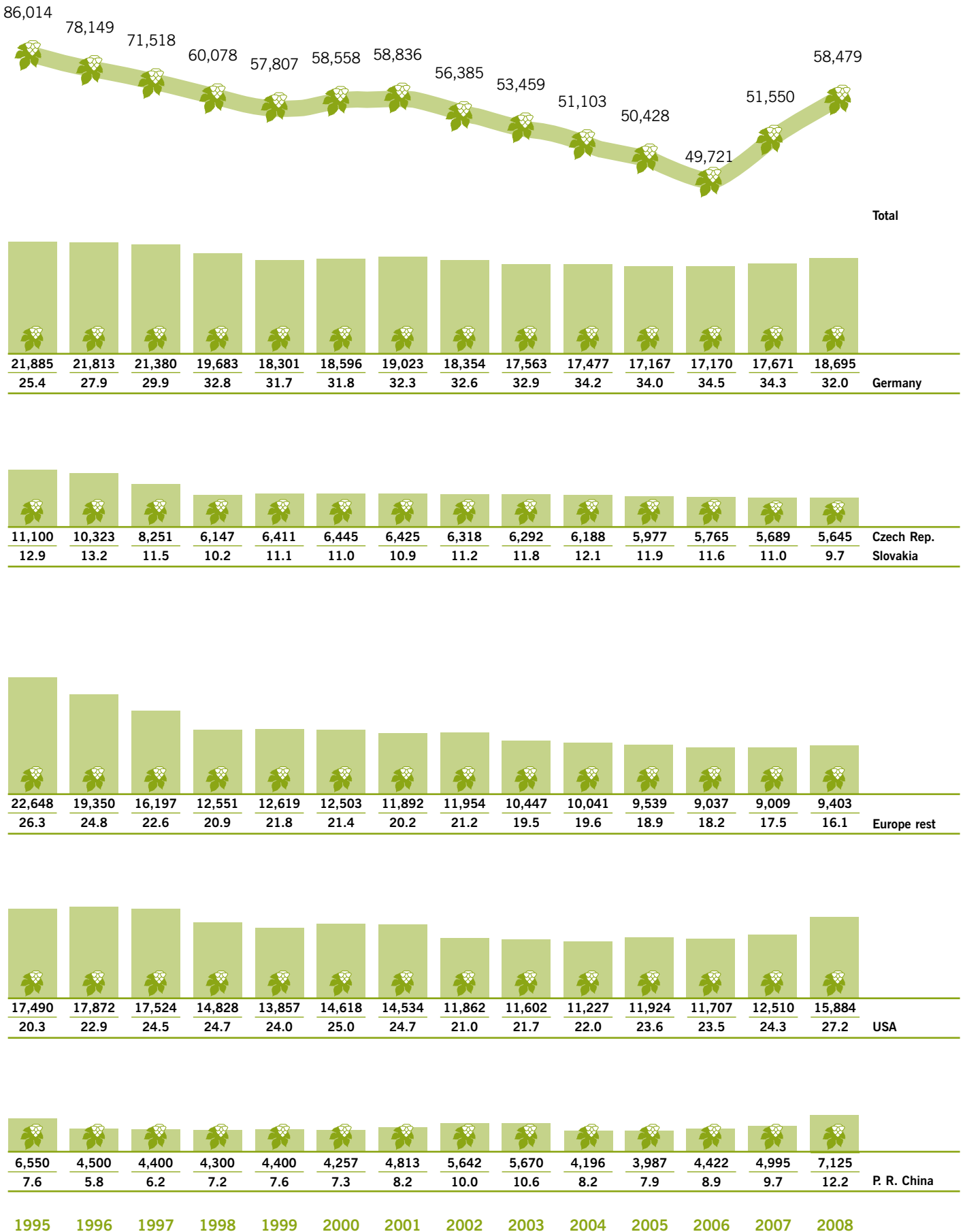
- *Hallertauer Hopfenveredelungs-
gesellschaft mbH Au, Hallertau,
Germany, Pellet Plant*
- *Hallertauer Hopfenveredelungs-
gesellschaft mbH Mainburg,
Hallertau, Germany,
Ethanol-Extraction*
- *Hops Extract Corporation of
America Yakima, Washington,
CO₂-Extraction*
- *Golden Gate Hop Ranches Inc.
Yakima, Washington, USA,
Hop Farming*

Hop Acreage 2005 – 2008

| | Acreage in ha | | | | +/- % | | |
|----------------------|---------------|---------------|---------------|---------------|--------------|--------------|---------------|
| | 2005 | 2006 | 2007 | 2008 | 05/06 | 06/07 | 07/08 |
| Hallertauer | 1,492 | 1,516 | 1,594 | 1,557 | + 1.6 | + 5.1 | - 2.3 |
| Hersbrucker | 1,041 | 865 | 741 | 735 | - 16.9 | - 14.3 | - 0.8 |
| Perle | 2,789 | 2,931 | 3,034 | 3,061 | + 5.1 | + 3.5 | + 0.9 |
| Spalter Select | 732 | 740 | 733 | 735 | + 1.1 | - 0.9 | + 0.3 |
| Tradition | 2,116 | 2,235 | 2,358 | 2,401 | + 5.6 | + 5.5 | + 1.8 |
| Northern Brewer | 423 | 395 | 334 | 306 | - 6.6 | - 15.4 | - 8.4 |
| Magnum | 3,660 | 3,549 | 3,431 | 3,428 | - 3.0 | - 3.3 | - 0.1 |
| Nugget | 318 | 288 | 251 | 251 | - 9.4 | - 12.8 | + 0.0 |
| Taurus | 1,177 | 1,146 | 1,117 | 1,109 | - 2.6 | - 2.5 | - 0.7 |
| Herkules | 0 | 0 | 775 | 1,699 | + 0.0 | + 0.0 | + 119.2 |
| Rest | 472 | 582 | 385 | 396 | + 23.3 | - 33.8 | + 2.9 |
| Hallertau | 14,221 | 14,280 | 14,754 | 15,678 | + 0.4 | + 3.3 | + 6.3 |
| Elbe-Saale | 1,332 | 1,284 | 1,321 | 1,383 | - 3.6 | + 2.9 | + 4.7 |
| Tettngang | 1,200 | 1,200 | 1,193 | 1,233 | + 0.0 | - 0.6 | + 3.4 |
| Spalt | 395 | 388 | 384 | 382 | - 1.8 | - 1.0 | - 0.5 |
| Hersbruck | 0 | 0 | 0 | 0 | + 0.0 | + 0.0 | + 0.0 |
| Rest | 20 | 19 | 19 | 19 | - 5.0 | + 0.0 | + 0.0 |
| Germany total | 17,167 | 17,170 | 17,671 | 18,695 | + 0.0 | + 2.9 | + 5.8 |
| Belgium | 191 | 181 | 176 | 186 | - 5.2 | - 2.8 | + 5.7 |
| Bulgaria | 221 | 221 | 221 | 221 | + 0.0 | + 0.0 | + 0.0 |
| Czech Rep. | 5,672 | 5,460 | 5,389 | 5,345 | - 3.7 | - 1.3 | - 0.8 |
| England | 1,071 | 1,056 | 1,060 | 1,100 | - 1.4 | + 0.4 | + 3.8 |
| France | 801 | 800 | 796 | 801 | - 0.1 | - 0.5 | + 0.6 |
| Poland | 2,291 | 2,291 | 2,179 | 2,179 | + 0.0 | - 4.9 | + 0.0 |
| Romania | 90 | 90 | 429 | 429 | + 0.0 | + 376.7 | + 0.0 |
| Russia | 422 | 420 | 228 | 220 | - 0.5 | - 45.7 | - 3.5 |
| Serbia/Montenegro | 166 | 67 | 67 | 76 | - 59.6 | + 0.0 | + 13.4 |
| Slovakia | 305 | 305 | 300 | 300 | + 0.0 | + 1.6 | + 0.0 |
| Slovenia | 1,511 | 1,522 | 1,568 | 1,706 | + 0.7 | + 3.0 | + 8.8 |
| Spain | 685 | 685 | 497 | 466 | + 0.0 | - 27.4 | - 6.2 |
| Turkey | 311 | 300 | 331 | 331 | - 3.5 | + 10.3 | + 0.0 |
| Ukraine | 1,464 | 1,100 | 1,145 | 1,359 | - 24.9 | + 4.1 | + 18.7 |
| Rest | 315 | 304 | 312 | 329 | + 1.4 | + 2.6 | + 5.4 |
| Europe total | 32,683 | 31,972 | 32,369 | 33,743 | - 2.2 | + 1.2 | + 4.2 |
| Willamette | 2,629 | 2,747 | 2,792 | 2,914 | + 4.5 | + 1.6 | + 4.4 |
| Rest USA Aroma | 1,702 | 1,484 | 1,594 | 2,226 | - 12.8 | + 7.4 | + 39.6 |
| Cluster | 249 | 168 | 170 | 162 | - 32.5 | + 1.2 | - 4.7 |
| Galena | 1,814 | 1,766 | 1,397 | 1,174 | - 2.6 | - 20.9 | - 16.0 |
| Nugget | 1,004 | 1,066 | 1,120 | 2,023 | + 6.2 | + 5.1 | + 80.6 |
| Rest USA Bitter | 1,597 | 1,578 | 1,836 | 1,214 | - 1.2 | + 16.3 | - 33.9 |
| Super High Alpha | 2,929 | 2,898 | 3,601 | 6,172 | - 1.1 | + 24.3 | + 71.4 |
| USA total | 11,924 | 11,707 | 12,510 | 15,884 | - 1.8 | + 6.9 | + 27.0 |
| Argentina | 160 | 160 | 167 | 167 | + 0.0 | + 4.4 | + 0.0 |
| Australia | 449 | 364 | 441 | 484 | - 18.9 | + 21.2 | + 9.8 |
| Japan | 244 | 235 | 214 | 210 | - 3.7 | - 8.9 | - 1.9 |
| New Zealand | 403 | 353 | 354 | 360 | - 12.4 | + 0.3 | + 1.7 |
| P. R. China | 3,987 | 4,422 | 4,995 | 7,125 | + 6.9 | + 13.0 | + 42.6 |
| South Africa | 506 | 438 | 438 | 444 | - 13.4 | + 0.0 | + 1.4 |
| Rest | 73 | 70 | 62 | 61 | - 4.1 | - 11.4 | - 1.6 |
| World total | 50,428 | 49,721 | 51,550 | 58,479 | - 1.4 | + 3.7 | + 13.4 |

