

A photograph of a person's hands holding several hop cones. The person is wearing a blue t-shirt and light-colored shorts. The background is a grassy field. The text "STATUS AND OUTLOOK ON HOPS IN VIRGINIA" is overlaid in white, bold, sans-serif font across the center of the image. On the right side of the slide, there is a solid green vertical bar containing the text "Laura Siegle", "Amelia County", "Agriculture", "Extension", and "Agent" in white, sans-serif font.

STATUS AND OUTLOOK ON HOPS IN VIRGINIA

Laura Siegle

Amelia County
Agriculture
Extension
Agent

STATUS UPDATE: HOPS IN VA



EXTENSION SUPPORT FOR HOPS

Services

- Disease ID-eg, downy mildew tracking
- Soil testing-Code 75 for hops
- Agent farm visits
- Soil, farm, plant, system, budget troubleshooting
- Pesticide applicator certification and recertification
- Pubs: soils, fertilizers, irrigation, etc
 - www.ext.vt.edu
- Hops Testing Service



CURRENT EXTENSION HOPS PROJECTS

- 2013 and 2014 Brewer Survey
- 2014 Grower Survey
- University Collaboration
- Budget/Breakeven Analysis?
- Extension Publications on Hops
- VSU Program



HOPS PRODUCTION IN THE US

- Washington: 29,021 acres
- Oregon: 5,559
- Idaho: 3,812



- Virginia?

