

2010  
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 world’s hop acreage has changed drastically in recent years. After many years of decline, acreage jumped in 2008 and 2009 to meet demand. This year the trend returned to a pattern of decline, which we expect to continue. The reasons for this are clear and well-known: The world economic slow-down combined with greater use of isomerized and downstream hop products as well as the changeover to higher-yielding and higher-alpha varieties.

Through all of its transitions, the hop market continues to exhibit its penchant for volatility. The constants that remain regardless of market conditions are the players in the market. We look forward to working on current and future opportunities together with you and trust that the 2010 edition of Guidelines for Hop Buying is a useful tool for your hop-related decisions. “

October 2010  
S. S. Steiner, Inc.  
Simon H. Steiner, Hopfen, GmbH  
Steiner Hops Limited



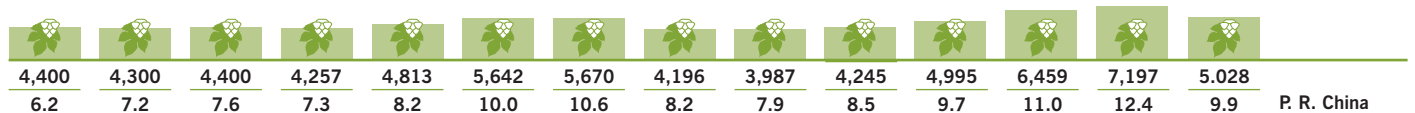
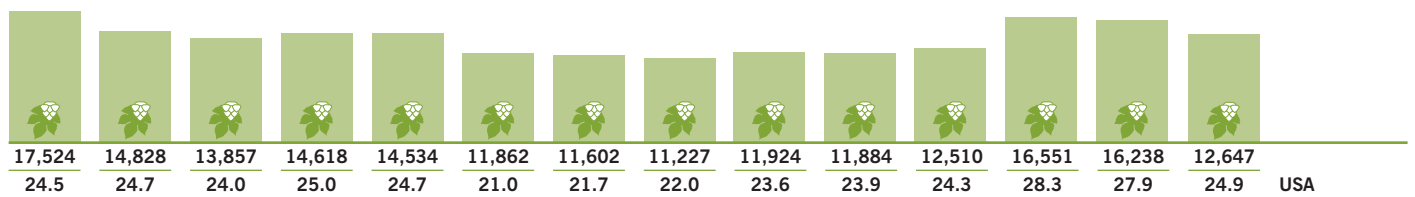
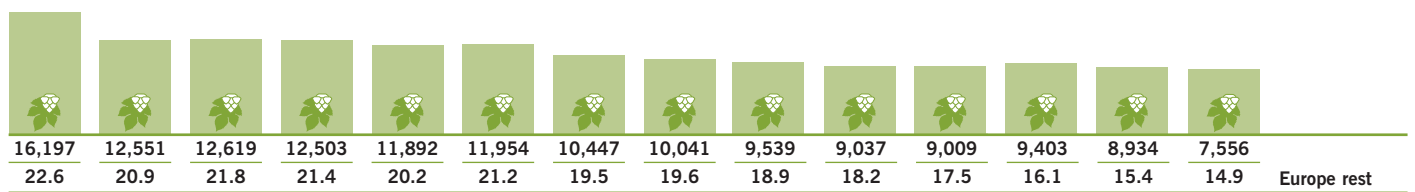
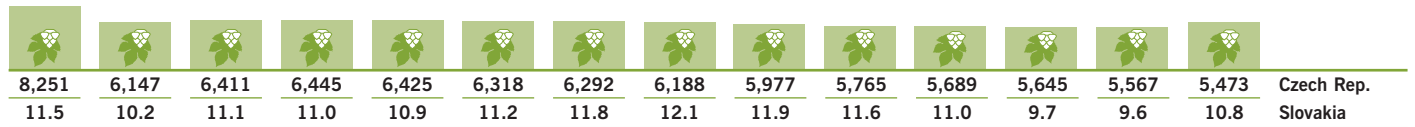
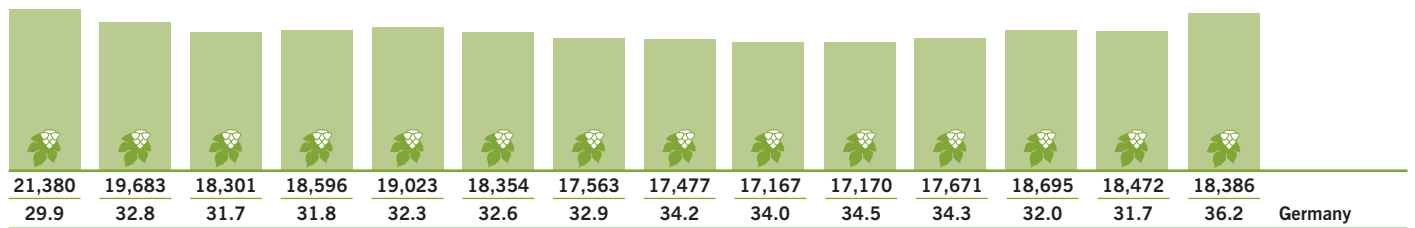
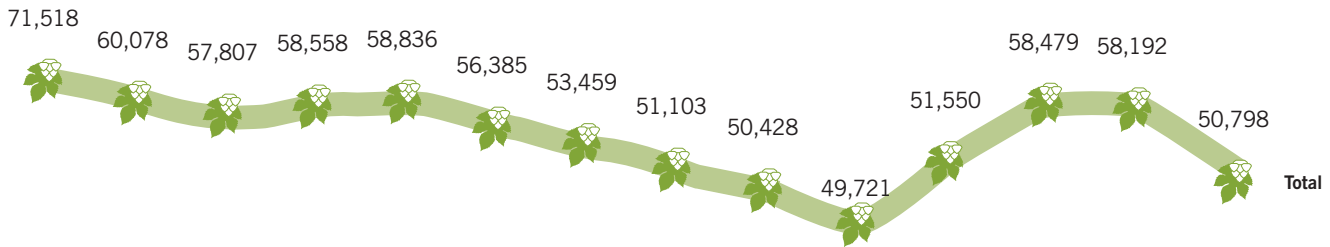
- *Hallertauer Hopfenveredelungs-gesellschaft mbH Au, Hallertau, Germany, Pellet Plant*
- *Hallertauer Hopfenveredelungs-gesellschaft mbH Mainburg, Hallertau, Germany, Ethanol- and CO<sub>2</sub>-Extraction*
- *Hops Extract Corporation of America Yakima, Washington, CO<sub>2</sub>-Extraction*
- *Golden Gate Hop Ranches Inc. Yakima, Washington, USA, Hop Farming*

