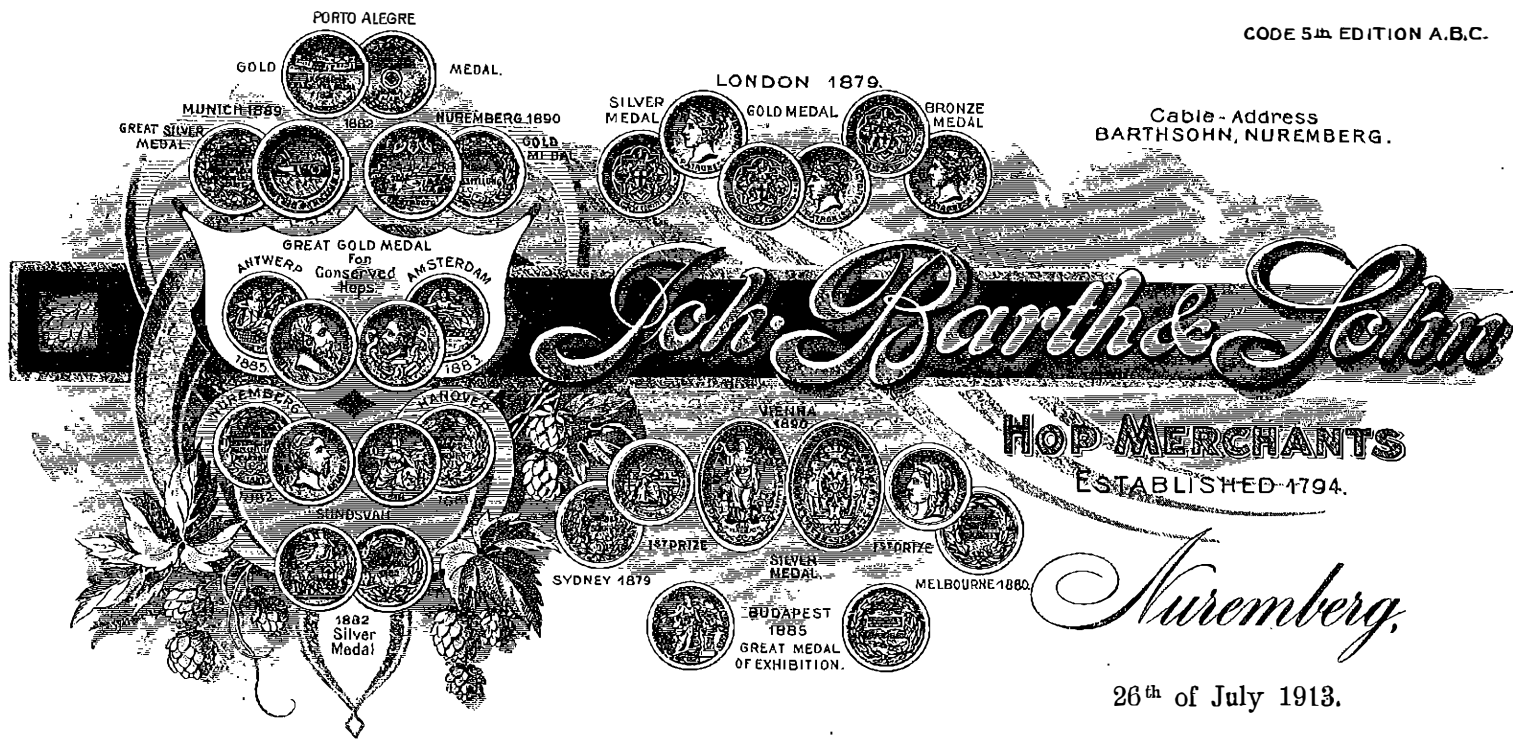


Cable-Address
BARTHSONN, NUREMBERG.



26th of July 1913.

Annual Hop-Report for 1912/13.