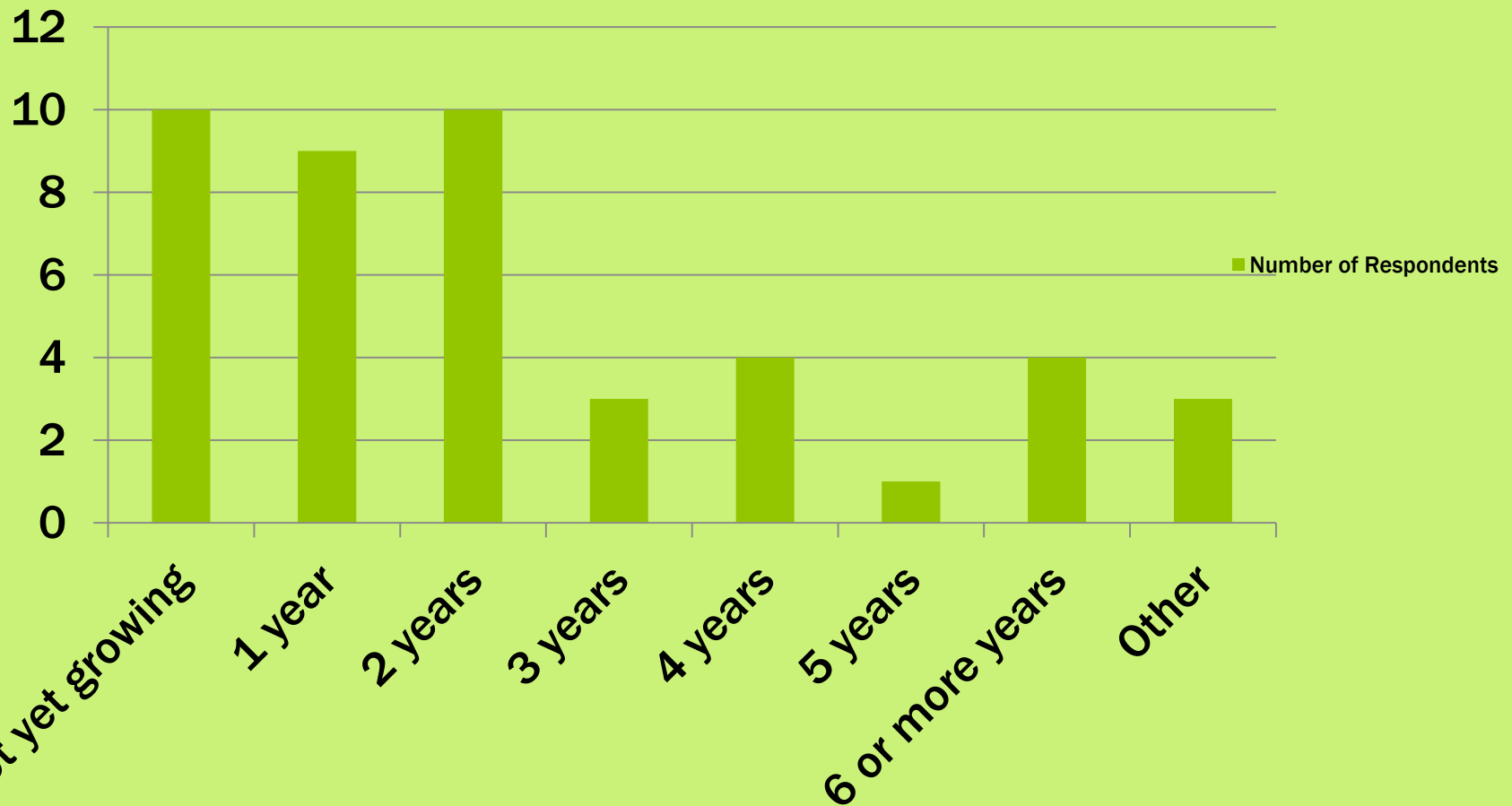
ASSESSING INDUSTRY SCOPE IN VA

■ 46 Responses

Grower Classification	Percent of Respondents Matching Criteria
I am growing hops commercially/I intend to sell my hops	48%
I am currently growing hops for my personal use/for non-commercial purposes	24%
I am not yet growing hops, but planning on it	24%
Other	4%

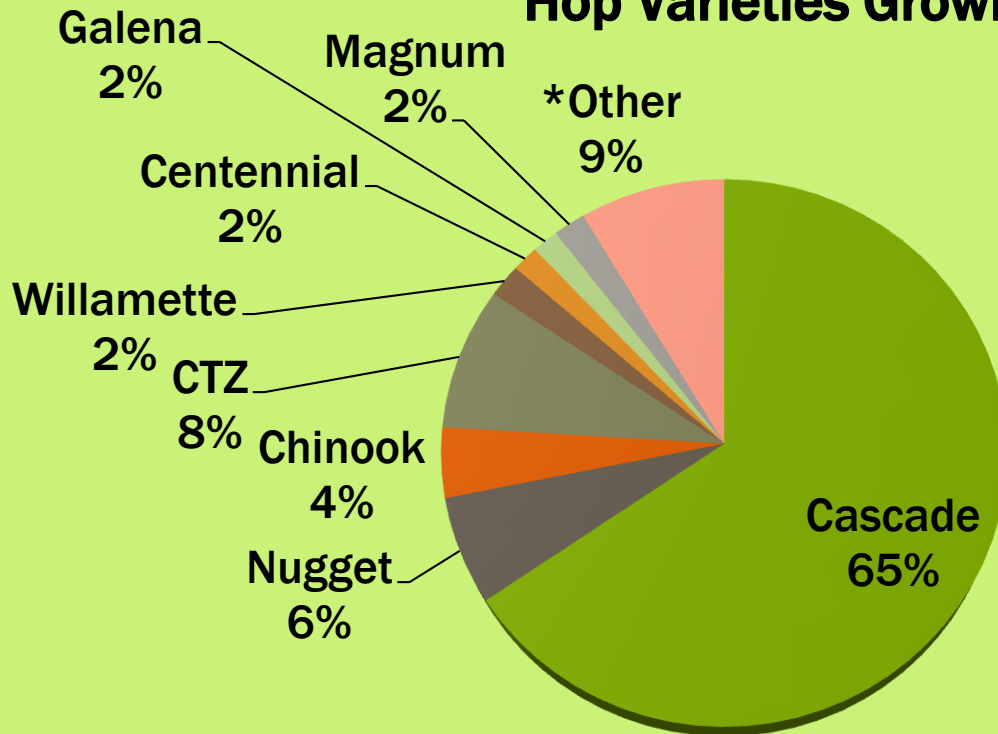
MATURITY OF VA HOP YARDS

Years Growing Hops



HOP VARIETIES GROWN IN VA

Hop Varieties Grown in Virginia



Total number of plants reported:
13,317

**Other: Seventeen other varieties were grown in small numbers, often by only one survey respondent. To protect privacy of yield data for these individuals, any variety with fewer than 50 plants in the state OR any variety that was grown by one respondent was lumped into one total in this "other" category. This category also includes data from growers who reported plants but did not specify varieties or data by variety.*

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- Brewer's Gold, Columbia, Sterling, Horizon, Millenium, Newport, Perle, Sunbeam, etc, etc,

HOW DID YIELD STACK UP?