## Hop Acreage 2007 – 2010

	Acreage in ha				+/- %		
	2007	2008	2009	2010	07/08	08/09	09/10
Hallertauer	1,594	1,557	761	704	- 2.3	- 51.1	- 7.5
Hersbrucker	741	735	766	755	- 0.8	+ 4.2	- 1.4
Perle	3,034	3,061	3,128	3,139	+ 0.9	+ 2.2	+ 0.4
Spalter Select	733	735	731	690	+ 0.3	- 0.5	- 5.6
Tradition	2,358	2,401	2,493	2,513	+ 1.8	+ 3.8	+ 0.8
Northern Brewer	334	306	268	248	- 8.4	- 12.4	- 7.5
Magnum	3,431	3,428	3,415	3,340	- 0.1	- 0.4	- 2.2
Nugget	251	251	249	236	+ 0.0	- 0.8	- 5.2
Taurus	1,117	1,109	1,077	1,025	- 0.7	- 2.9	- 4.8
Herkules	775	1,699	2,208	2,350	+ 119.2	+ 30.0	+ 6.4
Rest	385	396	388	386	+ 2.9	- 2.0	- 0.5
<b>Hallertau</b>	<b>14,754</b>	<b>15,678</b>	<b>15,484</b>	<b>15,387</b>	<b>+ 6.3</b>	<b>- 1.2</b>	<b>- 0.6</b>
Elbe-Saale	1,321	1,383	1,387	1,379	+ 4.7	+ 0.3	- 0.6
Tettngang	1,193	1,233	1,221	1,226	+ 3.4	- 1.0	+ 0.4
Spalt	384	382	361	376	- 0.5	- 5.5	+ 4.2
Rest	19	19	19	20	+ 0.0	+ 0.0	+ 5.3
<b>Germany total</b>	<b>17,671</b>	<b>18,695</b>	<b>18,472</b>	<b>18,386</b>	<b>+ 5.8</b>	<b>- 1.2</b>	<b>- 0.5</b>
Austria	209	215	224	218	+ 2.9	+ 4.2	- 2.7
Belgium	176	186	186	183	+ 5.7	+ 0.0	- 1.6
Bulgaria	221	221	160	160	+ 0.0	- 27.6	+ 0.0
Czech Rep.	5,389	5,345	5,307	5,238	- 0.8	- 0.7	- 1.3
England	1,060	1,100	1,075	1,080	+ 3.8	- 2.3	+ 0.5
France	796	801	524	433	+ 0.6	- 34.6	- 17.4
Poland	2,179	2,179	2,233	1,840	+ 0.0	+ 2.5	- 17.6
Romania	429	429	240	240	+ 0.0	- 44.1	+ 0.0
Russia	228	220	420	220	- 3.5	+ 90.9	- 47.6
Slovakia	300	300	260	235	+ 0.0	- 13.3	- 9.6
Slovenia	1,568	1,706	1,579	1,217	+ 8.8	- 7.4	- 22.9
Spain	497	466	477	480	- 6.2	+ 2.4	+ 0.6
Turkey	331	331	308	350	+ 0.0	+ 6.9	+ 13.6
Ukraine	1,145	1,359	1,320	950	+ 18.7	- 2.9	- 28.0
Rest	170	190	188	185	+ 11.8	- 1.1	- 1.6
<b>Europe total</b>	<b>32,369</b>	<b>33,743</b>	<b>32,973</b>	<b>31,415</b>	<b>+ 4.2</b>	<b>- 2.3</b>	<b>- 4.7</b>
Apollo	0,0	282	299	335	+ 0.0	+ 6.0	+ 12.0
Cascade	527	870	1,000	753	+ 65.1	+ 14.9	- 24.7
Col./Tom./Zeus	3,270	4,723	4,461	3,078	+ 44.4	- 5.5	- 31.0
Galena	1,226	1,046	1,034	826	- 14.7	- 1.1	- 20.1
Nugget	1,120	1,304	1,195	862	+ 16.4	- 8.4	- 27.9
Super Galena	0,0	321	403	359	+ 0.0	+ 25.5	- 10.9
Willamette	2,775	2,937	2,225	1,450	+ 5.8	- 24.2	- 34.8
Rest	3,592	5,068	5,621	4,984	+ 41.1	+ 10.9	- 11.3
<b>USA total</b>	<b>12,510</b>	<b>16,551</b>	<b>16,238</b>	<b>12,647</b>	<b>+ 32.3</b>	<b>- 1.9</b>	<b>- 22.1</b>
Argentina	167	167	129	129	+ 0.0	- 22.8	+ 0.0
Australia	441	484	514	448	+ 9.8	+ 6.2	- 12.8
Japan	214	210	200	190	- 1.9	- 4.8	- 5.0
New Zealand	354	360	400	400	+ 1.7	+ 11.1	+ 0.0
P. R. China	4,995	6,459	7,197	5,028	+ 29.3	+ 11.4	- 30.1
South Africa	438	444	481	481	+ 1.4	+ 8.3	+ 0.0
Rest	62	61	60	60	- 1.6	- 1.6	+ 0.0
<b>World total</b>	<b>51,550</b>	<b>58,479</b>	<b>58,192</b>	<b>50,798</b>	<b>+ 13.4</b>	<b>- 0.5</b>	<b>- 12.7</b>

# Hop Acreage 1997 – 2010

(ha and % share)



