

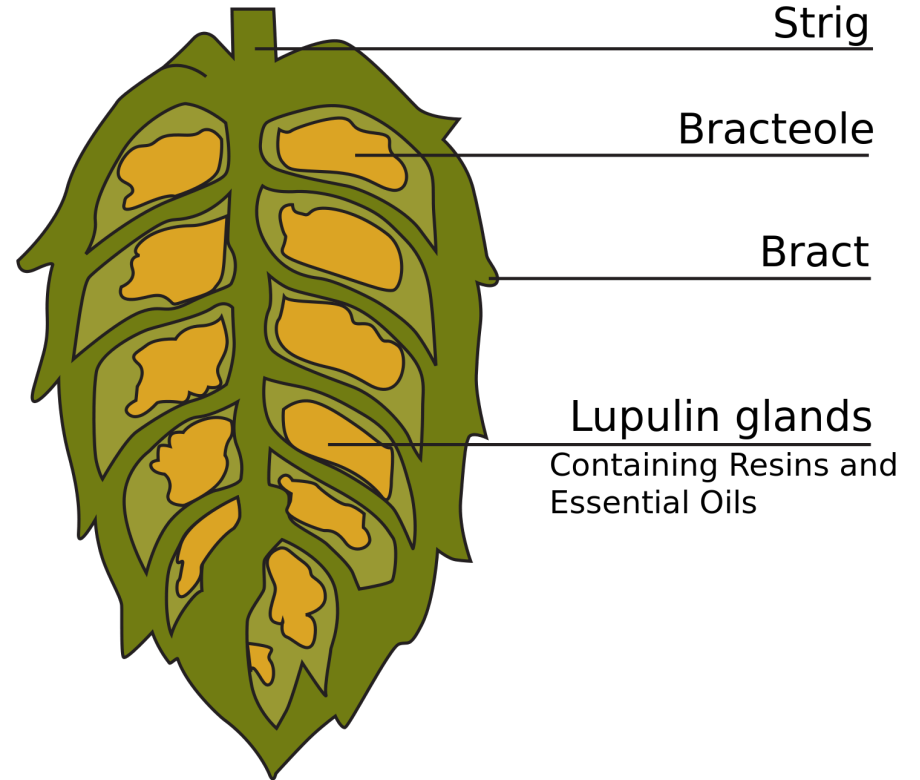
HOPS IN NEBRASKA

Market and Profit

Dave Lambe, MBA

Marketing Hops

- Farmers Markets
- Tea and Coffee shops
- Floral Design
- Brewers
 - Commercial
 - Home



Marketing Hops

Considerations:

- Number of years to full production – 4-5
- Packaging
- Customers
- How the hops are sold/processed
 - Wet
 - Dried
 - Pelletized



Start up costs

E3236 Michigan State University Extension – 'Estimated Costs of Producing Hops in Michigan' 2014

Michigan/ 1 acre

- \$13,000 + start up

Most expensive:

- Poles – digging, poles, placement, field and end poles - \$5222
- Plants - \$4000
- Wire and hardware - \$1500
- Irrigation \$1500
- Labor – planting, poles, management - \$1420 – average \$20/hr

Price – Cost = Profit

- Pelletized (most common for brewers)
 - **Price** – year 4 - \$21,000/acre (1,500lb - \$14/lb)
 - **Cost** – year 4 - \$15,505/acre
 - Largest – picking and processing - \$9,000 includes labor
 - **Profit** – year 4 - \$5,495/acre

Market Price vs. Cost

Factors that can change profits

- Weather
- Labor
- Demand for hops
- Uses of the product
- Petroleum costs



opportunities for Nebraskans

breweries in the Mid-West

not enough hops to fulfill the current market need
new markets like hoped coffee



U.S. BEER SALES VOLUME GROWTH 2015

OVERALL
BEER
0.2%
196,701,792 BBLS

12.8%
CRAFT
24,076,864 BBLS

IMPORT
BEER
6.2%
31,245,124 BBLS

16.3%
EXPORT
CRAFT
BEER
446,151 BBLS

OVERALL BEER MARKET
\$105.9 BILLION

CRAFT BEER MARKET
\$22.3 BILLION
16% DOLLAR SALES GROWTH