Having during our 119 years existence experienced times of prosperity and periods of anxiety together with the rest of the former German people, we gladly avail ourselves of the opportunity offered by the Jubilee of 25 years which has just been celebrated by the Emperor William II, of recording gratefully the beneficial times of peace and also their excellent influence on the whole of Commerce and Trade. Thanks to this peace the German Brewing industry has become one of the leading German Industries, and after Coal and Iron takes today the next place in the German economical life.

The German
Brewing
Industry under
Emperor
William II.

The yearly production which in 1888 amounted to about 47 million Hectoliters rose within the last 25 years to about 70 millions. The German Brewing industry by its progressive and educational but also gave the impetus for the introduction of that industry in Countries where the brewing of Beer had not been carried on formerly.

All of this important industry living branches of Agriculture, Commerce, and Industry as well have thus every reason to remember with gratitude the Prince of Peace under whom such a development could take place.

The Brewing industry in general has been further strength after the relapse it has had in previous years, although the sale in many Countries has gone down on account of the climatic conditions being less favourable when compared with the previous years.

the consump-
tion of Beer.

Only France, Austro-Hungary, and Germany show a downward movement specially noticeable. The Brewing industry of France was in the first instance unfavourably influenced by the low prices of fruit; secondly — and this applies to all Countries — by the weather, which has not been conducive to the drinking of Beer. The Brewing industry in Austro-Hungary suffered mainly by the political uncertainty which shook the whole of the Country. The unexpected mobilisation which lasted more than half a year, was and still is a very heavy burden on the industry and commerce of the said Monarchy. Germany on the contrary enjoyed a high tide mark of trade lasting up to this Sp works are concerned. A smaller beer-production is therefore all the more conspicuous,

Unfavourable
consequences
of the economic
position.

and is furthermore a sign that the German Brewing industry can only profit from the general good trade if the great mass of the people is not forced to live under oppressive economic conditions.

The **consuming power of the German people** which in comparison to the general increasing tendency towards good trade has only increased very irregularly, and far from very strongly, in the last years, this consuming power has become lately very much smaller, on account of the dearth, the bad condition of the building trade, the tight money market, and the ever increasing taxes. This **decrease of the consuming power** of the great mass of the people is best shown by the decrease of the consumption of the beverage of the people, that is to say "Beer".

The **world's production of Beer** amounts at present to about 290 million Hectoliters. According to the civil or fiscal year, the various Countries contributed as follows to the

Production of Beer in 1912.

	1000 hectoliters		1000 hectoliters		1000 hectoliters
United States . . .	72933	Mexico	750	Uruguay	70
Germany	68000	Italy	721	Ecuador	55
Great Britain . . .	59022	Chile	650	Columbia	54
Austro-Hungary . .	24717	Norway	450	Peru	50
Belgium	16594	New Zealand . . .	433	Egypt	45
France	15822	Japan	350	Bolivia	41
Russia	11000	British South Africa	300	Portugal	40
Switzerland	3000	Spain	271	Philippine Islands .	35
Sweden	2739	Rumania	265	Algeria	35
Denmark	2448	Cuba	220	Venezuela	32
Australia	2300	Bulgaria	200	Paraguay	28
Canada	2138	India	170	Guatemala	18
Netherlands	1877	Turkey	145	Greece	15
Argentine	1150	Serbia	128	Panama	15
Brazil	800	China	78	German South Africa	11

Retrospect of
the 1911/12 crop
and
conclusions.

Before commencing our report for the hop year 1912, we consider it advisable to give a short review of the **previous campaign of dear Hops**, so as to gather useful hints to act as a guide for the future. We maintain therefore that the down grade movement of the high prices of 1911 evidently prove that each movement must be attributed to **its own distinctive characteristics**; in this instance it was due to the fear of a dearth of Hops that the quotations for the 1911 crop could reach such a height. Prices could have been considerably lower during the whole of the season if by waiting calmly the conditions in general could have cleared themselves up, as it has been our standpoint, and if all persons interested in the Hop branch had not been influenced by the exaggerations of the moment. The end of the 1911 season has shown that the world's crop together with the existing stock was quite sufficient for the world's requirements.