1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

## Crop Quantities and Average Yields 2007 – 2010

	Crop Quantities in mt				+/- %			Ø Yields in mt / ha			
	2007	2008	2009	2010*	07/08	08/09	09/10*	2007	2008	2009	2010*
Hallertauer	1,708.7	2,707.0	801.4	1,040.0	+ 58.4	- 70.4	+ 29.8	1.07	1.74	1.05	1.48
Hersbrucker	1,471.6	1,471.8	1,331.2	1,278.6	+ 0.0	- 9.6	- 4.0	1.99	2.00	1.74	1.69
Perle	6,010.8	6,880.3	4,738.1	5,413.1	+ 14.5	- 31.1	+ 14.2	1.98	2.25	1.51	1.72
Spalter Select	1,654.5	1,669.0	1,393.8	1,280.1	+ 0.9	- 16.5	- 8.2	2.26	2.27	1.91	1.86
Tradition	4,749.2	5,398.8	4,273.4	4,326.8	+ 13.7	- 20.8	+ 1.2	2.01	2.25	1.71	1.72
Northern Brewer	569.1	550.7	336.7	376.5	- 3.2	- 38.9	+ 11.8	1.70	1.80	1.26	1.52
Magnum	6,308.2	8,465.0	5,422.9	6,523.6	+ 34.2	- 35.9	+ 20.3	1.84	2.47	1.59	1.95
Nugget	598.8	653.4	490.4	485.6	+ 9.1	- 24.9	- 1.0	2.39	2.60	1.97	2.06
Taurus	2,307.9	2,394.2	1,896.2	1,716.6	+ 3.7	- 20.8	- 9.5	2.07	2.16	1.76	1.67
Herkules	981.0	3,237.0	5,136.8	6,632.1	+ 230.0	+ 58.7	+ 29.1	1.27	1.91	2.33	2.82
Rest	841.0	904.4	601.8	651.0	+ 7.5	- 33.5	+ 8.2	2.18	2.28	1.55	1.69
<b>Hallertau</b>	<b>27,200.8</b>	<b>34,331.6</b>	<b>26,422.6</b>	<b>29,724.0</b>	<b>+ 26.2</b>	<b>- 23.0</b>	<b>+ 12.5</b>	<b>1.84</b>	<b>2.19</b>	<b>1.71</b>	<b>1.93</b>
Elbe-Saale	2,698.3	2,830.1	2,663.0	2,726.4	+ 4.9	- 5.9	+ 2.4	2.04	2.05	1.92	1.98
Tettngang	1,613.7	1,835.9	1,611.2	1,768.5	+ 13.8	- 12.2	+ 9.8	1.35	1.49	1.32	1.44
Spalt	588.2	641.6	610.4	662.0	+ 9.1	- 4.9	+ 8.5	1.53	1.68	1.69	1.76
Rest	38.0	37.2	36.2	37.0	- 2.1	- 2.7	+ 2.2	2.00	1.96	1.91	1.85
<b>Germany total</b>	<b>32,138.9</b>	<b>39,676.4</b>	<b>31,343.7</b>	<b>34,917.8</b>	<b>+ 23.5</b>	<b>- 21.0</b>	<b>+ 11.4</b>	<b>1.82</b>	<b>2.12</b>	<b>1.70</b>	<b>1.90</b>
Austria	353.0	386.0	342.0	346.0	+ 9.3	- 11.4	+ 1.2	1.69	1.80	1.53	1.59
Belgium	320.0	301.0	355.0	300.0	- 5.9	+ 17.9	- 15.5	1.82	1.62	1.91	1.64
Bulgaria	227.3	342.0	183.0	183.0	+ 50.5	- 46.5	+ 0.0	1.03	1.55	0.98	1.14
Czech Rep.	5,630.7	6,752.8	6,616.0	7,645.0	+ 19.9	- 2.0	+ 15.6	1.04	1.26	1.25	1.46
England	1,410.0	1,409.1	1,450.0	1,450.0	- 0.1	+ 2.9	+ 0.0	1.33	1.28	1.35	1.34
France	1,479.5	1,469.0	818.0	844.0	- 0.7	- 44.3	+ 3.2	1.86	1.83	1.56	1.95
Poland	3,245.7	3,446.0	2,167.0	2,668.0	+ 6.2	- 37.1	+ 23.1	1.49	1.58	0.97	1.45
Romania	196.0	246.0	202.0	230.0	+ 25.5	- 17.9	+ 13.9	0.46	0.57	0.84	0.96
Russia	158.0	296.0	160.0	160.0	+ 87.3	- 45.9	+ 0.0	0.69	1.35	0.38	0.73
Slovakia	245.0	328.0	240.0	240.0	+ 33.9	- 26.8	+ 0.0	0.82	1.09	0.92	1.02
Slovenia	1,987.4	2,359.0	2,499.0	2,398.0	+ 18.7	+ 5.9	- 4.0	1.27	1.38	1.58	1.97
Spain	936.7	812.0	1,014.0	1,020.0	- 13.3	+ 24.9	+ 0.6	1.88	1.74	2.13	2.13
Turkey	280.0	368.7	389.4	390.0	+ 31.7	+ 5.6	+ 0.2	0.85	1.11	1.26	1.11
Ukraine	700.0	900.0	1,335.0	800.0	+ 28.6	+ 48.3	- 40.1	0.61	0.66	1.01	0.84
Rest	135.8	245.7	304.0	302.0	+ 80.9	+ 23.7	- 0.7	0.80	1.29	1.62	1.63
<b>Europe total</b>	<b>49,554.9</b>	<b>59,337.7</b>	<b>49,418.1</b>	<b>53,893.8</b>	<b>+ 19.7</b>	<b>- 16.7</b>	<b>+ 9.1</b>	<b>1.53</b>	<b>1.76</b>	<b>1.50</b>	<b>1.72</b>
Apollo	0.0	705.7	996.0	1,043.0	+ 0.0	+ 41.1	+ 4.7	0.00	2.50	3.33	3.11
Cascade	1,200.4	1,711.5	2,062.0	1,814.0	+ 42.6	+ 20.5	- 12.0	2.28	1.97	2.06	2.41
Col./Tom./Zeus	9,939.9	13,785.0	16,202.0	8,936.0	+ 38.7	+ 17.5	- 44.8	3.04	2.92	3.63	2.90
Galena	2,440.9	2,140.2	2,026.0	1,814.0	- 12.3	- 5.3	- 10.5	1.99	2.05	1.96	2.20
Nugget	2,641.7	2,721.1	3,010.0	2,087.0	+ 3.0	+ 10.6	- 30.7	2.36	2.09	2.52	2.42
Super Galena	0.0	756.8	1,418.0	1,043.0	+ 0.0	+ 87.4	- 26.4	0.00	2.36	3.52	2.91
Willamette	4,381.6	4,667.8	3,543.0	2,268.0	+ 6.5	- 24.1	- 36.0	1.58	1.59	1.59	1.56
Rest	6,725.8	10,085.1	13,688.0	10,986.0	+ 49.9	+ 35.7	- 19.7	2.02	2.46	3.11	2.20
<b>USA total</b>	<b>27,330.3</b>	<b>36,573.2</b>	<b>42,945.0</b>	<b>29,992.0</b>	<b>+ 33.8</b>	<b>+ 17.4</b>	<b>- 30.2</b>	<b>2.18</b>	<b>2.21</b>	<b>2.64</b>	<b>2.37</b>
Argentina	240.0	212.6	185.0	185.0	- 11.4	- 13.0	+ 0.0	1.44	1.27	1.43	1.43
Australia	890.0	1,188.9	1,343.0	1,098.7	+ 33.6	+ 13.0	- 18.2	2.02	2.46	2.61	2.45
Japan	410.0	464.4	420.0	420.0	+ 13.3	- 9.6	+ 0.0	1.92	2.21	2.10	2.21
New Zealand	700.0	730.0	832.0	793.0	+ 4.3	+ 14.0	- 4.7	1.98	2.03	2.08	1.98
P. R. China	11,350.0	13,950.0	15,396.0	10,150.0	+ 22.9	+ 10.4	- 34.1	2.27	2.16	2.14	2.02
South Africa	900.2	628.0	807.0	913.0	- 30.2	+ 28.5	+ 13.1	2.06	1.41	1.68	1.90
Rest	42.5	40.0	40.0	40.0	- 5.9	+ 0.0	+ 0.0	0.69	0.66	0.67	0.67
<b>World total</b>	<b>91,417.9</b>	<b>113,124.9</b>	<b>111,386.1</b>	<b>97,485.5</b>	<b>+ 23.7</b>	<b>- 1.5</b>	<b>12.5</b>	<b>1.77</b>	<b>1.93</b>	<b>1.91</b>	<b>1.92</b>

# World Hop Crop 1997 – 2010

(1,000 mt and % share)



\*Estimate

## Hopsteiner Laboratory Values 2007 – 2010

Alpha Content in %					Alpha Content in %				
Aroma Varieties	2007	2008	2009	2010	Bitter Varieties	2007	2008	2009	2010
Hersbrucker	2.5	2.9	3.4	3.5	Northern Brewer	9.0	10.5	10.4	9.7
Perle	7.7	8.5	9.2	7.5	Herkules	15.8	17.3	17.3	16.1
Tradition	6.0	7.5	6.8	6.5	Magnum	12.5	15.7	14.6	13.3
Select	4.6	5.4	5.7	5.7	Taurus	16.0	17.9	17.1	16.3
Tettnang	3.8	4.2	4.2	4.0	Super Galena	13.1	14.0	14.3	14.8
Spalt	4.0	4.0	4.4	3.7	US Galena	12.3	12.2	12.3	12.5
Saaz	2.5	3.7	3.9	3.0	US Nugget	13.0	13.5	13.1	13.0
Styrian Aurora	7.0	9.0	7.8	8.3	Summit	–	–	16.5	16.5
Styrian Golding	3.0	4.5	4.2	4.0	CTZ	14.5	15.0	15.2	15.0
Willamette	4.4	4.7	4.5	5.2	Pride of Ringwood	9.4	8.5	9.5	9.5

## Worldwide use of Hops and Hop Products 1997 – 2010

	Hops total		Pellets total		Extract total	
	(mt)		(mt)	(% total)	(mt)	(% total)
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	113,125		69,119	61.1	40,951	36.2
2009	111,386		65,161	58.5	43,997	39.5
2010*	97,486		55,567	57.0	39,969	41.0



