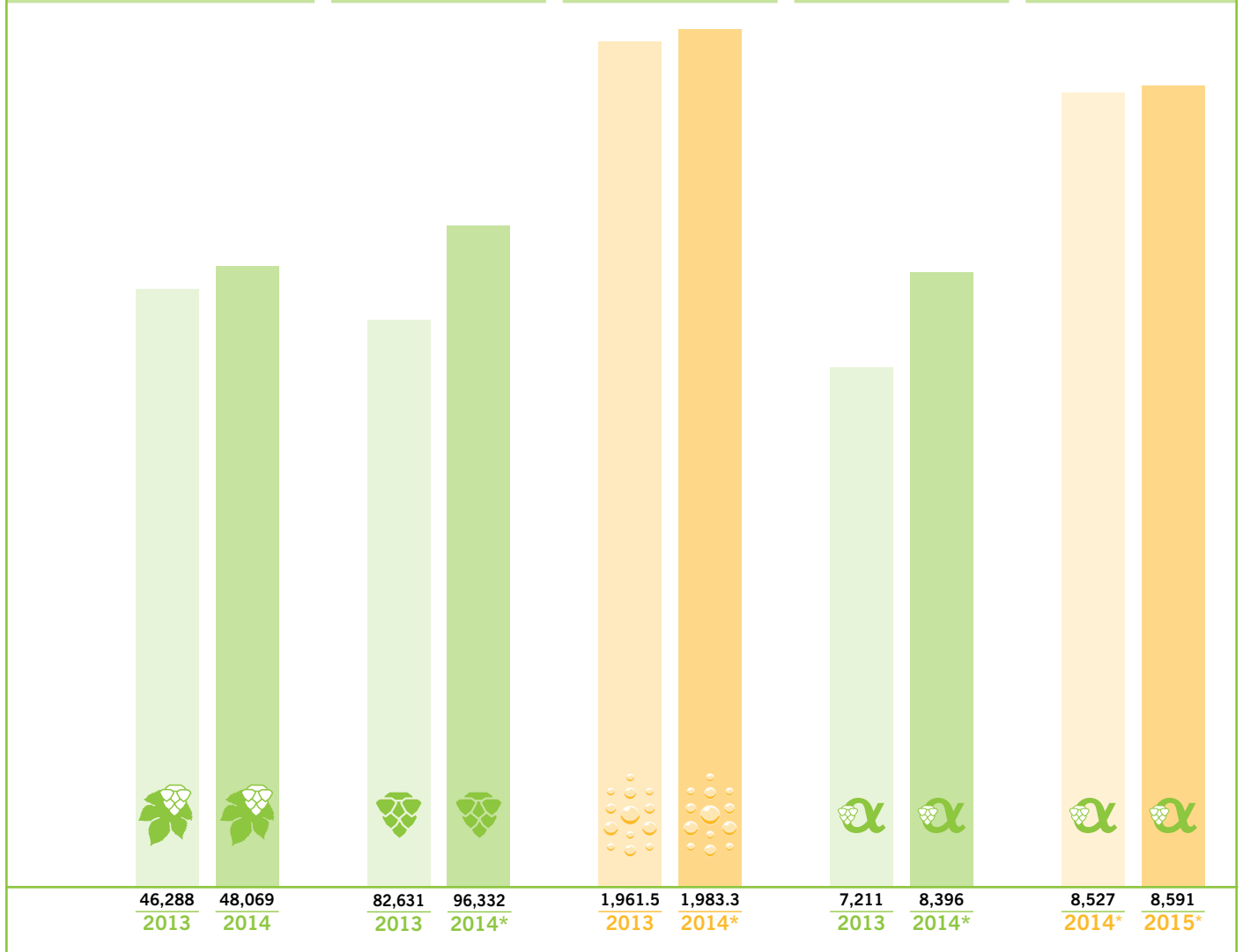


2014
GUIDELINES
FOR HOP BUYING

	World Hop Acreage	World Hop Crop	World Beer Production	World Alpha Acids Production	World Alpha Acids Demand
	(ha)	(mt)	(Mio. hl)	(mt)	(mt)
2012	46,592	86,696	1,941.0	7,955	8,152
	- 3.4 %	- 11.0 %	+ 1.3 %	- 16.8	+ 6.3 %
2013	46,288	82,631	1,961.5	7,211	8,240
	- 0.6 %	- 4.7 %	+ 1.1 %	- 9.4	+ 1.1 %
2014	48,069	96,332*	1,983.3*	8,396*	8,527*
	+ 3.8 %	+ 16.6 %*	+ 1.1 %*	- 16.4*	+ 3.5 %*
2015	-	-	1,997.9*	-	8,591*
	-	-	+ 0.7 %*	-	+ 0.8 %*



*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 hectolitre (hl) → 100 litres (Ltr.) → 0.8523 bbl. [USA] → 0.6114 bbl. [Brit.]
 1 bbl. [USA] → 117.34 litres (Ltr.) → 1.1734 hectolitres (hl)
 1 bbl. [Brit.] → 163.65 litres (Ltr.) → 1.6365 hectolitres (hl)

Foreword

” Growth in the craft segment of the brewing industry continues to outpace that of the overall beer market. The effect of this growth upon the hop industry is enormous as it combines the high hopping rate of craft with a move from bitter to aroma hops and a range of new varieties.

As a result of the impact of craft on the hop industry, we have changed the way we come to a composite analysis of the world demand for alpha acids. This change significantly impacts the overall alpha balance calculation and thus influencing the entire world hop market.

We trust you find our report informative and useful. We will continue to keep you updated with market developments.

“

October 2014
S. S. Steiner, Inc.
Simon H. Steiner, Hopfen, GmbH
Steiner Hops Limited



- *Hallertauer Hopfenveredelungs-
gesellschaft mbH
Au, Hallertau, Pelletwerk*
- *Hallertauer Hopfenveredelungs-
gesellschaft mbH
Mainburg, Hallertau,
Ethanol- und CO₂-Extraktion*
- *Hops Extract Corporation
of America, Yakima, Washington,
CO₂-Extraktion*
- *Golden Gate Hop Ranches Inc.
Yakima, Washington,
Hopfenanbaubetrieb*

