

2018 ANNUAL REPORT



**Washington Hop Commission
Hop Growers of America
Hop Growers of Washington
US Hop Industry Plant Protection Committee**

>>> 2018 KEY EVENTS <<<



Annual Meeting &
American Hop Convention,
Hop Growers of America
(Palm Desert, CA)



CBC
(Nashville, TN)



TU Berlin
(Berlin, Germany)



BREWCON
(Sydney, Australia)

**JAN
24-26**

**APR 30
- MAY 3**

**JUN
5**

**JUN
26-28**

**JAN
5**

**MAR
7-8**

**MAY
18**

**JUN
6**

Annual Meeting, Hop Growers
of Washington (Yakima)

Hill visits in D.C. w/ BA & HRC
(Washington, D.C.)

Doemens Brewing
School Seminar
(Munich, Germany)

IHGC
Executive Committee
(Paris, France)



A Look Back at 2018

In an effort to demonstrate to members what is being done on their behalf throughout the year, Washington Hop Commission staff have put together this report to communicate a comprehensive Annual Report for work done for all of the organizations they work on behalf of: the Washington Hop Commission, Hop Growers of America, Hop Growers of Washington, and the U.S. Hop Industry Plant Protection Committee.

As many efforts benefit multiple parties, we have not sectioned this off by organization, but the report has been organized by different themes – International Markets, Technical & Regulatory work, Staff & Office Changes, etc.



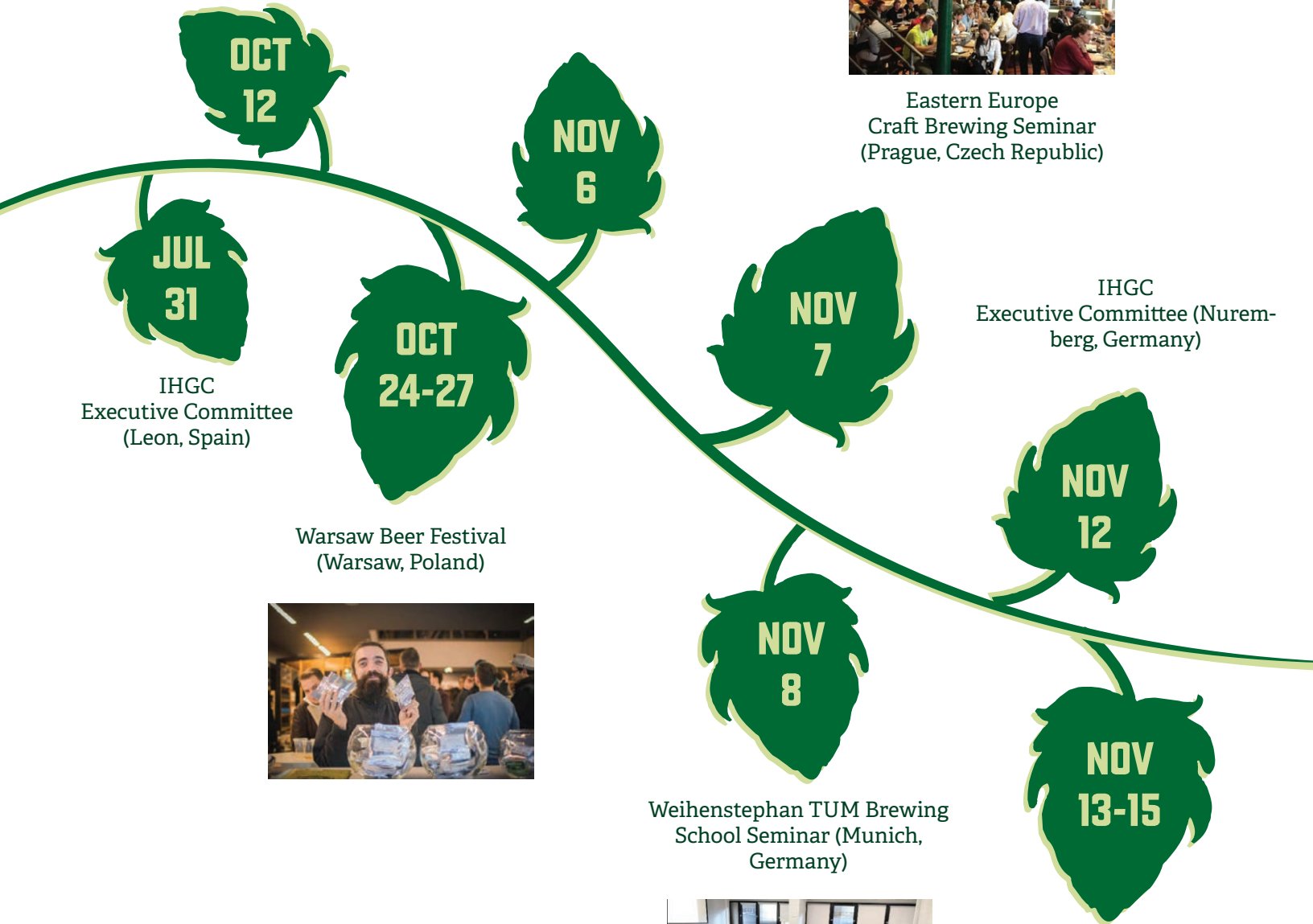
CERIA
(Brussels, Belgium)