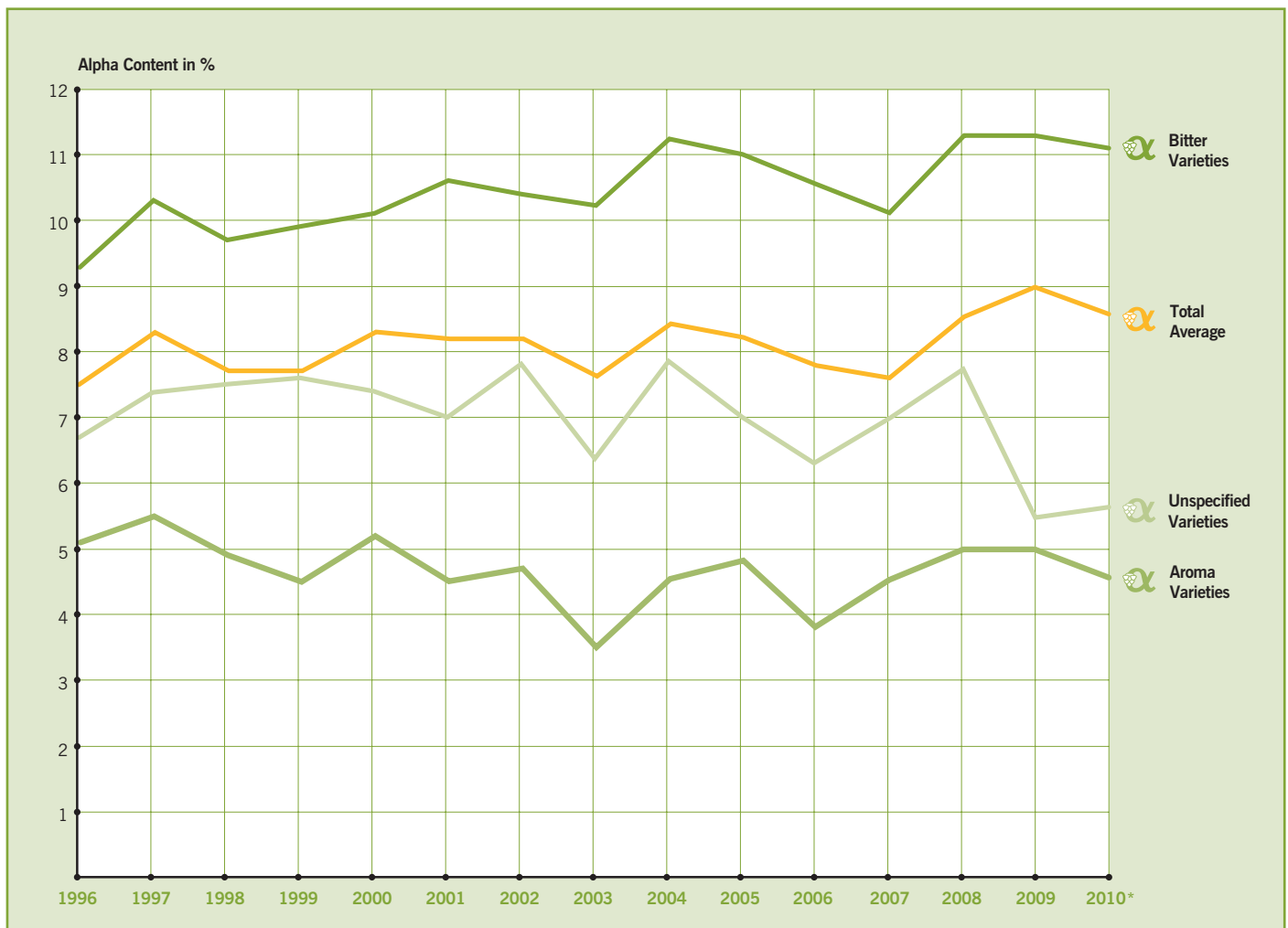
## World Alpha Acids Production 2007 – 2010

Total Crop Quantities in mt					% share				
	2007	2008	2009	2010*	2007	2008	2009	2010*	
Aroma Varieties	40,187	47,993	39,716	37,563	44.0	42.4	35.7	38.5	
Bitter Varieties	51,143	65,072	71,558	59,790	55.9	57.5	64.2	61.4	
Rest	89	60	112	133	0.1	0.1	0.1	0.1	
<b>Total</b>	<b>91,418</b>	<b>113,125</b>	<b>111,386</b>	<b>97,486</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

Alpha Amount in kg					Alpha Content in %				
	2007	2008	2009	2010*	2007	2008	2009	2010*	
Aroma Varieties	1,829,689	2,411,412	1,990,765	1,738,579	4.6	5.0	5.0	4.6	
Bitter Varieties	5,147,407	7,332,155	8,065,020	6,652,896	10.1	11.3	11.3	11.1	
Rest	6,201	4,657	6,194	7,539	7.0	7.7	5.5	5.7	
<b>Total</b>	<b>6,983,297</b>	<b>9,748,225</b>	<b>10,061,979</b>	<b>8,399,014</b>	<b>7.6</b>	<b>8.6</b>	<b>9.0</b>	<b>8.6</b>	