Hop Acreage 1995 – 2008

(ha and % share)

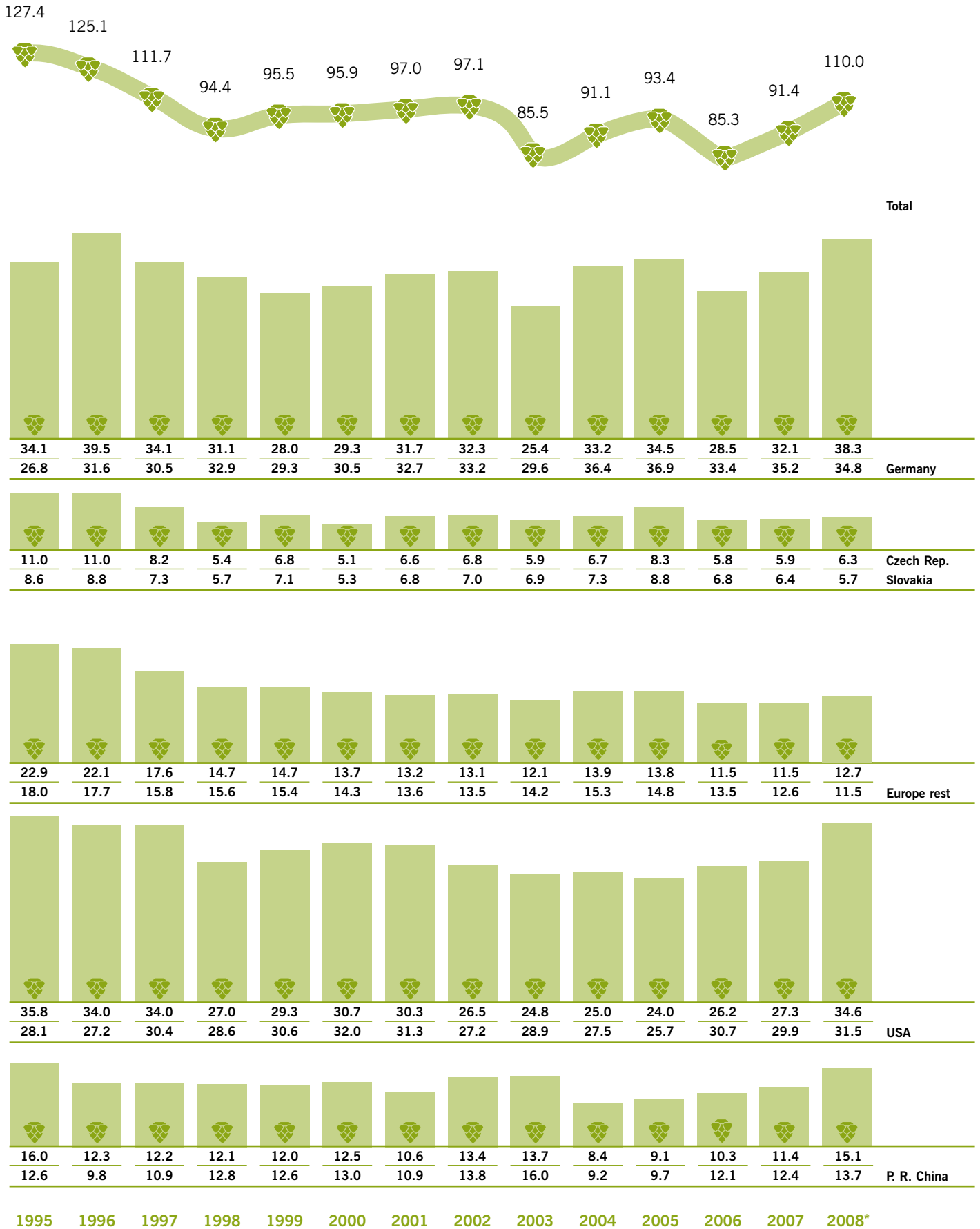


Crop Quantities and Average Yields 2005 – 2008

| | Crop Quantities in mt | | | | +/- % | | | Ø Yields in mt / ha | | | |
|----------------------|-----------------------|-----------------|-----------------|------------------|---------------|---------------|---------------|---------------------|-------------|-------------|-------------|
| | 2005 | 2006 | 2007 | 2008* | 05/06 | 06/07 | 07/08* | 2005 | 2006 | 2007 | 2008* |
| Hallertauer | 2,368.4 | 2,085.7 | 1,708.7 | 2,700.0 | - 11.9 | - 18.1 | + 58.0 | 1.59 | 1.38 | 1.07 | 1.73 |
| Hersbrucker | 1,985.4 | 1,502.1 | 1,471.6 | 1,350.0 | - 24.3 | - 2.0 | - 8.3 | 1.91 | 1.74 | 1.99 | 1.84 |
| Perle | 5,693.4 | 4,548.4 | 6,010.8 | 6,650.0 | - 20.1 | + 32.2 | + 10.6 | 2.04 | 1.55 | 1.98 | 2.17 |
| Spalter Select | 1,651.1 | 1,351.9 | 1,654.5 | 1,650.0 | - 18.1 | + 22.4 | - 0.3 | 2.26 | 1.83 | 2.26 | 2.24 |
| Tradition | 4,230.2 | 3,765.8 | 4,749.2 | 5,275.0 | - 11.0 | + 26.1 | + 11.1 | 2.00 | 1.68 | 2.01 | 2.20 |
| Northern Brewer | 852.7 | 528.2 | 569.1 | 525.0 | - 38.1 | + 7.7 | - 7.7 | 2.02 | 1.34 | 1.70 | 1.72 |
| Magnum | 8,476.5 | 6,969.3 | 6,308.2 | 8,200.0 | - 17.8 | - 9.5 | + 30.0 | 2.32 | 1.96 | 1.84 | 2.39 |
| Nugget | 699.2 | 548.3 | 598.8 | 600.0 | - 21.6 | + 9.2 | + 0.2 | 2.20 | 1.90 | 2.39 | 2.39 |
| Taurus | 2,745.3 | 2,160.7 | 2,307.9 | 2,350.0 | - 21.3 | + 6.8 | + 1.8 | 2.33 | 1.89 | 2.07 | 2.12 |
| Herkules | 0.0 | 0.0 | 981.0 | 3,050.0 | + 0.0 | + 0.0 | +210.9 | 0.00 | 0.00 | 1.27 | 1.80 |
| Andere Sorten | 845.8 | 764.7 | 841.0 | 880.4 | - 9.6 | + 10.0 | + 4.7 | 1.79 | 1.31 | 2.18 | 2.22 |
| Hallertau | 29,640.8 | 24,294.2 | 27,200.8 | 33,230.4 | - 18.0 | + 12.0 | + 22.2 | 2.08 | 1.70 | 1.84 | 2.12 |
| Elbe-Saale | 2,486.2 | 2,251.9 | 2,698.3 | 2,677.9 | - 9.4 | + 19.8 | - 0.8 | 1.87 | 1.75 | 2.04 | 1.94 |
| Tettngang | 1,702.8 | 1,423.8 | 1,613.7 | 1,739.4 | - 16.4 | + 13.3 | + 7.8 | 1.42 | 1.19 | 1.35 | 1.41 |
| Spalt | 599.5 | 504.2 | 588.2 | 596.1 | - 15.9 | + 16.7 | + 1.3 | 1.52 | 1.30 | 1.53 | 1.56 |
| Hersbruck | 0.0 | 0.0 | 0.0 | 0.0 | + 0.0 | + 0.0 | + 0.0 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rest | 37.6 | 34.2 | 38.0 | 37.2 | - 9.0 | + 11.1 | - 2.1 | 1.88 | 1.80 | 2.00 | 1.96 |
| Germany total | 34,466.8 | 28,508.3 | 32,138.9 | 38,280.9 | - 17.3 | + 12.7 | + 19.1 | 2.01 | 1.66 | 1.82 | 2.05 |
| Belgium | 364.0 | 288.0 | 320.0 | 325.0 | - 20.9 | + 11.1 | + 1.6 | 1.91 | 1.59 | 1.82 | 1.75 |
| Bulgaria | 342.0 | 342.0 | 227.3 | 342.0 | + 0.0 | - 33.5 | + 50.5 | 1.55 | 1.55 | 1.03 | 1.55 |
| Czech Rep. | 7,831.2 | 5,453.4 | 5,630.7 | 5,950.0 | - 30.4 | + 3.3 | + 5.7 | 1.38 | 1.01 | 1.04 | 1.11 |
| England | 1,593.7 | 1,410.0 | 1,410.0 | 1,410.0 | - 11.5 | + 0.0 | + 0.0 | 1.49 | 1.36 | 1.33 | 1.28 |
| France | 1,372.2 | 1,188.0 | 1,479.5 | 1,353.0 | - 13.4 | + 24.5 | - 8.6 | 1.71 | 1.49 | 1.86 | 1.69 |
| Poland | 3,414.0 | 2,700.0 | 3,245.7 | 3,245.7 | - 20.9 | + 20.2 | + 0.0 | 1.49 | 1.21 | 1.49 | 1.49 |
| Romania | 50.0 | 400.0 | 196.0 | 400.0 | +700.0 | - 51.0 | +104.1 | 0.56 | 1.00 | 0.46 | 0.93 |
| Russia | 264.0 | 340.0 | 158.0 | 160.0 | + 28.8 | - 53.5 | + 1.3 | 0.63 | 0.81 | 0.69 | 0.73 |
| Serbia/Montenegro | 300.0 | 134.0 | 111.0 | 129.0 | - 55.3 | - 17.2 | + 16.2 | 1.81 | 2.00 | 1.66 | 1.70 |
| Slovakia | 425.0 | 314.0 | 245.0 | 300.0 | - 26.1 | - 22.0 | + 22.4 | 1.39 | 1.05 | 0.82 | 1.00 |
