

2023 HOP INDUSTRY ANNUAL REPORT



TABLE of CONTENTS

2023 Highlights	2
About HGA	3
Industry At A Glance	4
What We Do	5
Sustainability and Climate Strategy	6
Communications	7
American Hop Convention	8
Industry Awards	9-10
Government Affairs	11
Research Initiatives	12-13
International Collaboration	14
Global Market Development	15-20
Connect With HGA	21



SERVING THE US HOP INDUSTRY FOR 66 YEARS: Incorporated in 1957, Hop Growers of America seeks to increase global utilization of U.S. hops by facilitating communication between hops growers, merchants, and brewers on the quality, variety, and tradition of hops produced in the United States.

67TH ANNUAL AMERICAN HOP CONVENTION ~ SANTA ROSA, CA: The U.S. hop industry ventured to the heart of California wine country and assembled the 67th Annual American Hop Convention, held January 24-27. The event centered around the theme Hop Matrix. Learn more on page 8

HOP INDUSTRY HILL CLIMB: HGA, Hop Research Council and state hop grower associations from Washington, Oregon and Idaho met with Members of Congress and USDA-ARS professionals to advocate for the legislative needs of the industry. Learn more on page 11

TEC PROGRAM ACTIVITIES: The Trade Education and Communication program facilitated international seminars, brewing contests and attended trade shows to connect brewers with the merits of U.S. hops. Learn more on pages 15-20

NEW BREWER - US HOP HARVEST REPORT: Each year Hop Growers of America is invited to contribute the U.S. Hop Harvest Report to the Brewer's Association New Brewer Magazine. The winter issue routinely examines the raw materials supply chain and delivers updates on barley and hop harvests on a national and global scale.

INAUGURAL AWARDS HONOR ACHIEVEMENTS: HGA established 2 new awards to recognize excellence in the American hop industry. Learn more about the first recipients on pages 9-10

POST EVENTS OFFER OPPORTUNITY: HGA launched new partnerships with USDA-FAS posts around the world to spotlight our renowned commodity. Learn more on page 20

Hop Growers of America (HGA) is a trade organization striving to cultivate resiliency in the American hop industry by facilitating collaboration among growers, merchants, and brewers to empower producers with the research, policy, and marketing tools to remain as world-leading stewards of their land and communities.



HGA supports several programs strengthening the U.S. hop industry:

The Best Practices Committee operates to connect industry members to reputable approaches to farm management. The committee provides educational platforms and funds research to develop novel advancements to inform the operational decisions of producers.

The Trade, Education, and Communications Program (TEC) builds long-term global demand for U.S. hops. Through the TEC program HGA shares the story of how U.S. producers responsibly grow high-quality hops with the international brewing community at trade shows, technical seminars, and IPA Contests.

The U.S. Hop Industry Plant Protection Committee (USHIPPC) assists producers in navigating pest management issues by directing the delivery of plant protection tools. The committee also endeavors to harmonize international standards and secure trade access for U.S. hops abroad.

The Liaison Committee coordinates hop inspection activities between Washington, Idaho, and Oregon's respective state inspection labs, the USDA, and industry partners to ensure consistent and accurate inspection practices, bale labeling, and reporting measures.

Industry At A Glance

Hop Growers of America collaborates with federal, state, and industry partners to compile statistics that provide a clear view of the U.S. hop industry. In 2023, the U.S. hop industry navigated currents of change. Marking a divergence from recent trends, growers shifted to idling yards and replacing aroma and dual-purpose varieties with super high alpha cultivars. The season served as the first period in 12 years with a substantial decrease in acreage, accruing to a 10% total reduction in the Pacific Northwest. Despite the acreage reduction, yields climbed 13% above the 10-year average to 1,915 pounds per acre in the Pacific Northwest, hastening a total U.S. production of 104.9 million pounds.





2023 WORLD HOP PRODUCTION



2023 PNW PRODUCTION BY STATE

The Pacific Northwest states of Washington, Idaho, and Oregon account for 98% of U.S. hop production.