Variety	Pounds Harvested (Wet)
Cascade	5667
Chinook	210
CTZ	187
Nugget	129
Willamette	10
Centennial	4
Galena	0
Magnum	0
*Other	1902
**Total Yield	8109 Pounds (Wet)

WHY NOT ACRES?

- Row/plant/trellis spacing
- Accuracy problems associated with guessing fractions of acres
- We know that acreages are small, but growers are varied and numerous and we want data to represent that.

HOW ARE PEOPLE SELLING THEIR HOPS?

- Of the 8,109 pounds harvested:
 - 64% were sold wet.
 - 11% were sold dried
 - 10% were sold pelletized.

For the remaining 14%, hops were not sold or the grower did not indicate the form in which they were sold.

HOW MANY OF YOU ARE EXPANDING?

- 24 growers reported plans to expand in 2015.
- They provided estimates indicating a collective increase of 7,760 to over 8,000 plants to the existing total.
- Up for Discussion: Can market handle the increase? More on that later.

FINDING BUYERS

- **11** people reported that they were able to sell their entire 2014 crop.
- **10** people reported that they were unable to sell their entire 2014 crop. These individuals provided the following reasons that hop crop was not sold:
 - Hops did not produce enough to sell
 - Too many wet hops were ready at one time
 - No buyer was available
 - Grower lacked time, resources, and/or knowledge to market crop
 - Demand
 - Holding hops for later sale

HOW ARE YOU MARKETING YOUR HOPS?

Number of Growers Using this Method	Marketing Method
7	Meetings with brewers
4	Emails
4	Phone calls
3	Word of mouth
2	Social media
2	Brewer visits to hop yard
1	Outreach to brewing clubs

WHAT CHALLENGES ARE YOU FACING?

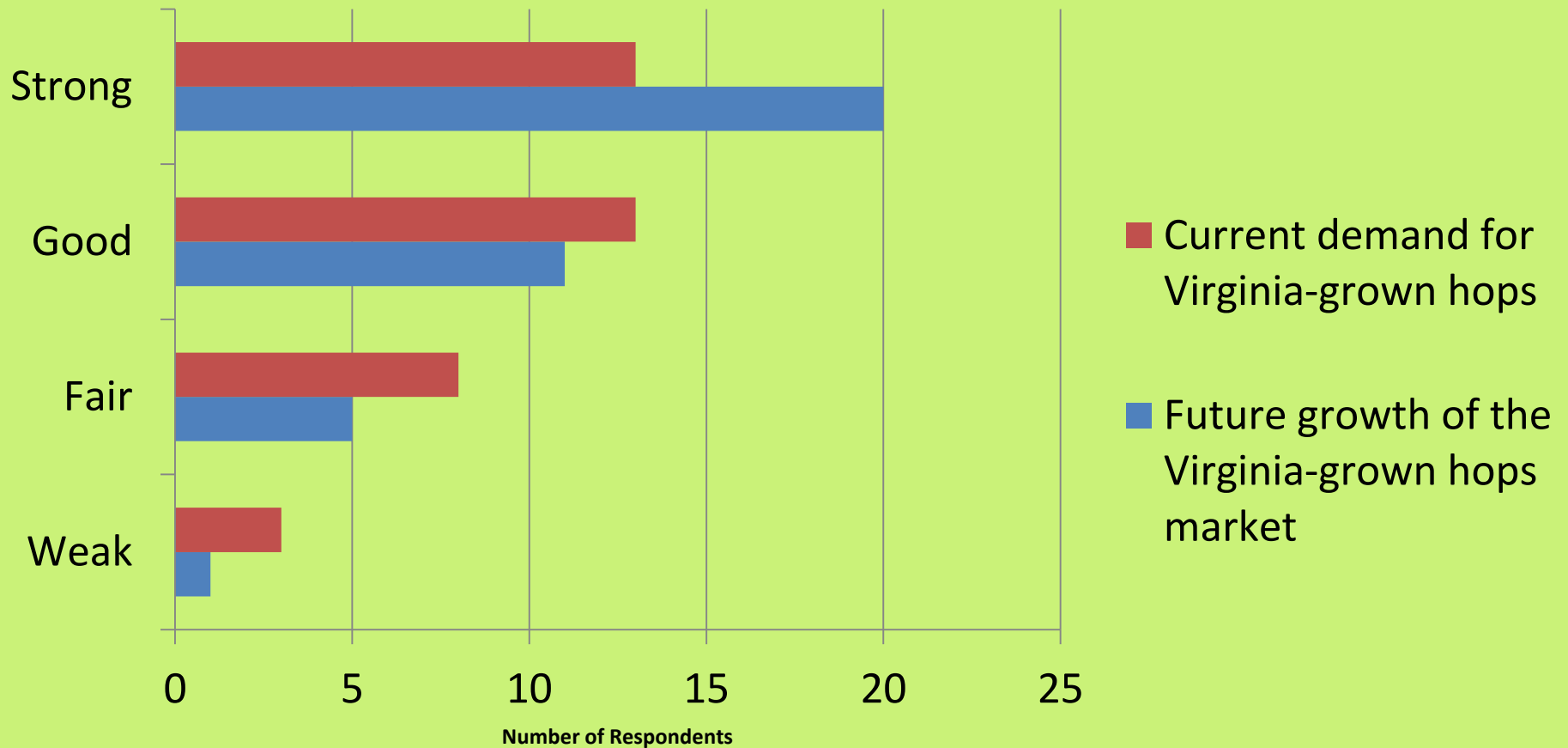
9	Time	Not as much available time as desired for chores
9	Marketing	Product quality, coordinating delivery of wet hops with brewer, demand from buyers
8	Labor	Particularly challenging during spring chores and harvest; also costly
8	Harvest efficiency	Labor and time-intensive, even when mechanized
5	Cost	Most challenging cost appears to be yard establishment
5	Weeds	
4	Disease	Some worried about downy mildew
3	Insects	Several specifically mentioned Japanese beetles

