

- ~ Cost to Grow Hops
- ~ Marketing & Publicity
- ~ Answering Objections



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# How Much Will It Cost?

- ▶ It Depends
- ▶ What are your goals
- ▶ What do you already own
- ▶ Who are you asking



# Basic Components

- ▶ Trellis System
- ▶ Irrigation
- ▶ Plants or Rhizomes
- ▶ Fertilizer, Fungicides, Pesticides, Herbicides
- ▶ Special equipment
- ▶ Hops & Soil Testing
- ▶ Labor .... or food & beer
- ▶ Processing service
- ▶ Processing equipment



# Ballpark Range To Plant One Acre of Hops

- ▶ **\$8,000 to \$20,000 per acre**
- ▶ **Does Not Include**
  - Sexy tractor, or farming attachments
  - Land lease
  - Water source
  - Processing equipment
  - Marketing & publicity



# Building a Trellis

## ▶ Poles

- Short – 16' 6x6 post or Tall – up to 25' 8" pole
- Free (cedar/black locust), \$35 to \$120
- Equipment to drill holes & lift poles
- Every row or spanning multiple rows?
- Spaced 35' apart or 50' apart?

## ▶ Cable, clamps & thimbles

- 1/8" up to 5/16" galvanized. 7x7 or 7x19 weave
- Length of runs. Break strength & load limit
- 1,000' roll from \$85 to \$265





# Building a Trellis

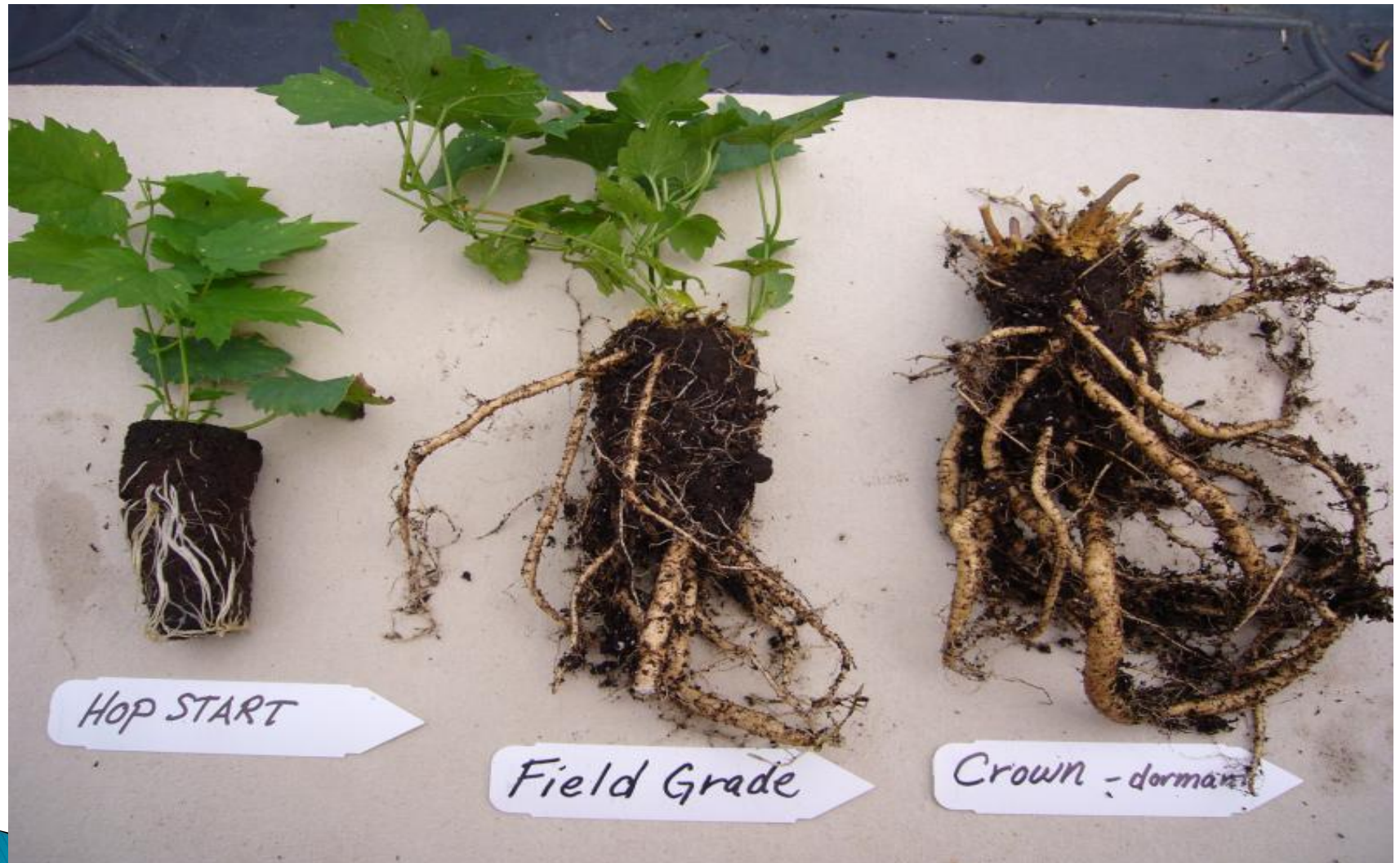
- ▶ Ground Anchors & Turnbuckles
  - Turnbuckles ½" to 1" – \$5 to \$15
  - Ground anchors – depends on support style
- ▶ Lift or Ladder – Rental, purchase, build it