| Slovenia | 2,539.0 | 1,819.0 | 1,987.4 | 2,098.0 | - 28.4 | + 9.3 | + 5.6 | 1.68 | 1.20 | 1.27 | 1.23 |
| Spain | 1,300.0 | 1,133.0 | 936.7 | 1,200.0 | - 12.8 | - 17.3 | + 28.1 | 1.90 | 1.89 | 1.88 | 2.58 |
| Turkey | 309.2 | 356.0 | 280.0 | 350.0 | + 15.1 | - 21.3 | + 25.0 | 0.99 | 1.08 | 0.85 | 1.06 |
| Ukraine | 1,473.0 | 920.0 | 700.0 | 1,158.0 | - 37.5 | - 23.9 | + 65.4 | 1.01 | 0.84 | 0.61 | 0.85 |
| Rest | 489.6 | 477.0 | 488.8 | 480.0 | - 2.6 | + 2.5 | - 1.8 | 1.55 | 1.50 | 1.57 | 1.46 |
| Europe total | 56,533.6 | 45,782.7 | 49,554.9 | 57,181.6 | - 19.0 | + 8.2 | + 15.4 | 1.73 | 1.43 | 1.53 | 1.69 |
| Willamette | 3,954.7 | 4,079.4 | 4,381.6 | 4,762.7 | + 3.2 | + 7.4 | + 8.7 | 1.50 | 1.45 | 1.57 | 1.63 |
| Rest USA Aroma | 2,954.8 | 2,373.0 | 2,738.4 | 3,401.9 | - 19.7 | + 15.4 | + 24.2 | 1.74 | 1.58 | 1.72 | 1.53 |
| Cluster | 476.0 | 387.5 | 372.2 | 362.9 | - 18.6 | - 3.9 | - 2.5 | 1.91 | 2.31 | 2.19 | 2.24 |
| Galena | 3,434.7 | 3,756.9 | 2,756.2 | 2,948.4 | + 9.4 | - 26.6 | + 7.0 | 1.89 | 2.15 | 1.97 | 2.51 |
| Nugget | 2,131.6 | 3,458.8 | 2,641.7 | 4,309.1 | + 62.3 | - 23.6 | + 63.1 | 2.12 | 3.24 | 2.36 | 2.13 |
| Rest USA Bitter | 3,264.5 | 2,498.7 | 3,843.9 | 2,494.8 | - 23.5 | + 53.8 | - 35.1 | 2.04 | 1.56 | 2.09 | 2.06 |
| Super High Alpha | 7,785.5 | 9,612.3 | 10,596.3 | 16,329.3 | + 23.5 | + 10.2 | + 54.1 | 2.66 | 3.21 | 2.94 | 2.65 |
| USA total | 24,001.9 | 26,166.5 | 27,330.3 | 34,609.1 | + 9.0 | + 4.4 | + 26.6 | 2.01 | 2.24 | 2.18 | 2.18 |
| Argentina | 255.5 | 190.0 | 240.0 | 185.0 | - 25.6 | + 26.3 | - 22.9 | 1.60 | 1.14 | 1.44 | 1.11 |
| Australia | 1,238.0 | 1,044.0 | 890.0 | 1,189.2 | - 15.7 | - 14.8 | + 33.6 | 2.76 | 2.87 | 2.02 | 2.46 |
| Japan | 497.0 | 415.1 | 410.0 | 420.0 | - 16.5 | - 1.2 | + 2.4 | 2.04 | 1.77 | 1.92 | 2.00 |
| New Zealand | 845.4 | 667.0 | 700.0 | 718.0 | - 21.1 | + 4.9 | + 2.6 | 2.10 | 1.89 | 1.98 | 1.99 |
| P. R. China | 9,100.0 | 10,300.0 | 11,350.0 | 15,050.0 | + 13.2 | + 10.2 | + 32.6 | 2.28 | 2.42 | 2.27 | 2.11 |
| South Africa | 937.0 | 661.0 | 900.2 | 628.0 | - 29.5 | + 36.2 | - 30.2 | 1.85 | 1.51 | 2.06 | 1.41 |
| Rest | 40.0 | 40.0 | 42.5 | 40.0 | + 0.0 | + 6.3 | - 5.9 | 0.55 | 0.67 | 0.69 | 0.66 |
| World total | 93,448.4 | 85,266.3 | 91,417.9 | 110,021.0 | - 8.8 | + 7.2 | + 20.3 | 1.85 | 1.71 | 1.77 | 1.88 |

World Hop Crop 1995 – 2008

(1,000 mt and % share)



*Estimate

Hopsteiner Laboratory Values 2005 – 2008

| Alpha Content in % | | | | | Alpha Content in % | | | | |
|--------------------|------|------|------|------|--------------------|------|------|------|------|
| Aroma Varieties | 2005 | 2006 | 2007 | 2008 | Bitter Varieties | 2005 | 2006 | 2007 | 2008 |
| Hersbrucker | 3.5 | 2.2 | 2.5 | 2.9 | Northern Brewer | 9.8 | 6.4 | 9.0 | 10.5 |
| Perle | 7.8 | 6.2 | 7.7 | 8.5 | Brewers Gold | 6.0 | 4.7 | 6.7 | 6.5 |
| Tradition | 6.3 | 4.8 | 6.0 | 7.5 | Herkules | – | 14.1 | 15.8 | 17.3 |
| Select | 5.2 | 4.3 | 4.6 | 5.4 | Magnum | 13.8 | 12.8 | 12.5 | 15.7 |
| Tettnang | 4.5 | 2.2 | 3.8 | 4.2 | Taurus | 16.2 | 15.1 | 16.0 | 17.9 |
| Spalt | 4.3 | 2.8 | 4.0 | 4.0 | US Galena | 12.5 | 12.3 | 12.3 | 12.2 |
| Saaz | 3.2 | 2.1 | 2.5 | 3.7 | US Nugget | 13.3 | 13.9 | 13.0 | 13.5 |
| Styrian Aurora | 9.4 | 6.4 | 7.0 | 9.0 | US Cluster | 7.2 | 7.5 | 7.4 | 7.2 |
| Styrian Golding | 4.0 | 2.9 | 3.0 | 4.5 | CTZ | 15.2 | 15.5 | 14.5 | 15.0 |
| Willamette | 4.3 | 4.5 | 4.4 | 4.7 | Pride of Ringwood | 8.8 | 8.8 | 9.4 | 8.0 |

