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MARKET REPORT November 2026

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Climate-Related Crop Shortfall Changes the Supply Situation

Global hop acreage was reduced again in spring 2026. Compared with the previous year, the growing area decreased by approximately 1,150 hectares, or 2%, to around 51,500 hectares. This adjustment reflects the hop growers' response to the market's continued oversupply and the international brewing industry´s declining demand for hops.

As already outlined in the two previous market reports, this acreage reduction alone would not have been sufficient to restore market balance. The 2026 crop shortfall has now resulted in a more differentiated supply situation: while supply shortages are emerging in aroma and fine aroma varieties, high-alpha varieties continue to be characterised by substantial inventories.

The 2026 Harvest and Developments in the Hop Market

The extreme weather conditions across all European growing regions have once again highlighted how sensitive the hop plant is to heat and drought. In terms of the number of heatwave days and the precipitation deficit throughout the entire growing season, the summer of 2026 was record-breaking.

Despite the very good external quality of the hops, Germany produced only approximately 34,550 metric tonnes of hops on 17,834 hectares, with an alpha acid output of around 3,270 metric tonnes. Compared with an average crop, this represents a 12% reduction in hop volume and a 30% decline in alpha acid production. The resulting alpha acid deficit compared with a normal crop amounts to approximately 1,400 metric tonnes.

In the Czech Republic and Poland, high temperatures from mid-July onwards significantly affected the previously good harvest prospects. In Slovenia, by contrast, extensive hail damage in June resulted in a reduction in the harvest volume of almost 50%.

Total hop production in the European Union amounted to approximately 46,000 metric tonnes of hops and around 3,800 metric tonnes of alpha acids. Compared with the previous year, this represents a decline of 20% in hop volume and 34% in alpha acid production. The 2026 harvest therefore ranks among the historically poor harvests, alongside those of 2003 and 2022.

In the United States, growers were very satisfied with the harvest results. A total of approximately 38,450 metric tonnes of hops (+1% year-on-year) and around 4,900 metric tonnes of alpha acids (+6% year-on-year) were produced on a total acreage of 17,225 hectares. This represents a slightly above-average crop. The high-alpha segment in particular delivered very good results, partly due to the ongoing shift towards higher-yielding hop varieties.

As final harvest figures are not yet available for all growing countries, the total global hop crop for 2026 is currently estimated at approximately 97,300 metric tonnes (-11% year-on-year), corresponding to around 9,800 metric tonnes of alpha acids (-15% year-on-year).

The spot market for German hop varieties opened earlier than in previous years, with minimum prices consistently above previous year´s levels. During the spot market period, demand was particularly strong for Tettnang and aroma varieties such as Perle. For the first time in a long while, spot market prices returned to average forward contract price levels. At the same time, the continued high proportion of production under forward contracts, combined with the significantly reduced harvest volume, meant that only very limited quantities of spot hops were available.

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Demand for varieties belonging to the Saaz group remains very stable. However, this year's harvest once again is insufficient to meet the brewing industry's actual requirements. Sufficiently attractive forward contract offers are currently available for these varieties.

The changing market situation is particularly evident in the case of Perle. This variety is a textbook example of the traditional hop market cycle: declining demand from the brewing industry was followed by prolonged oversupply, spot market prices well below production costs and a lack of prospects for forward contracts at cost-covering levels. As a result, the hop acreage has been reduced by approximately 40% since 2022. The 2026 crop shortfall now means that some of the inventories carried over from previous harvests will also be required. This creates the conditions for a gradual market recovery and potentially a fresh start for the variety.

The situation is quite different for high-alpha varieties. Although the 2026 harvest resulted in approximately 1,000 metric tonnes less alpha acid production from Herkules alone compared with a normal crop, market quotations remained below average forward contract prices. Inventories from previous harvests are simply still too high!

Expected Supply Situation in 2027

Beer consumption in Western Europe continues to decline. Global beer production, however, is showing initial signs of stabilisation, as also reflected in the latest quarterly reports published by major brewing groups. Nevertheless, as the hop dosage per hectolitre of beer continues to decrease steadily, demand for alpha acids will continue to decline slightly in the 2027 brewing year.

Despite this downward trend in demand, the 2026 harvest will, for the first time since 2018, leave the available volumes of alpha acids well below calculated requirements. The anticipated deficit amounts to approximately 650 metric tonnes of alpha acids.

It is important to note that this supply shortage is concentrated exclusively in aroma and fine aroma varieties.

The 2026 harvest clearly shows the extent to which hop production is subject to fluctuations. Due to the significantly below-average alpha acid content of aroma varieties, the so-called alpha clause will be triggered in numerous sales contracts. Individual consultations and agreements with brewery customers will therefore remain necessary over the coming weeks to determine the actual delivery quantities from the 2026 crop for the 2027 brewing year.

Climate Adaptation and New Varieties as the Key to the Future

Detailed harvest results show that newer, more climate-resilient hop varieties in particular deliver more stable yields and alpha acid levels. They can therefore make a significant contribution to stabilising production under future climatic conditions. These varieties are already available: they have been successfully proven under commercial growing conditions and are widely and successfully used in the brewing process.

In view of the current supply shortages affecting individual aroma varieties, hop growers and hop merchants are jointly appealing to the brewing industry to make greater use of new varieties from public or private breeding programmes. This is not simply a response to the current harvest situation. Rather, it represents a necessary investment in a more resilient and sustainable hop supply chain.

Any brewery that depends on reliable raw material supplies in the future must be prepared to include new varieties in its portfolio and recipe development, and to provide them with appropriate opportunities in the marketplace.

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At the same time, hop growers must continue to consistently adjust acreage in the high-alpha segment. Structural oversupply can only be reduced if production capacities are permanently aligned with actual market demand.

The future of a strong and competitive hop industry therefore depends to a significant extent on the willingness of growers, merchants and breweries to assume joint responsibility.

Only consistent adjustments to variety selection and growing structures, combined with close cooperation, can lead to the necessary market stabilisation and ensure a sustainable supply of hops to the brewing industry.

Stephan Schinagl
Chairman
German Hop Industry Association

The quantities indicated in mt alpha acids are based on the calculated alpha values at time of processing. Storage losses until processing have been considered, processing losses and further storage losses until use have not been considered.

All figures mentioned herein correspond to the opinion of the majority of the members of the German Hop Industry Association. The figures published by single member companies may slightly deviate.