



Working with Brewers Great & Small
Growers & Suppliers of Hops, Hop Products, Extracts & Oils

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Market Report

European and USA crop 2008 is already heavily committed with a number of large brewing groups still not fully covered and considering that the European crop 2008 is already fully booked it is doubtful whether they will get anything from this year's crop.

EUROPEAN

In Europe it is impossible to contract for years 2008,2009,2010 and even 2011 is becoming tight with limited stocks of high alpha hops still available. In Germany the increase in acreage is estimated to be approximately 2400 acres (1000 hectares) with the main increase being of the aroma varieties Perle and Tradition together with Hercules as the new bitter variety.

The acreage for the varieties Hallertau/Hallertau (Mittelfrueh) and Select are being reduced.

USA

The USA reports an increase of about 7000 acres (2835 ha) however this increased volume is already contracted with growers now demanding a minimum of 5 year contracts, with some breweries having contracted out beyond 2013. At this time there is no crop 2007 alpha left, crop 2008 is already closed, crop 2009 is heavily committed with crop 2010 through to 2013 having some quantities still available.

Stringing and Training is well underway in the States however they have experienced a cold spring period which is not ideal growing conditions.

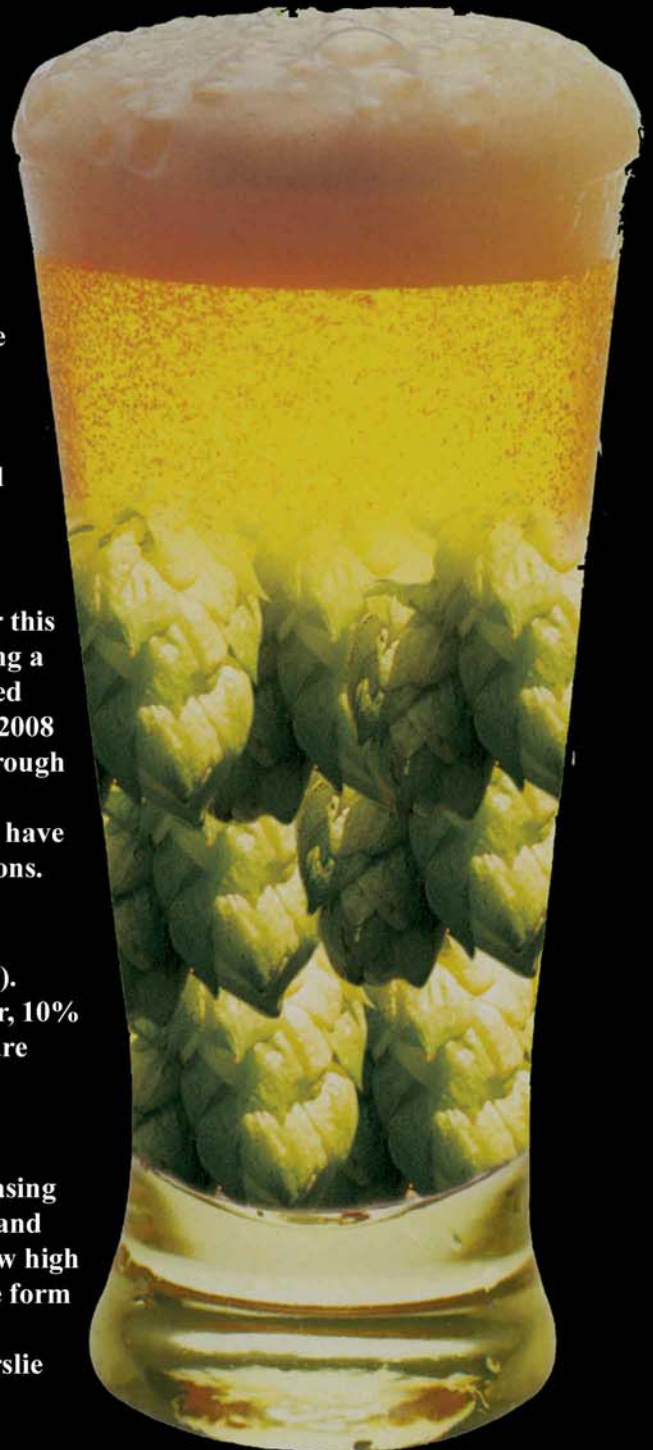
CHINA

In China the new hop acreage is approximately 4900 acres (1980 ha). Of the total 2008 hop acreage, supposedly 70 % are Qingdao Flower, 10% various aroma hops and 20% various bitter hops. At this stage we are unsure of the estimated increase alpha from this region.

ELLERSLIE HOP

Ellerslie – As we have mentioned in the past we are currently increasing our acreage, planting up a combination of both Pride of Ringwood and Pride derivative alpha while still working on the development of new high alpha varieties. We have introduced new watering techniques in the form of direct drip irrigation which is felt will assist in reduced water consumption as well as increased yields in first year plantings. Ellerslie is also working on changing our garden configurations to a denser planting pattern per acre which should also increase yield.

In light of all the increased acreage being planted around the world one can only speculate whether the expected growth of the global beer market will absorb the possible surplus of alpha – only time will tell.



www.ellersliehop.com.au