Value of
Statistics.

The development of the year 1912/13 almost finished gave the Hop trade a turn which could not have been otherwise, owing to the shortage of previous years. Whilst a few years ago on account of the annual over-production any statistics whatever seemed to be superfluous, as the crops largely exceeded the requirements and therefore amply provided the market with goods, still **statistics** have taken their **proper position** again, since the area of the production has been reduced, and fully justify now their correctness. They contributed in no small degree to the fixing of prices in the last years.

It is therefore very important to point out that the year 1909 started a slow but certain improved period for the Hop producers. Previous to this year the growers were at a great

disadvantage caused by the over-production which lasted nearly a generation and which has been especially noticeable since the end of the last century.

Healthy conditions of Hop growing.

The confidence of making profit which was largely shaken through the unremunerative prices of the years 1905 to 1908, has in the last few years again been restored and is best shown by the creation of many new hop gardens from first class seedlings.

Even if the Brewing industry has suffered in the past by having to pay higher prices caused through a smaller production, yet that industry will in future gain very largely by this reduction of the area, as growers have decided to pay more attention to the quality than to the quantity. The improvement of quality will also again result in an increase of quantity, each acre producing a greater crop as time goes on. Future events will prove this.

Transition from quantity to quality.

It might be interesting here to find out the output per Hectare in the principal German and Austrian cultivation districts, as it shows itself on the basis of the previous crops. These figures will require revision when the transitory stage from quantity to quality is finished. It is therefore all the more important to fix the results hitherto obtained, so as to have a better documentary proof of the progress caused by this transition.

Different output per Hectare.

Different yields per hectare of the German and Austrian Cultivation Areas.

Crops	The yield per hectare amounts to cwt. in:											
	Haller-tau	Spalt	Gebirg	Bavaria	Wur-temberg	Bade	Al-sace	Ger-many	Saaz	Auscha	Bohemia	Austria-Hungary
Record crop	21	15	12	17	18	24	28	17	22	30	23	20
Very large crop	15	13	11	14	15	20	24	15	16	18	17	16
Large crop	14	12	10	12	14	18	22	14	14	16	15	14
Good medium crop	13	11	9	11	13	16	20	12	13	14	13	12
Medium crop	12	10	8	10	12	14	18	11	12	12	12	11
Weak medium crop	11	9	7	9	11	12	16	10	11	11	11	10
Small crop	10	8	6	8	10	10	14	9	10	9	10	9
Very small crop	9	7	5	7	8	8	12	8	9	8	9	8
Complete failure of crop	7	6	4	6	6	6	8	6	7	7	7	7

The prospects for the 1912 crop were at the commencement not very favourable. The plants were in general rather weak, and the bine was not strongly developed. Plentiful rains during the months of May and June caused however the dissolving of the natural and chemical manures which had not been dissolved last year and effected a strengthening of the plants which, hitherto, would not have been thought possible.

Growing period of the 1912 Hops.

Under the influence of the best possible weather reminding at times of the fertile climate of the Tropics, the plants developed during the summer wonderfully, and the record crop that was only dreamt of by optimists in July became a reality. Even new plantations which generally in the first year of cultivation give no results, showed in this abnormal year partial results.

Here we should like to take the opportunity of pointing out that repeatedly in former years small or bad crops were followed by rich results mainly based on the above facts. Although we do not wish to give these statements as guides for the future, yet we do consider it advisable to draw special attention to it. At the same time we wish to emphasize that though the Hop plants may have been weakened by a bad season, it does not necessarily follow that it would have a bad influence on the crop of the following year, unless quite abnormal weather should again endanger the growth of the plants.

Experiences from the crops of the two last years.

