

## **Czech hop acreage in 2008 - 5345 ha**

According to the report of Central Institute for Supervising and Testing in Agriculture, department for hops, the total acreage of hops in the Czech Republic is 5345 ha for the year 2008, which is only a very slight change from the last year acreage of 5389 ha. The major variety is still SAAZ fine aroma hops with 88,8 % of the total acreage.

Compare to the previous year there was an increase of the variety Premiant and variety Sladek and unfortunately again a slight decrease of the Saaz variety, mainly in the Saaz and Auscha hop growing regions. The positive news is that compare to the previous years there was more new plantings of the Saaz variety and we foresee that this trend will continue. There was even an increase of the acreage of the Saaz variety in the Tirschitz hop growing region.

## **The acreage of the Saaz variety has decreased by 1165 ha since 2000**

Since 2000 there has been a reduction of the hop acreage in the Czech Republic by 750 ha, the decrease of the Saaz variety however reached 1165 ha. The acreage of this variety in the Saaz and Auscha hop growing region is now at historical low.

The decrease of the hop acreage is the result of the bad economics of hop growing from the mid-1990s onwards which were affected mostly by low farmer prices and increasing costs of hop growing.

Further important aspects of this situation are the age structure of the Czech hop gardens and long-term negative development of the Czech currency exchange rate against Euro.

The acreage that was reduced now was only acreage in hop gardens with old rootstocks with very low yields in the last years. Other hop gardens will have to be replaced with new rootstocks in the following years.

To maintain the production of hops in the Czech Republic it will be necessary to increase the newly planted area from the current approx. 200 ha to 400 ha annually in the next five years.

Situation in the production of the Saaz variety reached after low crops 2006 and 2007 which were affected by climatic factors (extremely high temperatures, low rainfalls and hailstorms) a critical point when the demand of breweries for this fine aroma variety could not be fully satisfied.

Due to the lower crops the Czech hop growers were also not able to profit from the high prices on the spot market.

Despite this fact the growers reached in cooperation with the hop merchant companies some increase even in the contract prices. Thanks to this increase there was not a substantial decrease in hop acreage in 2008 and the Czech hop growers will try to produce sufficient production for their long-term and traditional partners.

From the table showing the Saaz acreage development from 2000 it is clear that the price more

than the yields in previous year is influencing the extent of the annual decrease in hop acreage. The last two years are a fine example. This means that the increase in prices for Czech hops for farmers should continue and this shall maintain the necessary acreage and production in the future.

To stabilise the situation for the future there must however be very high investments into the renewal of hop gardens in the following years and therefore also prices that will cover the costs of hop growing and return on the investments.

### **What is being done about this situation in the Czech Republic?**

The main issue for the future production of Czech hops and the Saaz variety is the necessary quick renewal of hop gardens.

Hop Growers Union of the Czech Republic has been for many years trying in cooperation with the Czech ministry of Agriculture to find more support for investments in hop growing.

In 2006 a new national subsidy was introduced for the purchase of hop plants and this helped to increase the number of newly planted hops, this programme will continue also in the following years and we are now trying to secure sufficient financial resources in this programme. We assume that in 2008 more than 250 ha will be planted. In 2007 new European Agricultural Fund started to work in the Czech Republic. Hop Growers Union succeeded in enabling new hop trellis and other hop technologies to be co-financed from this programme. This should help to bring more finance into Czech hop growing and we are also working on other programmes.

We consider irrigation to be an important factor for stabilization of yields and therefore from 2001 there is a national subsidy programme for building drop irrigation. We are now trying to work with the government on better access to water sources which are a limiting factor in increasing the number of irrigated hop gardens.

There is also a support from some individual companies, the most important support comes from CHMELARSTVI, cooperative Zatec which offers long term financing for new investments to its members.

We believe that these steps together with improved prices will maintain the Czech hop production and that Czech hop growers will continue to be the most important suppliers of the fine aroma hops to the world market.