## Alpha Values over time 1996 – 2010



\*Estimate

## World Beer Production 2007 – 2010

	Beer Production in Mio hl				+/- %		
	2007	2008	2009	2010*	07/08	08/09	09/10* →
Russia	116.0	115.3	108.5	101.0	- 0.6	- 5.9	- 6.9
Germany	103.9	102.8	102.9	100.8	- 1.1	+ 0.1	- 2.0
England	50.5	49.5	45.2	44.5	- 2.0	- 8.7	- 1.5
Spain	33.2	33.4	33.8	32.5	+ 0.6	+ 1.2	- 3.8
Poland	32.5	35.6	32.3	32.0	+ 9.5	- 9.3	- 0.9
Ukraine	31.5	32.0	30.0	30.0	+ 1.6	- 6.3	+ 0.0
Netherlands	28.0	26.8	25.4	24.5	- 4.3	- 5.2	- 3.5
Czech Rep.	19.8	19.8	20.0	20.0	+ 0.0	+ 1.0	+ 0.0
Belgium	18.6	17.8	18.0	17.8	- 4.3	+ 1.1	- 1.1
Romania	19.5	20.8	17.2	15.5	+ 6.7	- 17.3	- 9.9
France	15.1	14.4	14.2	13.9	- 4.6	- 1.4	- 2.1
Italy	13.5	12.8	12.4	12.0	- 5.2	- 3.1	- 3.2
Turkey	9.2	9.9	9.4	9.4	+ 7.6	- 5.1	+ 0.0
Austria	9.0	8.5	8.9	9.0	- 5.6	+ 4.7	+ 1.1
Ireland	9.3	8.9	8.5	8.5	- 4.3	- 4.5	+ 0.0
Portugal	8.2	8.2	7.8	7.6	+ 0.0	- 4.9	- 2.6
Hungary	6.8	7.1	6.6	6.7	+ 4.4	- 7.0	+ 1.5
Denmark	9.2	7.9	6.0	5.9	- 14.1	- 24.1	- 1.7
Bulgaria	5.5	5.8	5.2	5.0	+ 5.5	- 10.3	- 3.8
Finland	4.6	4.5	4.5	4.5	- 2.2	+ 0.0	+ 0.0
Greece	3.9	4.0	4.2	4.0	+ 2.6	+ 5.0	- 4.8
Slovakia	4.0	3.6	3.7	3.8	- 10.0	+ 2.8	+ 2.7
Sweden	4.0	3.8	3.7	3.7	- 5.0	- 2.6	+ 0.0
Croatia	3.4	3.9	3.6	3.5	+ 14.7	- 7.7	- 2.8
Switzerland	3.5	3.4	3.4	3.4	- 2.9	+ 0.0	+ 0.0
Lithuania	3.0	3.0	2.8	2.8	+ 0.0	- 6.7	+ 0.0
Norway	2.6	2.6	2.6	2.5	+ 0.0	+ 0.0	- 3.8
Slovenia	1.9	1.9	1.9	1.9	+ 0.0	+ 0.0	+ 0.0
Latvia	1.6	1.2	1.1	1.1	- 25.0	- 8.3	+ 0.0
Albania	0.8	0.7	0.7	0.7	- 12.5	+ 0.0	+ 0.0
Cyprus	0.4	0.4	0.4	0.4	+ 0.0	+ 0.0	+ 0.0
Estonia	1.3	1.2	0.3	0.3	- 7.7	- 75.0	+ 0.0
Luxembourg	0.3	0.3	0.3	0.3	+ 0.0	+ 0.0	+ 0.0
Malta	0.1	0.1	0.1	0.1	+ 0.0	+ 0.0	+ 0.0
Europe rest	13.9	14.1	13.8	13.5	+ 1.4	- 2.1	- 2.2
<b>Europe total</b>	<b>588.6</b>	<b>586.0</b>	<b>559.4</b>	<b>543.1</b>	<b>- 0.4</b>	<b>- 4.5</b>	<b>- 2.9</b>
USA	233.4	234.1	228.5	225.5	+ 0.3	- 2.4	- 1.3
Brazil	96.0	106.3	106.7	109.0	+ 10.7	+ 0.4	+ 2.2
Mexico	81.0	82.3	82.0	82.0	+ 1.6	- 0.4	+ 0.0
Canada	23.9	23.7	23.2	23.0	- 0.8	- 2.1	- 0.9
Venezuela	26.3	24.0	23.2	23.0	- 8.7	- 3.3	- 0.9
Colombia	19.0	19.0	19.0	19.0	+ 0.0	+ 0.0	+ 0.0
Argentina	14.5	15.5	16.5	16.5	+ 6.9	+ 6.5	+ 0.0
Peru	9.2	10.8	10.9	11.0	+ 17.4	+ 0.9	+ 0.9
Chile	5.7	5.9	6.0	6.0	+ 3.5	+ 1.7	+ 0.0
Ecuador	3.6	3.5	3.4	3.4	- 2.8	- 2.9	+ 0.0
Dominican Rep.	3.0	3.0	3.1	3.1	+ 0.0	+ 3.3	+ 0.0
Cuba	2.5	2.4	2.5	2.5	- 4.0	+ 4.2	+ 0.0
Bolivia	1.5	2.0	1.9	2.0	+ 33.3	- 5.0	+ 5.3
Panama	1.8	2.0	1.9	2.0	+ 11.1	- 5.0	+ 5.3
Costa Rica	1.6	1.8	1.8	1.8	+ 12.5	+ 0.0	+ 0.0
Guatemala	1.6	1.6	1.7	1.7	+ 0.0	+ 6.3	+ 0.0
Paraguay	1.5	1.5	1.5	1.5	+ 0.0	+ 0.0	+ 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
Uruguay	0.9	0.9	0.9	0.9	+ 0.0	+ 0.0	+ 0.0