What We Do: HGA Vision, Mission, and Values



Vision

U.S. hop growers are world-leading stewards of their land and communities and set the global standard for quality in hop production.

Mission Statement

HGA cultivates resiliency for American hop producers.

Values

Quality

American farming operations have honed the craft of cultivating high-quality hops over generations, and today the pride and responsibility of this profession remains woven into the identity of each producer. Growers harness a meticulous attention to detail, integrate systems of accountability, and provide transparency in each facet of production to deliver a world-renowned commodity that continues to revolutionize the brewing industry.

Innovation

In an industry characterized by profound volatility, at the heart of our growers' legacy is the relentless drive to innovate. Attuned to the inherent complexities of farming ecosystems, American hop producers tirelessly refine operational strategies and collaboratively fund research initiatives to embrace global shifts in market, climate, and regulatory conditions.

Stewardship

Instilled with the timeless principle 'you reap what you sow,' American hop growers invest in their natural, material, and human resources to nurture environmental security, economic stability, and social equity, strengthening the rural communities they call home.

The Hop Growers of America Sustainability and Climate Strategy provides a framework to guide research and investment initiatives of the organization. In a world confronted by a shifting climate, growing populations, and shrinking natural resources, the concept of 'sustainability' is often heralded as a silver bullet. In reality, the path towards sustainability is often as complex as the challenges we face and requires balancing people, prosperity, and the planet to forge positive change.



People

American hop producers have been rooted in their communities for generations.

How HGA can support our people:

- Support and strengthen food safety practices
- Support employees with fair wages and working conditions
- Provide community philanthropy/support/services
- Promote practices minimizing the health stress of the producer
- Promote workforce development by offering professional development opportunities
- Assist industry recruitment efforts
- Facilitate industry recognition and awards

Prosperity

Hop production serves as the backbone of rural economies, and supports the vitality of the U.S. brewing sector.

How HGA can support prosperity:

- Assist with the cost-efficiency of production
- Support the continuity of family farms
- Provide a high-guality product
- Maintain strong systems of traceability
- Remedy trade barriers
- Build and support long-term global demand for U.S. hops
- Provide legislative advocacy for industry needs
- Develop and interpret crop reports (statistics)
- Support hop variety development with attention to harvest windows and aromatic profiles
- Maintain relationships with international industry
 Support the breeding of high-yielding, partners and collaborate on issues of common concern

Planet

Driven by the spirit of innovation, American hop producers attend to the distinct nuances of each ecosystem and relentlessly seek new information to nourish their natural resources.

How HGA can support our planet:

- Promote practices enhancing biodiversity and native wildlife habitat
- Support initiatives to protect soil health
- Support projects to refine IPM approaches
- Promote the conservation and maintenance of high-quality water
- Support projects minimizing the generation of waste
- carbon footprint of hop production
- pest/heat/drought tolerant hop varieties requiring less inputs to grow

Communications // Good Bines



Good Bines is an educational program administered by Hop Growers of America, designed to connect hop industry members to reputable approaches to farm management. Online modules spanning key production topics are available, including Food Safety, Water & Irrigation, Business Management, Soil Fertility, Integrated Pest Management, and Sustainability. Growers can complete self-assessments to become Good Bines certified and showcase their commitment to best practices.

In an effort to recognize the time and resources invested in industry best practices, Hop Growers of America has sanctioned the use of Good Bines logos for use by hop growers. The logos will highlight completion of the Water & Irrigation, Food Safety and Risk Assessment modules. The logos are viable for one year and must be renewed on an annual basis, upon renewal of these three self-assessment modules (certificates of completion expire annually). Growers are welcome to utilize the logo on their institutional stationary, on-site facilities, websites, and promotional materials. To attain access to the logo each year, producers must submit all three Good Bines certificates of completion for the modules noted above OR active GLOBALG.A.P. compliance documents to Maggie Elliot at melliot@wahops.org.