On the following page we produce our annual crop statistics, most carefully compiled and revised, concerning

Hop Acreage and Production.

Producing Countries:	Acreage of cultivation Hectares		Yield per hectare in cwts. of 50 Kilos each		Estimate of the Crops in 1000 cwts. of 50 Kilos each							
	1911	1912	1911	1912	1905	1906	1907	1908	1909	1910	1911	1912
Hallertau	8766	9085	9	20,8	142	148	123	147	80	126	78	182
Spalt	2615	2642	4,5	12,2	43	39	33	48	15	32	12	32
Kinding	217	208	3	14	7	6	5	4	—	2	1	3
Aischgrund	1504	1281	3	11	30	20	20	28	1	18	5	14
Gebirg and Markt	4273	4409	3	11	103	37	82	80	2	45	13	47
Bavaria	17375	17625	6,3	16	325	250	263	307	98	223	109	278
Wurttemberg	3182	3281	11	15	87	52	61	68	12	47	35	47
Alsace-Lorraine	3947	4055	18	24	125	72	95	104	12	92	71	95
Bade	1036	997	4	21	38	31	29	35	2	18	4	21
Prussia	1118	1008	8	17	32	17	22	22	7	14	9	17
Germany	26658	26966	8,5	17	607	422	470	536	131	394	228	458
Saaz	11250	11860	8,6	21,3	188	74	143	196	79	170	95	240
Auscha-Danba	3620	3233	8,5	29	105	29	93	88	25	56	31	94
Bohemia	14870	15093	8,5	22,5	293	103	236	284	104	226	126	334
Styria	1898	2049	10	17	17	18	26	25	23	28	19	32
Gallcia	2166	2175	6,5	9	23	25	25	18	14	15	14	19
Austria	522	522	8	16	7	8	5	7	4	6	4	8
Moravia	463	509	9	15	9	8	10	10	5	7	4	7
Hungary	1357	2176	20	22	12	12	16	16	14	15	19	30
Austro-Hungary	21276	22524	8,7	20	361	174	318	359	164	297	186	430
Belgium-Holland	1900	2109	27,3	36,8	107	45	55	78	29	58	52	70
France	2725	2800	17,6	22	71	75	79	80	27	54	48	60
Russia	9000	9000	7,2	7,5	100	55	80	75	60	58	65	67
Continent	61559	63399	9,4	17,6	1246	771	1002	1128	411	861	579	1085
England	13388	14107	26,4	28	707	249	380	475	205	296	354	375
Europe	74947	77506	12,4	19,5	1953	1020	1382	1603	616	1157	933	1460
America	18145	19441	22	25,8	504	571	520	410	310	400	400	469
Australia	740	755	20,3	19	15	15	14	14	10	10	15	14
World-Production	93832	97702	14,3	20,7	2472	1606	1916	2027	936	1567	1348	1943

Predictions are mostly misleading.

The final result of this year's crop, and the continuous rain which lasted during the months of August and September proved again that in the case of all products of nature, a reliable estimate as to quantity, and the judgement as to quality, can only be passed when such products have been safely harvested. Would that all persons interested in the purchase of Hops consider the truth of these yearly recurring statements. If this were done, it would no doubt lead to a far greater stability in the quotations, and to a greater confidence in the business as a whole, much to the advantage of all parties concerned.

The advancing of the qualities became noticeable at an extraordinarily early date in spite of the great crop. In October already 80% of the crop was sold out of the first hand in Germany as well as in Austro-Hungary. At the beginning of 1913 first class and choice qualities were only still in the smallest quantities in the open market.

The 1912 record output.

Up to the present it has been assumed that only Austro-Hungary, especially Bohemia had produced a record crop, whilst on the other hand Germany on account of the bad weather had only harvested a very big crop but equalling previous ones. In view of our accurate statistics be rectified in so far that Germany as well yielded a record crop not hitherto reached, and made a record for itself by producing 17 cwts. per Hectare.

