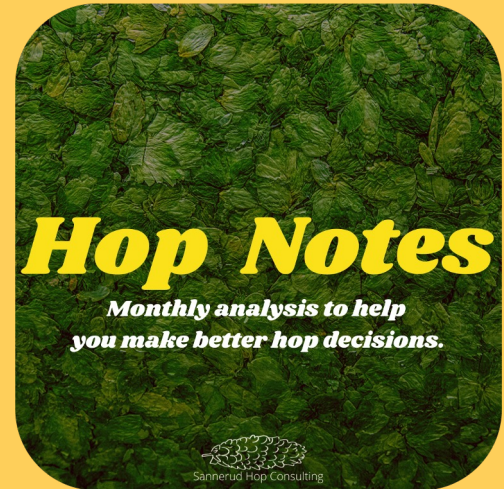


Public Hops and Regional Hop Farms: a Perfect Match

Eric Sannerud
Sannerud Hop Consulting



- SANNERUD HOP CONSULTING -



About Eric Sannerud

- “Brewing Is Ag”: re-connecting brewers to their ingredients to boost satisfaction and creativity.
- Grew hops for 8 years as Mighty Axe Hops.
- Worked for BSG hops.
- Sannerud Hop Consulting serves brewers, farmers, and merchants across the country.



Overall Hop Market

High Prices & Oversupplied

- Way too many Aroma hops
- Specific varieties are driving the overage
 - Primarily proprietary varieties like Citra and Mosaic
- Alpha market getting full too
- Beer consumption, including craft beer, not back up after COVID
- Demand for hops below current supply
- Main industry players are attempting a soft landing...

Public Hops

Flavor.

Farmers.

Freedom.

Public Hops

**Come for the Taste,
Stay for the Market Resiliency.**

Public Hop Breeding Program Overview

Process:

1. Greenhouse Crosses
2. Field Trials
3. Advanced and Elite Line Grow Outs and Trials
4. Release



Public Hop Breeding Program Overview

Process:

1. Greenhouse Crosses
2. Field Trials*
3. Advanced and Elite Line Grow*
Outs and Trials
4. Release

***You can be
involved!**

Public Hop Breeding Program Overview

What makes it different than the other 20+ private breeding programs active in the US market:

- Public
- Long Term
- Interdisciplinary
- Not profit driven



Public Hop Breeding Program Overview

Important players:

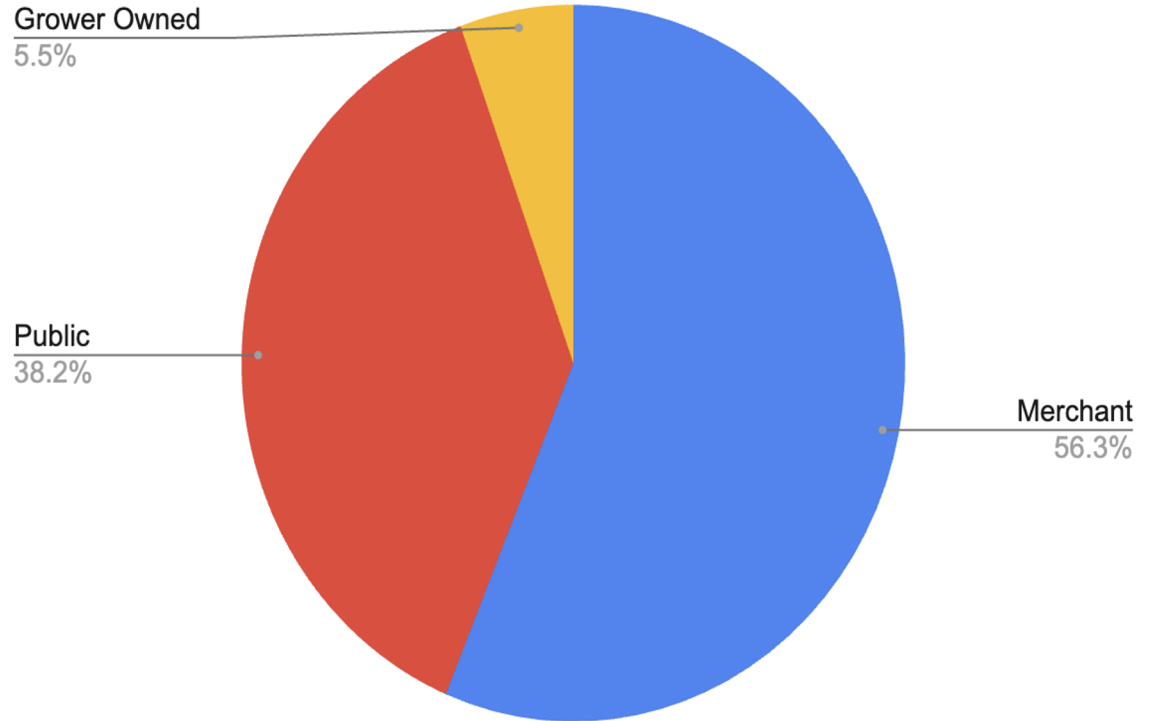
- USDA researchers
- Various University researchers
- Hop Research Council (HRC)
- Hop Quality Group (HQG)
- Brewer's Association (BA)