The U.S. hop industry ventured to the heart of California wine country, Santa Rosa, to assemble the 67th Annual American Hop Convention, held January 24-27. The event centered around the theme Hop Matrix. Russian River Brewing Company honored the gathering by crafting an Indian Pale Ale fitting for the occasion. Hosted by the Idaho Hop Growers Association, the event drew 606 attendees and delivered highlights including a keynote economic analysis by Lester Jones, industry updates from the merchant and brewing sectors, and a dinner party and tour of the premier Russian River Brewery.





Beyond the Bine honors individuals or companies whose efforts have imparted a positive impact domestically on the U.S. hop industry through production improvements, policy/regulatory/legislative efforts, market impacts, or other contributions.





The 2023 HGA Beyond the Bine recipient is Tom Sauve.

For over 4 decades Tom Sauve has served an integral role in the U.S. hop industry supply chain. Through operating Grower's Supply, he has innovated American-produced materials and ensured essential products remain accessible. A founding member of the American Hop Museum, Tom has served the industry tirelessly.

Inaugural Award - Top of the Trellis

Top of the Trellis seeks to recognize a commercial hop operation in the United States prioritizing sustainability.

The 2023 Top of the Trellis recipient is Perrault Farms.

As a multigenerational family farm, sustainability is a deeply rooted mindset of the operations and remains entered in the farm operations decision-making process.

Perrault Farms has continually improved their sustainability practices in the fields starting with the conversion from flood irrigation to drip irrigation to reduction of tillage, establishing a robust integrated pest management plan, and most recently planting cover crops and planting virus-free rhizomes. Understanding the intrinsic relationship of a healthy planet and healthy hops, the Perrault's reliance on biodiversity in soils and crop lands helps orchestrate ideal living conditions for hops. The operation relies heavily on beneficial insects, fungi, and microorganisms to build soil and decrease pest population; with the ultimate goal of minimizing synthetic inputs.

The Perrault family defines their style of agriculture as a regenerative ecosystem-based approach aiming to improve resilience, yield, and quality by improving soil health, enhancing biodiversity, and reducing the impact of synthetic inputs.

HGA is proud to recognize Perrault Farms for their leadership in sustainability.



Government Affairs

HGA, Hop Research Council and state hop grower associations from Washington, Oregon and Idaho met with Members of Congress and USDA-ARS professionals to advocate for the legislative needs of the industry.

The top six requests of the U.S. hop industry included:

1|USDA-ARS Hop Research - "Climate & Sustainability Initiative"

• FY 2024: Continue current \$2.6 million appropriation to prioritize hop research to strengthen the supply chain for global demand of high quality U.S. hops and strengthen our Climate Smart production system.

2 | Labor Availability

• Agriculture needs a legal and reliable source of labor. Many hop growers are forced to use the H-2A program, the only option for temporary, reliable agricultural labor to supplement local labor availability. The system has been plagued by delays, design flaws and high costs, and is in need of reform. Our organizations support the Farm Workforce Modernization Act which makes some reforms to the H-2A Program. We are also interested in other legislation that would address reforms in the H-2A process, including the unfair and inaccurate wage survey that sets prevailing piece rates and wages, along with automatic cost escalators that will price H-2A out of feasibility.

3 | Natural Disaster Relief: Federal Crop Insurance and Wildfire and Hurricane Indemnity Program – Plus (WHIP+)

• The U.S. hop industry supports the development of a federal crop insurance program to protect against the loss of crops due to natural distasters.

• The Wildfire and Hurricane Indemnity Program - Plus (WHIP+) compensates producers for loss due to natural disasters including WILDFIRES. The U.S. hop industry supports the Congressional effort to renew WHIP+ for 2020 and 2021 crops damaged by wildfire.

4 | Critical USDA Program Support

- The National Agricultural Statistics Service
- The FAS Foreign Market Development programs, including the Market Access Program and Quality Samples Program
- The FAS Technical Assistance for Specialty Crops Grant Program
- Specialty Crops Research Initiative and Specialty Crops Block Grant Program
- •National Clean Plant Network

5 | IR-4 Program

• The IR-4 Project is a collaborative USDA-Land Grant University national research program to develop data required by US EPA to support the registration of crop protection products for specialty crops.

