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HOPS 1974/75

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Hops 1974/75

Political Situation

The most outstanding world political incident during the last 12 months was no doubt the take over of government in South-East Asia (formerly French Indo-China) by the Viet Cong in South Vietnam, the Khmer Rouge in Cambodia and the Pathet Lao in Laos.

As a result of home political difficulties, the President of the United States resigned from his office in August 1974.

Despite continued negotiations and intervention by the Great Powers, the tension between Israel and the Arab countries could not be settled. Further sources of crisis are Cyprus and Northern Ireland.

Another important development was the decision of the revolutionary government of Portugal to give independence to the African colonies.

Economic Situation

Since the oil crisis of autumn 1973 the world economic balance has been considerably upset; raw materials have increased in price to a great extent and power supplies have become shorter. The efforts to fight inflation led to an extensive drop in production and an increase in the number of jobless. Most of the industrial nations thus found it necessary to correct their anti-inflation policy and try to attain a course of moderate economic development.

The **USA** had the worst economic year since the end of the 1920's, with a high rate of jobless and rapidly rising inflation.

In the **Federal Republic of Germany** the number of workless exceeded the million mark. Short time work was introduced to an extent unknown in the past. The German Federal Bank therefore decided to relieve their restrictive monetary policy and reduced the discount rate by stages down to 4.5 % in May 1975. Despite an export surplus of 50.8 thousand million DM in the year 1974, the increase in the real gross national product was only 0.4 %.

1 ha = 2.934 bayr. Tagwerk   1 bayr. Tagwerk = 0.341 ha
1 ha = 2.471 acres   1 acre = 0.405 ha

1 hl = 100 Litres = 26.42 gall. = 0.8523 bbl (USA)   1 bbl (USA) = 31 gall. = 1.1734 hl
1 hl = 100 Litres = 22.01 gall. = 0.6114 bbl (Brit.)   1 bbl (Brit.) = 36 gall. = 1.6356 hl

1 metr. ton = 1,000 kg = 20 Ztr. = 2,204.6 lbs.

1 Ztr. = 50 kg = 110.23 lbs. = 1.102 cwt (USA)   1 cwt (USA) = 100 lbs. = 45.359 kg
1 Ztr. = 50 kg = 110.23 lbs. = 0.984 cwt (Brit.)   1 cwt (Brit.) = 112 lbs. = 50.8 kg

1 cental (Brit.) = 100 lbs. = 45.359 kg = 0.9072 Ztr.

1 kg = 2.20462 lbs.   1 lbs. = 0.45359 kg

Conversion of thermometer degrees in Fahrenheit and Celsius:

$$86^\circ F = \frac{(86-32)\ 5}{9} = 30^\circ C \qquad 30^\circ C = \frac{30 \cdot 9}{5} + 32 = 86^\circ F$$

Production of Beer 1974

Country	1,000 bbl. of 31 gall. each	
Germany, Fed. Rep.	79,072	
England	53,693	
USSR*)	43,293	
Czechoslovakia	18,866	
France	18,503	
Germany, Dem. Rep.	16,874	
Spain	13,193	
Belgium	12,285	
Poland	10,602	
Netherlands	9,904	
Jugoslavia	8,036	
Denmark	7,165	
Italy	6,824	
Austria	6,517	
Hungary	5,504	
Ireland	5,182	
Romania*)	4,687	
Switzerland	3,946	
Sweden	3,869	
Bulgaria	3,409	
Finland	2,297	
Portugal*)	1,619	
Norway	1,581	
Greece	1,244	
Luxembourg	602	
Malta	86	
Iceland	29	
Europe		338,882
USA 1)	156,180	
Mexico	17,281	
Canada	16,306	
Brazil	13,209	
Colombia	7,500	
Venezuela	5,099	
Argentina	3,901	
Peru	3,271	
Cuba*)	1,577	
Chile	906	
Ecuador	767	
Uruguay	527	
Bolivia	471	
Jamaica	450	
Dominican Rep.	433	
Guatemala	401	
Puerto Rico	387	
Panama	336	
Honduras	301	
Nicaragua	298	
El Salvador	298	
Costa Rica	277	
Trinidad a. Tobago	260	
Paraguay	205	
Martinique	28	
America		230,669
Zaire	4,772	
South Africa	3,750	
Nigeria	2,020	
Kenya	1,755	
c. f.	12,277	569,551

Country	1,000 bbl. of 31 gall. each	
b. f.	12,277	569,551
Cameroons	1,244	
Angola	1,193	
Zambia	937	
Rhodesia	827	
Mozambique	747	
Ghana	597	
Tanzania	568	
Algeria	537	
Ruanda-Burundi	494	
Tunisia	482	
Ivory Coast	469	
Uganda	426	
Ethiopia	409	
Egypt	341	
Morocco	239	
Congo-Brazzaville	213	
Gabun	187	
Senegal	153	
Central Afric. Rep.	141	
Madagascar	138	
Togo	121	
Dahomey	114	
Upper Volta	113	
Southwest Africa	111	
Tchad	106	
Sudan	102	
Niger	85	
Liberia	77	
other countries	255	
Africa		23,723
Japan	30,752	
Philippines	4,091	
China, Peoples Rep.*)	1,470	
Taiwan	1,364	
South-Korea	1,345	
Vietnam	1,023	
Turkey	980	
Malaysia a. Singapore	741	
India	537	
Iran	435	
Indonesia	422	
Thailand	383	
Israel	290	
Hongkong	256	
Iraq	170	
Cyprus	169	
Lebanon	112	
Ceylon (Sri Lanka)	89	
Syria	30	
Pakistan	24	
Asia		44,683
Australia	15,596	
New Zealand*)	3,400	
Tahiti	72	
Australia/Oceania		19,068
Total		657,025
*) Estimated figure		

1) The unusual difference from the figure reported in HOPS 1973/74 is due to the change from **taxable** removals (1973) to **produced beer** (starting 1974).

Production of Beer

In 1974 there was an increase in world beer production of about **23.9 million bbl** = 3.8 % compared with 1973. This increase is made up as follows: West Europe +1.4 %, East Europe +3.8 %, North America +5.5 %, Central and South America +8.5 %, Africa +18.3 %, Asia −1.8 %, Australia and Oceania +4.9 %.

In respect of the **USA** it should be mentioned that the production figure given on page 2, up to and including 1973, refers to the **taxed amount of beer.** From 1974, however, the considerably higher **beer production** is shown, that is, including the exports and non-taxed supplies which are decisive for the hops consumption.

Crop 1974

Market Survey

Attention was drawn in HOPS 1967/68 already to the danger of over-production of hops due to the forthcoming EEC Hops Market Regulations. This is now the case.

The low yield of the hop crops 1971 and 1972 allowed a comparatively quick acceptance of the world crop of hops for 1973 due to the boom in the brewing industry and also due to the attraction of low prices.

On the other hand, the marketing of the 1974 crop was made difficult due to a number of unfavourable factors:

- generally worsening of the world economic situation
- stagnation of beer production
- high stocks of breweries with hops and hop products
- continued reduction of hopping rate tendency due to improved utilization of the bittering substances.

In view of the uncertain future developments, the brewing industry, already under considerable pressure in respect of costs, was very cautious with additional purchases from the 1974 crop. Due to this the business was longer drawn out than in the previous years. The difficulty in selling the hops of the 1974 crop resulted in a ruinous price drop for the European farmers again. While the popular varieties could be sold, even though well below the production cost in most cases, there were still about 1,500 to 2,000 tons of unsold hops at the beginning of January 1975 in the United States, Belgium, France, Spain and Australia, for which no purchaser could probably be found up to the time of the new crop.

The excessive over-production of the year 1973, expressed by high stocks of the brewing industry, was therefore the reason for the price collapse for the 1974 crop of hops. The actual world cultivation areas as well as increasing cultivation of varieties rich in bittering substance are running far ahead the consumption in respect of production. If the hop producers want to get back to cost-covering prices, an adapting of the cultivation area to the true acceptance capacity is unavoidable.

Contract Market

The low price level of the 1973 and 1974 crops had an influence on the contract market, particularly due to the fact that large stocks of the breweries have resulted in a very weak demand for the crops 1975 and 1976. In a number of cases the trade was approached with requests for extensive postponement of contracts for the 1975 crop until later years. On the other hand, there is a certain interest for contracts with effect from the 1977 crop.