Worldwide use of Hops and Hop Products 1995 – 2008

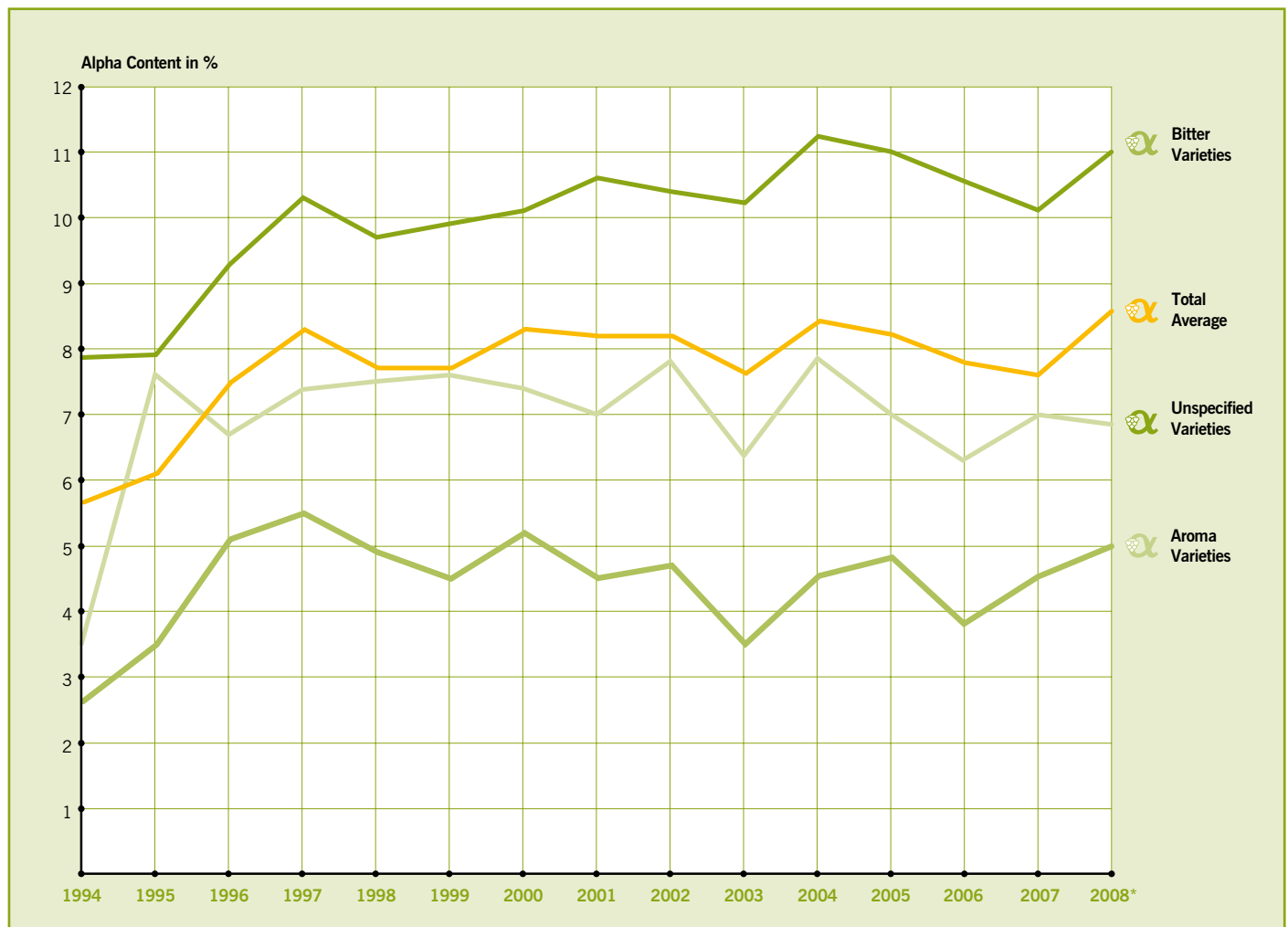
| | Hops total | | Pellets total | | Extract total | |
|-------|------------|---|---------------|-----------|---------------|-----------|
| | (mt) |  | (mt) | (% total) | (mt) | (% total) |
| 1995 | 127,397 | | 51,000 | 40.0 | 34,250 | 26.9 |
| 1996 | 125,099 | | 51,000 | 40.8 | 33,250 | 26.6 |
| 1997 | 111,698 | | 46,000 | 41.2 | 29,500 | 26.4 |
| 1998 | 94,340 | | 45,500 | 48.2 | 29,750 | 31.5 |
| 1999 | 95,519 | | 52,000 | 54.4 | 28,000 | 29.3 |
| 2000 | 95,925 | | 56,000 | 58.4 | 24,650 | 25.7 |
| 2001 | 96,959 | | 52,900 | 54.6 | 28,800 | 29.7 |
| 2002 | 97,130 | | 53,400 | 55.0 | 28,500 | 29.3 |
| 2003 | 85,520 | | 49,600 | 58.0 | 28,000 | 32.7 |
| 2004 | 91,132 | | 56,800 | 62.3 | 28,600 | 31.4 |
| 2005 | 93,448 | | 61,582 | 65.9 | 28,595 | 30.6 |
| 2006 | 85,266 | | 56,361 | 66.1 | 26,177 | 30.7 |
| 2007 | 91,418 | | 59,513 | 65.1 | 29,345 | 32.1 |
| 2008* | 110,021 | | 71,294 | 64.8 | 36,197 | 32.9 |

World Alpha Acids Production 2005 – 2008

| Total Crop Quantities in mt | | | | | % share | | | | |
|-----------------------------|---------------|---------------|---------------|----------------|--------------|--------------|--------------|--------------|--|
| | 2005 | 2006 | 2007 | 2008* | 2005 | 2006 | 2007 | 2008* | |
| Aroma Varieties | 43,124 | 35,561 | 40,187 | 44,025 | 46.1 | 41.7 | 44.0 | 40.0 | |
| Bitter Varieties | 49,918 | 49,312 | 51,143 | 65,901 | 53.4 | 57.8 | 55.9 | 59.9 | |
| Rest | 406 | 393 | 89 | 95 | 0.5 | 0.5 | 0.1 | 0.1 | |
| Total | 93,448 | 85,266 | 91,418 | 110,021 | 100.0 | 100.0 | 100.0 | 100.0 | |

| Alpha Amount in kg | | | | | Alpha Content in % | | | | |
|--------------------|------------------|------------------|------------------|------------------|--------------------|------------|------------|------------|--|
| | 2005 | 2006 | 2007 | 2008* | 2005 | 2006 | 2007 | 2008* | |
| Aroma Varieties | 2,071,697 | 1,366,462 | 1,829,689 | 2,193,014 | 4.8 | 3.8 | 4.6 | 5.0 | |
| Bitter Varieties | 5,526,086 | 5,288,465 | 5,147,407 | 7,239,549 | 11.1 | 10.7 | 10.1 | 11.0 | |
| Rest | 28,394 | 24,680 | 6,201 | 6,461 | 7.0 | 6.3 | 7.0 | 6.8 | |
| Total | 7,626,177 | 6,679,607 | 6,983,297 | 9,439,024 | 8.2 | 7.8 | 7.6 | 8.6 | |