•IR-4's support of new registrations addresses gaps in specialty crop pest management.

- New invasive pests
- Loss of existing product registrations
- Access to newer, reduced risk chemistries to improve impacts on climate, the environment, workers and consumers

• Increase funding from \$15m to \$25.0m during FY 2024 (the amount authorized by Congress in the 2018 Farm Bill).

6 | International Trade

• The EU's "hazard-based" pesticide evaluation system does not employ a "risk-based" scientific assessment as required by the WTO. As a result of the EU policy, numerous pesticides are being withdrawn from use in the EU and associated Maximum Residue Levels are being eliminated. This loss is adversely impacting the export of agricultural goods to the EU, including hops. We urge Congressional support of US trade negotiators to address this issue. HGA contributes funding and holds representation on the U.S. Hop Industry Plant Protection Committee (USHIPPC). This committee assists in the delivery of plant protection tools by developing the data needed to facilitate the registration of crop protection products and also endeavors to harmonize international standards, securing trade access for U.S. hops abroad. The committee directed several key accomplishments in 2023:



IR-4 Food Use Workshop Successes

The IR-4 Food Use workshop was a sweeping success this year as hop industry researchers secured studies submitted by the U.S. Hop Industry Plant Protection Committee. Next year residue study will commence on propamocarb hydrochloride, a fungicide with downy mildew efficacy with a new mode of action.

USHIPPC Amends TASC Grant for India Medicinal Use Restriction

In 2022 the U.S. Hop Industry Plant Protection Committee (USHIPPC) secured a USDA-FAS Technical Assistance for Specialty Crops (TASC) grant for \$137,000 to expand industry efforts addressing a restriction in India requiring imported hop pellets to be implemented for medicinal use only. These funds enabled travel to India in October of 2022, and the series of meetings revealed the discrepancy of enforcement gaps concerning the end use requirement. In 2023, through engagements with the USDA, state departments of agriculture, and governmental officials from the Republic of India, a difference in interpretation of certification standards surfaced, and with the understandings aligned, the issue was resolved. USHIPPC offered an amendment to continue grant funding through 2025, expanding the scope of the initiative to include an exploratory examination of India's MRL regulation system and establishment of contacts.



Research Initiatives // Dr. Doug Walsh





Dr. Doug Walsh Receives National Honor

This summer hop research veteran and Washington State University Entomologist Dr. Doug Walsh was selected for the prestigious honor of joining the ranks of the Fellows of the Entomological Society of America (ESA).

Dr. Walsh is based at the WSU Irrigated Agriculture Research and Extension Center in Prosser, Washington. Since 2008 he has served the industry by conducting fundamental research on strengthening integrated pest management and overcoming trade barriers. Dr. Walsh has secured extensive grant funding and championed hop priorities at the IR-4 Food Use Workshop.

HGA commends Dr. Walsh on this honor and thanks him for his continued service to the industry!

International Collaboration



The International Hop Growers Convention (IHGC) serves as a forum for hop growers from across the globe to convene three times annually to share crop reports and deliberate issues of common concern. HGA is a member and represents U.S. hop growers at these meetings.

The Regulatory Harmonization Commission aims to collaboratively approach the harmonization of pesticide maximum residue levels (MRLs) and other trade concerns for the international hop industry. Maggie Elliot, Science and Communications Director of Hop Growers of America, and Erich Lehmair, the Executive Director of the German Hop Growers Association co-chair and provide leadership for the IHGC Regulatory Harmonization Commission.



Global Market Development - Overview

The Trade Education and Communication (TEC) program's primary objective is to increase trade awareness, global utilization, and demand of U.S. hops. To accomplish this, HGA implements a variety of targeted trade activities each program year. These include but are not limited to: brewing contests, key trade shows, and technical – educational seminars led by renowned Brewmasters for both student and professional brewer audiences alike.

In 2023 Hop Growers of America administered 15 activities around the world to foster long-term demand for U.S. hops.

96 percent of the Trade Education and Communication's program funding is awarded through USDA-Foreign Agricultural Services (FAS) Market Access (MAP) and Quality Samples (QSP) grant programs.