Acreage, Yield and Hop Production

Country	1973			1974		
	Acreage acres	Yield lbs per acre	Production lbs	Acreage acres	Yield lbs per acre	Production lbs
Hallertau	40,860	1,740	71,706,379	41,451	1,492	61,852,699
Spalt	2,810	1,563	4,396,413	2,780,	1,288	3,581,593
Hersbruck	986	1,666	1,738,107	897	1,364	1,223,773
Jura	1,218	1,909	2,340,183	1,189	1,917	2,279,336
Tettnang	3,598	1,252	4,519,871	3,447	1,302	4,486,361
Other Districts	99	1,296	128,308	86	1,348	115,962
Germany, Federal Rep.	**49,571**	**1,711**	**84,829,261**	**49,850**	**1,475**	**73,539,724**)**
Kent	8,962	1,343	12,033,148	8,589	1,404	12,058,060
Hants/Surrey	610	1,343	819,119	614	1,265	776,901
Sussex	1,426	1,158	1,651,245	1,277	1,290	1,647,497
Herefordshire	4,196	1,482	6,219,618	4,193	1,390	5,828,521
Worcestershire	1,532	1,507	2,309,539	1,554	1,404	2,182,333
England	**16,726**	**1,377**	**23,032,669**	**16,227**	**1,386**	**22,493,312**
Alsace	2,009	1,590	3,194,906	1,816	1,589	2,885,601
Burgundy	148	1,829	270,725	166	1,567	260,143
Flandres	865	1,421	1,229,064	857	1,545	1,323,642
Other Districts	37	1,639	60,627	32	2,067	66,138
France	**3,059**	**1,554**	**4,755,322**	**2,871**	**1,580**	**4,535,524**
Alost	815	1,527	1,244,827	813	1,654	1,344,806
Poperinge	2,024	1,537	3,111,793	2,009	1,730	3,476,213
Vodelée	94	1,248	117,285	99	1,425	141,094
Belgium	**2,933**	**1,525**	**4,473,905**	**2,921**	**1,699**	**4,962,113**
EC-Countries	**72,289**	**1,620**	**117,091,157**	**71,869**	**1,468**	**105,530,673**
Saaz (Zatec)	16,081	1,002	16,111,547	16,538	679	11,231,335
Auscha (Ustek)	4,060	1,067	4,334,244	4,191	816	3,421,319
Other Districts	2,100	1,082	2,271,730	2,377	846	2,011,256
Czechoslovakia	**22,241**	**1,026**	**22,717,521**	**23,106**	**721**	**16,663,910**
USSR	**31,233**	**600**	**18,739,100*)**	**31,233**	**600**	**18,739,100*)**
Slovenia	6,383	1,141	7,282,676	6,291	1,072	6,746,517
Backa	3,533	1,369	4,836,892	3,788	1,344	5,090,421
Jugoslavia	**9,916**	**1,222**	**12,119,568**	**10,079**	**1,174**	**11,836,938**
Poland	**6,170**	**1,144**	**7,059,129**	**6,274**	**896**	**5,621,730**
Germany, Democratic Rep.	**5,172**	**1,083**	**5,599,243**	**5,298**	**951**	**5,036,409**
Bulgaria	**2,669**	**496**	**1,322,760*)**	**2,669**	**446**	**1,190,484**
Romania	**1,977**	**607**	**1,199,963*)**	**1,977**	**613**	**1,212,530**
Hungary	**946**	**623**	**589,289**	**946**	**594**	**562,173*)**
Galicia	190	909	172,730	190	704	133,819
León	4,351	1,154	5,024,063	4,282	1,317	5,638,265
Cantábrica	128	829	106,152	92	971	89,286
Spain	**4,669**	**1,135**	**5,302,945**	**4,564**	**1,284**	**5,861,370**
Other European Countries	**1,683**	**1,182**	**1,989,760**	**1,572**	**1,089**	**1,712,533**
EUROPE	**158,966**	**1,219**	**193,730,435**	**159,587**	**1,090**	**173,967,850**
Washington	20,678	1,773	36,668,009	21,400	1,821	38,979,000
Oregon	5,357	1,652	8,851,469	5,572	1,530	8,525,000
California	1,475	1,525	2,249,794	1,499	1,671	2,505,000
Idaho	3,985	1,756	6,999,606	4,086	1,706	6,970,000
USA	**31,495**	**1,739**	**54,768,878**	**32,557**	**1,750**	**56,979,000**
Canada	**904**	**1,678**	**1,516,985**	**895**	**866**	**775,000**
Argentina	**674**	**768**	**531,308**	**815**	**798**	**650,357**
Japan	**3,788**	**1,349**	**5,108,720**	**3,514**	**1,301**	**4,570,136**
Victoria	1,120	1,303	1,459,005	1,255	1,607	2,017,209
Tasmania	1,551	2,061	3,197,221	1,737	2,474	4,296,765
Australia	**2,671**	**1,743**	**4,656,226**	**2,992**	**2,110**	**6,313,974**
New Zealand	**524**	**1,466**	**768,193**	**524**	**1,957**	**1,025,359**
Other Countries	**1,791**	**247**	**443,126**	**1,789**	**230**	**410,717**
WORLD	**200,813**	**1,302**	**261,523,871**	**202,673**	**1,151**	**244,692,393**

*) Estimate   **) Official Weight March 4th, 1975

The proportion of hops from the 1975 crop under contract is estimated as follows:

Federal Republic of Germany	60–70 %	(Hallertau 70–75 %)
USA	95 %	
Czechoslovakia	95 %	
Jugoslavia	95 %	

Hop Products

Out of the **world crop 1974,** amounting to 110,991.8 tons (244.7 million lbs.), about 39 % was processed to hop extract and hop powder. In 1973 the amount was only 36 %. Divided between the countries the quantities are estimated as follows:

to **Hop Extract:**	Federal Republic of Germany	about	11,965 tons = 26.4 million lbs.
	United States	about	7,000 tons = 15.4 million lbs.
	Other countries	about	4,825 tons = 10.6 million lbs.
			23,790 tons = 52.4 million lbs.
to **Hop Powder:**	Federal Republic of Germany	about	11,000 tons = 24.3 million lbs.
	United States	about	4,750 tons = 10.5 million lbs.
	Other countries	about	3,575 tons = 7.9 million lbs.
			19,325 tons = 42.7 million lbs.
	Total		43,115 tons = 95.1 million lbs.

Due to the increasing interest of US breweries for hop powder, there is a considerable upswing in that country in favour of pellet production at the cost of the use of extract. This is made clear in the following summary (percentage of the world hop crop converted into hop products):

1971:	Total processed	about 30,750 tons hops
	to extract	about 22,500 tons = 73 %
	to powder	about 8,250 tons = 27 %
1972:	Total processed	about 35,700 tons hops
	to extract	about 25,750 tons = 72 %
	to powder	about 9,950 tons = 28 %
1973:	Total processed	about 42,900 tons hops
	to extract	about 26,100 tons = 61 %
	to powder	about 16,800 tons = 39 %
1974:	Total processed	about 43,115 tons hops
	to extract	about 23,790 tons = 55 %
	to powder	about 19,325 tons = 45 %

Bitter Values of 1974 Crop

With exception of US-hops almost all other provenances of 1974 crop had disappointing bitter values as a consequence of the very cool and rainy summer in Europe. Aroma varieties were 15 to 20 % below average figures of the preceding year, and in high bitter content hops the difference was about 10 %. Due to large quantities of hops delivered in farmers bales for processing to hop extract and hop powder a relatively wide range of analytical values resulted for the same variety. Furthermore, again deterioration of quality started early due to the mild and wet winter 1974/75.