WHAT CHALLENGES ARE YOU FACING?

3	Lack of industry & university resources	Local information not readily available; difficulty finding plant material
3	Beginning grower "learning curve"	Some noted that getting started and learning to manage hops was a challenge of its own
2	Pesticide selection	Uncertainty about products labeled for use on hops; no VA hops pest management guide available
2	Rhizome establishment	Certain growers experienced rhizome failure
1	Fertilizer	Grower still learning and adjusting to plant needs
1	Irrigation	
1	Processing after harvest	Processing equipment/facility would be helpful for drying, pelletizing

WHAT'S YOUR OUTLOOK ON THE MARKET?

Industry Outlook Ratings



SUMMARIZED COMMENTS

- Relationships with cooperatives, fellow growers, and farming neighbors are valuable.
- Local potential for growing and selling hops seems good.
- Connecting with brewers could be a challenge for some.
- Several growers were very pleased with 2014 harvest and look forward to adding new plants and/or varieties.
- Consumers are interested and excited about locally-grown hops
- Some brewers have already locked up local suppliers and first-time grower had difficulty finding outlet. Market development/assistance from grower group could mitigate this.

SUMMARIZED COMMENTS

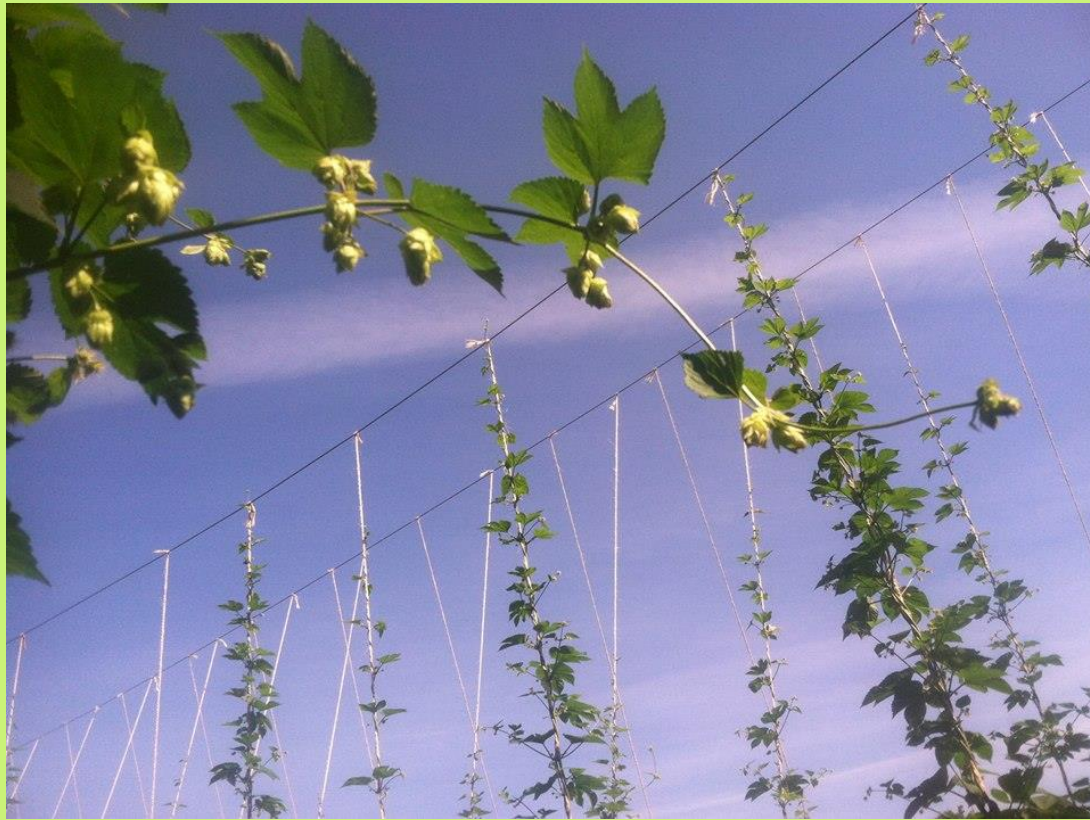
- Mechanized harvest is a necessity in the future, especially for larger yards.
- Demand for Virginia hops seems strong.
- Several growers are pleased with Virginia Cooperative Extension, Virginia Tech, and Virginia State University involvement in the industry.
- Several growers are re-evaluating variety selection in light of 2014 performance. Cascade remains popular.
- Brewers are becoming acclimated to the considerations needed when working with Virginia growers and wet hops.

SUMMARIZED COMMENTS

- Having the capability to dry and/or pelletize hops in the future would be helpful.
- Current cost per pound of wet hops is too high for most brewers. Brewers may be able to attain an acceptable margin if cost of wet hops decreased to \$10 or less per pound.
- Influx of breweries is increasing demand; brewers want fresh hops; brewers are interested in local hops.
- Competition between growers and lack of brewer willingness to use wet hops could negatively affect demand and outlook.
- Hops may not be profitable if demand is low and/or buyers can get them cheaper elsewhere.
- Only a handful of growers released a local hopped beer this season.

Number of Growers Requesting Resource	Requested Resource
4	Shared harvesting equipment
4	Pest Management Guide
3	Hop breeding and research program
2	Hops production/management guide
2	Packing/drying facilities and services
1	Post-harvest handling guidelines
1	Faculty specializing in hops
1	Local rhizome source
1	Product approval system
1	Method to inform/educate VA brewers about VA hops
1	Great accessibility and feasibility concerning patented varieties
1	Tissue testing service
1	Outlets for developing and marketing alternative uses for hops

WHAT DO THE BREWERS HAVE TO SAY?



WHY DID BREWERS BUY VA HOPS?

Price was reasonable	1
I prefer/value wet hops for brewing a harvest beer	2
Supply was good/easily accessible	4
I value local products	3
Customer value local products	3
Using local hops allowed me to get a premium on beers using local products	1
Quality of local hops was good	2
Relationship with local grower(s) motivated me to try local hops	3
I am interested in supporting the local hops growing farming initiatives	4

WHY DIDN'T BREWERS USE VA HOPS?