Key results of the 2023 survey efforts:



389 Brau Beviale trade show responses to online survey

While trade show responses were less robust than the Drinktec trade show in 2022, the Brau Beviale response rate was over four times higher than CBC attendees in 2023.

94.0/0 Better understand U.S. hop qualities post-EU events

For the second year in a row, HGA significantly improved the learning satisfaction rate for EU attendees compared to the 2022 marketing year (86%), witnessing an impressive 8% increase in attendees' understanding of U.S. hop qualities after the events throughout the EU region.

75% Interested in receiving more information about U.S. hops

Pan-European attendees expressed interest in receiving additional information about U.S. hops from HGA, marking a 12% growth in interest levels compared to FY2022.

177 Brazilian trade participated in 2023 HGA-led events

All four technical education seminars in the key locations of São Paulo, Porto Alegre, Rio de Janeiro, and Belo Horizonte were oversubscribed in terms of anticipated participation, reflecting strong interest in U.S. hops information.

980/0 Better understand U.S. hop qualities post BR-events

Brazilian event participants reported a 2% increase in learning satisfaction rate compared to 2022 events (96%), demonstrating a continuous improvement in understanding of U.S. hop qualities post-event.

95% Interest in receiving more information about U.S. Hops

Brazilian brewers were enthusiastic about receiving more information about U.S. hops, with less than 5% indicating that they were uninterested or unsure, representing a 5% increase in contrast to 2022 marketing year respondents interest levels.

15 Total Activities: 8 Hop and Brewing Educational Seminars 2 Brewing Contests 2 Trade Shows 3 Collaboration Events with FAS Posts

Global Market Development - European Union

HGA operated a booth at BrauBeviale that included a tasting seminar with U.S. hops and its correlating beers. BrauBeviale is regarded as the leading platform for the brewing and beverage industry. Held on November 28-30th, the tradeshow attracted nearly 38,000 visitors. HGA showcased 12 hop varieties with 12 correlating craft beers. John Mallett, former VP and brewmaster of Bell's Brewing, led a tasting seminar featuring 6 of the hops and beers used at the tradeshow to 120 attendees. 10 breweries participated in HGA's annual brewing contest, which challenged the businesses to craft a Cold IPA with provided American hops. Congrats to SIBEERIA of the Czech Republic for taking the 2023 title.

BrauBeviale Tradeshow



HGA staff and delegates at BrauBeviale.

Featured hops and breweries at the tradeshow booth and tasting seminar:

Adeena® – Dewey Beer Co Chinook – Bell's Brewing HBC 586 – Deschutes Brewery Idaho Gem[™] – Firestone Walker Brewing Company Triumph – Kehrwieder Kreativbrauerei Vista – Bell's Brewing **Additional hops and breweries at the tradeshow booth:** Azacca® – New Realm Brewing McKenzie[™] – Stone Brewing Nugget – Single Hill Brewing Cashmere – Elysian Brewing

Tasting Seminar



Speaker **John Mallett** BrauBeviale



120 participants attended the tasting seminar.

Brewing Contest



10 breweries participated in the contest.



2023 CONTEST WINNERS

1st Place - Icehoppy | Sibeeria 2nd Place - Cashmere Outside | Jopen Beer 3rd Place - Triumph of Steele | Brauerei



HGA continued to build its relationship with the region's most influential brewing schools and local craft breweries by conducting 4 technical seminars. HGA conducted 4 technical seminars. Master brewer Alec Mull of Bells Brewery led a seminar at Heriot-Watt University, Edinburg and Technical University of Munich. These seminars totaled around 45 participants. The remaining 2 technical seminars took place at Doemens Academy in Munich and at the Technical University of Berlin. Both led by master brewer Matt Brynildson of Firestone Walker and totaled around 27 participants. Both schools are widely renowned and well respected throughout the brewing industry.