Alpha Values over time 1994 – 2008



*Estimate

World Beer Production 2005 – 2008

| | Beer Production in Mio hl | | | | +/- % | | |
|---------------------|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008* | 05/06 | 06/07 | 07/08* → |
| Russia | 89.2 | 99.8 | 116.0 | 119.0 | + 11.9 | + 16.2 | + 2.6 |
| Germany | 105.3 | 106.8 | 103.9 | 101.0 | + 1.4 | - 2.7 | - 2.8 |
| England | 56.0 | 54.1 | 50.5 | 51.0 | - 3.4 | - 6.7 | + 1.0 |
| Ukraine | 24.0 | 27.2 | 31.5 | 37.0 | + 13.3 | + 15.8 | + 17.5 |
| Spain | 31.0 | 33.6 | 33.2 | 32.9 | + 8.4 | - 1.2 | - 0.9 |
| Poland | 29.0 | 33.0 | 32.5 | 32.5 | + 13.8 | - 1.5 | + 0.0 |
| Netherlands | 24.6 | 26.5 | 28.0 | 27.5 | + 7.7 | + 5.7 | - 1.8 |
| Romania | 15.4 | 17.0 | 19.5 | 20.0 | + 10.4 | + 14.7 | + 2.6 |
| Czech Rep. | 19.1 | 19.8 | 19.8 | 19.9 | + 3.7 | + 0.0 | + 0.5 |
| Belgium | 17.2 | 18.3 | 18.6 | 18.5 | + 6.4 | + 1.6 | - 0.5 |
| France | 18.5 | 17.0 | 15.1 | 15.1 | - 8.1 | - 11.2 | + 0.0 |
| Italy | 12.3 | 12.8 | 13.5 | 13.6 | + 4.1 | + 5.5 | + 0.7 |
| Ireland | 8.9 | 9.2 | 9.3 | 9.3 | + 3.4 | + 1.1 | + 0.0 |
| Turkey | 8.9 | 9.1 | 9.2 | 9.2 | + 2.2 | + 1.1 | + 0.0 |
| Denmark | 8.7 | 8.9 | 9.2 | 9.2 | + 2.3 | + 3.4 | + 0.0 |
| Austria | 8.9 | 8.9 | 9.0 | 9.0 | + 0.0 | + 1.1 | + 0.0 |
| Portugal | 7.4 | 8.2 | 8.2 | 8.2 | + 10.8 | + 0.0 | + 0.0 |
| Hungary | 7.0 | 7.0 | 6.8 | 7.0 | + 0.0 | - 2.9 | + 2.9 |
| Serbia/Montenegro | 6.7 | 7.0 | 7.0 | 7.0 | + 4.5 | + 0.0 | + 0.0 |
| Bulgaria | 4.3 | 5.2 | 5.5 | 5.6 | + 20.9 | + 5.8 | + 1.8 |
| Finland | 4.6 | 4.6 | 4.6 | 4.6 | + 0.0 | + 0.0 | + 0.0 |
| Greece | 4.5 | 4.5 | 3.9 | 4.3 | + 0.0 | - 13.3 | + 10.3 |
| Slovakia | 4.2 | 4.1 | 4.0 | 4.0 | - 2.4 | - 2.4 | + 0.0 |
| Sweden | 3.8 | 3.7 | 4.0 | 4.0 | - 2.6 | + 8.1 | + 0.0 |
| Croatia | 3.8 | 3.5 | 3.4 | 3.5 | - 7.9 | - 2.9 | + 2.9 |
| Switzerland | 3.4 | 3.5 | 3.5 | 3.5 | + 2.9 | + 0.0 | + 0.0 |
| Lithuania | 3.0 | 3.0 | 3.0 | 3.1 | + 0.0 | + 0.0 | + 3.3 |
| Norway | 2.4 | 2.5 | 2.6 | 2.6 | + 4.2 | + 4.0 | + 0.0 |
| Slovenia | 2.0 | 1.9 | 1.9 | 2.0 | - 5.0 | + 0.0 | + 5.3 |
| Latvia | 1.3 | 1.5 | 1.6 | 1.6 | + 15.4 | + 6.7 | + 0.0 |
| Estonia | 1.3 | 1.3 | 1.3 | 1.3 | + 0.0 | + 0.0 | + 0.0 |
| Albania | 0.5 | 0.7 | 0.8 | 0.7 | + 40.0 | + 14.3 | - 12.5 |
| Cyprus | 0.4 | 0.4 | 0.4 | 0.4 | + 0.0 | + 0.0 | + 0.0 |
| Luxembourg | 0.4 | 1.3 | 0.3 | 0.3 | + 225.0 | - 76.9 | + 0.0 |
| Malta | 0.1 | 0.1 | 0.1 | 0.1 | + 0.0 | + 0.0 | + 0.0 |
| Europe rest | 6.3 | 6.3 | 6.9 | 7.0 | + 0.0 | + 9.5 | + 1.4 |
| Europe total | 544.4 | 572.3 | 588.6 | 595.5 | + 5.1 | + 2.8 | + 1.2 |
| USA | 230.8 | 231.6 | 233.4 | 236.0 | + 0.3 | + 0.8 | + 1.1 |
| Brazil | 88.0 | 94.0 | 96.0 | 97.0 | + 6.8 | + 2.1 | + 1.0 |
| Mexico | 70.0 | 78.1 | 81.0 | 81.5 | + 11.6 | + 3.7 | + 0.6 |
| Venezuela | 22.0 | 23.0 | 26.3 | 26.5 | + 4.5 | + 14.3 | + 0.8 |
| Canada | 23.2 | 23.6 | 23.9 | 24.0 | + 1.7 | + 1.3 | + 0.4 |
| Colombia | 14.0 | 15.0 | 19.0 | 19.5 | + 7.1 | + 26.7 | + 2.6 |
| Argentina | 13.5 | 13.9 | 14.5 | 15.0 | + 3.0 | + 4.3 | + 3.4 |
| Peru | 6.8 | 8.5 | 9.2 | 9.6 | + 25.0 | + 8.2 | + 4.3 |
| Chile | 4.3 | 5.0 | 5.7 | 6.0 | + 16.3 | + 14.0 | + 5.3 |
| Ecuador | 3.2 | 3.5 | 3.6 | 3.7 | + 9.4 | + 2.9 | + 2.8 |
| Dominican Rep. | 3.3 | 3.0 | 3.0 | 3.1 | - 9.1 | + 0.0 | + 3.3 |
| Cuba | 2.6 | 2.8 | 2.5 | 2.5 | + 7.7 | - 10.7 | + 0.0 |
| Bolivia | 2.1 | 2.1 | 1.5 | 1.8 | + 0.0 | - 28.6 | + 20.0 |
| Panama | 1.7 | 1.8 | 1.8 | 1.8 | + 5.9 | + 0.0 | + 0.0 |
| Guatemala | 1.5 | 1.6 | 1.6 | 1.6 | + 6.7 | + 0.0 | + 0.0 |
| Costa Rica | 1.4 | 1.5 | 1.6 | 1.6 | + 7.1 | + 6.7 | + 0.0 |
| Paraguay | 1.9 | 2.0 | 1.5 | 1.5 | + 5.3 | - 25.0 | + 0.0 |
| Honduras | 1.0 | 1.0 | 1.0 | 1.0 | + 0.0 | + 0.0 | + 0.0 |
| Jamaica | 1.0 | 1.0 | 1.0 | 1.0 | + 0.0 | + 0.0 | + 0.0 |