Hop Acreage 2011 – 2014

	Acreage in ha				+/- %		
	2011	2012	2013	2014	11/12	12/13	13/14
Hallertauer	729	716	687	623	- 1.8	- 4.1	- 9.3
Hersbrucker	773	782	843	919	+ 1.2	+ 7.8	+ 9.0
Perle	3,129	2,965	2,813	2,857	- 5.2	- 5.1	+ 1.6
Spalter Select	614	448	408	434	- 27.0	- 8.9	+ 6.4
Tradition	2,634	2,624	2,537	2,696	- 0.4	- 3.3	+ 6.3
Saphir	220	237	308	360	+ 7.7	+ 30.0	+ 16.9
Northern Brewer	220	190	184	173	- 13.6	- 3.2	- 6.0
Magnum	3,164	2,696	2,360	1,934	- 14.8	- 12.5	- 18.1
Nugget	213	179	156	145	- 16.0	- 12.8	- 7.1
Taurus	925	795	682	564	- 14.1	- 14.2	- 17.3
Herkules	2,422	2,457	2,869	3,345	+ 1.4	+ 16.8	+ 16.6
Rest	185	170	238	417	- 8.1	+ 40.0	+ 75.2
Hallertau	15,229	14,258	14,086	14,467	- 6.4	- 1.2	+ 2.7
Elbe-Saale	1,392	1,284	1,186	1,265	- 7.8	- 7.6	+ 6.7
Tettngang	1,222	1,215	1,208	1,209	- 0.6	- 0.6	+ 0.1
Spalt	366	348	350	348	- 4.9	+ 0.6	- 0.6
Rest	20	20	20	20	+ 0.0	+ 0.0	+ 0.0
Germany total	18,228	17,124	16,849	17,309	- 6.1	- 1.6	+ 2.7
Austria	239	239	246	251	+ 0.0	+ 2.9	+ 2.0
Belgium	189	189	158	148	+ 0.0	- 16.4	- 6.3
Bulgaria	150	150	105	14	+ 0.0	- 30.0	- 86.7
Czech Rep.	4,632	4,366	4,319	4,472	- 5.7	- 1.1	+ 3.5
England	1,113	1,051	982	958	- 5.6	- 6.6	- 2.4
France	492	439	381	439	- 10.8	- 13.2	+ 15.2
Poland	1,297	1,510	1,357	1,404	+ 16.4	- 10.1	+ 3.5
Romania	241	245	250	250	+ 1.7	+ 2.0	+ 0.0
Russia	158	158	158	158	+ 0.0	+ 0.0	+ 0.0
Slovakia	222	214	174	138	- 3.6	- 18.7	- 20.7
Slovenia	1,376	1,160	1,165	1,216	- 15.7	+ 0.4	+ 4.4
Spain	533	540	485	536	+ 1.3	- 10.2	+ 10.5
Turkey	350	350	350	350	+ 0.0	+ 0.0	+ 0.0
Ukraine	646	465	469	362	- 28.0	+ 0.9	- 22.8
Rest	184	184	195	195	+ 0.0	+ 6.0	+ 0.0
Europe total	30,049	28,384	27,643	28,200	- 5.5	- 2.6	+ 2.0
Apollo	358	354	404	399	- 1.1	+ 14.1	- 1.2
Bravo	240	214	241	287	- 10.8	+ 12.6	+ 19.1
Cascade	853	1,230	2,140	2,692	+ 44.2	+ 74.0	+ 25.8
Centennial	259	682	880	1,371	+ 163.3	+ 29.0	+ 55.8
Chinook	231	492	704	713	+ 113.0	+ 43.1	+ 1.3
Col. / Tom. / Zeus	2,876	2,337	2,493	2,343	- 18.7	+ 6.7	- 6.0
Nugget	930	1,009	834	671	+ 8.5	- 17.3	- 19.5
Summit	1,002	850	1,151	1,073	- 15.2	+ 35.4	- 6.8
Super Galena	498	459	491	367	- 7.8	+ 7.0	- 25.3
Willamette	677	646	435	470	- 4.6	- 32.7	+ 8.0
Rest	4,130	4,650	4,481	5,150	+ 12.6	- 3.6	+ 14.9
USA total	12,054	12,923	14,254	15,536	+ 7.2	+ 10.3	+ 9.0
Argentina	188	188	195	195	+ 0.0	+ 3.7	+ 0.0
Australia	455	452	449	408	- 0.7	- 0.7	- 9.1
Japan	180	179	179	179	- 0.6	+ 0.0	+ 0.0
New Zealand	380	385	378	370	+ 1.3	- 1.8	- 2.1
P.R.China	4,390	3,529	2,638	2,701	- 19.6	- 25.2	+ 2.4
South Africa	492	492	492	420	+ 0.0	+ 0.0	- 14.6
Rest	60	60	60	60	+ 0.0	+ 0.0	+ 0.0
World total	48,248	46,592	46,288	48,069	- 3.4	- 0.7	+ 3.8

Hop Acreage 2001 – 2014

(ha and % share)