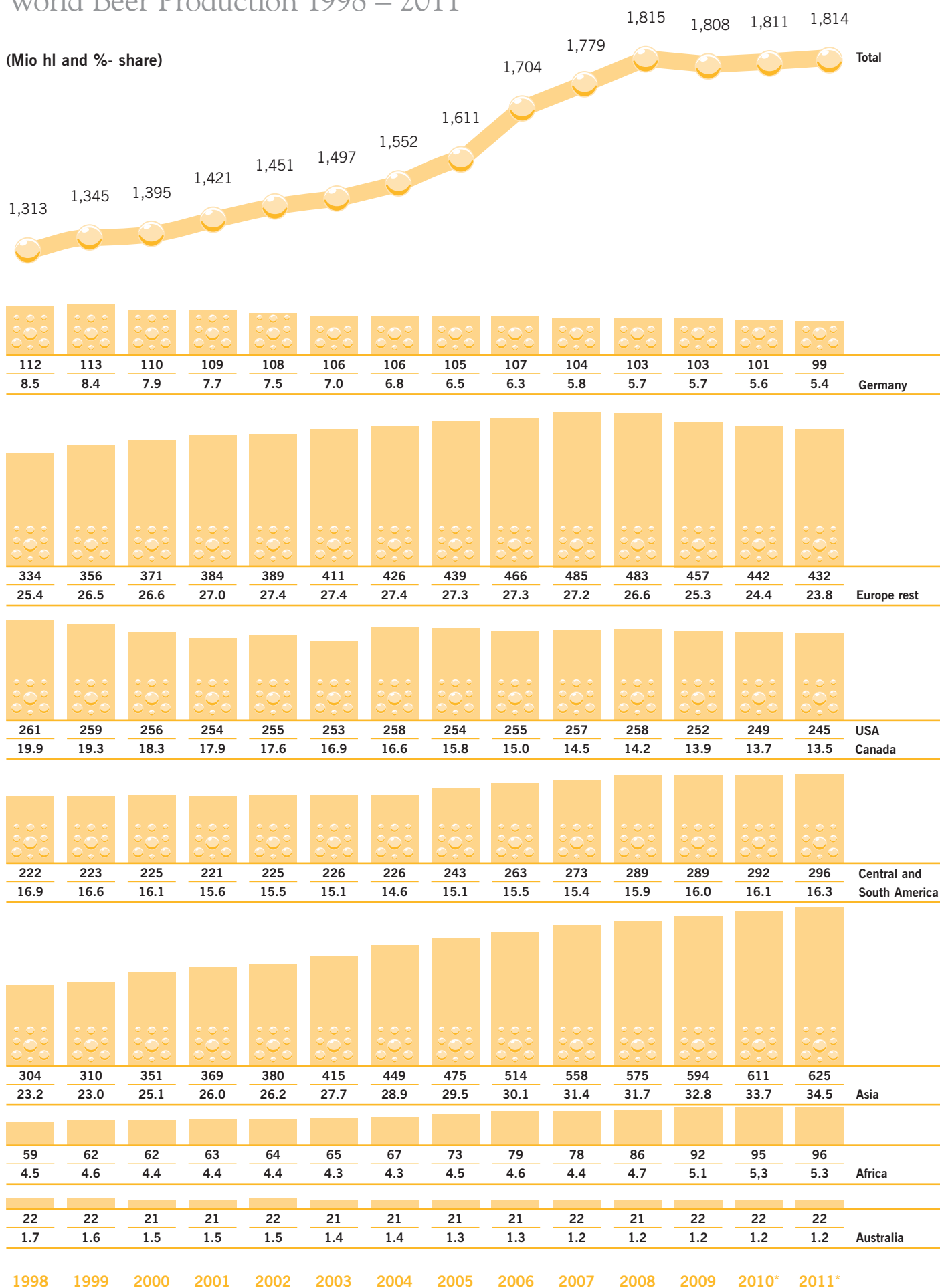
\*Estimate

	Beer Production in Mio hl				+/- %			
	2007	2008	2009	2010*	07/08	08/09	09/10*	
→ 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	
Puerto Rico	0.7	0.7	0.7	0.7	+ 0.0	+ 0.0	+ 0.0	
Trinidad	0.4	0.4	0.4	0.4	+ 0.0	+ 0.0	+ 0.0	
America rest	1.4	1.8	1.8	1.9	+ 28.6	+ 0.0	+ 5.6	
<b>America total</b>	<b>533.0</b>	<b>546.7</b>	<b>541.1</b>	<b>540.4</b>	<b>+ 2.6</b>	<b>- 1.0</b>	<b>- 0.1</b>	
P. R. China	393.0	406.9	422.6	435.0	+ 3.5	+ 3.9	+ 2.9	
Japan	62.7	61.0	59.7	57.3	- 2.7	- 2.1	- 4.0	
Vietnam	18.4	18.5	21.0	23.0	+ 0.5	+ 13.5	+ 9.5	
South Korea	18.0	18.6	18.5	19.0	+ 3.3	- 0.5	+ 2.7	
Thailand	22.0	20.7	18.5	18.5	- 5.9	- 10.6	+ 0.0	
India	9.0	13.4	15.0	17.2	+ 48.9	+ 11.9	+ 14.7	
Philippines	13.7	13.3	14.2	14.5	- 2.9	+ 6.8	+ 2.1	
Taiwan	3.8	4.3	4.0	4.0	+ 13.2	- 7.0	+ 0.0	
Laos	1.8	1.3	2.2	2.4	- 27.8	+ 69.2	+ 9.1	
Indonesia	1.6	2.1	2.0	2.3	+ 31.3	- 4.8	+ 15.0	
Malaysia	1.6	1.7	1.9	1.9	+ 6.3	+ 11.8	+ 0.0	
Cambodia	0.0	0.0	1.4	1.7	+ 0.0	+ 0.0	+ 21.4	
Singapore	1.2	1.2	1.2	1.2	+ 0.0	+ 0.0	+ 0.0	
Myanmar	0.4	0.8	1.0	1.0	+ 100.0	+ 25.0	+ 0.0	
Israel	0.8	0.8	0.8	0.8	+ 0.0	+ 0.0	+ 0.0	
Jordan	0.8	0.8	0.6	0.7	+ 0.0	- 25.0	+ 16.7	
Sri Lanka	0.6	0.6	0.7	0.7	+ 0.0	+ 16.7	+ 0.0	
Lebanon	0.2	0.2	0.3	0.3	+ 0.0	+ 50.0	+ 0.0	
Nepal	0.3	0.8	0.3	0.3	+ 166.7	- 62.5	+ 0.0	
Mongolia	0.7	0.2	0.2	0.2	- 71.4	+ 0.0	+ 0.0	
Syria	0.1	0.1	0.1	0.1	+ 0.0	+ 0.0	+ 0.0	
Asia rest	7.2	7.5	7.3	8.8	+ 4.2	- 2.7	+ 20.5	
<b>Asia total</b>	<b>557.9</b>	<b>574.8</b>	<b>593.5</b>	<b>610.9</b>	<b>+ 3.0</b>	<b>+ 3.3</b>	<b>+ 2.9</b>	
South Africa	26.5	25.9	26.2	26.0	- 2.3	+ 1.2	- 0.8	
Nigeria	12.3	15.2	16.0	16.2	+ 23.6	+ 5.3	+ 1.3	
Angola	3.8	5.3	6.2	7.0	+ 39.5	+ 17.0	+ 12.9	
Cameroon	4.6	5.0	6.0	6.2	+ 8.7	+ 20.0	+ 3.3	
Kenya	4.0	4.2	5.5	5.6	+ 5.0	+ 31.0	+ 1.8	
Zaire	2.5	3.4	3.5	3.6	+ 36.0	+ 2.9	+ 2.9	
Ethiopia	2.6	2.7	3.1	3.5	+ 3.8	+ 14.8	+ 12.9	
Tanzania	3.0	3.5	3.3	3.4	+ 16.7	- 5.7	+ 3.0	
Namibia	1.5	1.8	2.0	2.1	+ 20.0	+ 11.1	+ 5.0	
Uganda	1.6	1.8	2.0	2.0	+ 12.5	+ 11.1	+ 0.0	
Ghana	1.6	1.9	2.0	2.0	+ 18.8	+ 5.3	+ 0.0	
Mosambique	1.3	1.4	1.8	1.9	+ 7.7	+ 28.6	+ 5.6	
Ivory Coast	1.2	1.3	1.5	1.5	+ 8.3	+ 15.4	+ 0.0	
Tunesia	1.1	1.2	1.3	1.3	+ 9.1	+ 8.3	+ 0.0	
Morocco	1.0	1.0	1.1	1.2	+ 0.0	+ 10.0	+ 9.1	
Egypt	1.1	1.2	1.2	1.2	+ 9.1	+ 0.0	+ 0.0	
Zambia	0.6	0.6	0.7	0.8	+ 0.0	+ 16.7	+ 14.3	
Madagascar	0.8	0.8	0.7	0.7	+ 0.0	- 12.5	+ 0.0	
Zimbabwe	1.0	0.5	0.5	0.5	- 50.0	+ 0.0	+ 0.0	
Mauritius	0.5	0.4	0.5	0.5	- 20.0	+ 25.0	+ 0.0	
Africa rest	5.8	7.0	7.0	8.0	+ 20.7	+ 0.0	+ 14.3	
<b>Africa total</b>	<b>78.4</b>	<b>86.1</b>	<b>92.1</b>	<b>95.2</b>	<b>+ 9.8</b>	<b>+ 7.0</b>	<b>+ 3.4</b>	
Australia	16.9	17.0	17.0	17.2	+ 0.6	+ 0.0	+ 1.2	
New Zealand	3.4	3.2	3.4	3.4	- 5.9	+ 6.3	+ 0.0	
Oceania	1.2	1.2	1.2	1.2	+ 0.0	+ 0.0	+ 0.0	
<b>Australia total</b>	<b>21.5</b>	<b>21.4</b>	<b>21.6</b>	<b>21.8</b>	<b>- 0.5</b>	<b>+ 0.9</b>	<b>+ 0.9</b>	
<b>World total</b>	<b>1,779.4</b>	<b>1,815.0</b>	<b>1,807.7</b>	<b>1,811.4</b>	<b>+ 2.0</b>	<b>- 0.4</b>	<b>+ 0.2</b>	

\*Estimate

# World Beer Production 1998 – 2011

(Mio hl and %- share)