Variety	1973			1974		
	Total Resin Content	α	% of total resins	Total Resin Content	α	% of total resins
Hallertau Aroma	15,2	5,6	36,8	13,2	4,75	36,0
Spalt	15,3	5,5	35,9	12,7	4,40	34,6
Tettnang	15,5	5,7	36,8	13,0	4,60	35,4
Hersbruck	16,3	6,3	38,7	13,5	5,15	38,1
Saaz	13,8	4,8	34,8	10,6	3,45	32,5
Alsace	16,0	6,2	38,8	12,6	4,41	35,1
Styria	13,4	5,6	41,8	14,3	5,95	41,6
Northern Brewer	18,2	8,6	47,3	17,0	7,82	46,0
Brewers Gold	17,6	8,1	46,0	17,5	8,07	46,1
US-Yakima	15,7	6,2	39,5	17,4	7,03	40,5
Polish Lublin				15,3	4,90	33,3

The figures in the above table refer to the values per Oct./Nov. 1974, **as is,** α evaluated conductometrically. Therefore, they cannot be used as a basis for the evaluation of supplies in the later course of the season.

World Production Beer and Alpha

The production of alpha acids in 1974 results in the figures tabulated hereunder, retaining the division into

A) **Choicest Aroma Hops:** Saaz, Tettnang, Spalt

B) **Aroma Hops:** Hallertau Medium Early, Hüller Bitterer, Hersbruck, Strisselspalt, Saale, Lublin, Golding, Cascade

C) **Hops without influence on the World Market** (used mainly to cover domestic requirements): East European Countries, U. K., Spain, Africa, Asia and others

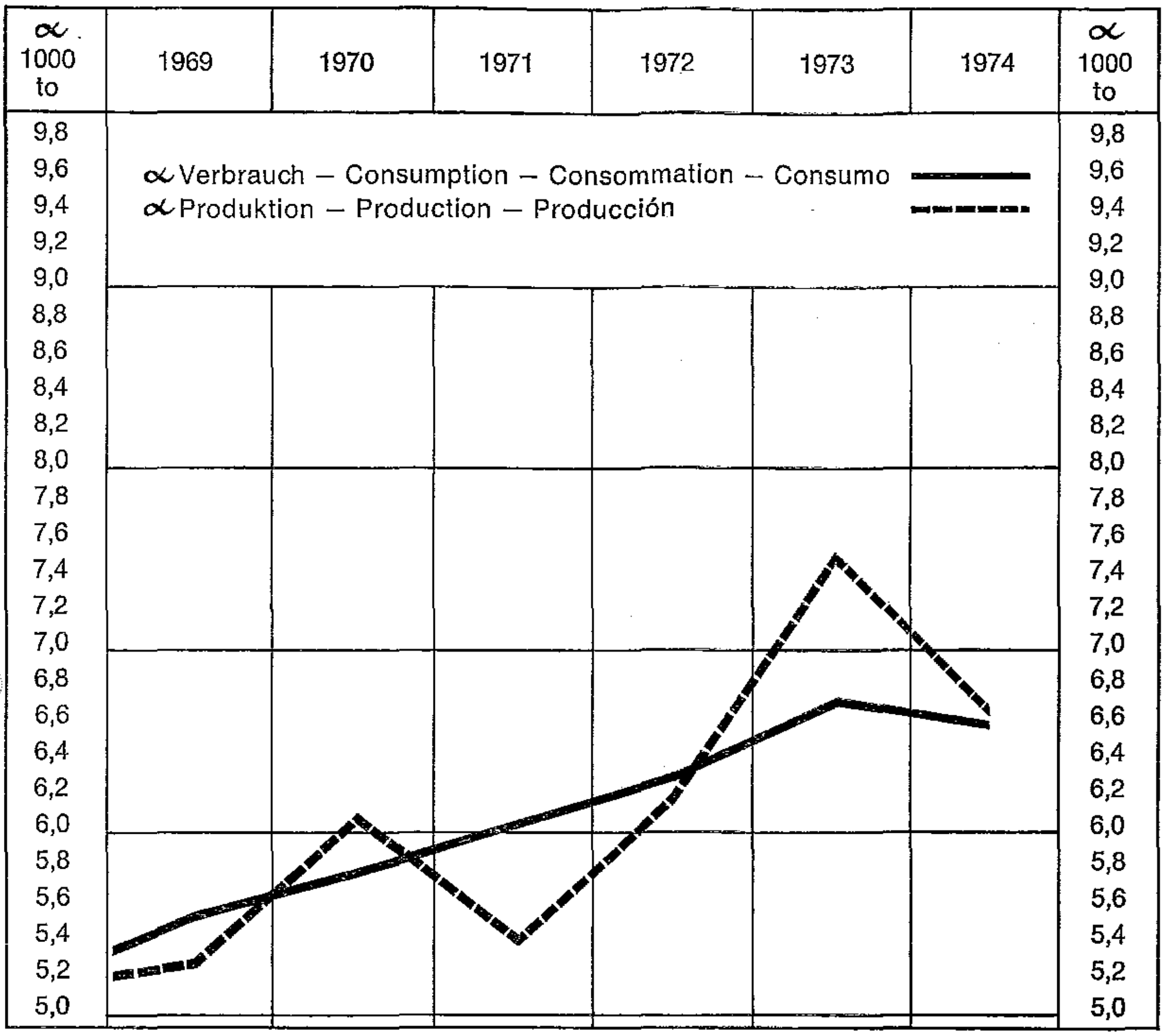
D) **Bitter Value Hops:** Northern Brewer, Brewers Gold, Pride of Ringwood, Bullion

Hop Group	% of World Crop	1973			% of World Crop	1974		
		Crop metr. tons	Ø α	α metr. tons		Crop metr. tons	Ø α	α metr. tons
A	12	14.340,30	5,03	720,65	10	11.218,30	3,80	425,87
B	26	30.665,00	5,53	1.694,85	26,5	29.187,30	4,92	1.434,65
C	21	25.332,45	5,21	1.320,20	26,5	29.283,50	5,53	1.617,96
D	41	47.963,60	7,78	3.733,00	37	41.302,70	7,61	3.142,20
	100	118.301,35	6,31	7.468,70	100	110.991,80	5,97	6.620,68

The alpha requirement of 9.139 g per hectolitre beer used as a basis in previous reports can no longer be considered applicable. The reduction in the hopping rate on the one hand and the greatly increased use of hop products on the other hand have led to new knowledge. On the basis of numerous individual investigations covering all continents, it has to be assumed that the world average of **alpha rate is 8.5 g per hectolitre beer.** This gives the following alpha balance:

1973:	742,550,00 hl x 8.5 g	= 6,311.70 tons alpha acid
	Crop	= 7,468.70 tons alpha acid
	Excess production	= 1,157.00 tons alpha acid
1974:	770,954,00 hl x 8.5 g	= 6,553.10 tons alpha acid
	Crop	= 6,620.10 tons alpha acid
	Excess production	= 67.60 tons alpha acid

The excess alpha acid produced in 1974 is sufficient to brew approximately 8 million hectolitres of beer. If the excess of the 1973 crop is added to this, nearly 144 million hectolitres of beer can be produced, about 1/5 of the world beer production of 1974.



The bend in the **alpha consumption** curve in 1973 is explained by the change-over from 9.139 g alpha acid to 8.5 g per hectolitre beer (new calculation basis w. e. f. 1974).

EUROPEAN COMMUNITY (EC)

The referendum in the **United Kingdom** on 5th June 1975 resulted in a clear majority for the country to remain in the Common Market. This made a similar referendum in **Denmark** unnecessary foreseen in case the U. K. decided to leave the Community.

The cash deposit obligation introduced in **Italy** for imports on 30th April 1974 was cancelled for hops again with effect from 12th August 1974 by Ministerial Decree dated 8th August 1974.

Customs Union

On 1st January 1975 the further customs duty reduction of 20 % planned came into effect to schedule between the old and new member states. The customs duty in goods traffic is therefore now only 40 % of the original rates. There are some differences, however, in respect of agricultural products on the basis of special agreements. At the same time the three new member states also raised their external customs duties by 20 %. The other EFTA states took similar steps.

Hop Market

On the basis of the **Regulation (EEC) No. 677/75 by the Council dated 4. 3. 75** the hop producers in the Community were granted aid for the 1973 crop as follows, per hectare:

100 acc. units (DM 366.–) for Brewers Gold, Bramling Cross, Spalt, Saaz
150 acc. units (DM 549.–) for Northern Brewer, Hersbruck Late
200 acc. units (DM 732.–) for Hüller Bitterer, Tettnang, Burgundy Late
250 acc. units (DM 915.–) for Hallertau Medium Early
450 acc. units (DM 1,647.–) for Strisselspalt
550 acc. units (DM 2,013.–) for Fuggles
650 acc. units (DM 2,379.–) for Record, Whitbread Golding Variety (WGV)
750 acc. units (DM 2,745.–) for Progress, Keyworth's Midseason, Alliance, Tutsham.