Crop Quantities and Average Yields 2011 – 2014

	Crop Quantities in mt				+/- %			Ø Yields in mt / ha			
	2011	2012	2013	2014*	11/12	12/13	13/14*	2011	2012	2013	2014*
Hallertauer	823.9	948.2	699.9	1,030.0	+ 15.1	- 26.2	+ 47.2	1.13	1.32	1.02	1.65
Hersbrucker	1,470.0	1,361.3	1,112.8	1,880.0	- 7.4	- 18.3	+ 68.9	1.90	1.74	1.32	2.05
Perle	6,492.8	5,536.0	3,901.5	6,080.0	- 14.7	- 29.5	+ 55.8	2.08	1.87	1.39	2.13
Spalter Select	1,376.9	883.0	638.5	980.0	- 35.9	- 27.7	+ 53.5	2.24	1.97	1.56	2.26
Tradition	5,386.6	4,868.8	3,353.9	5,500.0	- 9.6	- 31.1	+ 64.0	2.05	1.86	1.32	2.04
Saphir	464.4	474.1	359.7	750.0	+ 2.1	- 24.1	+ 108.5	2.11	2.00	1.17	2.08
Northern Brewer	362.6	346.8	208.0	355.0	- 4.4	- 40.0	+ 70.7	1.65	1.83	1.13	2.05
Magnum	5,991.4	5,643.0	4,778.3	4,050.0	- 5.8	- 15.3	- 15.2	1.89	2.09	2.02	2.09
Nugget	511.8	421.2	298.8	375.0	- 17.7	- 29.1	+ 25.5	2.40	2.35	1.92	2.59
Taurus	2,012.1	1,587.1	1,088.7	1,255.0	- 21.1	- 31.4	+ 15.3	2.18	2.00	1.60	2.23
Herkules	7,543.9	7,442.3	6,376.4	10,300.0	- 1.3	- 14.3	+ 61.5	3.11	3.03	2.22	3.08
Others	321.1	282.2	261.2	605.0	- 12.1	- 7.4	+ 131.6	1.74	1.66	1.10	1.45
Hallertau	32,757.3	29,794.1	23,077.7	33,160.0	- 9.0	- 22.5	+ 43.7	2.15	2.09	1.64	2.29
Elbe-Saale	2,882.6	2,546.1	2,508.6	2,650.0	- 11.7	- 1.5	+ 5.6	2.07	1.98	2.12	2.09
Tettngang	1,783.5	1,607.4	1,429.7	2,010.0	- 9.9	- 11.1	+ 40.6	1.46	1.32	1.18	1.66
Spalt	643.7	481.2	499.7	695.0	- 25.2	+ 3.8	+ 39.1	1.76	1.38	1.43	2.00
Rest	43.4	46.4	38.5	48.0	+ 6.9	- 17.0	+ 24.7	2.17	2.32	1.93	2.40
Germany total	38,110.6	34,475.2	27,554.1	38,563.0	- 9.5	- 20.1	+ 40.0	2.09	2.01	1.64	2.23
Austria	447.0	446.0	410.0	414.0	- 0.2	- 8.1	+ 1.0	1.87	1.87	1.67	1.65
Belgium	288.0	235.0	211.0	148.0	- 18.4	- 10.2	- 29.9	1.52	1.24	1.34	1.00
Bulgaria	183.0	183.0	180.0	30.0	+ 0.0	- 1.6	- 83.3	1.22	1.22	1.71	2.14
Czech Rep.	6,087.9	4,338.1	5,329.8	5,500.0	- 28.7	+ 22.9	+ 3.2	1.31	0.99	1.23	1.23
England	1,093.0	1,459.0	1,235.0	1,250.0	+ 33.5	- 15.4	+ 1.2	0.98	1.39	1.26	1.30
France	644.0	752.0	612.0	690.0	+ 16.8	- 18.6	+ 12.7	1.31	1.71	1.61	1.57
Poland	2,267.8	1,818.2	2,079.0	2,021.0	- 19.8	+ 14.3	- 2.8	1.75	1.20	1.53	1.44
Romania	166.0	106.0	181.0	185.0	- 36.1	+ 70.8	+ 2.2	0.69	0.43	0.72	0.74
Russia	162.0	162.0	162.0	162.0	+ 0.0	+ 0.0	+ 0.0	1.03	1.03	1.03	1.03
Slovakia	272.0	203.0	193.0	150.0	- 25.4	- 4.9	- 22.3	1.23	0.95	1.11	1.09
Slovenia	2,470.0	1,560.0	1,297.0	2,300.0	- 36.8	- 16.9	+ 77.3	1.80	1.34	1.11	1.89
Spain	936.0	1,028.0	854.0	960.0	+ 9.8	- 16.9	+ 12.4	1.76	1.90	1.76	1.79
Turkey	390.0	390.0	390.0	390.0	+ 0.0	+ 0.0	+ 0.0	1.11	1.11	1.11	1.11
Ukraine	681.0	454.0	520.0	436.0	- 33.3	+ 14.5	- 16.2	1.05	0.98	1.11	1.20
Rest	302.0	302.0	302.0	302.0	+ 0.0	+ 0.0	+ 0.0	1.64	1.64	1.55	1.55
Europe total	54,500.3	47,911.5	41,509.9	53,501.0	- 12.1	- 13.4	+ 28.9	1.81	1.69	1.50	1.90
Apollo	1,106.9	1,052.6	1,222.0	1,225.0	- 4.9	+ 16.1	+ 0.2	3.09	2.97	3.02	3.07
Bravo	701.8	633.9	806.0	907.0	- 9.7	+ 27.1	+ 12.5	2.92	2.96	3.34	3.16
Cascade	2,062.2	2,547.6	3,944.0	4,944.0	+ 23.5	+ 54.8	+ 25.4	2.42	2.07	1.84	1.84
Centennial	408.0	1,075.5	1,497.0	1,996.0	+ 163.6	+ 39.2	+ 33.3	1.58	1.58	1.70	1.46
Chinook	445.8	936.6	1,540.0	1,451.0	+ 110.1	+ 64.4	- 5.8	1.93	1.90	2.19	2.04
Col./Tom./Zeus	8,218.3	6,136.0	7,853.0	7,257.0	- 25.3	+ 28.0	- 7.6	2.86	2.63	3.15	3.10
Nugget	2,280.3	2,187.3	1,898.0	1,542.0	- 4.1	- 13.2	- 18.8	2.45	2.17	2.28	2.30
Summit	3,040.2	3,175.2	2,416.0	2,722.0	+ 4.4	- 23.9	+ 12.7	3.03	3.74	2.10	2.54
Super Galena	1,613.0	1,369.9	1,461.0	1,134.0	- 15.1	+ 6.7	- 22.4	3.24	2.98	2.98	3.09
Willamette	1,218.8	1,109.1	668.0	726.0	- 9.0	- 39.8	+ 8.7	1.80	1.72	1.54	1.54
Rest	8,289.2	7,558.5	8,149.0	8,868.0	- 8.8	+ 7.8	+ 8.8	2.01	1.63	1.82	1.72
USA total	29,384.5	27,782.2	31,454.0	32,772.0	- 5.5	+ 13.2	+ 4.2	2.44	2.15	2.21	2.11
Argentina	226.1	280.5	300.0	300.0	+ 24.1	+ 7.0	+ 0.0	1.20	1.49	1.54	1.54
Australia	1,044.0	1,092.6	1,146.0	1,079.0	+ 4.7	+ 4.9	- 5.8	2.29	2.42	2.55	2.64
Japan	420.0	345.0	335.0	335.0	- 17.9	- 2.9	+ 0.0	2.33	1.93	1.87	1.87
New Zealand	575.0	694.0	703.0	765.0	+ 20.7	+ 1.3	+ 8.8	1.51	1.80	1.86	2.07
P.R.China	10,230.0	7,548.0	6,230.0	6,720.0	- 26.2	- 17.5	+ 7.9	2.33	2.14	2.36	2.49
South Africa	956.0	1,002.7	913.0	820.0	+ 4.9	- 8.9	- 10.2	1.94	2.04	1.86	1.95
Rest	40.0	40.0	40.0	40.0	+ 0.0	+ 0.0	+ 0.0	0.67	0.67	0.67	0.67
World total	97,375.8	86,696.4	82,630.9	96,332.0	- 11.0	- 4.7	+ 16.6	2.02	1.86	1.79	2.00

World Hop Crop 2001 – 2014

(1.000 mt and % share)



*Estimate

Hopsteiner Laboratory Values 2011 – 2014

Alpha Content in %					Alpha Content in %				
Aroma Varieties	2011	2012	2013	2014	Bitter Varieties	2011	2012	2013	2014
Hersbrucker	4.5	3.0	1.9	2.1	Northern Brewer	10.9	9.9	6.6	9.7
Perle	9.6	8.1	5.4	8.0	Herkules	17.2	17.1	16.5	17.5
Tradition	7.1	6.7	5.0	5.8	Magnum	14.9	14.3	12.6	13.0
Select	6.4	5.1	3.3	4.7	Taurus	17.4	17.0	15.9	17.4
Tettnang	5.1	4.3	2.6	4.1	US Super Galena	15.3	15.5	15.3	15.4
Spalt	4.8	4.1	2.8	3.4	US Bravo	16.0	16.1	15.8	14.8
Saaz	4.0	3.8	2.9	2.9	US Nugget	13.5	13.5	14.0	13.8
Steirer Aurora	9.1	8.0	6.1	10.2	US Summit	16.5	16.5	17.0	16.8
Steirer Golding	4.1	3.2	2.2	5.1	US CTZ	15.5	15.5	15.8	15.9
US Willamette	5.5	4.6	5.0	5.0	Pride of Ringwood	9.3	8.8	9.1	8.9
Dual Purpose	2011	2012	2013	2014					
US Centennial	11.5	10.5	10.3	9.8					