Speaker **Matt Brynildson** Technical University, Berlin

Technical Seminars

Featured hops and breweries: Adeena® – Single Hill Brewing Azacca® – Fort George Brewing HBC 586 – Deschutes Brewery McKenzie™ - Crux Fermentation Project



Speaker **Alec Mull** Weihenstephan Institution of TUM University, Munich



Speaker **Matt Brynildson** Doemens Academy, Munich



Speaker **Alec Mull** Heriot-Watt University, Edinburgh

In Brazil, HGA promoted the reach of U.S. hops by facilitating 5 technical seminars and hosting a brewing contest. Brewmaster Tom Nielsen, Research and Development manager at Sierra Nevada Brewing led 2 of these seminars at Sao Paulo and Porto Alegre. Due to high demand the number of seats increased, totaling 91 participants. Alex Nowell of Drink Anemone LLC hosted the remaining seminars in Rio de Janeiro and Belo Horizante. Also in high demand, Alex led a 2nd seminar in Belo Horizante on the same day, totaling 76 participants. 10 breweries participated in HGA's annual brewing contest, which challenged the businesses to craft a Double IPA with provided American hops. Congrats to Juan Caloto for taking the 2023 title.



Speaker **Alexandera Nowell** Firjan Maracanã, Rio de Janeiro Sommelier School of Minas Gerais, Belo Horizonte

2023 CONTEST WINNERS

1st Place - La Celebre Dispute of Snake Falls| Juan Caloto 2nd Place - Nostalgia | Cervejaria Dádiva 3rd Place - Friday the 13th | Cervejaria Demonho



Technical Seminars

Featured hops and breweries: Chinook– Salvador Brewing Co. Ahhhroma™ – Everbrew HBC 586 – Armazen 77 Idaho Gem™ – Spartacus Brewing Cashmere – Dogma



Speaker **Thomas Nielsen** Instituto da Cerveja, São Paulo Praia de Belas, Porto Alegre

Brewing Contest



10 breweries participated in the contest.



1st place winners - Juan Caloto.

Craft Brewers Conference

As interest in craft beer continues accelerate around the world, the Craft Brewers Conference & BrewExpo America (CBC) ensures a pivotal platform for HGA to connect with industry partners. While it is the only domestic tradeshow HGA participates in, CBC attracts industry members from around the globe.

CBC 2023 was held in Nashville, Tennessee May 11-13 and attracted approximately 10,000 visitors. Stone Brewing Company crafted 4 beers for the event, featuring Chinook, Idaho Gem[™], McKenzie[™], Vista, and Zappa[™]. Attendees stopping by the booth were able to do a sensory of the hop, taking in their varying smells and notes then proceed to taste a single hop beer with that featured hop. Booth visitors are also given goody bags containing the featured hop, in sample in 10z packages, hop industry educational materials, and HGA branded giveaway items.

The Craft Brewers Conference remains an important and technical and educational resource for the hop industry's global partners and allows HGA to maintain relationships and engage with brewers from both established and emerging markets.



Global Market Development - USDA Collaborations

In 2023 HGA collaborated with USDA-FAS posts to stretch the reach of hop promotion.





Agricultural Attaché **Elisa Fertig** Speaker **Matt Brynildson** Seminar with FAS office of the U.S. embassy in Brussels Engaging with the U.S. Embassy in Brussels, in July HGA organized a tasting seminar for Belgian brewers. Matt Brynildson led the workshop and performed hop and beer sensory evaluations featuring Adeena[®], Azacca[®], HBC 586, and McKenzie[™].



Speaker **John Mallett** Virtual Seminar to 73 European Brewers

In May HGA partnered with 8 USDA-FAS posts to conduct a virtual seminar. Brewmaster John Mallet shared his knowledge and hop sensory expertise with over 50 European brewers across the continent. Participants sampled Cascade, Cashmere, Comet, and Mt. Hood hops.

Following the successful cooperation in 2021, Hop Growers of America renewed the partnership with Alaska Seafood Marketing Institute and the U.S. embassy in Brussels, Belgium, to host an American food and drinks reception in Antwerp featuring 3 IPAs crafted with American hops.

Read more about this event **here!**





U.S. embassy Brussels staff and Belgian brewers gathered at Brewery De Koninck

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