



Yakima Chief Inc.
2004 U.S. Hop Crop Report #1
Week of August 22

The week past saw last minute runs for spare parts, the third (or fourth) review of the winter's "to do" list and each always seemed to add an item or two. Seasonal labor hiring and training activities were mixed with weather concerns and late season checks on fields and estimating the timing of crop maturity. The tension of waiting to get started is oft more troublesome than the actual rush of harvest.

This week vines are being cut, pickers clattering, kilns warmed and bales kicking out to the warehouse on a regular, if slow, basis. The traditional harvest skills, learned over generations, are back in play as the last rough spots in the harvest process are worked out. Volumes are on a steady rise although still light. This inaugural letter is delayed one day as we tried to get as much harvest data accumulated as possible.

1. **Water** – The Yakima River watershed is in reasonably good shape for this time of year. Although a good winter snowpack in the mountains was lost to an early spring runoff, timely rains later in the spring helped the region. There was some early rationing to junior water rights holders but this was of little impact to the hop-growing community. We still live with a drought; all agricultural producers can be justifiably proud of rising to meet the challenge of extremely professional water management.

The reader can observe current Yakima basin reservoir conditions at:

<http://www.usbr.gov/pn/hydromet/yakima/yaktea.html>

Drawdown on existing reservoir levels is to be anticipated as both Federal requirements for flow (fisheries management) and hydroelectric demands will need to be met. However, the remaining basins of the greater Columbia and Snake River are in marginally better shape than last year so the draw on the Yakima system is anticipated to be proportionally reduced. The elements of this larger picture can be visualized at the address below by clicking on the particular basin of interest:

<http://www.usbr.gov/pn/hydromet/select.html>

Further, the longer term outlook for the greater watershed is expected to improve through November as seen at the Climate Prediction Center of the National Weather Service:

http://www.cpc.ncep.noaa.gov/products/expert_assessment/seasonal_drought.html

This forecast conflicts slightly with the National Oceanic and Atmospheric Administrations study group on El Niño. They have issued an early advisory suggesting the likely development of an El Niño in the next three months, see:

http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/index.html

El Niño typically brings neither increased precipitation nor decreased temperatures to the valley. Additionally, it rarely brings drought relief to the mountains of the greater Columbia/Snake river basin. It is still early in the season to make a sound prediction; we hope the conflicting views will be resolved and that the valley continues its trend of moisture accumulation – after harvest, of course!

2. **Weather** – Temperatures from January through June were close to normal with above-average heat arriving in July and staying through the first weeks of August. By the time the final data is accumulated we can expect that these months will mirror last year's higher temperatures. Precipitation is running ahead of averages through July by about 0.5 inches or 10%. Much of the period's above-average moisture was accumulated in January, February and July.

Expect that August alone will add another 0.7-0.85 inches above the average largely due to the cool, wet weather that swept into the region on August 22. Accompanied by strong and variable winds, this weather front led to the collapse of a limited number of hop yards in the Yakima Valley – total acres affected are estimated at less than 140. Impact of the weather change cost growers two days delay, perhaps three, in the normal progression of harvest.

The outlook for the coming week promises variety. Forecasts call for above average high temperatures until Wednesday, September 1 at which time the probability of rain goes to 30% and daily high temperatures will drop about 15° F (8° C) to below seasonal average. By September 6 it is expected that normal temperatures and a dry outlook will return to the valley.

3. **Pest Pressure** –Mite pressure was sustained throughout July and August but the issue is now isolated with the onset of cooling temperatures. Even so, most fields observed did not suffer much reddening at the wire and early crop delivered is not showing much damage. Powdery mildew was an anticipated problem. Growers paid close attention to good field hygiene after last harvest and stayed on top of the problem throughout the growing season with good management success. A review of control records will prove the point later but grower comments about powdery mildew were not uniform this year – even with equivalent management practice, some farms just had more problems than others probably due to location and micro-climate effects.
4. **Aroma Hop Crop** – The aroma crop is in the initial stages of harvest. Too little data is at hand to provide realistic summaries of crop alphas. We will wait to publish the alpha acid table in the next letter. What we can say is that, because of the similarity of this year’s weather to last year’s, during the time from burr to cone maturity, we would expect little difference from last year’s alphas. The hops received to date look good with minimal quality defects.
5. **Bitter Hop Crop** - Deliveries of a few alpha hops should begin late in the coming week, supers should start rolling in mid- to late in the following week. We would expect a short, intense harvest period for the bitter hop crop in the absence of any weather delays.
 - a. **Oregon/Idaho** – No reports to date aside from rumors of a couple of yards going down in Oregon due to the same burst of inclement weather experienced in the Yakima Valley.
 - b. **Overall US Crop** – After review of the current acreage strung report, historical yields, and after adjustment for juvenile plantings, we expect approximately 54.4 mm pounds for the final US harvest.

We project an alpha intake of 3.06 mm KgA (UV harvest basis), equivalent to last year. (This is 2.8 mm KgA by European equivalent terms.) We currently rate the coming crop as “average”. Several observers believe that the crop is “lush”. An additional 1-1.5 mm lbs intake beyond the base prediction is certainly possible but we are not yet convinced; drives through the entire region show some great fields with good balance between vine, leaf and cone. These are offset by equal numbers of fields with either weak growth/poor cone set **or** fields with rank growth, deep blue/green color and limited crop.

6. **Market Activity** – The disappearance of spot hops from the marketplace was apparent as early as June. This has greatly quieted activity in the grower/dealer marketplace. Dealer offers in the recent few months appear to be targeted at sourcing for previously booked sales. This conclusion is based upon the wide spread of pricing (\$USD/lb, raw hop basis) offered to grower-owners of hop pellets and extract product.

Our next report is to be transmitted the evening of September 5, 2004