Worldwide use of Hops and Hop Products 2001 – 2014

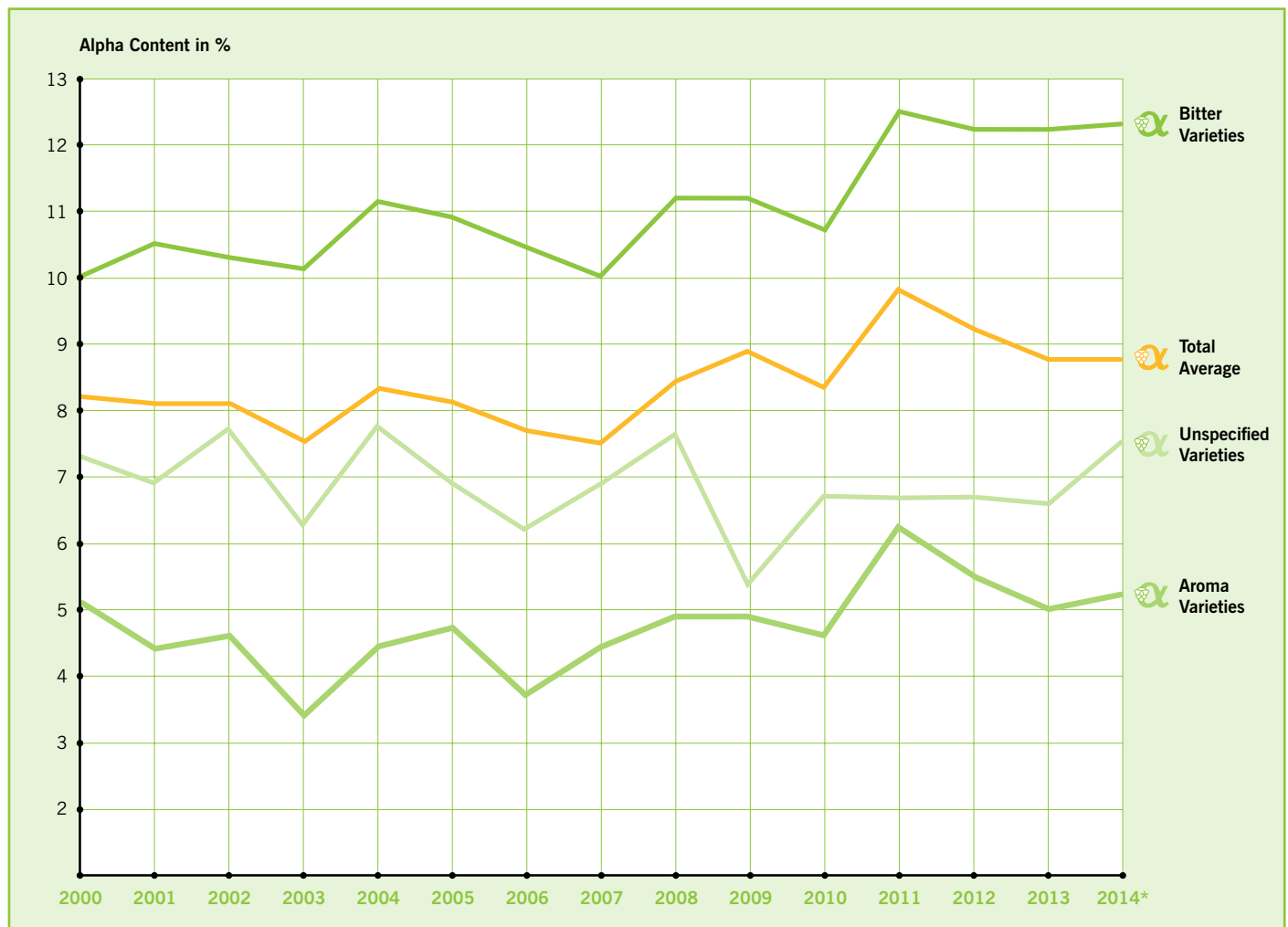
	Hops total		Pellets total		Extract total	
	(mt)		(mt)	(% total)	(mt)	(% total)
2001	96,959		52,900	54.6	28,800	29.7
2002	97,130		53,400	55.0	28,500	29.3
2003	85,520		49,600	58.0	28,000	32.7
2004	91,132		56,800	62.3	28,600	31.4
2005	93,448		61,582	65.9	28,595	30.6
2006	85,266		56,361	66.1	26,177	30.7
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	96,680		55,108	57.0	39,639	41.0
2011	97,376		54,531	56.0	41,482	42.6
2012	86,696		47,683	55.0	37,886	43.7
2013	82,631		50,653	61.3	31,069	37.6
2014*	96,332		60,882	63.2	34,487	35.8

World Alpha Acids Productions 2011 – 2014

Total Crop Quantities in mt					% share				
	2011	2012	2013	2014*	2011	2012	2013	2014*	
Aroma Varieties	41,424	39,143	39,327	49,346	42.5	45.1	47.6	51.2	
Bitter Varieties	55,886	47,483	43,228	46,925	57.4	54.8	52.3	48.7	
Rest	66	70	76	61	0.1	0.1	0.1	0.1	
Total	97,376	86,696	82,631	96,332	100.0	100.0	100.0	100.0	

Alpha Amount in kg					Alpha Content in %				
	2011	2012	2013	2014*	2011	2012	2013	2014*	
Aroma Varieties	2,569,000	2,166,400	1,950,100	2,625,800	6.2	5.5	5.0	5.3	
Bitter Varieties	6,986,400	5,784,300	5,255,400	5,766,200	12.5	12.2	12.2	12.3	
Rest	4,500	4,700	5,000	4,400	6.7	6.7	6.6	7.4	
Total	9,559,900	7,955,400	7,210,600	8,396,400	9.8	9.2	8.7	8.7	

Alpha Values over time 2000 – 2014



*Estimate

World Beer Production 2011 – 2014

	Beer Production in Mio hl				+/- %		
	2011	2012	2013	2014*	11/12	12/13	13/14*
Germany	98.2	94.6	94.4	95.3	- 3.7	- 0.2	+ 1.0
Russia	99.4	97.2	88.9	82.0	- 2.2	- 8.5	- 7.8
England	42.5	42.0	42.4	42.0	- 1.2	+ 1.0	- 0.9
Poland	37.9	37.8	39.6	39.8	- 0.3	+ 4.8	+ 0.5
Spain	33.6	33.0	33.1	34.5	- 1.8	+ 0.3	+ 4.2
Ukraine	30.5	30.0	27.6	26.0	- 1.6	- 8.0	- 5.8
Netherlands	23.6	24.3	23.7	23.1	+ 3.0	- 2.5	- 2.5
Czech Rep.	18.3	18.3	18.6	18.6	+ 0.0	+ 1.6	+ 0.0
France	16.0	18.9	18.7	18.5	+ 18.1	- 1.1	- 1.1
Belgium	18.0	18.5	18.1	18.0	+ 2.8	- 2.2	- 0.6
Romania	17.0	17.9	16.6	16.5	+ 5.3	- 7.3	- 0.6
Italy	13.4	12.7	12.7	12.8	- 5.2	+ 0.0	+ 0.8
Austria	8.9	8.9	9.2	9.2	+ 0.0	+ 3.4	+ 0.0
Ireland	8.6	8.3	8.0	8.0	- 3.5	- 3.6	+ 0.0
Portugal	8.3	7.6	7.9	8.0	- 8.4	+ 3.9	+ 1.3
Turkey	9.8	10.0	8.0	7.5	+ 2.0	- 20.0	- 6.3
Denmark	6.3	6.3	6.1	6.1	+ 0.0	- 3.2	+ 0.0
Hungary	6.1	6.2	6.0	6.1	+ 1.6	- 3.2	+ 1.7
Bulgaria	4.9	5.0	5.1	5.1	+ 2.0	+ 2.0	+ 0.0
Finland	4.2	4.2	4.0	4.1	+ 0.0	- 4.8	+ 2.5
Sweden	3.8	3.8	3.8	4.0	+ 0.0	+ 0.0	+ 5.3
Greece	3.7	3.4	3.7	3.7	- 8.1	+ 8.8	+ 0.0
Croatia	3.5	3.5	3.4	3.5	+ 0.0	- 2.9	+ 2.9
Switzerland	3.6	3.5	3.4	3.4	- 2.8	- 2.9	+ 0.0
Slovakia	3.2	3.3	3.2	3.2	+ 3.1	- 3.0	+ 0.0
Lithuania	3.0	3.0	2.9	3.0	+ 0.0	- 3.3	+ 3.4
Norway	2.4	2.4	2.4	2.5	+ 0.0	+ 0.0	+ 4.2
Slovenia	1.9	1.9	1.9	1.9	+ 0.0	+ 0.0	+ 0.0
Latvia	1.5	1.6	1.5	1.6	+ 6.7	- 6.3	+ 6.7
Estonia	1.4	1.2	1.5	1.5	- 14.3	+ 25.0	+ 0.0
Albania	0.6	0.5	0.6	0.6	- 16.7	+ 20.0	+ 0.0
Luxembourg	0.3	0.3	0.3	0.3	+ 0.0	+ 0.0	+ 0.0
Cyprus	0.3	0.3	0.3	0.2	+ 0.0	+ 0.0	- 33.3
Malta	0.1	0.1	0.1	0.1	+ 0.0	+ 0.0	+ 0.0
Europe rest	14.0	14.1	13.4	13.2	+ 0.7	- 5.0	- 1.5
Europe total	548.8	544.6	531.1	523.9	- 0.8	- 2.5	- 1.4
USA	226.5	230.1	224.6	225.7	1.6	- 2.4	+ 0.5
Brazil	127.2	132.0	134.2	136.0	3.8	+ 1.7	+ 1.3
Mexico	81.2	81.5	82.0	82.0	0.4	+ 0.6	+ 0.0
Venezuela	23.2	21.7	22.2	24.0	- 6.5	+ 2.3	+ 8.1
Canada	19.8	19.5	22.6	22.7	- 1.5	+ 15.9	+ 0.4
Colombia	20.8	22.3	22.3	22.3	7.2	+ 0.0	+ 0.0
Argentina	17.3	16.8	16.8	16.5	- 2.9	+ 0.0	- 1.8
Peru	11.5	13.0	13.5	13.5	13.0	+ 3.8	+ 0.0
Equador	5.2	5.8	6.0	6.0	11.5	+ 3.4	+ 0.0
Chile	5.0	5.7	6.0	6.0	14.0	+ 5.3	+ 0.0
Dominican Rep.	3.4	3.5	3.6	3.6	2.9	+ 2.9	+ 0.0
Cuba	2.6	2.7	2.8	2.8	3.8	+ 3.7	+ 0.0
Panama	1.9	1.9	1.9	2.0	0.0	+ 0.0	+ 5.3
Costa Rica	1.6	1.6	1.7	1.7	0.0	+ 6.3	+ 0.0
Guatemala	1.6	1.6	1.5	1.5	0.0	- 6.3	+ 0.0
Paraguay	1.5	1.5	1.5	1.5	0.0	+ 0.0	+ 0.0
Bolivia	1.3	1.3	1.4	1.4	0.0	+ 7.7	+ 0.0
Uruguay	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
Nicaragua	0.9	0.8	1.0	1.0	- 11.1	+ 25.0	+ 0.0
El Salvador	0.8	0.8	1.0	1.0	0.0	+ 25.0	+ 0.0