Heriot-Watt Brewing School Seminar
(Edinburgh, Scotland)



Eastern Europe
Craft Brewing Seminar
(Prague, Czech Republic)



Warsaw Beer Festival
(Warsaw, Poland)

Weihenstephan TUM Brewing
School Seminar (Munich,
Germany)



BrauBeviale, Trade Show
& Tasting Seminar
(Nuremberg, Germany)



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INFRASTRUCTURE

ORGANIZATIONS & BOARDS

The Yakima team operates three organizations and several related committees benefitting the US hop industry. These include:

HOP GROWERS OF AMERICA

HGA's scope includes national and international issues impacting US hop growers. Governance is provided by the HGA Board, including:

- Blake Crosby, President (Oregon)
- Graham Gamache, Vice President (Washington)
- Jared Favilla, Secretary-Treasurer (Washington)
- Kyle Shinn (Washington)
- Kevin Riel (Washington)
- Nathan Jackson (Idaho)
- Jeff Bizon (Oregon)
- Annette Wiles (Nebraska)
- Jason Warren (Michigan)

Alternates include: Jessica Riel (WA), Paul Fobert (OR), Oliver Shroeder (ID), Diane Gooding (ID), Dan Wiesen (MI), and Matt Gura (MI). These individuals are involved in all board discussions, but only vote in the absence of their respective Director.

The HGA Board holds regular meetings in March, May, July, October/November, and January. The Annual Meeting is held during the American Hop Convention in January.

HGA's primary areas of responsibility include promotion and foreign market development, education, communications on behalf of the industry as a whole, statistics, and representation of the US hop industry at the International Hop Growers Convention. HGA is also responsible for the annual American Hop Convention, working closely with host organizations when not the host itself.



WASHINGTON HOP COMMISSION

The Washington Hop Commission was established in 1964. Primary areas of focus include research, education and technical issues, including pesticide registration and issue management, bale labeling and inspection requirement, marketing/promotion. Marketing and promotion efforts are carried out in collaboration with other states through Hop Growers of America's foreign market development program.



Commissioners hold four regular public meetings annually, in March, May, July, and October. Special meetings may also be held as needed.

ORGANIZATIONS & BOARDS CONT.

2018 WHC Commissioners and Officers included:

- 
- Reggie Brulotte, Chair
 - Devon Newhouse, Vice Chair
 - Elizabeth McGree, Secretary-Treasurer
 - Patrick Smith
 - Martin Olsen
 - Patrick Gasseling
 - Keith Riel
 - Brad White, Washington State Department of Agriculture
- 



WHC Committee Chairs and Representatives:

- 
- Hop Research Council – Patrick Smith
 - Hop Liaison Committee – Dave Tobin and Missy Raver
 - National Clean Plant Network for Hops – Megan Twomey
 - US Hop Industry Plant Protection Committee – Andrew Jaques and Patrick Smith
- 

HOP GROWERS OF WASHINGTON

The HGW Board was expanded from 3 to 6 directors in 2018, as hop industry expansion over the past decade has increased program needs for education and outreach. HGW represents the Washington hop industry's legislative and regulatory positions and maintains position statements on important issues impacting the industry. This board is also responsible for the Yakima office facilities that house HGA, WHC and HGW staff, and additionally, is one of the rotational hosts for HGA's Annual Convention.

2018 HGW Directors:

- 
- Martin Olsen, President
 - Jessica Riel, Vice President
 - Cherie Steinmetz, Secretary-Treasurer
 - Paul Merritt
 - Jeff Perrault
 - Andy Roy
- 

HGW's meetings are held in conjunction with the Washington Hop Commission meetings in March, May, July, and October. In addition, HGW hosts the Washington Hop Growers Annual Meeting in early January. The group also hosts the American Hop Convention every third year, including the 2019 event in Monterey, CA.