Acreage Ownership by the Numbers

Acreage Ownership by Owner-Type: 2022

- Merchant owned - 56%
- Public - 38%
- Grower owned - 5.5%



How Public Varieties Function

- Paid for by federal tax dollars (less than .0003%)
- Any farmer, anywhere in the US can plant as many as they want with no licensing fees or rights required
- Require growers willing to plant and merchants willing to sell in order to gain market presence

Cascade Triumph Vista CTZ Chinook

Opportunities for Small Farms

Opportunities for small farms

- Collaboration and Marketing
- Engaging brewers with values and stories
- Sustainability is becoming more important to brewers



Opportunities for small farms

- Embracing the public program
- Embracing new public
- Testing public lines, seeking terroir/regional distinction in growing or aromas



Opportunities for small farms

- Quality! Cascade Cup!
 - Billy Goat Hop Farm has now won back-to-back Cascade Cups for their Colorado-grown Cascade. The first farm to ever win outside of the PNW and the first farm to ever win twice in a row.



What is Working

What's working in other parts of the country

- Once quality, how to grow, how to process, etc... becomes known and implemented by a region's growers - **marketing** becomes the most important piece to long-term financial success.
- Collaborating for marketing efforts can
 - Improve funding opportunities,
 - Increase potential sales volume to justify larger investments,
 - Lift-all-boats through better awareness of the regional crop.
- Here are some examples from across the country...

New York

- The Hop Guild, Hop Growers of New York
 - Shared branding and marketing
 - Supporting local breeding efforts
 - Seeking funding from State of NY
 - NY Cascade brand: high thiol



Wisconsin

- WI Hops Exchange
 - Literal Cooperative!
 - Marketing and sales handled collectively
 - Hired full time manager and sales person
 - Plus now a part-time MN based rep



Massachusetts

- Four Star Farms, on farm brewery Four Star beer
- Allows them to experiment and explore how to use their hops
- Great marketing and great product knowledge



WEST COAST IPA

TASTING NOTES
Bright fruit forward
aroma followed by notes
of citrus and stone fruit,
balanced malt and light
bitterness on the finish.

INGREDIENTS
★ Cascade Hops
★ Pale Malt
HRC-003
Pale Ale Malt

★ GROWN HERE

6.0% Alcohol By Volume
16 Fl.oz.
MA DEP. 5% Please Recycle

KEEP COLD

GOVERNMENT WARNING: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

OPEN TO THE PUBLIC
WEST COAST IPA

**THE BREWERY AT
FOUR STAR FARMS**

Our Farm to Your Glass

BREWED IN
COLLABORATION WITH

LAMPLIGHTER
BREWING CO.

HOP RESEARCH
COUNCIL

Visit our tap room,
brewery, and farm in
Northfield, Mass.
FourStarBeer.com
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Brewed & Canned by
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FOUR STAR FARMS
508 PINE MEADOW RD.
NORTHFIELD, MA 01360

8 50025 90532 9

Michigan

- Michigan
 - MI Chinook
 - Chinook Cup
 - Growing for local markets
 - Brokering globally for national markets



New England

- Growers across the NE collabing on marketing a regional identity, grant applications
 - ME: The Hop Yard
 - MA: Four Star Farms
 - VT: Champlain Valley Hops



In Summary

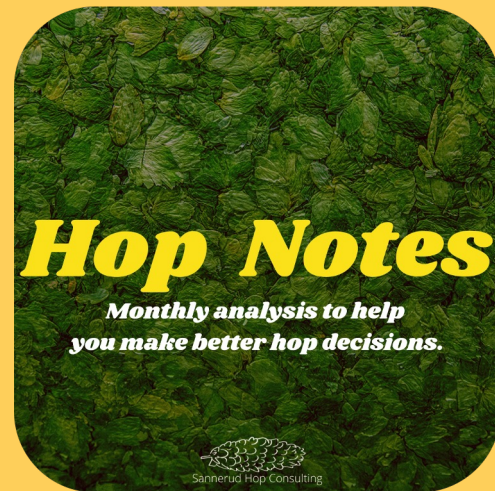
- Quality, how to grow, how to process: these are the basics, the must haves.
- Cooperative, collaborative marketing and branding efforts often supported by grant funds.
- Through that marketing achieve scale to stable revenue then pivot into larger marketing and funding ventures.

In Summary

- For Minnesota maybe this looks like;
 - Exploring a cooperative approach to marketing
 - Co-operating with existing entity for logistic support
 - Leverage external funds for marketing



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