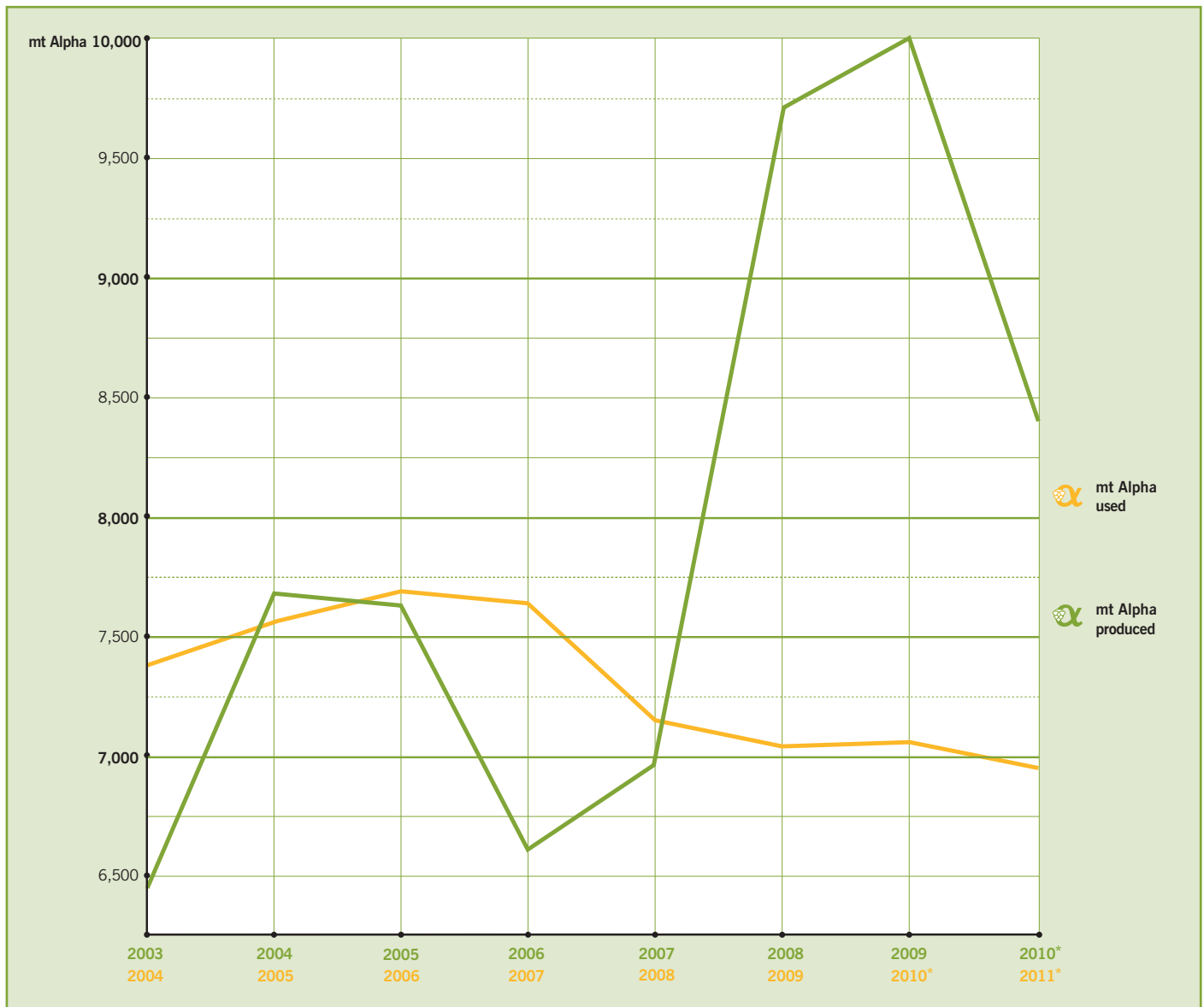


\*Estimate

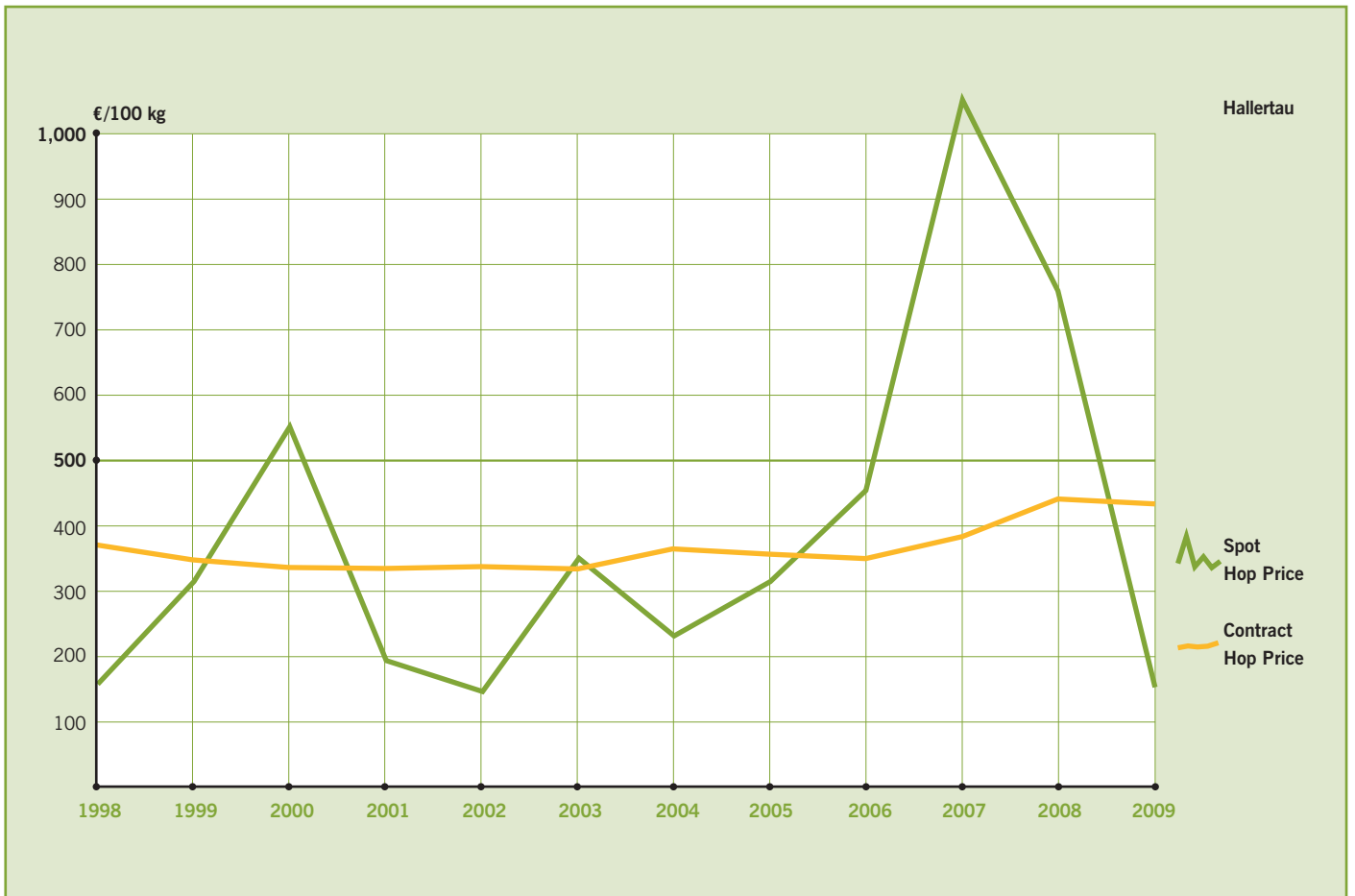
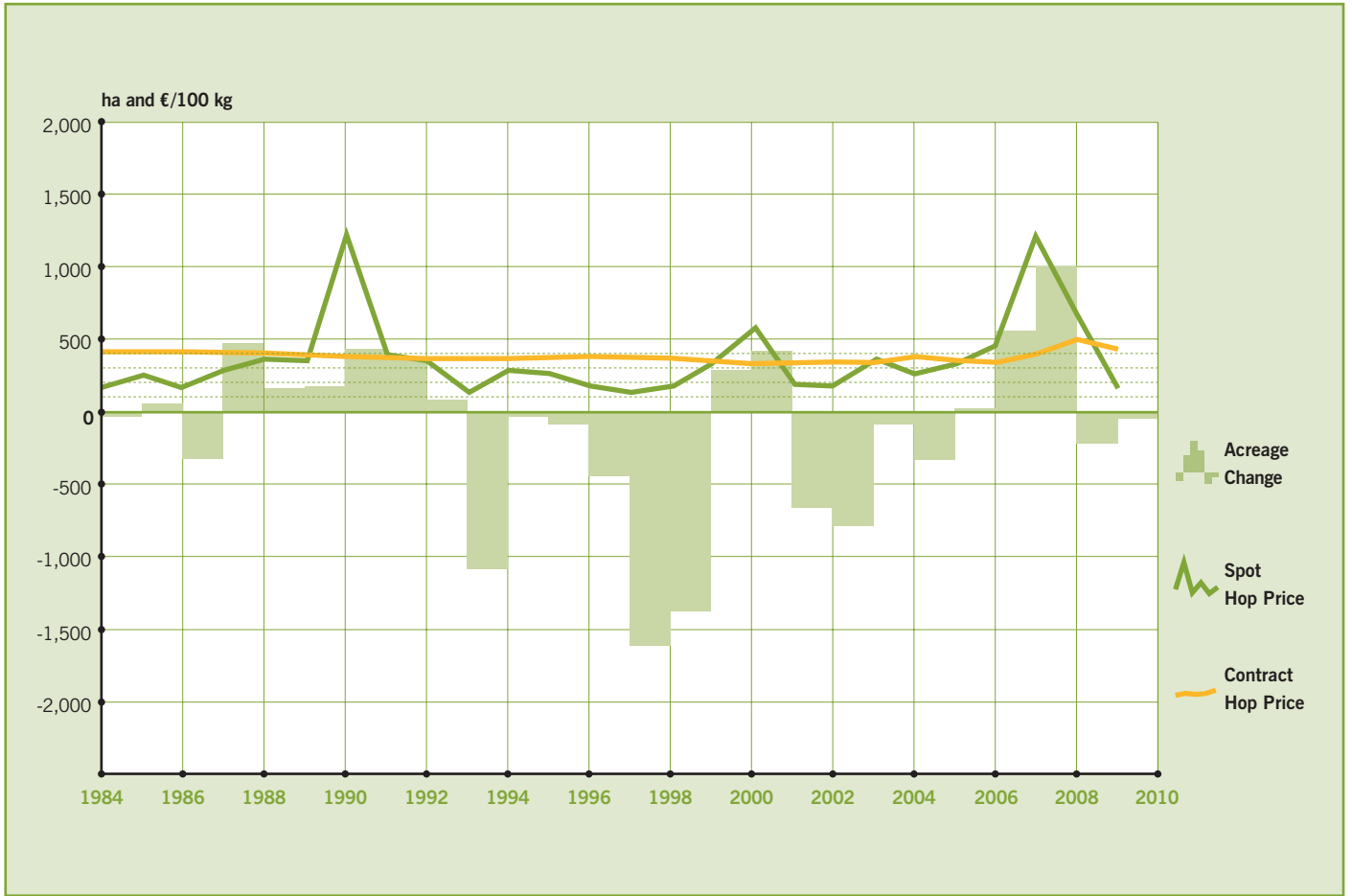
## World Alpha Acid Supply and Demand 2003 – 2010