STAFF & OFFICE CHANGES // INTERNAL TEAM



ANN GEORGE, EXECUTIVE DIRECTOR

➤ Ann George has served as the Executive Director of the Washington Hop Commission and Hop Growers of Washington since 1987. She has also fulfilled this role for Hop Growers of America since 2007. During her 31 years of service to the hop industry she was instrumental in the formation of the US Hop Industry Harmonization. A graduate of Washington State University, Ann holds a Bachelors degree in Animal Science.



JAKI BROPHY, COMMUNICATIONS & MARKETING

➤ Jaki Brophy joined the Washington Hop Commission, Hop Growers of America, and associated organizations in 2015. Focusing on promoting American-grown hops domestically and overseas through USDA's grant programs, Jaki also handles all press inquiries, works on special projects such as the website and other collaborative undertakings, while overseeing multiple domestic and overseas contractors, and working with HGA team members. With her first foray into promotions in 2003 and 10+ years post-grad experience, previous experience over the years has included product launches for a national brand; celebrity-focused events and donor thank you campaigns; a successful re-launch of a young professional's network in Chicago; an inter-corporation million-dollar safety campaign; the national launch of an independent musician; and a cross-country beer festival. She holds a Bachelor of Arts in Communication Studies, Public Relations from Eastern Illinois University.



JESSICA LUCAS, ACCOUNTING & COMPLIANCE

➤ Jessica Lucas joins HGA with over 15 years experience in compliance and accounting. Beginning her career in the US Navy, Jessica trained in compliance, payroll, travel and fiscal duties. Following her time in the Navy, Jessica worked for Domex Superfresh Growers, the Washington State Department of Social and Health Services, and Yakima Valley College in a variety of capacities. Specializing in accounting, grant and contact management, and financial services, Jessica's specialized skills are unique to the HGA Team. Starting in January 2019, Jessica will manage HGA TEC program's finances, while also managing grants for four organizations: Washington Hop Commission, Hop Growers of America, Hop Growers of Washington, and the US Hop Industry Plant Protection Committee. Jessica holds a Bachelor of Arts Degree in Business Administration, with a specialty in Accounting from Washington State University.

STAFF & OFFICE CHANGES // INTERNAL TEAM CONTINUED



RACHEL BECKER, EVENTS & SPECIAL PROJECTS

➤ Rachel Becker has over 5 years' experience in both craft brewing and hop industries. Rachel began her career at Sierra Nevada Brewing Co. in Chico, CA where she trained in raw materials, brewing, fermentation, cellar operations and hospitality in the Customer Experience Department. Rachel holds both MBAA Beer Steward and Associate Beer Steward Certificates. She is currently the Project Assistant and Event Coordinator for Hop Growers of America. She assists in the execution of HGA's International Market Development Program and other in-house programs. She also executes the hop industry's annual conference, the American Hop Convention and other Washington Hop Commission and Hop Growers of Washington events. Rachel holds two bachelor's degrees in International Relations from California State University, Chico and German Studies from the University of Tübingen with a focus on German economics and international business relations.



CAROL CAMDEN, ACCOUNTING & MEMBERSHIP

➤ Carol Camden has over 35 years of experience in Accounting. For 20 years, Carol has been the Accountant for the Washington Hop Commission, Hop Growers of Washington, Hop Growers of America, and the US Hop Industry Plant Protection Committee. She also assists in various projects and events. Carol holds a Bachelor's degree in Accounting from Central Washington University.

STAFF & OFFICE CHANGES // CONTRACTORS ~ DOMESTIC

BRYANT CHRISTIE, INC. – WASHINGTON HOP COMMISSION

The Washington Hop Commission contracts with Bryant Christie to manage the International MRL (Maximum Residue Level) program, opening up trade markets through regulatory channels, and allowing more pest management options to growers. Ann George oversees Bryant Christie staff, advised by USHIPPC (U.S. Hop Industry Plant Protection Committee) Committee members.

In an effort for in-house management and to make the most out of grower assessments, Hop Growers of America has brought in Jessica Lucas to transition all financial and compliance contracted responsibilities. This transition is expected to be fully complete in 2019. Additionally, Jaki Brophy has taken over in-house management of the Technical Education and Communication (TEC) program, which focuses on promoting American-grown hops overseas to international markets (and CBC). With these responsibilities having moved already or shortly in-house, the contract previously held with Bryant Christie who managed these responsibilities is held with two new contractors, Agralytica and International Trade Associates (ITA). The work ITA handles will fully transition in-house in 2019, and Agralytica has been contracted as HGA's third party evaluator (required by USDA-FAS, the financially granting body for the program). For more details on their contract, see below.