This grading was subject to some criticism because it represents a furthering of undesired varieties and is disadvantageous for others, while not being fair to the current and intended changes in varieties.

Consideration was given in the EC Commission to reformation of the subsidizing system for hops. To this end a number of meetings were held between the EC Commission and the Advisory Committee for Hops. Although no decisions were made, there is a tendency of the Commission noted that the subsidy system should be changed over to the level of the hop producing groups.

To overcome the unsatisfactory price situation for the farmers a proposal was put forward by the hop economy circles that **clearing premiums** should be introduced. The Association of German Hop Growers prepared a proposal for **stabilization of the 1975 hop market** which is based on using funds from the subsidies not yet paid out for the 1974 crop to stabilize the 1975 market. However, it is questionable whether such plans can be realized by the time of the new crop.

Variety Identification. The EC Commission is quite busy at present working out a regulation on the variety identification. It is to be expected that such a regulation will become effective for the member countries involved with effect from the 1976 crop for hops and hop products.

FED. REP. OF GERMANY Growth 1974

The winter being relatively mild with little snow, permitted an early start of spring work which progressed quickly. Due to some frost in April and cool and rainy weather in May/June there was a delay in growth which was caught up until end of June, but resulted in uneven development of the plants.

Downy mildew and aphis appearing in all growing areas were brought under control by immediate and successful sprayings. In the **Hallertau,** however, **Verticillium Wilt** caused important losses short time before harvest. In **Tettnang** violent thunderstorms produced local damages on 17th August 1974.

Summerly weather with ample rainfall end July / beginning August stimulated growth and formation of cones, thus a good average crop could be brought in. Nevertheless, the bitter substance content of the hops was markedly lower as against the preceding year.

Crop Estimate

The crop estimate 1974 produced following figures:

	Yield estimated		Yield weighed March 4th, 1975	
	metr. tons	lbs.	metr. tons	lbs.
Hallertau	28,650	63,161,790	28,056.15	61,852,699
Spalt	1,850	4,078,510	1,624.60	3,581,593
Tettnang	2,150	4,739,890	2,034.95	4,486,361
Hersbruck	635	1,399,920	555.10	1,223,773
Jura	1,050	2,314,830	1,033.90	2,279,336
other regions . . .	52.5	115,740	52.65	115,962
	34,387.5	75,810,680	33,357.35	73,539,724

Taking into account the well known difficulties the very accurate crop estimate deserves praise.

Purchase from Farmers

Unfavourable summertime had a detrimental influence upon beer consumption. High bank rate and ample inventories in breweries from the preceding crop 1973, as well as approaching deliveries of contracts of the new crop resulted in only slow purchasing activity until mid-October.

Rumours that the crop would not come up to expectation caused a more reluctant attitude of farmers and, as a consequence, rising prices in all growing districts. The variety Hallertau Brewers Gold made the best profit by the situation. While high bitter content hops were stronger asked for, there was less demand for aroma varieties. Only after high bitter content hops became shorter in supply they enjoyed an increase in demand.

Stocks in first hand were practically sold out in **Spalt** and **Hersbruck** beginning November. Mid-November there was lively turnover in the **Hallertau,** mainly in aroma varieties. Due to important unsold quantities in **Tettnang** a marked price drop occured in this district.

Development of prices of the different varieties was as follows:

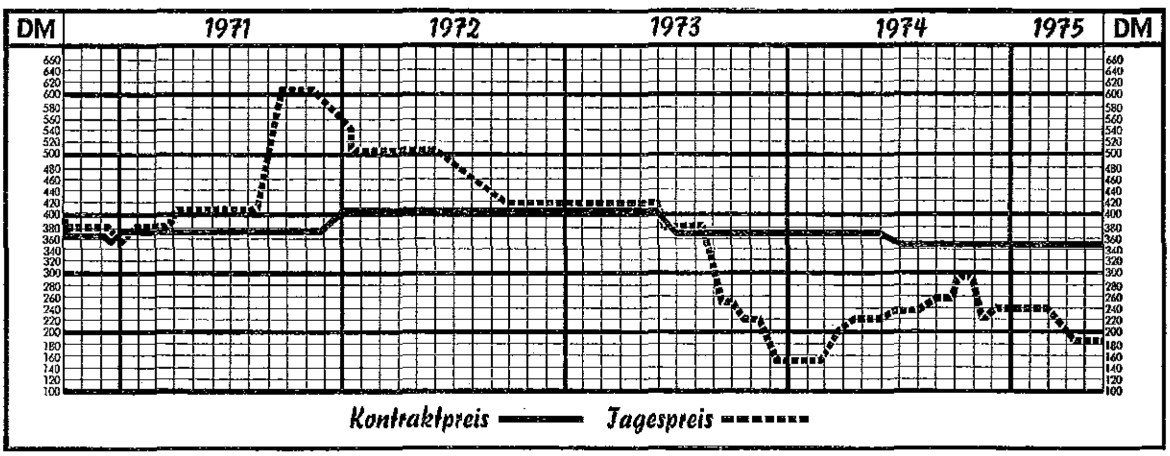
District		16. 9.	23. 9.	30. 9.	7. 10.	14. 10.	21. 10.	24. 10.	14. 11.	26. 11.
Hallertau Aroma	DM	250,–	270,–	300,–	300,–	300,–	300,–	260,–	230,–	230/240,–
Hallertau Northern Brewer	DM	200,–	210,–	250,–	250,–	250,–	250,–	220,–	220,–	210,–
Hallertau Brewers Gold	DM	200,–	210,–	250,–	260,–	260,–	250,–	220,–	220,–	210,–
Spalt	DM	330,–	300,–	350,–	370,–	350,–	340,–	320,–	300,–	–
Tettnang	DM	350,–	350,–	350,–	360,–	360,–	350,–	320,–	250,–	230/250,–
Hersbruck	DM	220,–	220,–	220,–	250,–	250,–	230,–	230,–	220,–	–

Above prices are per 50 kgs, ex producer's premises, VAT and packing excluded.

All districts had been cleared until mid-December with exception of the Hallertau and Tettnang in the course of active trading. After the new year business started slowly again. By mid-February also the Hallertau was sold out with exception of some remaining lots.

Spot Market and Contract Prices

Development of spot market and contract prices for **Hallertau Aroma hops** is shown in the following:



Nurnberg Market

First transactions were made right after the beginning of the season on the Nurnberg Market. Apparently the trade wanted to balance surplus, resp. short positions of Hallertau varieties. All quantities offered were sold smoothly.

The reluctance of farmers in October was reflected on the Nurnberg Market only in a diminished degree. From mid-November to beginning of December trading was rather quiet and after a short lively period in January 1975 the following months of February and March were dull again.

Price development on the Nurnberg Market was as follows:

District		16. 9.	23. 9.	30. 9.	10. 10	18. 10.	27. 11.	31. 12.	12. 2.
Hallertau Aroma	DM	300,–	320,–	325,–	338,–	295,–	300,–	280,–	260,–
Hallertau Northern Brewer	DM	250,–	250,–	278,–	290,–	273,–	258,–	238,–	230,–
Hallertau Brewers Gold	DM	240,–	–	278,–	293,–	273,–	258,–	235,–	–
Spalt	DM	375,–	375,–	375,–	390,–	375,–	–	290,–	264,–
Tettnang	DM	405,–	415,–	420,–	410,–	400,–	–	280,–	260,–
Hersbruck	DM	–	–	–	–	275,–	–	250,–	–

The above quotations are for 50 kg packed, plus VAT, ex-warehouse, but excluding the cost of packing.

Towards the middle of April 1975 the trade cleared the stocks at greatly reduced prices. The figures were DM 170.– for Hallertau Aroma hops, DM 150.– for Hallertau Northern Brewer/Hallertau Brewers Gold, per 50 kg packed, ex-warehouse, plus VAT.

Crop Handling

As opposed to the previous years, only minor difficulties were encountered in the take-over, packing and delivery of the 1974 crop of hops. Trade and brewing industry took their time in acceptance of the contracted hops.