The Hallertau alone picked the enormous quantity of 182,000 cwts., and thus produced about the same yield per Hectare as the Saaz country, viz. 20,8 cwts., as against the previous highest production of 16—18 cwts.

We publish herewith the

Yields of the Hallertau and the Spalt Country in 1912.

Hallertau				Spalt	
	cwts.		cwts.		cwts.
Au-Nandlstadt	40826	Geisenfeld	8186	Spalt Town	4444
Wolnzach	31114	Langquaid	6600	Spalt County	11869
Mainburg	26872	Rottenburg	5504	Spalt District	8557
Pfaffenhofen	16990	Neustadt	5111	Spalt Country	6781
Siegenburg	16980	Other districts	14439		
Pfeffenhausen	9225	Hallertau	181847	Spalt	31651

The harvesting began very early, and the pressing offers on the part of the growers, caused partly by the **want of storage**, led to a quick settling down of prices.

Sales and Purchases.

All things being taken into consideration, the position of the Hop industry appeared from the beginning to be sound, and in comparison with former years the business already at the beginning of September was on a solid basis.

This fact stated by us at the opening of the season could not be altered by those dealers who, quite **mistaking the state of affairs**, were speculating on low prices and sold before and during the crop at incredibly low rates. Forced by circumstances, as the business developed in a manner opposed to their views, the greater part of these dealers tried to rectify their mistake by the purchase of Hops not of first quality. The Brewing industry, although buying at cheap prices, received therefore partly cheap but not absolutely first class quality Hops.

Although the greater part of the Trade soon judged the position correctly, yet they were not able to take full advantage of the situation. The **extraordinary percentage of moisture** contained in the Hops, a quantity of water equal to 10 to 35% and hitherto not known, prevented the trade to a very large degree from coping with too large quantities. The stoppages caused through the want of toiles and the scarcity of railway cars were, therefore, of no consequence, because the trade was fully occupied. The enormous quantities which arrived here daily on this market, very badly dried, quantities reaching up to 3000 bales, besides the still greater consignments sent daily by rail direct into the magazines of the dealers, show that **the Nuremberg trade is at the height of its reputation**.

The trade is at the height of its task.

The Brewing industry has taken quick and prompt advantage of the cheap prices, and the Hop trade was often incapable of keeping a supply equal to the demand.

The **fluctuations of the prices** were mainly influenced by the political position. Although the markets of Hops are not subject in the same measure to political events, as are the money or goods exchanges, yet there can be no doubt that the uncertainty of the political outlook everywhere made its influence felt and also caused a general depression in the Hop market.

Fluctuations of prices 1912/1913.

The **outbreak of the Balkan war** suddenly terminated the upward tendency from the beginning of the season and caused towards the middle of October an easily explainable restriction of all dealers who were partly not covered for future deliveries.

The **Bohemian dealers** especially had large profit by the Political position, as they had sold in all parts of the World, at extraordinary low prices, believing that the Austro-Hungarian record crop of 430,000 cwts. could not be sold, for they could only reckon on a home consumption of 140,000 cwts. They had therefore to calculate on having to sell abroad about 300,000 cwts. Many contracts at very low prices for Austrian Hops were made, lower than the purchase price of the raw material for the time being. There is no doubt the Bohemian trade would have suffered great losses, if the political uncertainty had not put a stop to a **further rise of prices which would have certainly happened**.

Erroneous conclusions of a part of the Bohemian trade.

The view that only the crop of the home country fixes the prices is a false one. Prices regulate themselves according to the position of the world's market, for also the Hop market has become an **International one**.