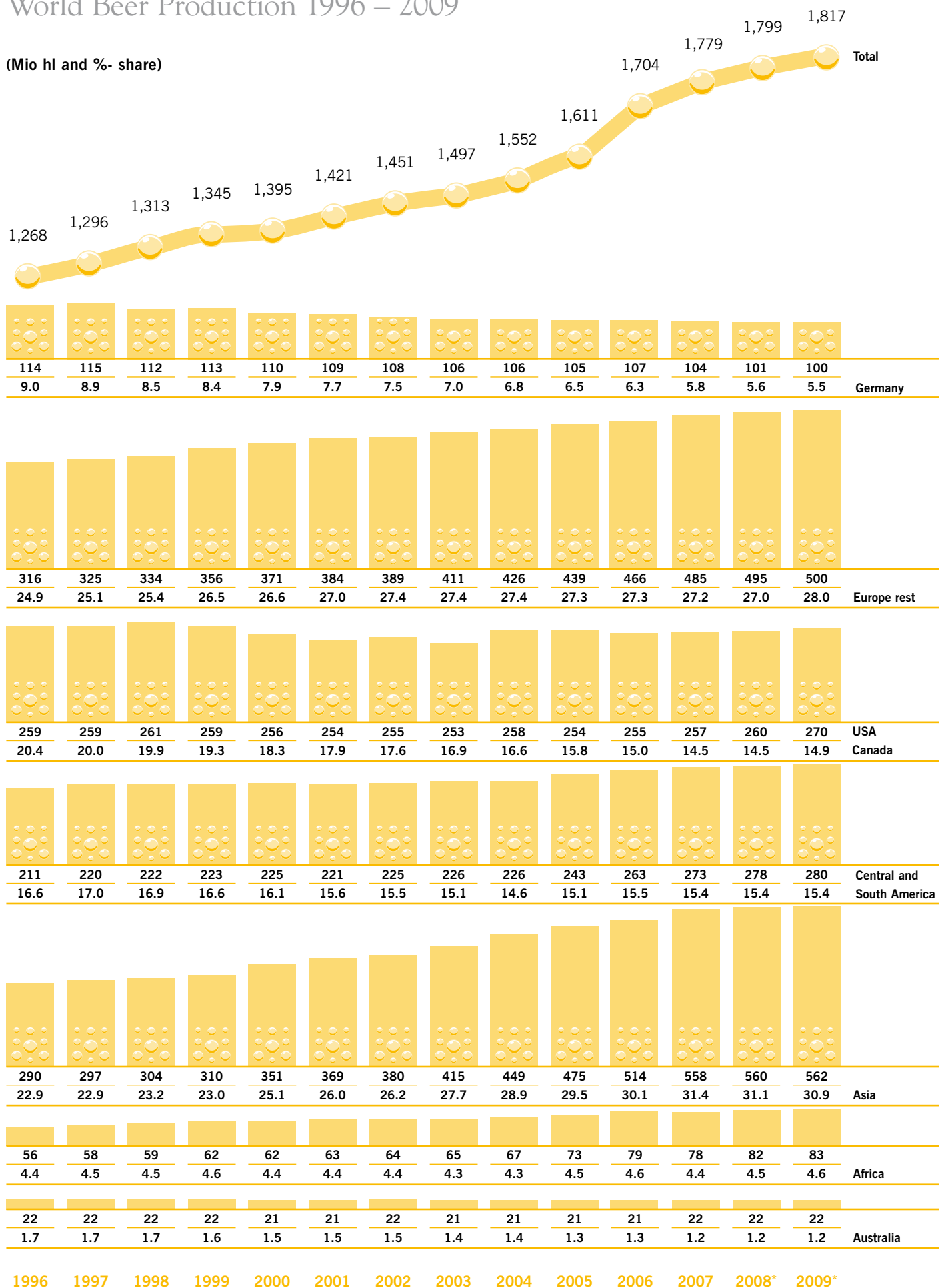
*Estimate

| | Beer Production in Mio hl | | | | +/- % | | |
|------------------------|---------------------------|----------------|----------------|----------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008* | 05/06 | 06/07 | 07/08* |
| → Uruguay | 0.8 | 0.9 | 0.9 | 0.9 | + 12.5 | + 0.0 | + 0.0 |
| Puerto Rico | 0.6 | 0.6 | 0.7 | 0.9 | + 0.0 | + 16.7 | + 28.6 |
| El Salvador | 0.8 | 0.8 | 0.8 | 0.8 | + 0.0 | + 0.0 | + 0.0 |
| Nicaragua | 0.7 | 0.7 | 0.7 | 0.7 | + 0.0 | + 0.0 | + 0.0 |
| Trinidad | 0.3 | 0.4 | 0.4 | 0.5 | + 33.3 | + 0.0 | + 25.0 |
| America rest | 1.7 | 1.6 | 1.4 | 1.8 | + -5.9 | - 12.5 | + 28.6 |
| America total | 497.2 | 518.0 | 533.0 | 540.3 | + 4.2 | + 2.9 | + 1.4 |
| P. R. China | 315.0 | 352.0 | 393.0 | 395.0 | + 11.7 | + 11.6 | + 0.5 |
| Japan | 65.1 | 63.0 | 62.7 | 60.2 | - 3.2 | - 0.5 | - 4.0 |
| Thailand | 22.5 | 23.0 | 22.0 | 22.5 | + 2.2 | - 4.3 | + 2.3 |
| Vietnam | 14.0 | 17.0 | 18.4 | 18.8 | + 21.4 | + 8.2 | + 2.2 |
| South Korea | 18.2 | 18.0 | 18.0 | 18.2 | - 1.1 | + 0.0 | + 1.1 |
| Philippines | 13.0 | 13.5 | 13.7 | 13.6 | + 3.8 | + 1.5 | - 0.7 |
| India | 7.5 | 8.5 | 9.0 | 9.0 | + 13.3 | + 5.9 | + 0.0 |
| Taiwan | 4.1 | 3.3 | 3.8 | 3.9 | - 19.5 | + 15.2 | + 2.6 |
| Laos | 1.3 | 1.6 | 1.8 | 2.0 | + 23.1 | + 12.5 | + 11.1 |
| Malaysia | 1.3 | 1.3 | 1.6 | 1.8 | + 0.0 | + 23.1 | + 12.5 |
| Indonesia | 1.5 | 1.5 | 1.6 | 1.7 | + 0.0 | + 6.7 | + 6.3 |
| Singapore | 1.2 | 1.2 | 1.2 | 1.2 | + 0.0 | + 0.0 | + 0.0 |
| Israel | 0.8 | 0.8 | 0.8 | 0.8 | + 0.0 | + 0.0 | + 0.0 |
| Jordan | 0.4 | 0.5 | 0.8 | 0.8 | + 25.0 | + 60.0 | + 0.0 |
| Mongolia | 0.3 | 0.5 | 0.7 | 0.7 | + 66.7 | + 40.0 | + 0.0 |
| Sri Lanka | 0.6 | 0.5 | 0.6 | 0.7 | - 16.7 | + 20.0 | + 16.7 |
| Myanmar | 0.4 | 0.4 | 0.4 | 0.5 | + 0.0 | + 0.0 | + 25.0 |
| Nepal | 0.3 | 0.3 | 0.3 | 0.3 | + 0.0 | + 0.0 | + 0.0 |
| Lebanon | 0.2 | 0.2 | 0.2 | 0.2 | + 0.0 | + 0.0 | + 0.0 |
| Syria | 0.2 | 0.1 | 0.1 | 0.1 | - 50.0 | + 0.0 | + 0.0 |
| Iraq | 0.0 | 0.0 | 0.0 | 0.0 | + 0.0 | + 0.0 | + 0.0 |
| Asia rest | 7.0 | 6.4 | 7.2 | 7.5 | - 8.6 | + 12.5 | + 4.2 |
| Asia total | 474.9 | 513.6 | 557.9 | 559.5 | + 8.1 | + 8.6 | + 0.3 |
| South Africa | 26.0 | 26.5 | 26.5 | 27.0 | + 1.9 | + 0.0 | + 1.9 |
| Nigeria | 9.5 | 11.0 | 12.3 | 13.0 | + 15.8 | + 11.8 | + 5.7 |
| Cameroon | 4.5 | 4.5 | 4.6 | 4.6 | + 0.0 | + 2.2 | + 0.0 |
| Kenya | 3.3 | 3.5 | 4.0 | 4.2 | + 6.1 | + 14.3 | + 5.0 |
| Angola | 2.7 | 3.5 | 3.8 | 4.0 | + 29.6 | + 8.6 | + 5.3 |
| Tanzania | 2.4 | 2.5 | 3.0 | 3.2 | + 4.2 | + 20.0 | + 6.7 |
| Zaire | 1.7 | 1.7 | 2.5 | 3.0 | + 0.0 | + 47.1 | + 20.0 |
| Ethiopia | 1.7 | 2.4 | 2.6 | 2.7 | + 41.2 | + 8.3 | + 3.8 |
| Uganda | 1.3 | 1.5 | 1.6 | 1.7 | + 15.4 | + 6.7 | + 6.3 |
| Ghana | 1.2 | 1.5 | 1.6 | 1.7 | + 25.0 | + 6.7 | + 6.3 |
| Namibia | 1.4 | 1.4 | 1.5 | 1.5 | + 0.0 | + 7.1 | + 0.0 |
| Mozambique | 1.2 | 1.2 | 1.3 | 1.5 | + 0.0 | + 8.3 | + 15.4 |
| Ivory Coast | 1.1 | 1.2 | 1.2 | 1.3 | + 9.1 | + 0.0 | + 8.3 |
| Tunesia | 1.0 | 1.0 | 1.1 | 1.2 | + 0.0 | + 10.0 | + 9.1 |
| Egypt | 1.6 | 1.6 | 1.1 | 1.0 | + 0.0 | - 31.3 | - 9.1 |
| Morocco | 1.0 | 0.9 | 1.0 | 1.0 | - 10.0 | + 11.1 | + 0.0 |
| Zimbabwe | 1.2 | 1.1 | 1.0 | 0.9 | - 8.3 | - 9.1 | - 10.0 |
| Madagascar | 0.7 | 0.7 | 0.8 | 0.9 | + 0.0 | + 14.3 | + 12.5 |
| Zambia | 0.6 | 0.6 | 0.6 | 0.7 | + 0.0 | + 0.0 | + 16.7 |
| Mauritius | 0.5 | 0.5 | 0.5 | 0.5 | + 0.0 | + 0.0 | + 0.0 |
| Africa rest | 8.2 | 9.8 | 5.8 | 5.9 | + 19.5 | - 40.8 | + 1.7 |
| Africa total | 72.8 | 78.6 | 78.4 | 81.5 | + 8.0 | - 0.5 | + 4.0 |
| Australia | 17.0 | 17.2 | 16.9 | 17.0 | + 1.2 | - 1.7 | + 0.6 |
| New Zealand | 3.1 | 3.1 | 3.4 | 3.7 | + 0.0 | + 9.7 | + 8.8 |
| Oceania | 1.0 | 1.0 | 1.2 | 1.2 | + 0.0 | + 20.0 | + 0.0 |
| Australia total | 21.3 | 21.3 | 21.5 | 21.9 | + 0.0 | + 0.9 | + 1.9 |
| World total | 1,610.6 | 1,703.7 | 1,779.4 | 1,798.7 | + 5.8 | + 4.4 | + 1.1 |