# Plants, Rhizomes, Clippings

- ▶ Plants from commercial grower – \$3 to \$11
  - Hop start, field grade, crown
  - Quantity discounts, negotiate shipping, variety
- ▶ Rhizomes – \$1.25 to \$6
  - Certified clean
  - Organic
  - Failure rate as high as 50% – two or three per hill
- ▶ Clippings – Free!
  - Assumes you have existing plants or a good friend already growing hops

# Hop Start, Field Grade, Crown





# Irrigation

- ▶ Water source
  - 3 gallons per plant, two or three times a week
  - Pond, lake, river, well
    - Filtration system
- ▶ Pump
  - Electric or gas
  - Gallons per minute capacity requirement
- ▶ Controls system
  - Number of zones
- ▶ Pipe or drip tape
  - One or two emitters per plant



# All The Other Stuff

- ▶ Mulch or weed barrier
- ▶ Equipment rental
- ▶ Soil & hops analysis testing
- ▶ Fertilizer ... lots of nitrogen
- ▶ Pesticides, herbicides, fungicides
- ▶ Twine or coir
- ▶ Specialty tools – wire rigging, coir clips
- ▶ Fuel & equipment repair
- ▶ Processing equipment: harvester, oast, pelletizer, packager
- ▶ Business cards, insurance, taxes