Short deliveries of contracts were not a serious problem in general as the open amounts in the Hallertau could be easily covered. Such short deliveries were usually due to the change in varieties undertaken by the farmers.

Hop Acreage

Evaluation of the 1974 cultivation area is reflected as follows:

Growing Districts	1970	1974		
	Total Acreage acres	Existing Acreage acres	New Plantings acres	Total Acreage acres
Hallertau	25,120	37,999	3,452	41,451
Spalt	2,417	2,679	101	2,780
Hersbruck	843	887	10	897
Jura	768	1,125	64	1,189
Tettnang	2,325	3,385	62	3,447
other regions	104	84	2	86
Germany, Fed. Rep.	31,577	46,159	3,691	49,850

The cultivation area in the Federal Republic of Germany only increased slightly for the first time in 5 years. An expansion of the Hallertau area by 239 hectares (590 acres) was offset by reduction in all other areas of altogether 127 hectares (314 acres), Tettnang with 61 hectares (150 acres) and Hersbruck with 37 hectares (91 acres) taking the lead.

Cultivation of Varieties

The Bavarian Office for Statistics published the following figures for the varieties in Bavaria during the year 1974:

Districts	Hallertau middle-early acres	Spalt acres	Hersbruck late acres	Tettnang early acres	Northern Brewer acres	Brewers Gold acres	Hüller Bitterer acres	Record and oth. acres
Hallertau	13,079	40	5,668	2	13,771	5,696	2,681	514
Spalt	1,295	1,384	2	–	12	67	20	–
Hersbruck	404	–	402	–	67	17	7	–
Jura	690	–	153	–	109	185	52	–
Tettnang*)	682	–	22	2,741	–	–	–	2
other regions	27	–	17	33	2	2	5	–
Total	16,177	1,424	6,264	2,776	13,961	5,967	2,765	516

*) The figures for Tettnang were given by the Agricultural Office in Tettnang.

The tendency noted for some years now to increase the cultivation of varieties rich in bitter substance and with good yields continued in 1974. The gardens with aroma hops in the Federal Republic were reduced by 537 hectares (1,327 acres). Compared with this was the increase in bitter substance varieties of 649 hectares = 1,604 acres (Hallertau: Aroma hops – 411 ha = 1,015 acres, bitter substance hops + 650 ha = 1,606 acres). In 1973 the ratio between aroma hops and bitter substance hops was still 62 % : 38 % in the Federal Republic of Germany (Hallertau: 55 % : 45 %), while in 1974 it was 59 % : 41 % (Hallertau: 52 % : 48 %).

The weather conditions in 1974 were not favourable for the growth and development of the hops. At the end of winter and beginning of spring there was a long **dry spell** which the plants survived rather well, though. It was only at the end of June and early July that ample rainfall occurred, improving the chances of a good crop. The heat necessary for ripening of the cones in August failed to come, so that the bittering content of the 1974 crop did not quite reach the relatively high level of the previous year.

UNITED KINGDOM

Picking was hampered by heavy rain and gale-force winds making the harvest period rather long. The trellises collapsed over an area of about 200 hectares (500 acres), so that the hop yards had to be harvested immediately.

The producer quota released by the Hops Marketing Board was raised to 102 %, but only 99 % of the primary contracts could be fulfilled and the secondary contracts had to be left unheeded. No supply difficulties arose, however, thanks to the good stocks of British breweries.

Varieties

The change-over to bitter hops in ever greater demand is not progressing as rapidly as desired. Due to the widespread wilt disease there is a shortage of cuttings from varieties more tolerant to verticillium.

The present status of varieties grown can be seen in the following table:

Districts	Golding acres	W. G. V. acres	Fuggles acres	Northern Brewer acres	Bramling Cross acres	Bullion acres	North-down acres	Key-worth acres	Chal-lenger acres	other varieties acres
Kent	988	1,258	432	157	2,281	452	277	429	210	1,304
Hants/Surrey Hampshire	156	–	107	108	–	20	147	–	76	–
Sussex	–	9	238	23	122	94	36	63	57	80
Herefordshire	250	–	1,922	438	–	328	503	–	444	–
Worcestershire	229	–	378	215	–	204	196	–	153	–
Brewer Growers	130	173	28	160	310	328	96	419	62	157
Total	1,753	1,440	3,105	1,101	2,713	1,426	1,255	911	1,002	1,541

The greatest drop in cultivation area is found to be that of Fuggles variety. With 500 hectares (1,235 acres) this involves about 7.9 % of the English cultivation area.

FRANCE

ALSACE: The summer of 1974 was generally rainy and too cool, thus not being very favourable for growth of hops. The yield of the Northern Brewer variety dropped below expectations in particular, but it was satisfactory in the case of Brewers Gold. Aphis and mould necessitated energetic countermeasures.

The **quality** of the 1974 crop was adjudged average to good. The bittering substance content naturally did not attain the extremely high level of the previous year, but on average it was comparable with the equivalent European varieties.

The same sales difficulties as in other Common Market countries existed for the 34 % not under contract. The average price paid to farmers for Strisselspalt was between FF 350.– and FF 400.– per 50 kg., first cost and only FF 300.–/340.– for the variety Record. At the end of March about 100 tons of unsold hops were on the hands of farmers and trade.

As a result of the unsatisfactory proceeds situation, 78 hectares (190 acres) of hop gardens were cleared in Alsace, this being 9.6 % of the 1973 cultivation area.

NORTHERN FRANCE: The same growth conditions as in neighbouring Belgium existed here. **Picking** was also hindered considerably by rainfall and storms. The bittering content of the hops was below the values in the previous year.

The **market prices** (per 50 kg., first cost) developed as follows:

		1. 9.	15. 9.	1. 10.	15. 10.	1. 11.
Northern Brewer	FF	400,–	400,–	450,–	400,–	350,–
Brewers Gold	FF	350,–	350,–	400,–	350,–	300,–

Despite the very low pricing it was not possible to sell the whole 1974 crop. The unsold stocks early in March 1975 were estimated at about 30/60 tons, mainly Brewers Gold, which had a relatively poor alpha content. In addition, the hop growers association had a considerable amount of extract in hand which had been produced from the unsold excess of Northern Brewer and Brewers Gold 1973 crop and taken into stock. However, the unfavourable market situation prevented the intended utilization of this extract.

About 15 % of the Northern Brewer hops are estimated to be under contract from the predicted 1975 crop. The contract prices are between FF 500.– and 600.–. In the case of Brewers Gold the contract portion is estimated to be about 10% at prices of FF 400.–/500.–. The prices having failed to cover expenses for 2 years now have led to a drop in hop cultivation here, too, which is probably about 25 hectares (60 acres) in 1975.

Varieties

The varieties grown in the various districts of France were as follows:

District	Strisselspalt acres	Record acres	Northern Brewer acres	Brewers Gold acres	Hallertau acres
Alsace	1,087	210	146	373	–
Flandres	–	–	395	475	20
Burgundy	–	–	20	143	2
Total	1,087	210	561	991	22

A comparison with the previous year shows that the reduction of cultivation area is almost completely in Alsace and at the expense of the Strisselspalt variety (– 86 hectares = 212 acres). The bitter substance varieties show a slight increase, particularly Brewers Gold.

BELGIUM

Work in the hop gardens was again started early due to a very rainy and **mild winter.** Despite a dry spring the plants grew strongly and the desired rainfall came sufficiently towards the end of June. Apart from a few short intervals, however, the **rainfall** continued until the completion of the harvest. Diseases and insects were overcome immediately and successfully.

Because of the weather conditions so ideal for the Northern Brewer, this variety showed rich growth and the hot weather in the second half of August encouraged cone formation and ripening. The late Brewers Gold hops were not favoured by the weather.

During the **picking time** the ground of the hop gardens was so heavy due to the rainfall that it was difficult to employ tractors. Furthermore, some heavy storms caused damage in the gardens and blew down some trellises. The bad weather at harvest time had an unfavourable influence on the **quality** of the hops. Whereas the lupulin content of Northern Brewer hops was satisfactory, it was below the values of the previous year in Brewers Gold hops.