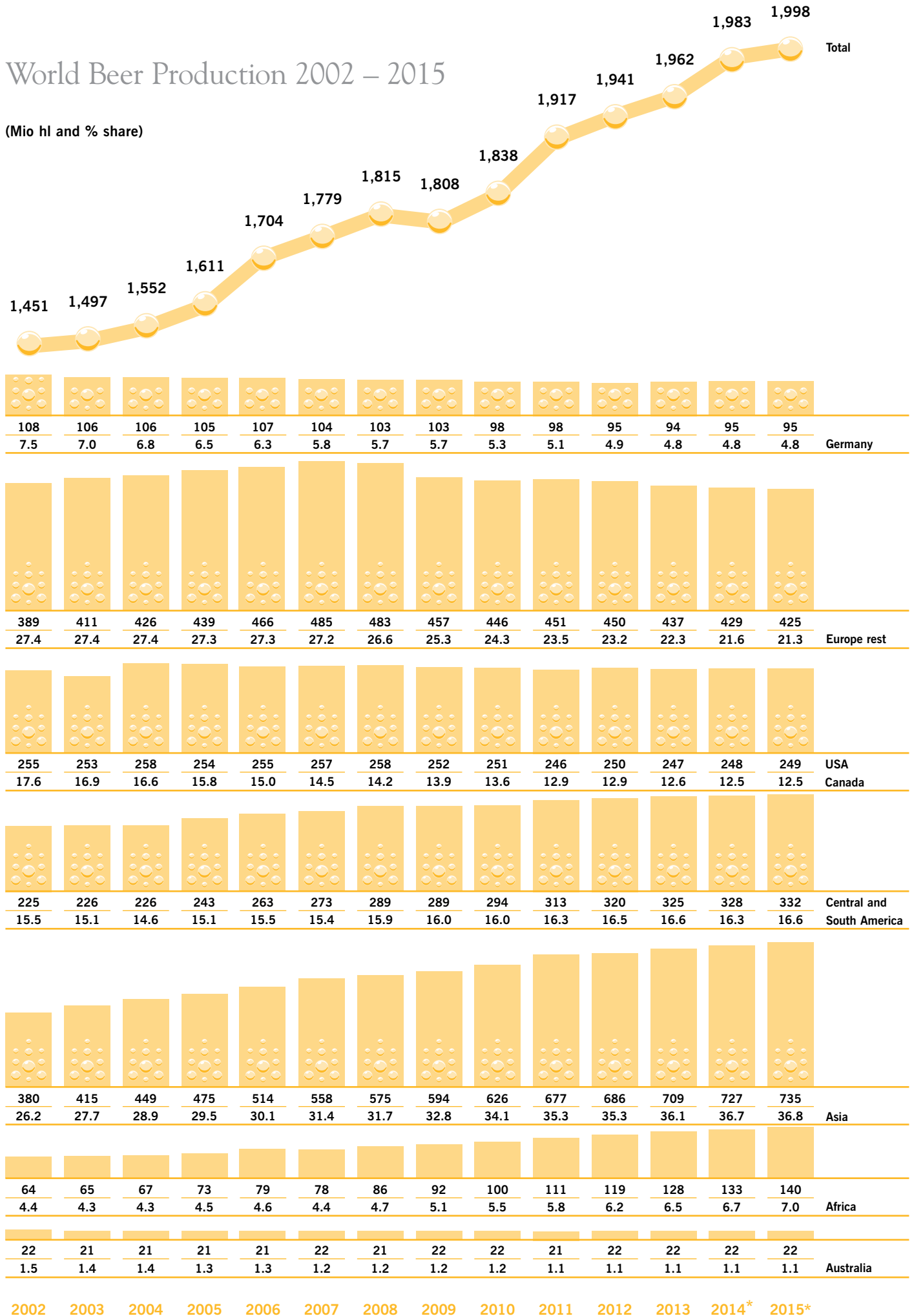
*Estimate

	Beer Production in Mio hl				+/- %		
	2011	2012	2013	2014*	11/12	12/13	13/14*
→ Honduras	1.0	1.0	0.9	0.9	+ 0.0	- 10.0	+ 0.0
Puerto Rico	0.7	0.6	0.7	0.7	- 14.3	+ 16.7	+ 0.0
Trinidad	0.4	0.4	0.4	0.4	+ 0.0	+ 0.0	+ 0.0
America rest	1.5	1.5	1.6	1.6	+ 0.0	+ 6.7	+ 0.0
America total	558.9	569.6	572.2	576.8	+ 1.9	+ 0.5	+ 0.8
P.R.China	489.9	490.0	506.0	518.0	+ 0.0	+ 3.3	+ 2.4
Japan	56.0	55.3	57.2	57.0	- 1.3	+ 3.4	- 0.3
Vietnam	27.0	29.7	32.0	32.8	+ 10.0	+ 7.7	+ 2.5
Thailand	20.4	23.9	21.0	23.1	+ 17.2	- 12.1	+ 10.0
South Korea	18.8	19.0	19.4	20.9	+ 1.1	+ 2.1	+ 7.7
India	18.3	19.2	20.0	20.0	+ 4.9	+ 4.2	+ 0.0
Philippines	15.7	15.8	16.2	16.5	+ 0.6	+ 2.5	+ 1.9
Taiwan	4.0	3.9	4.9	5.2	- 2.5	+ 25.6	+ 6.1
Cambodscha	1.9	3.5	4.1	4.4	+ 84.2	+ 17.1	+ 7.3
Laos	2.4	3.0	3.6	3.8	+ 25.0	+ 20.0	+ 5.6
Indonesia	2.3	2.6	2.7	2.9	+ 13.0	+ 3.8	+ 7.4
Malaysia	2.3	2.2	2.4	2.5	- 4.3	+ 9.1	+ 4.2
Myanmar	1.1	1.3	2.0	2.5	+ 18.2	+ 53.8	+ 25.0
Singapore	1.1	1.2	1.2	1.2	+ 9.1	+ 0.0	+ 0.0
Israel	1.0	1.0	1.1	1.2	+ 0.0	+ 10.0	+ 9.1
Sri Lanka	0.8	0.8	0.9	1.0	+ 0.0	+ 12.5	+ 11.1
Mongolia	0.5	0.5	0.6	0.7	+ 0.0	+ 20.0	+ 16.7
Nepal	0.4	0.5	0.5	0.5	+ 25.0	+ 0.0	+ 0.0
Lebanon	0.2	0.3	0.3	0.3	+ 50.0	+ 0.0	+ 0.0
Jordan	0.1	0.1	0.1	0.1	+ 0.0	+ 28.6	+ 11.1
Pakistan	0.1	0.1	0.1	0.1	+ 28.6	- 11.1	+ 12.5
Syria	0.1	0.0	0.0	0.0	- 100.0	+ 0.0	+ 0.0
Asia rest	12.3	11.9	12.4	12.7	- 3.3	+ 4.2	+ 2.4
Asia total	676.6	685.8	708.7	727.4	+ 1.3	+ 3.3	+ 2.6
South Africa	30.0	31.3	31.5	31.8	+ 4.3	+ 0.6	+ 1.0
Nigeria	19.4	23.5	25.0	26.0	+ 21.1	+ 6.4	+ 4.0
Algeria	1.3	1.4	1.4	1.4	+ 7.7	+ 0.0	+ 0.0
Angola	8.1	9.4	10.0	10.5	+ 16.0	+ 6.4	+ 5.0
Cameroon	5.9	6.3	6.5	6.7	+ 6.8	+ 3.2	+ 3.1
Kenya	5.2	5.4	5.3	5.2	+ 3.8	- 1.9	- 1.9
Zaire	4.8	5.1	5.5	5.5	+ 6.2	+ 7.8	+ 0.0
Ethiopia	3.2	3.6	4.0	4.5	+ 12.5	+ 11.1	+ 12.5
Tanzania	3.5	3.5	3.8	4.2	+ 0.0	+ 8.6	+ 10.5
Uganda	2.8	3.1	3.2	3.2	+ 10.7	+ 3.2	+ 0.0
Namibia	2.2	2.4	2.5	2.5	+ 9.1	+ 4.2	+ 0.0
Mosambique	1.9	1.9	3.0	3.2	+ 0.0	+ 57.9	+ 6.7
Ghana	1.8	1.8	2.0	2.2	+ 0.0	+ 11.1	+ 10.0
Tunisia	1.4	1.6	1.9	1.9	+ 14.3	+ 18.8	+ 0.0
Ivory Coast	1.4	1.5	1.9	1.9	+ 7.1	+ 26.7	+ 0.0
Zimbabwe	0.8	1.0	1.5	2.2	+ 25.0	+ 50.0	+ 46.7
Egypt	1.1	1.0	1.0	1.0	- 9.1	+ 0.0	+ 0.0
Madagascar	1.1	0.9	1.1	1.2	- 18.2	+ 22.2	+ 9.1
Marocco	0.9	0.9	0.8	0.8	+ 0.0	- 11.1	+ 0.0
Zambia	0.9	0.8	1.2	1.5	- 11.1	+ 50.0	+ 25.0
Mauritius	0.4	0.5	0.5	0.4	+ 25.0	+ 0.0	- 20.0
Africa rest	13.0	12.5	14.3	15.6	- 3.8	+ 14.4	+ 9.1
Africa total	111.1	119.4	127.9	133.4	+ 7.5	+ 7.1	+ 4.3
Australia	16.6	17.2	17.3	17.4	+ 3.6	+ 0.6	+ 0.6
New Zealand	3.3	3.2	2.9	3.0	- 3.0	- 9.4	+ 3.4
Oceania	1.2	1.2	1.5	1.5	+ 0.0	+ 25.0	+ 0.0
Australia total	21.1	21.6	21.7	21.9	+ 2.4	+ 0.5	+ 0.9
World total	1,916.5	1,941.0	1,961.5	1,983.3	+ 1.3	+ 1.1	+ 1.1