*Estimate

World Beer Production 1996 – 2009

(Mio hl and %- share)

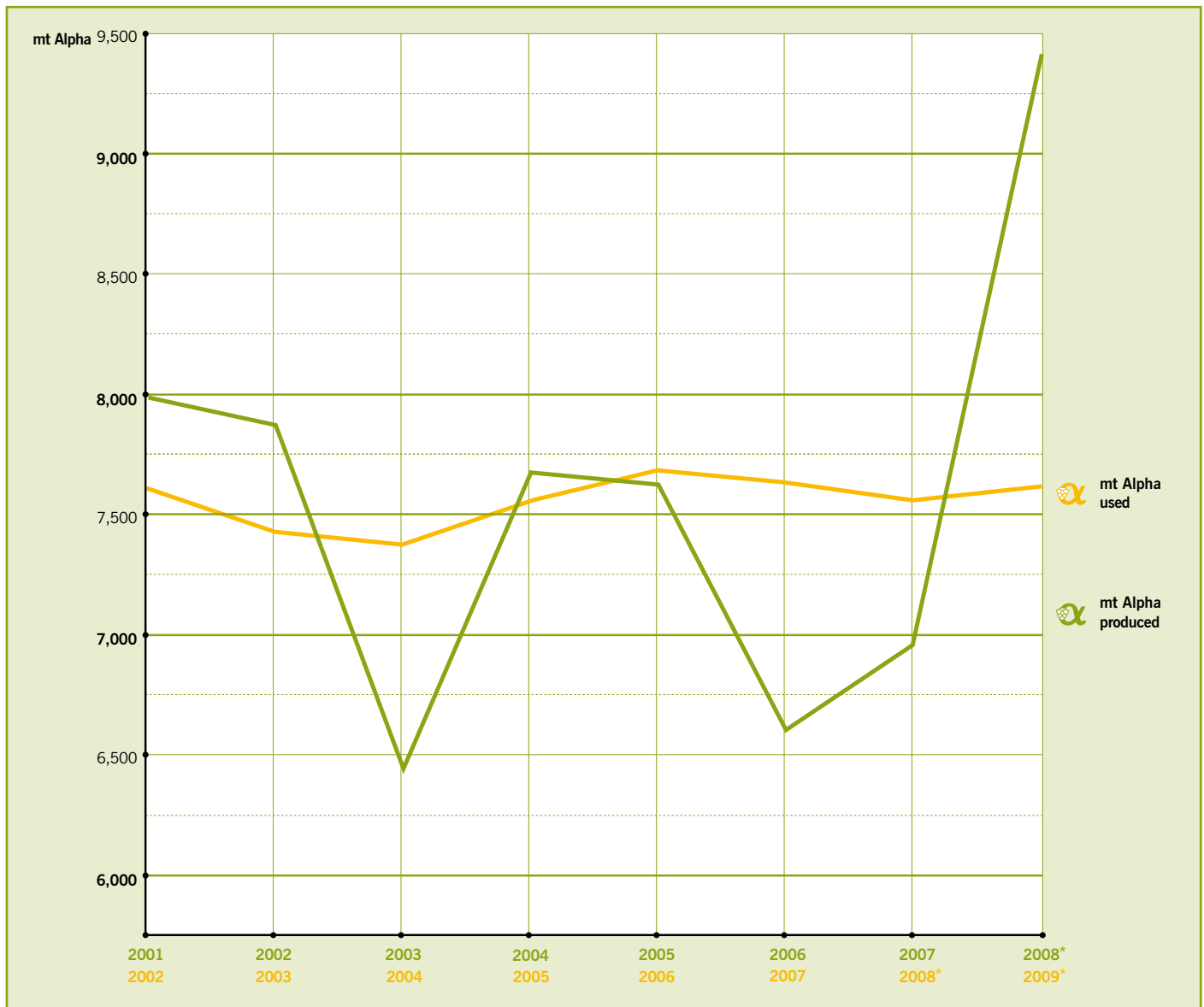


*Estimate

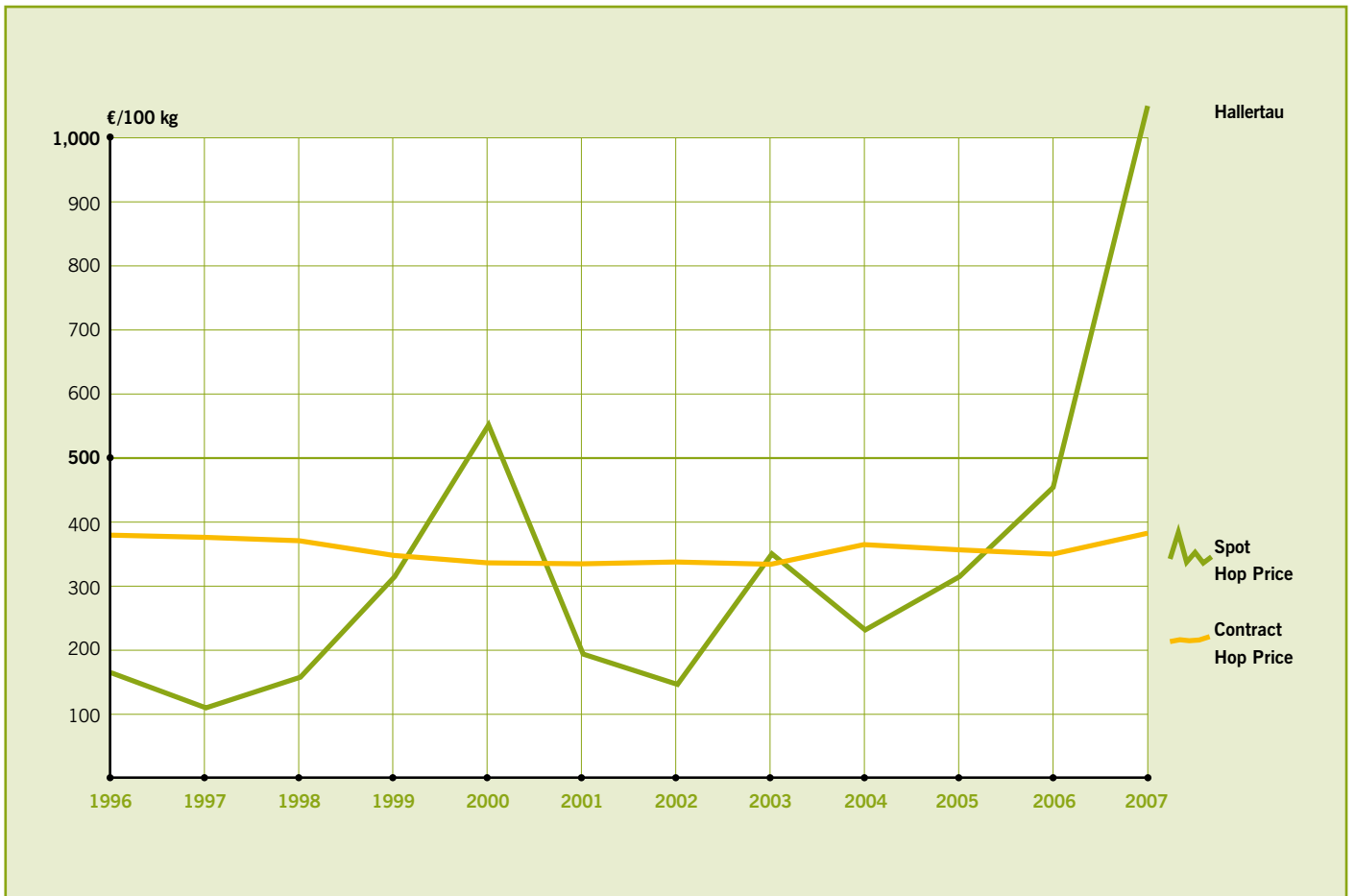
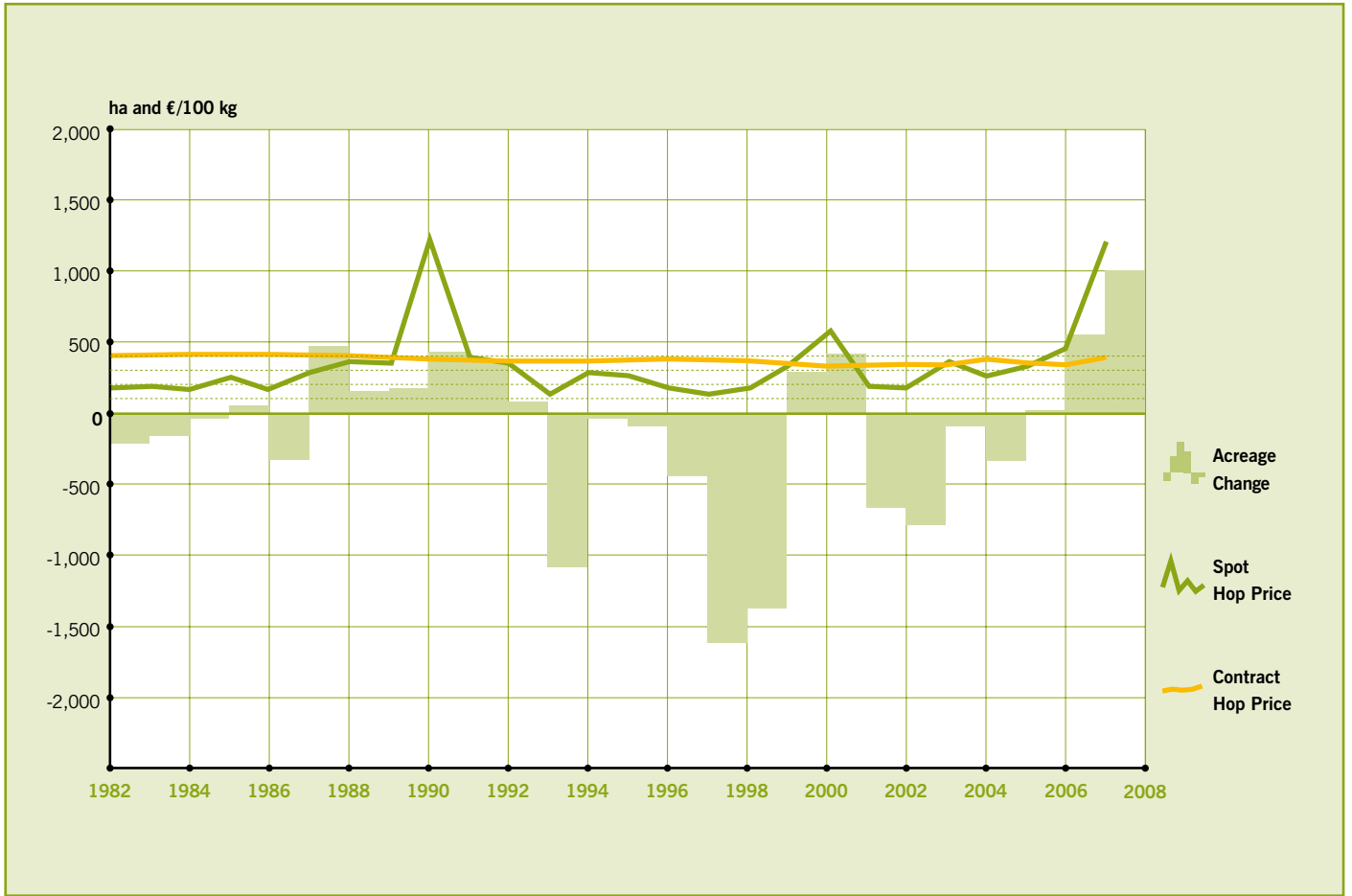
World Alpha Acid Supply and Demand 2001 – 2008