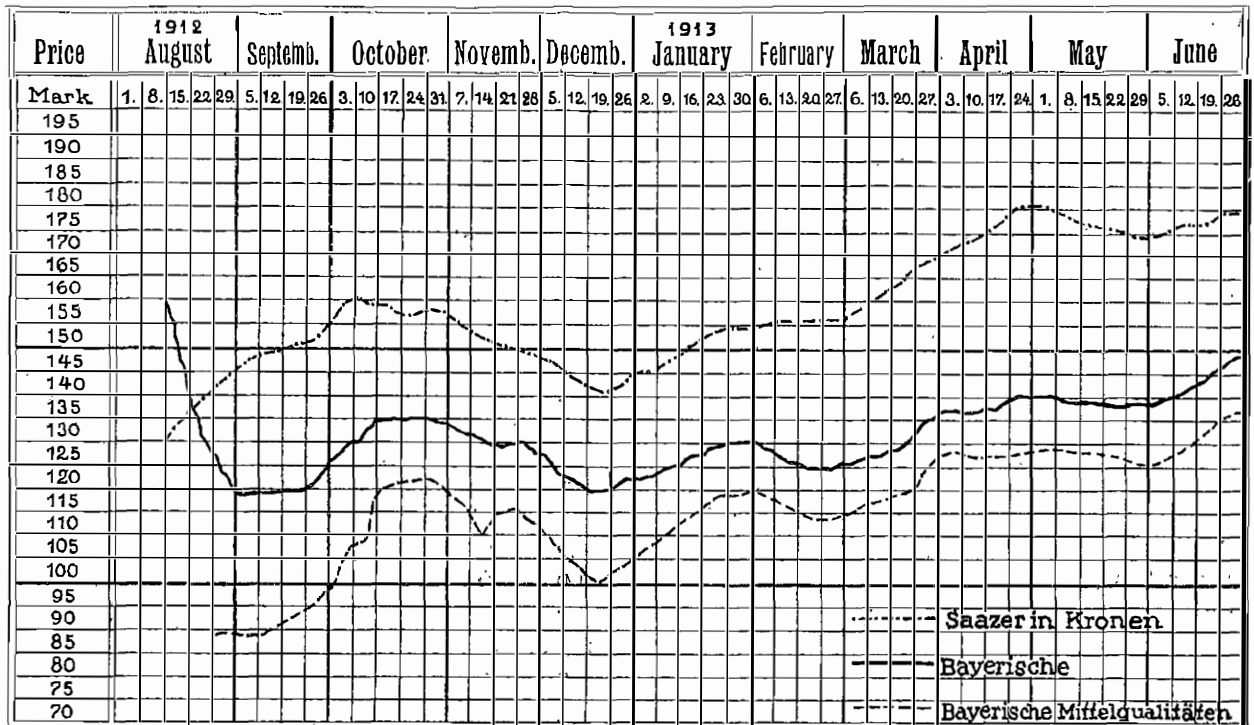
The quotations from the middle of October up to December were of a downward tendency. Towards the middle of December the **Ambassadors' conference** and the peace

The Influence of Politics.

negotiations between Turkey and the Balkan States in London opened out a more hopeful prospect. When furthermore a great part of the sold stocks of the trade had been packed and delivered, dealers as well as brewers who were only partially supplied, thought it prudent to cover. This led to an upward tendency, and prices rose till February up to the highest point reached in the middle of October.

The **disarmament between Austro-Hungary and Russia** which had been foreseen in February and which shortly afterwards became a reality, had the result that especially the Saaz market became very firm, which of course had its effect on the Nuremberg market. Since then **leaving Politics to itself**, business has progressed firmly and prices have continued to rise. Prices and the fluctuations of the same turned out as reported by us, and we point out here to the

Graphic description of the Hop prices 1912/13.



The prices are to be understood for 50 Kilos of the best existing raw-product.

Diminution of the cultivation areas.

The following table demonstrates the diminution of the cultivation Area since the year 1905, and the present though slight increase of that area beginning from the year 1909 in those Hop growing districts which have an influence on the market quotations.

Cultivation Areas from 1905 to 1912.