*Estimate

World Beer Production 2002 – 2015

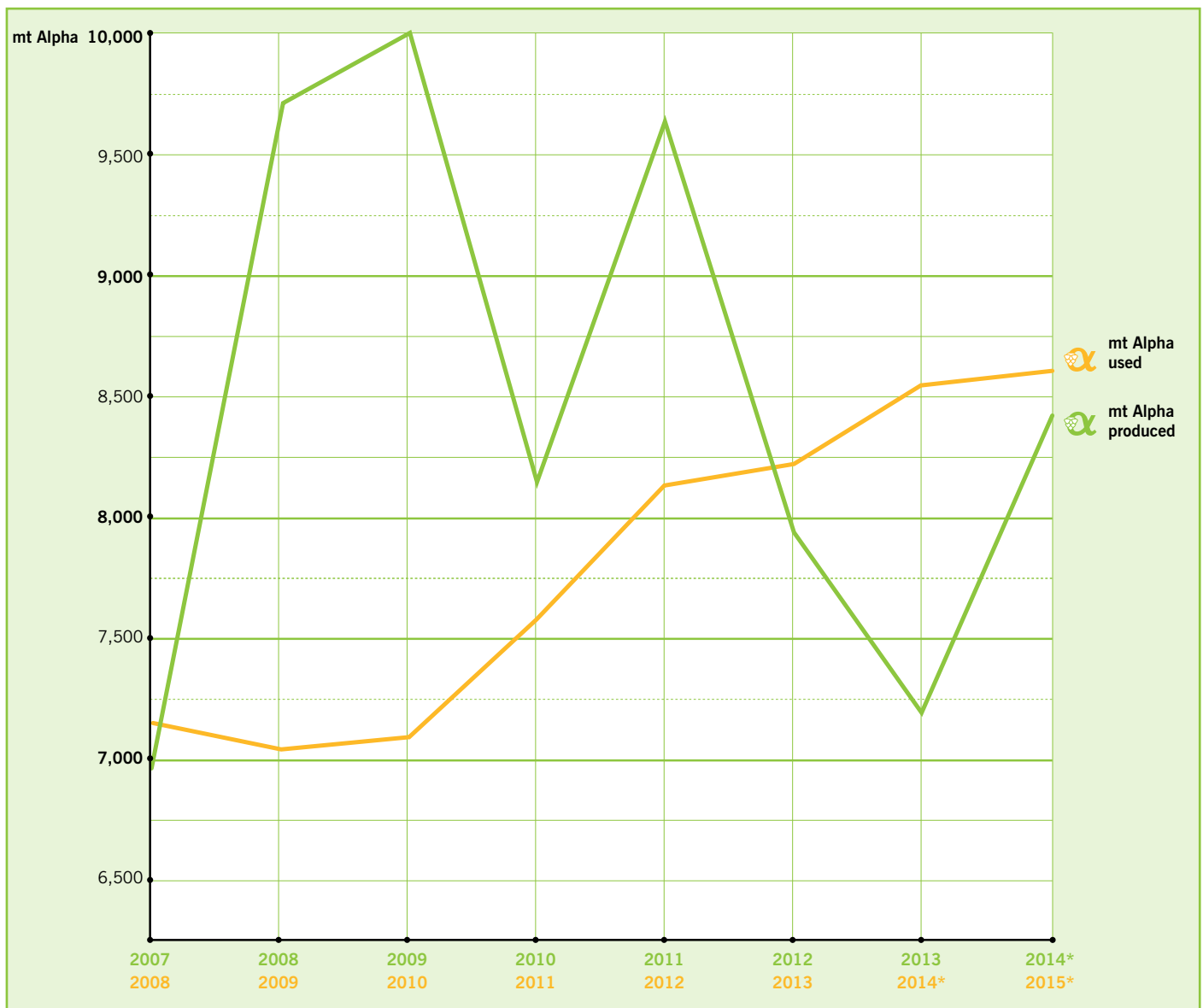
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