| | Production (mt Alpha) | Beer Production (Mio hl) | Alpha Dosage (g Alpha/hl) | Alpha Usage (mt Alpha) | Annual Balance (mt Alpha) | |
|-------|--------------------------|-----------------------------|------------------------------|---------------------------|------------------------------|---------|
| 2001 | 7,992 | 2002 | 1,451 | 5.3 | 7,690 | 302 |
| 2002 | 7,935 | 2003 | 1,497 | 5.0 | 7,485 | 450 |
| 2003 | 6,490 | 2004 | 1,552 | 4.8 | 7,450 | - 960 |
| 2004 | 7,653 | 2005 | 1,611 | 4.7 | 7,572 | 81 |
| 2005 | 7,626 | 2006 | 1,704 | 4.5 | 7,668 | - 42 |
| 2006 | 6,570 ¹⁾ | 2007 | 1,779 | 4.3 | 7,650 | - 1,080 |
| 2007 | 6,983 | 2008* | 1,799 | 4.2 | 7,556 | - 573 |
| 2008* | 9,439 | 2009* | 1,817 | 4.2 | 7,631 | 1,808 |

¹⁾ This figure takes into account the destruction of approx. 110 mt alpha acid in a warehouse fire in USA.



*Estimate



Hop Market Review and Outlook

Retrospective

Based upon an estimated world beer output of 1,977 MHL in 2008, the supply of crop 2007 alpha acids was less than the world's demand.

The 2007 hop crops in Germany, the Czech Republic and other European hop growing countries were average in weight and alpha yields. In USA a late outbreak of powdery mildew negatively affected the weight and alpha yields of powdery mildew-susceptible varieties. In Slovenia a tornado devastated a large portion of the hop acreage just before harvest. After harvest, a large handler of Slovenian hops declared bankruptcy which led to additional problems in this market segment.

The undersupply of crop 2007 was much less extreme than the situation following crop 2006, when the supply was approximately 1,080 metric tons of alpha short of demand. Crop 2007 benefited from a larger worldwide acreage and improved growing conditions. Nevertheless, crop 2006 was a contributor to the overall decline hop inventories as brewers had to use their stocks to replace volumes not available on the market. Prior to crop 2007 brewer hop stocks were at a historically low level, which led to a short-lived spot market with extreme, ever-increasing price levels.

These developments led many brewers of all sizes to purchase long term contracts beginning with crop 2008 and extending five or more crop years. The quantity of hops sold ahead reached unprecedented levels. This demand could only be met by planting new acres, especially in the USA. By late spring 2008 approximately 7,000 hectares (17,300 acres) were newly planted to hops worldwide.

Prognosis

The world hop crop estimate for 2008 of 110,000 metric tons is approximately 18,600 metric tons larger than crop 2007. Crop 2008 alpha production is estimated to be ca. 9,439 mt.

World beer production during 2008 has lagged projections, particularly in Asia. For example, Chinese beer sales growth has been approximately half of the 12% that was expected. Around the world many brewers were forced to raise prices as a result of steep increases in the prices of raw materials and other inputs. At the same time, the increasingly unsure economic circumstances in many countries led consumers to limit their spending. In China, summertime beer sales were surprisingly below expectations. This was caused by changes in government policies pertaining to security surrounding the Olympics as well as by the aftereffects of natural disasters on the economy. Beer sales growth projections for 2009 are also modest, which will affect demand for hops. In addition, the difficult supply situation of the past two years has led brewers to become more economical in their use of hops via reduced hopping rates or increased usage of isomerized and/or downstream hop products. We currently expect that the demand for alpha for brewing year 2009 will be 7,631 metric tons. When taken into account with 2008 hop production, this means that there will be adequate supply available and may give brewers the option to rebuild their inventories.

Crop 2008 European hop growing conditions were above-average. Temperatures were moderate and precipitation in most growing areas



was adequate. For these reasons, weight yields and alpha levels were above average in Germany, the Czech Republic, Slovenia and other areas.

The Chinese crop was also normal. Acreage was up nearly 43% as many new entrants appeared to take advantage of historically high hop prices. As a consequence, production was up by approximately 33% over 2007.

In USA the 2008 crop was average in most respects other than the large increase in acres. The crop is estimated to be approximately 7,300 metric tons larger (26.6%) than crop 2007. The increase in plantings was primarily in super high alpha varieties, which will lead to a proportionally greater increase of alpha production from future crops.

The crop 2008 spot market has been slow to start. Prior to harvest, the extreme prices for remaining crop 2007 material or forward contracts caused uncertainty in the marketplace. In Germany this has led to spot hops of all varieties once again being placed in pools. In the USA the high level of forward contracts and the mediocre crop means that there are very few spot hops available. In China brewers are taking a wait-and-see approach to the market.

While in total there are adequate stocks of spot hops available, a portion of the mathematical oversupply is dedicated to forward contracts that were put in place to rebuild hop inventories. There are still a number of brewers who need to purchase spot hops to meet their 2009 brewing year needs. The limited U.S. spot market is also a sign that Mother Nature retains an important role in the quantity of hops that actually end up on the market. This is a reminder of the value of forward contracts as a stabilizing influence on the market.



COMMITTED TO THE BREWER.



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