Market Development

Sale of the Belgian hop crop proved to be most difficult because the prices expected by the farmers were not in line with the world market level. The quotations for the leading varieties developed as follows (per 50 kg., first cost):

		1. 9.	15. 9.	1. 10.	15. 10.	1. 11.	15. 11.	1. 12.
Hallertau	BF	4.000,–	4.000,–	4.000,–	4.500,–	3.500,–	3.500,–	3.500,–
Northern Brewer	BF	3.500,–	3.500,–	3.500,–	4.000,–	3.000,–	3.000,–	3.000,–
Brewers Gold	BF	3.000,–	3.000,–	3.000,–	3.000,–	2.500,–	2.500,–	2.500,–

Depending on the time of purchase and quality the usual price variations resulted in the different districts.

At the end of March unsold stocks in Belgium were estimated to be about 200—250 tons of hops, sale of which was uncertain. The Ministry of Agriculture gave a guarantee to take over the 150 tons still unsold in April at the following prices:

Brewers Gold	BF 2,000.–
Northern Brewer and others	BF 3,000.–

The farmers were requested, however, to sell their 1974 hops themselves at the best price attainable and the Ministry would pay them the difference to the above-mentioned prices.

The contract market is also completely dull. Only about 10—15 % of the hops from the 1975 crop are under contract.

Varieties

Compared with the previous year the cultivation area remained almost identical and there were little changes in the varieties, as shown in the following table:

District	Hallertau acres	Northern Brewer acres	Brewers Gold acres	Record acres	Saaz acres	Fuggles acres	other varieties acres
Alost-Asse	232	259	79	166	67	–	10
Poperinge	156	899	895	–	–	–	59
Vodelée	–	23	12	5	17	25	17
Total	388	1,181	986	171	84	25	86

The ground clearing in spring 1975 is estimated at about 70 hectares (173 acres), but no exact details are available as yet.

IRELAND

Unusually extensive rainfall occurred in spring and the growth of the hops was influenced practically throughout the whole vegetation period due to cool weather and strong winds. Heat and sunshine did not suffice for satisfactory cone formation and ripening of the hops, so that the bittering substance content was considerably below the values of the previous year.

The cultivation area is practically unaltered, with 56 hectares (138 acres) divided up into 18.5 hectares (46 acres) Fuggles, 37 hectares (91 acres) Northern Brewer and 0.5 hectare (1 acre) Bullion. This indicates that a relatively important change from Fuggles to Northern Brewer has taken place, supplemented by the new planting of Bullion.

The whole crop of 61.5 tons was taken over by the brewing industry at contract prices.

CZECHO-SLOVAKIA

The unfavourable weather in Europe during the summer of 1974 hit the hop growers in the CSSR particularly hard. Night frost in spring time brought growth to a standstill. When the temperatures rose in June/July there was a lack of rainfall. Although ample rain then fell during cone formation and ripening of the hops, it was too cold. This explains the very weak lupulin content of the 1974 crop.

Due to the very high exports (approximately 73 % of the Czech hop production), about 1,000 tons of hops had to be imported to cover the requirements of the domestic brewing industry.

JUGOSLAVIA

SLOVENIA. The weather was dry at the beginning of the growth period and this had a disadvantageous influence on the young gardens. On the other hand the summer was cool and rainy, causing a reduction in the yield. About 350 tons of hops were destroyed by **hailstorms.** However, the quality of the 1974 crop was excellent.

As hop production was completely bound due to advance contracts, no hops could be offered on the free market in this season either. The contract share of the 1975 crop is about 95 % of a normal crop.

Varieties

Out of a total area of 2,546 hectares (6,291 acres), the traditional variety Golding has about 2,171 hectares (5,364 acres), with the varieties rich in bittering substance covering about 375 hectares (927 acres) already, so that the latter has attained 15 % of the hop production now.

BACKA. Dry weather in spring retarded the growth of the young shoots. The rainfall desired only came after the middle of April. In general, the summer only had brief hot periods and was too cool and rainy. During the cone formation and ripening of the hops in August it was also too cold and rainy, so that the cones were smaller than usual and had a weaker alpha content. **Picking** started 10 days late on 1st September. Harvesting was difficult due to cool weather and rain.

Compared with the previous year the cultivation area had been extended by 103 hectares (255 acres) and brought an increase of 115 tons to the crop, which was of good quality (79 % class I). The crop was already sold out due to advance sale to the national brewing industry and export orders, so that no offers could be made on the free market. In view of the increasing production costs and the uncertainty in the currency situation the producers are rather reluctant in making contracts with extended validity.

The export quota of the anticipated 1975 crop of 2,100 tons is already under contract.

POLAND

Following the winter with unusually little snowfall came a dry spring. In general the weather was too cool, retarding the development of the plants. Warmth and sunshine only came during the second ten days of August, resulting in a crop of good quality.

Picking started with 10 days delay. About 21 % of the Polish hop yield could be exported in 1974.

GERMAN DEMOCRATIC REPUBLIC

Despite insufficient rainfall the warm spring weather resulted in strong growth of the hops. Later, however, the temperatures were below normal so that **flowering** was very late and weaker than usual. The Replant Saaz hops suffered particularly under the unfavourable weather which was reflected in reduced yield. The bitter substance content of the hops was appropriately lower.

The whole crop was taken over under contract conditions and marketed. To cover domestic requirements 1,150 tons of hops rich in bittering substance were imported and practically all processed to extract in the country.

Cultivation Area

The cultivation areas and crops in the various districts in 1974 were as follows:

District	Acreage acres	Crop lbs.	Yield per acre lbs.
Halle-Magdeburg . .	2,622	2,496,930	952
Erfurt	1,080	1,035,501	959
Dresden-Leipzig . .	1,384	1,356,711	980
Gera-Karl-Marx-Stadt	212	147,267	695
Total	5,298	5,036,409	951

No great difference from the previous year is expected in 1975.

SPAIN

The weather conditions in 1974 were excellent for the growth of the hops, this being clearly expressed by the highest yield per hectare ever attained in Spain. The previously largest crop of 1973 (2,405.4 tons) was exceeded by 10.5 %. One can also speak of a very good year in respect of the **quality** as well: 99 % of the hops were classified as grade I.

As the national brewing industry had already taken over the excess from the 1973 crop and kept it in stock, great difficulties occurred in the sale of the new crop. After the allocations to the breweries there still remained about 600/700 tons of hops crop 1974 which could not be sold. Offers to the world market were only partially successful, and even then only at prices far below the producer costs in the country itself. Most of the surplus hops were processed to extract. No import licences for hops were granted in 1974.

The cultivation area was slightly reduced compared with the previous year (—43 hectares = 106 acres). The break-down according to varieties in the 1974 crop shows the following amounts: **Varieties**

Varieties	H—3	H—7	Strisselspalt	Hallertau	other varieties
Crop/to = %	1.723,5 64,8	800,6 30,1	92,9 3,5	30,4 1,2	11,3 0,4

It is intended to adapt the hop production to existing requirements by clearing.

PORTUGAL

Due to the great temperature fluctuations during the ripening period of the hops, the bittering content of the 1974 crop was slightly below the rather high values of the previous year (1974: 9.5/10 %, 1973: 10/10.5 % as is). For this reason the crop of 366 tons was somewhat less than the 1973 crop (375 tons). The **quality** was good, however, 97.8% being grade I, 2 % grade II and only 0.2 % grade III. Only the Brewers Gold variety was grown.

The whole crop was marketed. The 210 tons of hops in excess of domestic requirements were exported at an average price of DM 360.— per 50 kg.

The cultivation areas in **Braga** and **Bragança** were expanded by 10 hectares (25 acres) to a total of 190 hectares (470 acres). No further expansion is intended for the time being.

GREECE

In the **Agrinion** district, the largest in the country with an area of 72 hectares (178 acres), hop cultivation was terminated. The cultivation area of 1974 is thus altered as follows:

District	Acreage acres	Crop lbs.	Yield lbs. per acre
Ioannina	148	165,345	1,117
Larissa	109	24,251	222
other districts . . .	49	6,614	135
Total	306	196,210	641

Favoured by the weather conditions and the absence of disease and insects, the reduced area still produced a slightly larger crop than the previous year. Only the Brewers Gold variety was grown.

The amount under contract with domestic breweries is still 85 % of the normal crop.