STAFF & OFFICE CHANGES // CONTRACTORS ~ DOMESTIC CONT.

AGRALYTICA – HOP GROWERS OF AMERICA

Hop Growers of America contracts with Agralytica as a required third-party evaluator, providing the services of HGA's Country Progress Report (CPR) and Unified Export Strategy (UES) report. Both reports require a lot of time, research, and are a requirement for receiving grant funds from USDA. These funds vary year-to-year, but they consistently pay for over 90% of all program costs for HGA's international promotion program, otherwise known as TEC (Technical Education & Communication) program. Costs include CBC, Brau, etc. Jaki Brophy oversees Agralytica staff, advised by HGA Board members.

INTERNATIONAL TRADE ASSOCIATES – HOP GROWERS OF AMERICA

Hop Growers of America contracts with International Trade Associates to keep them compliant on all FAS grant regulations, and for financial services to have HGA "audit-ready" with all HGA TEC-related expenses. This contract will transition to in-house responsibility of Jessica Lucas in mid-2019, who has been working closely with ITA since she started with HGA and the Commission in the Fall of 2018. Additionally, ITA trained all HGA staff on compliance matters in Fall of 2018.

STAFF & OFFICE CHANGES // CONTRACTORS ~ ABROAD

MK2 | EUROPE – HOP GROWERS OF AMERICA

Hop Growers of America contracts with mk2 to handle all European representation. mk2 executes all European brewing school seminars, BrauBeviale/Drinktec, the European IPA Contest, and other special projects as they arise, including media dinners in Munich, representation at special U.S. Embassy affairs, and other one-off projects. Jaki Brophy oversees mk2 staff, advised by HGA Board members.

RIVER GLOBAL | BRAZIL – HOP GROWERS OF AMERICA

Hop Growers of America has contracted with River Global to execute events in Brazil for 2019. Depending on the allocation from USDA (amount notification pending as of publication time), additional events may be executed. Jaki Brophy oversees River Global staff, advised by HGA Board members.

STAFF & OFFICE CHANGES // FACILITIES

In September of 2017, Hop Growers of Washington (Lessors to Washington Hop Commission and Hop Growers of America) officially moved office from Moxee, WA to downtown Yakima in the Liberty Building. This move has not only allowed for staff expansion, but provided a more suitable Board Room, allowing the HGW office to host meetings again for their Board and the respective WHC and HGA Boards and respective committees. While this is news from 2017, we want to remind members that this space is available should the situation call for HGW to be an appropriate host. Interested parties may contact the office to enquire.



Liberty Building | Yakima, WA

ANNUAL CONVENTION



American Hop Convention | Palm Desert, CA

CONVENTION

Hop Growers of America's American Hop Convention has continued to see increasing support and attendance from growers, brewers and industry affiliates. The event draws a steadily increasing number of international attendees, trade show exhibitors and sponsors. The Convention's content is driven by its host organization, thus allowing each event to have unique content and educational focus that varies from year to year.

The 2018 American Hop Convention was held at the JW Marriott Desert Springs in Palm Desert, CA. Superb weather, excellent speakers and educational programs, fun and unique social events, and the opportunity to enjoy excellent hop-based beverages representing a range of styles and breweries were enjoyed by 448 regis -

tered attendees. We track the event's growth through the hotel's guest room pick-up data to best forecast for future events. In 2012, the total guest room nights utilized during the convention was 339. The 2018 Convention utilized a total of 781 room nights – a 130% increase in seven years. As of December 2018, the total room nights reserved for the 2019 American Hop Convention in Monterey, CA was over 900.

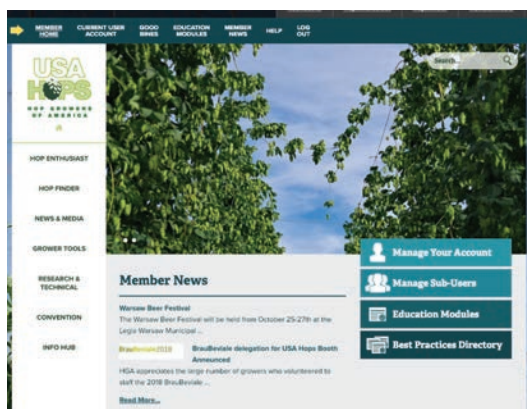
The greater number of attendees and demand for more program offerings has substantially increased the workload for executing the annual convention. As a result, HGA hired Event Coordinator Rachel Becker in 2017 to execute conventions on their behalf and provide support to host organizations.