Years	Germany	Austro-Hungary	Great Britain	United States of America
	Hectares			
1905/06	39511	22252	19833	22337
1906/07	38861	24363	18923	22337
1907/08	38297	24999	18200	22276
1908/09	35865	26506	15762	20251
1909/10	28964	23565	13179	17659
1910/11	27466	21059	13319	18428
1911/12	26658	21276	13388	18145
1912/13	26966	22524	14107	19441
Decrease	31%	—	28%	13%
Increase	—	1%	—	—

Stocks.

As will be seen from this table in 1905 the German area was nearly as large as the area of the two next most important Countries in Europe combined, viz. Great Britain and Austro-Hungary, whilst Austria-Hungary has now nearly the same area.

The stocks in the open market are in all countries almost exhausted and at this time of the year never have been so small. We estimate the still unsold stocks of Austro-Hungary and Germany at 3000 cwts. at the most.

The stocks in the Breweries especially in the German ones are in contrast to the above extraordinarily large on the average; only the Austro-Hungarian Brewers have small supplies on account of the political situation.

However, as the Brewers of the other countries possess on an average stocks to last them 3 to 4 months, prices for the coming season cannot be very high, even if the crop is not very large.

It is worth mentioning that in the coming Autumn the area under cultivation in comparison with previous years is about 4000 Hectares larger, and thus even with a medium crop one can reckon on a production of about 60,000 cwts. more, a quantity corresponding to about 3 months German consumption.

Larger cultivation area, smaller hop consumption.

Below we give the figures of the probable consumption of Hops of the world for 1913/1914, based mostly on official communications. Compared with the last year the consumption is about 70,000 cwts. smaller on account of the reduced beer production on the European continent.

World's Hop Consumption 1913/14.

	Probable Production of Beer 1913/14 hectol.	Dose of Hop in pounds.	Hop-Consumption in 1000 cwts. of 50 Kilos each
Germany	68,000,000	0,38	258
Austria-Hungary	24,000,000	0,55	132
France	15,000,000	0,5	75
Belgium and Netherlands	18,500,000	0,5	92,5
Russia	11,000,000	0,6	66
Scandinavia and Denmark	5,600,000	0,4	22
Switzerland	3,000,000	0,5	15
Spain, Portugal and Italy	1,000,000	0,5	5
Continent	146,100,000		665,5
Great Britain (as per Government Statistics from 1st October 1911 until 30th September 1912 549507 cwts.)	59,000,000	0,95	560,5
Europe	205,100,000		1226
United States of America	74,000,000	0,5	370
Canada	2,000,000	0,6	12
Central America	1,000,000	0,6	6
South America	3,000,000	0,6	18
East Asia	500,000	0,6	3
Australia and New Zealand	2,700,000	0,75—1,0	22
Africa	400,000	0,6	2
Orient and India	900,000	0,7	6
World's consumption	289,600,000		1665

The prospects for the 1913 world's crop are in general still fairly satisfactory up to the present date. The great differences between the temperature of night and day towards the middle of May favoured the extension of vermin of all kinds in all the Continental Hop growing districts, including England. Plentiful rains and artificial washing has, however, stopped the further increase of the vermin in nearly all countries. Nevertheless the vermin is still endangering the crop. It may be already said to-day that Austro-Hungary hardly will produce more