AUSTRIA

MÜHLVIERTEL (UPPER AUSTRIA). Damage to the young shoots occurred due to frost in the spring. The weather was generally too dry, while in summer excessive rainfall also greatly hindered the action against downy mildew. The almost 100 % mechanized **picking** started late. The bitter substance content of the hops was about 7 % below the record figures of the previous year.

The cultivation area was increased by 8 hectares (20 acres) to 47 hectares (116 acres), producing a crop of 50.7 tons. However, this amount did not suffice to cover the contract obligations completely. Further expansion and simultaneous structure improvement for hop growing are therefore proposed. In addition, experimental plantings with other hop varieties on an area of 0.5 hectare (1 acre) are being carried out.

SWITZERLAND

The weather conditions in 1974 made action against aphis very difficult and in some places damage resulted.

The practically unchanged cultivation area of 13.2 hectares (33 acres), comprising 9.3 hectares (23 acres) Tettnang, 3.5 hectares (8 acres) Hallertau and 0.4 hectares (1 acre) Northern Brewer hops, brought a crop of 19.85 tons. The whole 1974 crop was grade I quality and sold to the interested breweries at a price of SFR 550.— per 50 kg.

U. S. A.
Growth

WASHINGTON. In the Yakima Valley the spring came late and frost caused considerable damage to the young shoots. The summer was only average and rather dry. However, a very **rich flowering** caused the largest crop ever produced in this district.

OREGON. A sudden, although short, heat wave during the **flowering period** caused a reduction of the crop, which became even more acute due to downy mildew in the British varieties shortly before the crop was brought in.

In **IDAHO** abnormal weather conditions were met with. Favourable weather in February/March allowed an early start of work in the hop gardens, but frost occurred in May. June was hot, but in July the development of the hops was considerably influenced by the cold and wet weather, particularly in the Cascade variety young gardens.

In **CALIFORNIA**, however, the weather was favourable throughout.

The excellent crop results in Washington (+ 6.3 %) and California (+ 11.3 %) led to an increase in production of altogether 4 % compared with 1973 and the largest hop crop since 1952. The **quality** of the crop was better than in the previous year, too, with alpha values being on average 0.5 % absolute higher.

Market
Development

100 % of the basic quota was released for sale from the 1974 hops crop. During the last months before the crop no market business took place. No interest was shown in the balance stocks of the 1973 crop either, as the prices of the farmers were considered too high.

Business was extremely quiet right into October and only livened up in November. By early December only 2 % of the 1974 crop had not been sold. The price developments were as follows:

Variety		9/1	9/15	10/1	10/15	11/1
Clusters	$	0.70	0.70	0.70	0.70	0.60

per lb., first cost plus premium.

The unsold quantities of the varieties Fuggles, Yakima Cascade and Bullion were very small indeed. The hops brought in to the Reserve Pool were released for sale at 73 cents, but only the Fuggles and Bullion varieties were taken over by the trade.

By mid-May 1975 it was possible to clear both the balance of the 1973 crop and also the 1974 crop except for about 1,700 bales still in the possession of farmers and 2,700 bales which had been brought into the Reserve Pool. As the market requirements are satisfied, it will be difficult to sell these hops.

Contract
Market

The continued and in some cases considerable cost increases led to great reluctance on the part of the farmers to enter into advance contracts. The brewers, however, were interested in maintaining the present price levels up to 1980. It was only in November 1974 that the producers altered their attitude, and in the course of the following weeks important contracts were made for the 1975 to 1980 crops at the following prices:

Varieties		1975	1976	1977	1978	1979	1980
Yakima Cascades	$	0.95	0.95	0.95	0.95	0.95	0.95
Yakima Clusters	$	0.75	0.80	0.80	0.80/0.82	0.80/0.82	0.80/0.82
Bullion	$	–	–	–	0.90/0.95	0.90/0.95	0.90/0.95
Fuggles	$	–	–	–	1.22	1.27	–
Oregon Cascades	$	–	–	–	1.05	1.05	1.05

per lb., first cost plus premium.

On 20th January 1975 the Hop Administrative Committee laid down the sales quota for 1975 at 100 % again. It was also decided that the hops from that crop brought into the Pool should be offered for sale at 76 cents plus premium.

Varieties

The overall cultivation area in the USA was increased by 1,062 acres = 3.4 %. Whereas there was a slight drop in nearly all varieties – particularly Fuggles – the aroma variety Cascade had an enormous increase, which was especially high in Idaho. The increase in cultivation of the Cascade variety from 1,260 acres in 1973 to 3,144 acres in 1974 is an escalation of 249 %. This strong increase clearly shows the intention of the US-breweries to gain greater independence from the import of European aroma hops.

Variety	Washington acres	Oregon acres	Idaho acres	California acres	Total acres
Clusters	19,000	235	2,065	1,497	22,797
Fuggles	–	2,542	–	–	2,542
Cascade	1,821	727	596	–	3,144
Bullion	–	1,293	–	–	1,293
Brewers Gold	–	615	–	–	615
Talisman	–	143	1,226	2	1,371
other varieties	579	17	199	–	795
Total	21,400	5,572	4,086	1,499	32,557

A new Talisman variety with the designation T-1 is being grown experimentally. This is a variety with high bitter value and yield.

CANADA

Growth conditions for hops were exceptionally disadvantageous; according to the meteorological service, the worst weather conditions of the last 50 years occurred and the hop crop fell correspondingly short.

The very mild and rainy winter was followed by a cool and wet spring. This weather continued until the end of June, resulting in considerable retardation of growth. July was also too cold in general, but considerable rainfall occurred. This prevented the hops having any possibility of catching up with their growth. On the other hand, August and September were hot and dry. Diseases and insects were hardly met with.

The 1974 crop **quality** was medium to good, but quantity and weight were disappointing. In view of the low yield no difficulties in sales were met with and imports, mainly from the United States, became necessary to cover the requirements.

Varieties

The following data were obtained on varieties:

District	Fuggles acres	Bramling Cross acres	Kent Golding acres	Brewers Gold acres	other varieties acres
British Columbia (Fraser Valley)	144	465	190	80	16

As the Canadian hop production is already sold out for years ahead due to advance contracts, there is no reason for changing varieties.

ARGENTINA

During the 1973/74 season the weather was not particularly good for the hops, and in the **Rio Negro Valley** some damage occurred due to downy mildew. In the **El Bolsón** district the weather was cold and rainy at the time of picking and even slight frost occurred. However, the quality of the crop was comparatively good with 80/90 % classified as grade I and only 10/20 % as grade II.

Compared with the previous year there was a considerable increase in the cultivation area, as shown in the following:

District	Acreage acres	Crop 1974 lbs.
Chubut	99	61,729
Neuquén	99	92,593
Rio Negro	617	496,035
Total	815	650,357

From the total of 141 acres new area, 136 acres are in the Rio Negro district, thus explaining the relatively low yield per acre. The two other districts remained practically unchanged, so that the hop production in Argentina appears to be concentrating more and more in the Rio Negro Valley.

As in the previous years, the whole crop was taken over by the domestic brewing industry.

JAPAN

Hop production in Japan is scattered over 10 districts, mostly north of Tokyo, with only small production units. The production costs are thus so high that the Japanese brewing industry has decreasing interest in maintaining national hop production. Cultivation areas and their crops were in 1974 as follows:

District	Acreage acres	Crop lbs.
Yamagata	1,327	2,086,654
Iwate	798	911,161
Fukushima	613	650,137
Nagano	405	531,529
other districts	371	390,655
Total	3,514	4,570,136

The cultivation area in 1974 was 111 hectares (274 acres) less than in 1973. The early variety Shinsu-Wase covering 1,409 hectares (3,482 acres) is keeping with 99 % its dominating position.

Until beginning of May prevailed favourable growing conditions, but after a hot spell rainy weather followed in June which permitted appearance of botrytis. As a consequence of bad weather conditions formation of cones and ripening was not as good as in the year before.

Picking is almost completely mechanized. Due to the small production units picking machines with little capacity are mainly used.

In order to satisfy the requirements of the very important domestic brewing industry large quantities of hops are being imported every year. Main suppliers are the Federal Republic of Germany and Czechoslovakia, followed far distant by the USA and Jugoslavia.