# Just Show Me Some Numbers

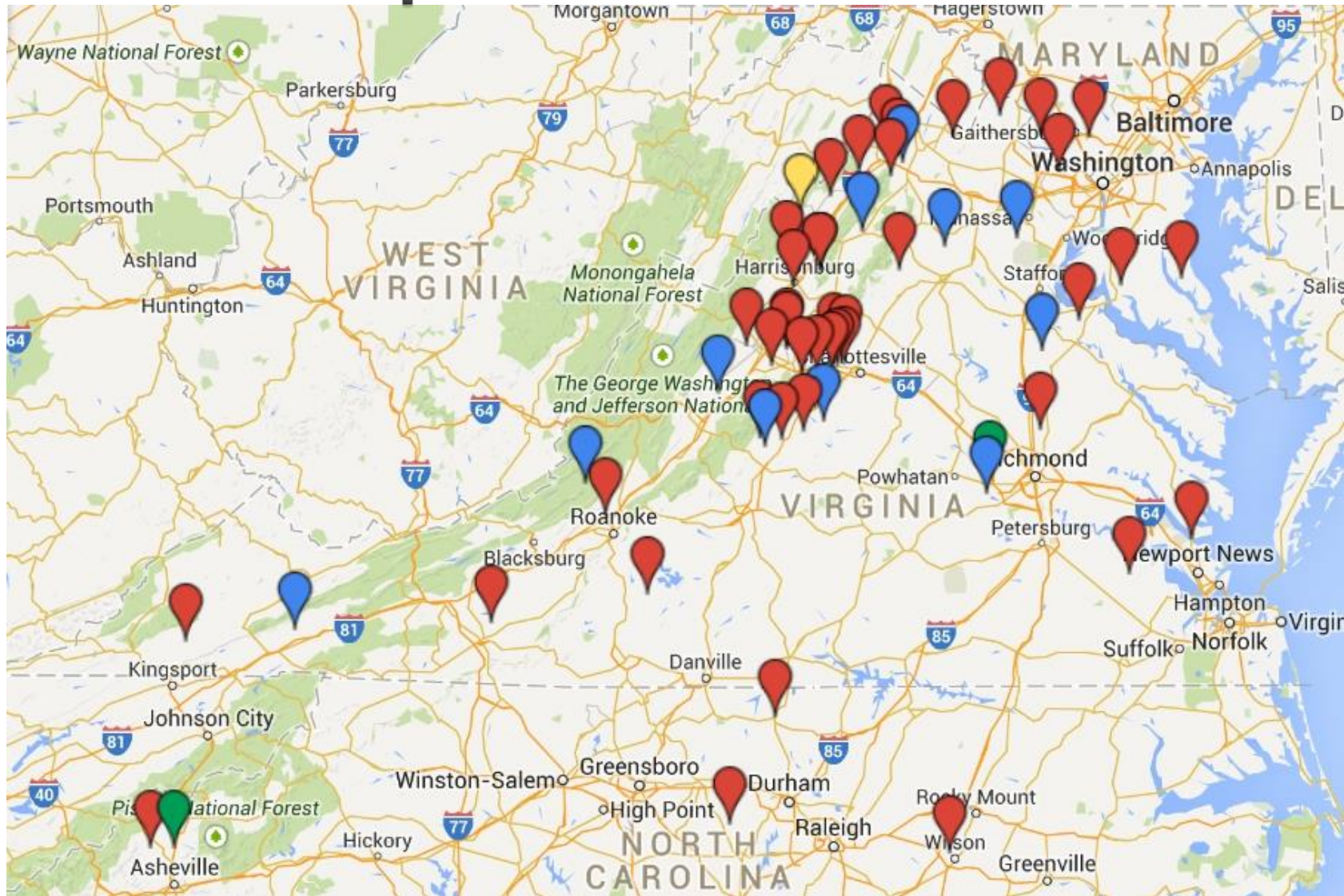
Item	Cost	Qty	Total
Poles	\$75	50	\$3,750
Cable	\$150	7	\$1,050
Trellis Hardware	\$25	40	\$1,000
Plants	\$3.50	1000	\$3,500
Irrigation	\$1,500	1	\$1,500
Chemicals	\$750	1	\$750
Other Stuff	\$1,000	1	\$1,000
	Basic Startup Cost		<b>\$12,550</b>

# References for Cost Calculation

- ▶ North Carolina State University
  - <http://www.ces.ncsu.edu/fletcher/programs/nchops/budget.html>
- ▶ Michigan State University
  - [http://hops.msu.edu/uploads/files/MI\\_Hops\\_cost\\_of\\_production\\_Bulletin-E3236.pdf](http://hops.msu.edu/uploads/files/MI_Hops_cost_of_production_Bulletin-E3236.pdf)
- ▶ Virginia State Extension Service
  - Laura Siegle – Virginia Hops Budget 2.0 Worksheet
    - This worksheet includes costs for future years and projected sales