	Production (mt Alpha)	Beer Production (Mio hl)	Alpha Dosage (g Alpha / hl)	Alpha Usage (mt Alpha)	Annual Balance (mt Alpha)	
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 <sup>1)</sup>	2007	1,779	4.3	7,650	- 1,080
2007	6,983	2008	1,815	4.0	7,260	- 277
2008	9,748	2009	1,808	3.9	7,051	2,697
2009	10,062	2010*	1,811	3.9	7,063	2,999
2010*	8,399	2011*	1,814	3.8	6,893	1,506

<sup>1)</sup> 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

The size of crop 2008 (113,124.9 MT hops or 9,750 MT alpha) demonstrated the production potential of the world's existing hop acreage. In 2009 there were no significant acreage changes. Despite the large hail storm in the Hallertau that destroyed approximately 5,000 MT hops, crop 2009 produced 111,386 MT hops worldwide, an all-time record of 10,000 MT alpha acids.

After a decline in world beer production in 2009, beer sales in 2010 have been flat. Declines in the West and East European beer markets, and to a lesser degree in North America, were offset by growth in Asia and South America. Nevertheless, with more breweries using pre-isomerized hop products and the continuous increase in sales of less hopped beers, particularly in markets with volume increases, the world's alpha demand dropped further.

Based on the high pre-contract rates in Germany and USA and with many breweries suddenly over-contracted, spot market activity after crop 2009 was very limited. Growing regions which rely heavily on the spot market had large unsold positions as the crop 2010 harvest began.

Growers in the US and PRC reacted quickly to the situation by making significant acreage reductions in 2009 and 2010. In the US, where growers exchanged 2009 and 2010 contracts for future business there were 21% fewer acres strung for harvest in 2010 as compared with 2009. This brought producing acres in the US back to the crop 2007 level, albeit with a higher-yielding variety mix. In the PRC, which is solely a spot market for domestic hops, the acreage reduction was more than 25%. In the European growing countries no noteworthy reductions were achieved, despite similar offers being made to European growers as were accepted by US growers.

## Prognosis

Growing conditions throughout the world were not ideal in 2010. A cold and wet spring caused delays in many growing regions and the summer did not bring the required heat units. The Hallertau experienced another hailstorm in May 2010 which destroyed approximately 2,500 MT hops.

With a similar acreage compared to 2007, the 2010 crop is estimated to produce approximately 97,500 MT of hops or 8,400 MT of alpha. Despite imperfect growing conditions, the quality of crop 2010 hops was normal to good. Alpha concentrations were generally within the long term average but weight yields were below the long term results. This is a trend that extended to many crops around the world in 2010. Fortunately long-term contracts are in place for hops which help to shield users from the price spikes experienced in other crops. Crop 2010 production again demonstrates the increased potency of new varieties, with an increase of the world wide average alpha content from 7.6% in 2007 to 8.6% in 2010. For details, please refer to the enclosed tables.

For the coming years we estimate slight improvements in beer sales, reaching approximately 1,811 MHL for 2010 and 1,814 MHL for 2011, mainly due to growing markets in Asia and South America. Traditional European beer markets are expected to continue their decline for the foreseeable future, due to changes in consumer behavior and a drop in the population. This has the effect of



accelerating the reduction in the world's overall alpha dosage. As a result, we estimate a reduction in the world alpha acid demand of approximately 5% from 7,260 to 6,890 MT. This means that crop 2010 will result in an overproduction of approximately 1,500 MT alpha acid.

Just as it was the case for crop 2009, the alpha surplus will not be in the form of spot hops but in the form of unallocated contracted hops. For this reason, as we go to press no meaningful spot market has developed. In Germany spot hops are going into pools with extremely low to no minimum prices. Spot hops elsewhere have been traded at prices below production costs or remain in grower hands. Below is a repeat of our text from Guidelines 2009 which we regret is still valid:

„Spot hops are generally very difficult to sell when contracted hops are being used to rebuild inventories. The hop market finds itself in a difficult spot. We sense that when brewers' contracts do run out they won't face any immediate need for hops but will instead work to reduce their inventories. The effect of this will be negative for growers, and could lead to an acreage reduction that exceeds the point of supply-demand balance, which in turn could start the whole cycle of market panic all over again.

We will continue to work towards sensible solutions to this situation with growers and brewers alike.”



COMMITTED TO THE BREWER.



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