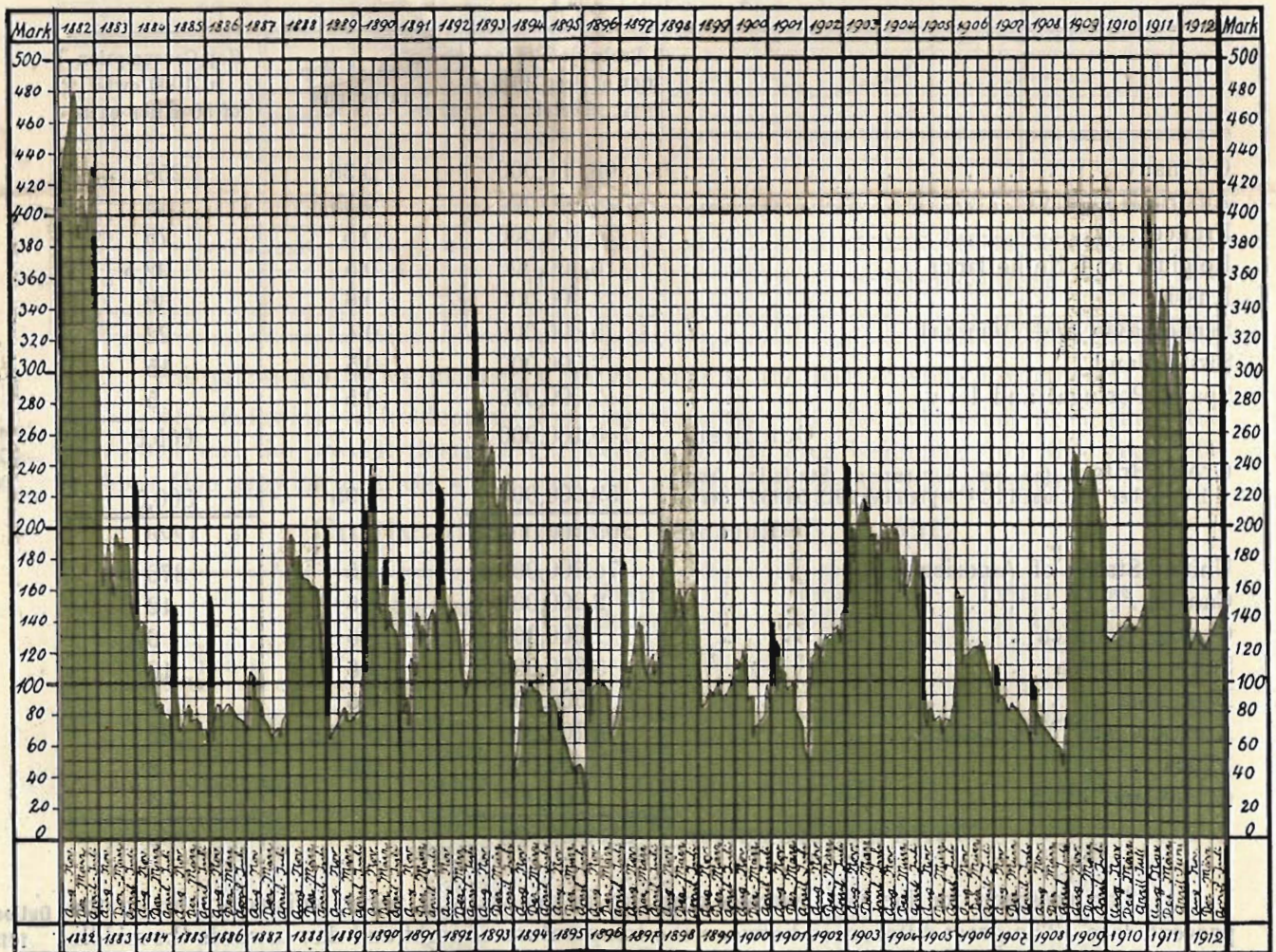
Outlook on the 1913 crop.

than half of last year's yield, whereas in Germany any prediction is to-day still impossible, as Germany plants late hops to a very great extent.

Finally therefore we hope that all interested parties will in the coming campaign give their decision only on the basis of facts, for the supplies of the Brewers are such that they are able to wait till the position is quite clear, which has also for the growers the advantage that they obtain immediately a true insight into the position of the market.

Joh. Barth & Sohn.

Hop Prices in the Years 1882-1912.



Market Prices for 50 kilos of best Bavarian Hops in unpacked condition, according to our books.