Price of VA hops is too high	2
Supply of VA hops is too low	1
I need/prefer pellets	4
Customers are indifferent about local products	1
I need to know more about how local hops are grown	1
I need a consistent supply of hops year-round	3
Other	2

COMMENTS FROM BREWERS

- **“Quality control and analytics needed”**
- **“Analysis not available this year from my suppliers.”**
- **“Education. Need to educate your target clients.”**

COMMENTS FROM BREWERS

- **“Availability, variety, type (pelletized), and price are all important to our business. Increased availability and variety, dried and pelletized hops, and lower prices would definitely allow us to purchase locally.”**
- **“Better prices and availability of pellets would increase my interest in local hops.”**
- **“The industry will not become a viable Agri-business without proper harvesting, drying, processing, and packaging equipment becoming more prevalent. Brewers prefer to use T-90 pellets, that the long and short of it. Until the infrastructure exists to provide us with them, the VA hop industry will remain a wet hop industry.”**

COMMENTS FROM BREWERS

- “I'm not aware of any places to go buy hops. After reading this email I'll probably go find some growers and see if they will sell smaller quantities”
- “Just have not met any growers.”
- “I'm not aware of any hop growers but I have not spent any time searching for them yet. Will do soon though.”
- “The choices above reflect our brewery's decisions to not purchase local, price, need pellets, more varieties, etc. The other bit of feedback we can offer is the lack of knowledge of the local industry. We've heard from a few Virginia-based growers, but we are un-aware of the availability that is out there. Is there a Virginia Hop Grower's Association or something we can be directed to?”

NEW GROWER QUESTION: “IS THERE DEMAND FOR VA HOPS?”



WHERE DO WE GO FROM HERE?

- Respond to brewers: “How do I find hops in VA?”
- Continue networking and collaboration
- Offer a high-quality product and a good reputation
- Find, build, & maintain your market



HOPS IN THE NEWS

- . The Growth of Virginia Hops: http://www.richmond.com/food-drink/article_03231c58-1e57-11e4-b3c7-001a4bcf6878.html
- . Virginia Now Harvesting Hops: http://www.timesdispatch.com/entertainment-life/columnists-blogs/lee-graves/the-beer-guy-virginia-now-harvesting-hops/article_6afa92c4-aa31-5f55-9b02-0dc047dde8f0.html
- . Central Virginia Ag Spotlight: I've done a few stories on my blog following two hops growers in Chesterfield. <http://blogs.ext.vt.edu/central-virginia-ag-spotlight/category/specialty-crops-2/hops-specialty-crops-2/>
- . Collection of new articles highlighting the crop and members of the Old Dominion Co-op: <http://www.olddominionhops.com/home/in-the-news>
- . From Grain to Growler Documentary: Focuses on the growth of breweries in VA, but also highlights the supporting industries including VA hops and new interest in malt barley. <http://fromgraintogrowler.com/>
- **USA Today:** Virginia Turning to Hops as Potential Cash Crop: <http://www.usatoday.com/story/money/business/2014/10/05/ap-virginia-turning-to-hops-as-potential-cash-crop/16767145/>
- **Untapped Potential for Hops Industry in Virginia:** http://www.dailyprogress.com/news/local/ag-experts-untapped-potential-for-hops-industry-in-virginia/article_a76b6416-981d-11e3-aa03-0017a43b2370.html
- **Richmond Times-Dispatch article:** http://www.timesdispatch.com/agriculture-experts-say-va-has-potential-for-hops-market/article_4aa4ce9d-e5f2-527c-9b91-e6c10ce5bb60.html
- **Farm Bureau article:** https://vafarmbureau.org/NewsVideo/NewsHeadlines/tabid/347/articleType/ArticleView/articleId/1679/More_growth_on_tap_for_Virginias_craft_beer_industry.aspx

RESOURCES FOR GROWERS

- NC Hops Project-variety data and other resources
 - <http://www.ces.ncsu.edu/fletcher/programs/nchops/>
- NC Herb website-hops production presentations
 - <http://www.ces.ncsu.edu/fletcher/programs/herbs/>
- Uncorking Possibilities scholar site-contains resources for wine, beer, cider production-contact Loudon Extension to be added
- University of Kentucky pub:
<http://www.uky.edu/Ag/CCD/introsheets/hops.pdf>
- Basic info about how hops grow and how they are produced in the Pacific Northwest-good place to start to understand the background and needs of the crop: <http://www.uvm.edu/extension/cropsoil/wp-content/uploads/jason-presentation.pdf>
- Beer Legends website with lots of hops basics and instructions:
<http://beerlegends.com/hops>

QUESTIONS?