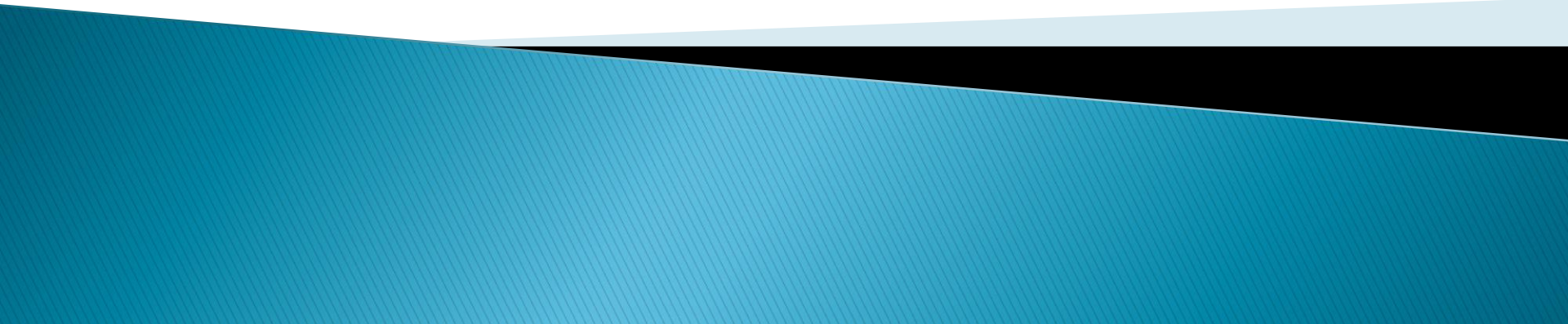


# Member's Map



ODHC Marketing & Publicity Committee

# 10 Things You Should Do to Sell Your Hops to a Brewery



# #1

**Have a business card with your name, name of your hop yard/farm, phone number, and email address.**

It would also be good to have a logo or at least an image of a hop so they will remember you.



**Kurt Stanfield**

*visit* [HuguenotHops.com](http://HuguenotHops.com)

*call* 804.467.2719

*email* [HuguenotHops@gmail.com](mailto:HuguenotHops@gmail.com)




# #2

**Create a sales brochure.** At least two sheets but no more than four. Include pictures of your hops

- ▶ Talk about why you are growing hops
- ▶ Talk about the varieties you grow
- ▶ Discuss your goals for the upcoming season
- ▶ Include price for wet, dried and pelletized hops

If you can't get a meeting with the brewer after several attempts, then at your next visit to the brewery leave your sales brochure with a server.





# #3



Like us on  
**Facebook**

**Establish a presence on social media** for your business. Consider Facebook, Instagram, Twitter, as well as a small website.

Use these business accounts to “like” the breweries where you want to sell your hops. Respond to their posts, like their pictures, re-tweet their tweets, and share information about their events on your business page.

# #4



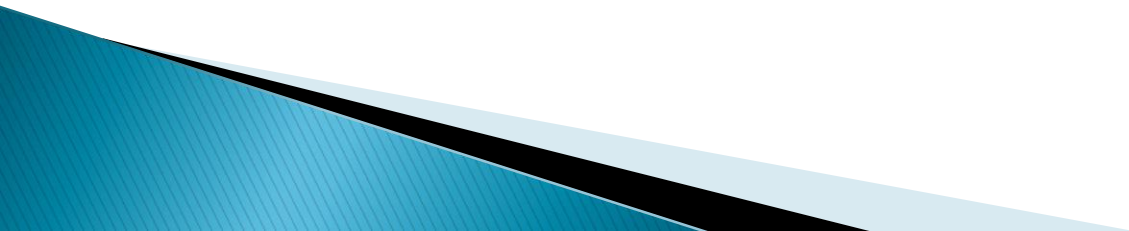
**Go to the breweries you want to sell to this season and *drink their beer***

- ▶ Leave your card
- ▶ Ask to meet the brewer and introduce yourself
- ▶ If he/she is not available get a phone number and email address then send a message or call to introduce yourself and your business and refer to the business card you left at the brewery
- ▶ Ask to set up a meeting to talk about your hops

# #5

**Ask for a tour of the brewery** if it's not publically offered, and get a better understanding of the brewing process

Find out if they have a hop back and have ever brewed with wet hops. Discover if they use any of the hops you grow in any of their beers.



# #6

**Invite brewers, brewery owners, and brewery staff out to your hop yard or farm. Make it an event by offering them lunch and beer as part of the tour.**

You may have multiple tours with individual breweries or a single event with several breweries

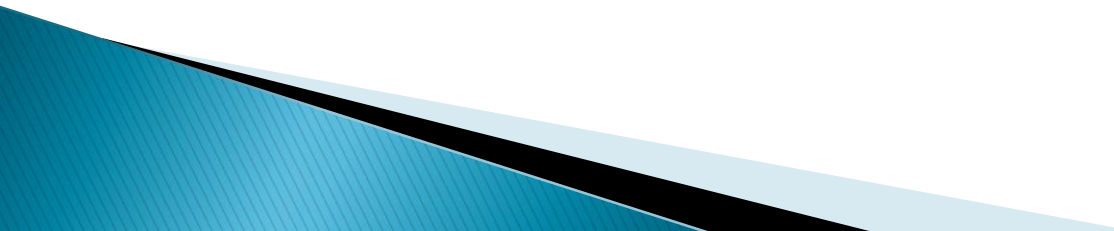




# #7

**Develop a sales contract and have it ready when you talk with brewers.** After a meeting or a hop yard tour, ask if they will buy your hops.