TURKEY

The 1974 crop of hops comprised 123.5 tons of Brewers Gold and late Clusters. An unsold stock of about 49.5 tons still existed from the 1973 crop, and about 35 tons of the 1974 crop could not be sold to date either. Despite these difficulties the Ministry of Agriculture intends to further encourage hop growing.

PEOPLES REPUBLIC OF CHINA

The hop yield of the 1974 crop was better than in the previous year. This was due to improved production methods. However, hops still had to be imported to cover the domestic requirements. Beer production rose by 15 %.

AUSTRALIA

Due to the generous expansion of the cultivation areas Australia has become one of the leading hop producing countries, with excess stocks being offered on the world markets to an increasing extent. Hop growing is favoured due to the absence of diseases and insects apart from the red spider, which is met with in low numbers, depending upon the weather conditions. Thanks to this and a high degree of mechanization, the production costs are lower than in the European cultivation areas. During the hot and often dry summer, artificial irrigation can be produced everywhere. The crop is almost exclusively the high bittering variety Pride of Ringwood, which produces alpha values of 10—11 % after the harvest.

The following table shows the **cultivation areas** and **crops** over the last three years.

District	1972		1973		1974	
	Acreage acres	Crop lbs.	Acreage acres	Crop lbs.	Acreage acres	Crop lbs.
Tasmania	1,371	2,550,060	1,551	3,197,221	1,737	4,296,765
Victoria	887	1,746,264	1,120	1,459,005	1,255	2,017,209
Total	2,258	4,296,324	2,671	4,656,226	2,992	6,313,974

As can be seen the overall area increased in the two main districts by 32.5 % since 1972 and the crop even by 47 %.

In addition there is a small cultivation area in **Western Australia** near Perth producing about 50 tons, but this only has regional importance.

1974 was an excellent hop year with record crops. The 1,750 tons of hops in excess of the domestic requirements therefore had to be sold on the export markets. Due to the world market requirements already being satisfied, however, it was not possible, despite greatest efforts and price reductions, to sell these hops completely, and therefore a considerable quantity had to be taken over into the new season 1975.

Crop 1975

The following news comes from the Southern Hemisphere, where the hops are harvested in February/March:

ARGENTINA

The cultivation area in 1974/75 was 330 hectares (815 acres) which produced a crop of 220 tons hops (485,000 lbs.). The forecasts were considerably higher, but the main cultivation area, in the **Rio Negro Valley,** suffered under flooding with detrimental results for the hop harvest. In the smaller area of **El Bolsón (Neuquén Province)** a good crop was obtained but the alpha values were somewhat lower than in the previous year.

AUSTRALIA

The 1975 crop is given as being 2,480 tons and is therefore approximately 15 % smaller than the previous one, although the cultivation area was only reduced about 5 %. As an estimated 300 tons of hops from the 1974 crop are still in stock, the available hops stock rose to about 2,780 tons, of which the domestic breweries can only take 1,360 tons. There are hardly any possibilities for utilization of the remaining excess of 1,420 tons.

NEW ZEALAND

A dry period in November/December 1974 reduced the crop yield. An attack of red spider occurred just before picking so that spraying was necessary in some cases. A number of farmers started bringing in the crop prematurely before any greater damage could occur.

On the only slightly reduced cultivation area of 212 hectares (524 acres) approximately 383,6 tons (845,700 lbs.) of hops were produced, representing a drop of about 17 % compared with the previous year. The portion of seedless hops has now reached 28 % of the cultivation area. The domestic breweries took over the whole crop.

Growth 1975

FEDERAL REPUBLIC OF GERMANY. Due to the cool and rainy spring weather and in particular because of excessively low night temperatures, the growth of the hops was retarded by about 8 to 14 days. A change of weather towards the middle of June with partly extensive rainfall greatly encouraged the development of the plants so that the delay was extensively caught up again. Prophylactic treatments prevented diseases and insects causing trouble. In general the gardens are standing well and healthily so that a good average crop can be expected.

UNITED KINGDOM. It is too dry throughout the whole country, but there is little retardation of growth noticeable. The hops are best in the West Midlands and Hampshire. As young hops will to a great extent produce their full yield this year, it is believed that the brewing industry requirements of 7,800 tons (172,000 centals) can be covered.

FRANCE. It is reported from **Alsace** that in general the growth of the hops is about 1 week behind hand due to excessively low temperatures and repeated stormy winds. The plants are in a healthy condition everywhere.

In **Northern France** the conditions are the same as in neighbouring Belgian districts. About 35–40 tons of hops from the 1974 crop are still unsold.

BELGIUM. Because of the temperatures being too low up to mid-June, the growth of the hops was retarded. Stormy winds at the end of May damaged the tips of the shoots of the Northern Brewer variety. Growth is about two weeks behind schedule. Brewers Gold was able to develop well, the retardation here only being about one week. If the weather holds good things will balance out most probably.

JUGOSLAVIA. A pleasing and good state of plants is reported from **Slovenia** where the shoots have already passed the 3/4 mark of the trellises. Prophylactic spraying against insects was carried out in good time.

Following a good start of growth in **Backa** there was considerable rainfall towards the end of May, which made action against downy mildew difficult. No damage has occurred to date, however. As the weather conditions have improved in the meantime, a good and plentiful crop is to be expected.

POLAND. Due to a cold spell in April it was not possible to complete the spring work until early May. The temperature fluctuations until the beginning of June 1975 were very considerable and therefore growth was not uniform. An improvement in the weather towards the middle of the month and ample rainfall resulted in strong growth of the plants. The requisite spraying operations against diseases and insects were carried out in good time.

USA. Good development of the gardens is reported from all four States.

The general retardation of growth of up to 14 days was extensively balanced out thanks to the warm weather which began towards mid-June. The hop gardens have a healthy and uniform stand. In so far as no unusual circumstances arise, a good 1975 crop can be expected.

Nuremberg, 20th June 1975 **JOH. BARTH & SOHN**

The publication of our Hop Report involves obtaining material from sources throughout the world. We wish to express our gratitude to all who have assisted us.

Considerations on Stabilization of the Hop Market

To answer the question of how the unbearable price situation for hop farmers can quickly be normalized it is essential to study the reasons involved. Since the USA and the Federal Republic of Germany share 55 % of the world hop production between them, thus being the main suppliers of the world market, it would appear sufficient to limit the considerations to these two countries.

Whereas the **USA** undertook self-restriction of the quantities offered by means of the hop market regulation effective as from 22nd July 1966 (allocation of production and sales quota, sale or denaturalization of excess quantities), the hop market regulation of the **European Community** dated 26th July 1971 is on a different line. In order to ensure that producers receive a reasonable income, subsidies can be granted to the farmers once the crop is brought in. In addition, further funds will be made available until 31st December 1975 for structure improvement in hop cultivation (e. g. change of varieties).

Particularly in the Federal Republic of Germany expansion of cultivation areas is mostly dealt with by individual operation efficiency reasons. There can be little doubt, however, that the exceptionally widespread expansion of cultivation areas in the Federal Republic from 12,779 hectares in 1970 to 20,061 hectares in 1973 was at least given considerable stimulation by the EC aid system. As these new hop gardens mainly grow varieties of high alpha acid content producing large yields, production increased even more in terms of brewing value and thus overtook the also gradually rising requirements of the brewing industry. This is particularly caused by improved brewing techniques, lower hopping rates and better utilization of the brewing value in standardized hop products such as hop extract and powder pellets. Figures on this can be taken from "World Production of Beer and Alpha", page 6 of this report.

Subsidizing of the hop market is no suitable way of coordinating demand and production. Take-over of stocks exceeding actual demand of the brewing industry is not a satisfactory solution of the problem of surplus quantities, but only transfer from the first to the third hand because hops and hop products did not flow into final consumption yet. These stocks do cause great concern for the 1975 crop now growing.

By the hop producers a proposal was made in Brussels that after the crop certain amounts of hops should be taken off the market for the purpose of price stabilization like practised in the United States. However, this proposal would only appear effective when the quantities taken out are definitively removed completely and finally, which in fact means destroyed. The plan for pooling the offers through producer associations does in no way solve the problem of over-production either.

To overcome the low level of hop prices in the near future and thus maintain a healthy hop market for a long period, in other words to ensure supplies for the brewing industry at reasonable prices, there is positively one way only to be taken, this being

voluntary restriction of hop cultivation by the farmers themselves.