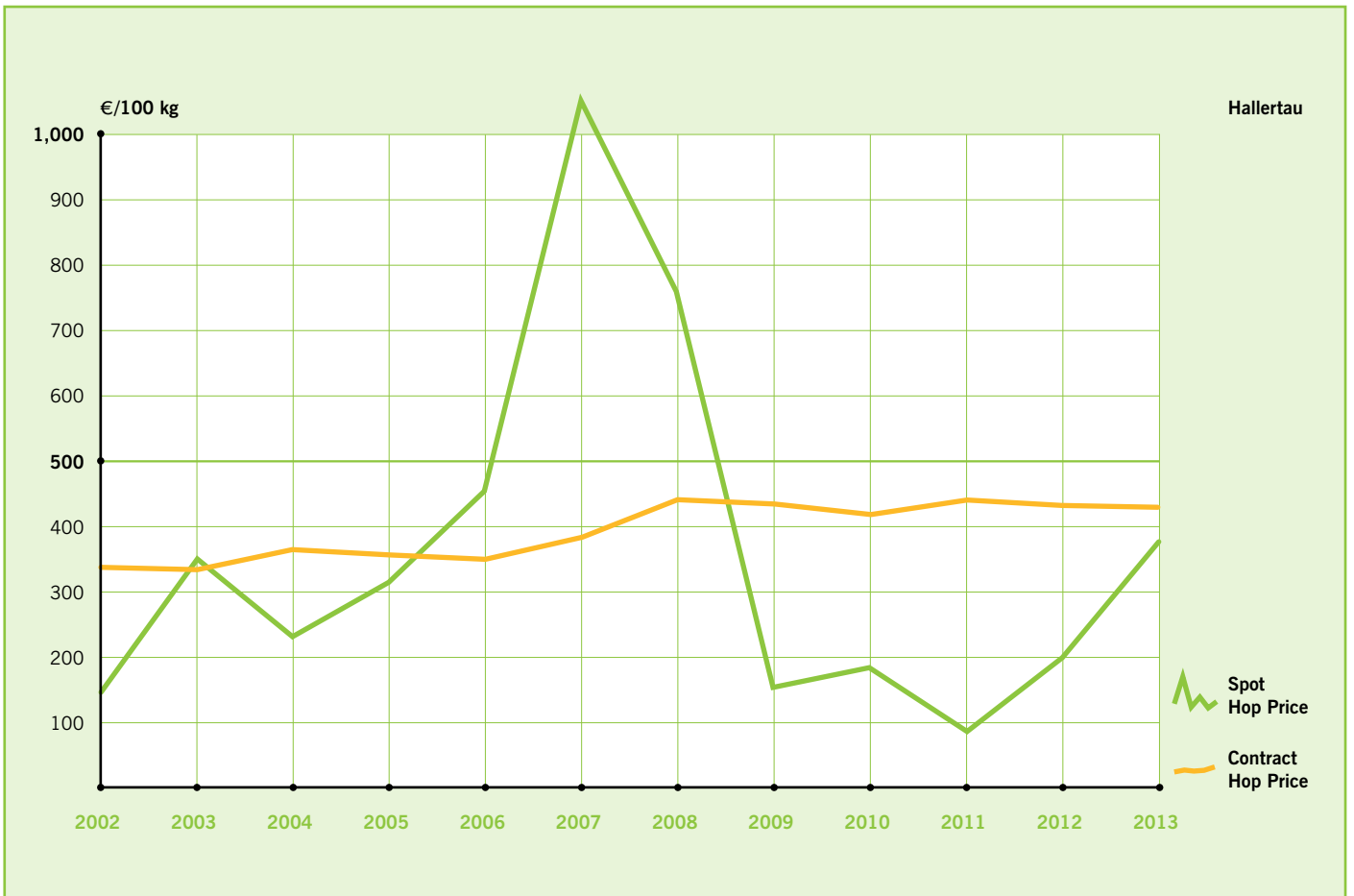
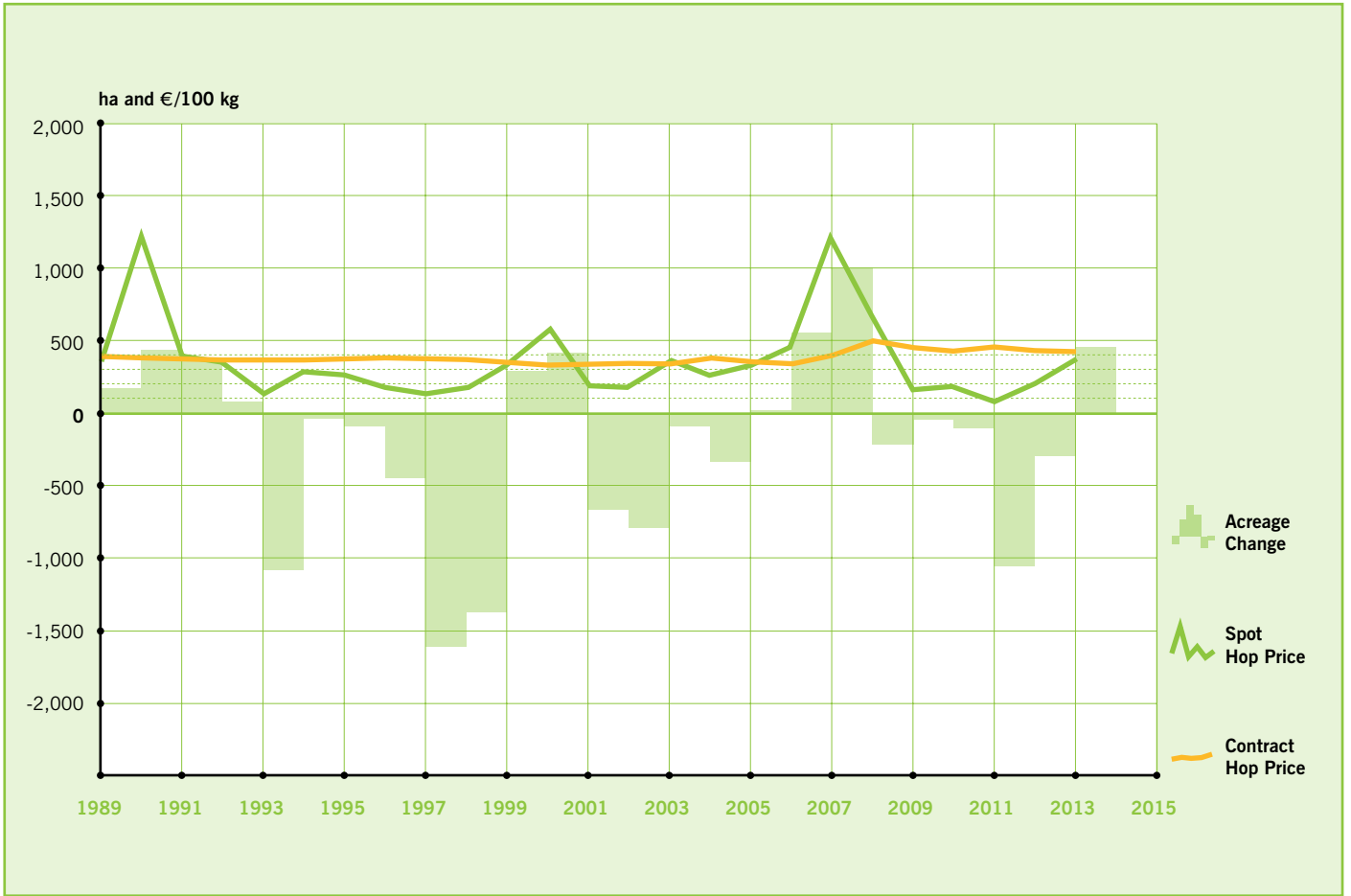
*Estimate