Talk about specifics including whether they want wet, dry or pelletized, price per pound, delivery method, and when the hops will be ready (within a week or two). You won't get the sale if you don't ask for it!



# #8

**Understand that breweries have brewing schedules.** These schedules are often established months in advance and are designed to optimize the use of the breweries equipment.

**DO NOT** show up at the brewery on your harvest day with any amount of wet hops and assume the brewer can use them or will buy them on the spot.



# #9

**Build relationships with multiple breweries.**

It is unlikely that a single brewery will always be able to buy all your hops.



# #10



Remember there are more hops to sell next year, so **deliver the best crop you can grow.** Your long-term success will be based on repeat sales to the same breweries.

Have your hops tested for Alpha/Beta levels and oil content. Provide this information to the brewer before you deliver your hops so they can use it to calculate the IBUs for their beer.



# Answering Objections

- ▶ They are too expensive. I can buy them for half that price
- ▶ I don't use whole hops at my brewery because they clog up my equipment
- ▶ I can't be sure of the quality you will provide
- ▶ I want a product that I can use all year long



# Too Expensive

- ▶ Why does a 10 oz serving of craft beer cost the same as a six-pack of Miller, Bud or Coors?



# We Face Similar Challenges

- ▶ Large scale production allows economies of scale.
  - Brewing on a 200 Bbl system versus a 10 Bbl
  - Growing hops on 450 acres versus 2 acres
- ▶ Mechanization versus manual labor
  - Automated brewing process versus doing it the hard way
  - Large-scale Harvesters, Oasts and pelletizers that process several tons of hops each day versus manual labor that can handle a couple hundred pounds a season
- ▶ Large consumer base
  - Macro breweries have over 90% of the market share
  - PNW farms account for 98% of US hops production

# Location, Location, Location

- ▶ Washington State produces 79% of all hops in US because of a most favorable environment
  - VA & NC have challenges due to fewer daylight hours, climate, pests, and susceptibility to disease

In 2014 the average yield per acre in Washington State was **1,936** pounds (dried). Normal yield per acre in NC & VA is closer to **500** pounds (dried)





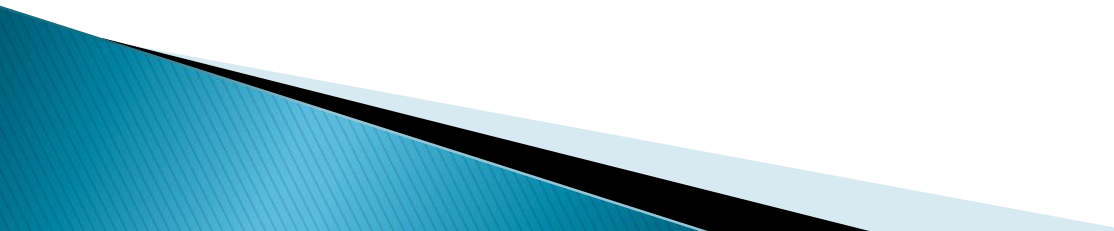
# I Don't Use Whole Cone Hops

- ▶ Breweries that do not have a hop back will need to utilize another method of filtering wort before passing it through a plate chiller
- ▶ Wet hop in the fermentation tanks using cloth bags
- ▶ Use them in a pin, randall, or cask





# Real Quality Hops

- ▶ Invite the brewer out to your hop yard to inspect the hops throughout the growing season
  - ▶ Have hops tested for alpha, beta, oils, moisture, storage index
  - ▶ Explain your awareness of harvest moisture content, drying moisture content, processing and storage techniques
- 

# I Want Local Hops All Year Long

- ▶ Most farms do not yet produce enough to sustain a flagship beer. It is best to focus on seasonal, unique harvest beers now and support the growth of the industry
- ▶ As an industry, we need to develop more facilities for processing hops that can then be stored for future use



# Questions?