World Hop Acid Supply and Demand 2007 – 2014

	Production (mt Alpha)	Beer Production (Mio hl)	Alpha Dosage (g Alpha/hl)	Alpha Usage (mt Alpha)	Annual Balance (mt Alpha)	
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	1,838	3.9	7,166	2,896
2010	8,192	2011	1,917	4.0	7,668	524
2011	9,560	2012	1,941	4.2	8,152	1,408
2012	7,955	2013	1,962	4.2	8,240	- 285
2013	7,211	2014*	1,983	4.3	8,527	- 1,316
2014*	8,396	2015*	1,998	4.3	8,591	- 195



*Estimate



Hop Market Review and Outlook

Looking back

Crop 2013 was short in Germany, below average in the Czech Republic and Slovenia and normal in USA. The primary effect was a smaller-than-expected supply of aroma varieties and some implementation of the aroma hop „alpha clause“. Overall the world crop of 82,631 mt hops contained approximately 7,211mt alpha acids. This represented an alpha acid decline of 9.4% from 2012 and was a deficit compared to an estimated demand of 8,500 mt alpha. This was the second consecutive crop with a „paper“ deficit, as crop 2012's alpha production was approximately 1,300 mt alpha less than calculated demand.

These deficits were particularly meaningful for noble aroma varieties in Europe and the principal aroma varieties in USA. The bitter hops market was again shielded from significant supply-demand issues by the continued presence of excess brewery inventories.

Following the crop, growers in USA continued to transfer acres from bitter hops to aroma hops to meet the demand of craft brewers. Growers in Germany again went in the opposite direction and shifted acreage up the alpha scale from Magnum and other lesser varieties to Hercules.

Looking forward

As of this writing, the 48,069 ha planted to hops worldwide in 2014 were estimated to produce 96,332 mt hops. At a world average alpha content of 8.7% this would produce 8,396 mt alpha.

This estimate is practically the same as was produced by the somewhat weak 2013 crop. The continued variety changeover in USA means that the world's average alpha content is declining despite continuous increases in acreage. The ledger now shows that the USA's aroma-bitter variety mix that as recently as 2011 was 40-60 has transitioned to a lineup that is 55-45 in favor of aroma varieties. It should be noted, however, that the once-firm line that distinguished aroma and bitter varieties has been considerably blurred. Not only are there more varieties with alphas that are in the former „dual-purpose“ range, but there are newer varieties that are used for aroma purposes but that have alpha content well above 10%. This is a result of the demand for aroma differentiation, and many of the unique new aromas and higher oil contents have been found in varieties with higher levels of alpha.

Our method for calculating our prognosis of the demand and supply picture for alpha acids is the focus of this year's GHB. In past years our calculation of alpha demand was based upon analysis of key beer brands from around the world. Our goal was to extrapolate demand from a minimum of 70% of these brands. This method was correct until now.

The rise of craft beer, in particular in USA, has, however, meant that we have had to revise how we analyze the supply and demand for alpha acids. The US craft brewing industry is poised to produce over 20 million barrels in 2014 – just 1.2% of the world's beer volume – but is expected to consume nearly 1.3 lbs of hops (51 g alpha) for each of these barrels. The effect on the market of this high usage is further increased by the large amount of dry hopping employed by these brewers. The consequence of this usage is that the world average alpha dosage, which over many years had declined to 3.8g, is now back up to an estimated 4.3g. The trend is worldwide – craft-style beers are emerging in many international markets and this demand will affect the demand calculation in due course. At present craft beer consumes 13% of the world's hop production - and growth continues to be strong.



All of this has clearly changed the supply of hops. During the winter of 2013-14 we reported meaningful price increases throughout the market. All of these increases are linked to the revenue per acre that a grower realizes, regardless of variety. Significant investments continue to be made to increase and upgrade hop yards as well as picking, drying and cooling equipment. All of this has a cost that needs to be reflected in future crop pricing

The supply of bitter hops and the primary German aroma hops was not affected by crop 2013 despite somewhat lower alpha values. We expect the same for crop 2014. Nevertheless, given the overall reduction in bitter hop acreage and the steady decrease in brewer inventory, the bitter hop market will have to start to awaken from this period of dormancy. While it is not easy to calculate how long inventories will last, it is clear that the current streak of years with „paper“ alpha deficits has to mean that demand will soon have to pick up. In addition, the competition for acres between bitter and aroma hops, based upon demand and revenue per acre, has shown that growers are variety agnostic so long as they achieve a comparable return.

Furthermore, the existing deficits of specific aroma varieties like Saaz, Golding and Centennial are an indication that additional acres are needed, some of which will undoubtedly replace bitter hops. The shift in the variety mix in USA will push bitter hop demand to Germany, and the obvious question is how much acreage is needed to meet that market.

All of this is based upon a model of continued steady growth in the craft sector. The recent peak of US hop acreage – 44,000 acres in 1996 – is within sight again. Unlike in some other times of tightening markets, the current pace of growth is steady and based upon beers that are heavily hopped in a traditional manner. Brewers who may not be experiencing this growth in their own businesses must nevertheless recognize the change in the market and act sooner rather than later to secure their needs.

We will continue to keep you updated with developments.



COMMITTED TO THE BREWER.



Simon H. Steiner, Hopfen, GmbH

Auhofstraße 18 | D-84048 Mainburg, Germany
Tel +49 (0) 87 51-86 05-0 | Fax +49 (0) 87 51-86 05-80
E-mail info@hopsteiner.de

S.S. Steiner, Inc.

655 Madison Avenue, New York, N.Y., 10065, USA
Tel +1 212 838-8900 | Fax +1 212 593-4238
E-mail sales@hopsteiner.com

Steiner Hops Limited

319 A High Street, Epping, Essex CM16 4DA, England
Tel +44 (0) 1992 572 331 | Fax +44 (0) 1992 573 780
E-mail enquiries@hopsteiner.co.uk

Steiner Asia

Hopsteiner Trading (Zhuhai) Co., Ltd.
Suite 15 C, Jiu Chang Building, No. 8, Hai Zhou Road, Ji Da District,
Zhuhai, Guangdong, China 519015
Tel +86 756 322-3340 | Fax +86 756 322-3345
E-mail info@hopsteiner.com.cn

www.hopsteiner.com