LEGAL GUIDANCE

The 2018 Convention demonstrated that breweries are under increased scrutiny when donating product to Convention. This was due to conference locations holding the liquor license/permits for HGA's donated product, and not having the event permitting in our name. In addition, there is currently a very high enforcement rate from beverage control authorities, such as the California Alcoholic Beverage Control (ABC). According to HGA's attorney, this enforcement is likely to increase over time, and as a result, the HGA Board invested 2018 Convention income in legal counsel. This investment helps to ensure all hosts implement proper procedures, allowing donated product to be legally served at Convention and reducing hosting member organizations and HGA's liability.

VALUE ADDED

WEBSITE



While the new website for usahops.org was launched in 2017, the member-side of the website was launched in 2018, providing infrastructure for our Good Bines program. Good Bines features educational modules addressing best practices issues. In the initial launch, members were able to go through our first module, Foundations of Food Safety, and create profiles for their company and staff so they could not only have a certificate of completion to display, but allow their staff to access the member section as well, plus assign certain staff

allowances to either manage their employee access for usahops.org member section, and/or have staff from their farm take the modules for them. In other words – we designed the website to allow farm owners the ability to provide access to the member website to their employees – just like allowing them access to hop news – and also giving them the ability to delegate responsibilities on the website similar to how they delegate responsibilities on their farm.

BEST PRACTICES

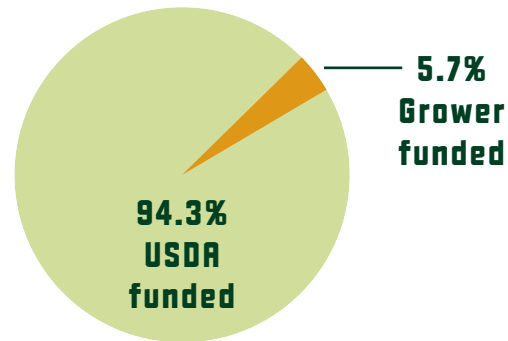
Also launched in 2018 was the Best Practices Directory, located to view in the public side under Hop Finder, but populated in the member section where members edit their company information. Growers can list themselves in the directory by checking the box labeled, “Include me in the Best Practices Directory”. This allows growers to list their third-party certifications and Good Bines education module completion for anyone to view on the public side of the website, allowing potential customers to see farm information for hops they already have, and/or get in touch with them or their merchants to connect with those who have invested in these programs. Listing your farm in the Best Practices Directory is entirely voluntary.

Development of the Good Bines platform and educational modules was funded through a WSDA Specialty Crop Block Grant and managed by HGA. An advisory committee of hop and brewing industry representatives provided guidance during the life of this grant, which concluded in September. Due to the ongoing importance of food safety and best practices efforts, HGA established a new standing committee on Best Practices, chaired by Carman McKinney. Remaining committee members are being confirmed in late 2018 and will become operational in early 2019.

INTERNATIONAL // MARKETS

2018 was a year of big changes for the Technical Education & Communication (TEC) program thanks to a change in management structure and market expansions.

With the effort to bring more direct management of the programs in-house, HGA took their contract previously managed by Bryant Christie and split up responsibilities between staff and two new contractors – one of which will be transitioned in-house in mid-2019 as well.



Funding Breakdown for TEC Activities

For overall management and direction of the program, Communications Director Jaki Brophy is responsible, working with the HGA Board for guidance, and HGA staff and contractors for execution. Event Coordinator Rachel Becker took on logistics and other details related to overall successful execution of events from the BCI contract. After working closely with HGA staff and International Trade Associates (ITA) in 2018, newly hired Accounting and Compliance Specialist Jessica Lucas will continue to do so in the first half of 2019 before taking on full responsibility for HGA's financial and compliance records. Historically, working with contractors has led to confusing financial records and bringing in-house talent has already led to efficiencies and we look forward to Jessica taking over the helm completely in the new year. Some additional responsibilities previously done by Bryant Christie also absorbed in-house include some intermittent reporting to FAS, information gathering to track progress and set goals, and reporting back to the HGA Board and general membership. For major reporting (a requirement to receive funds from USDA-FAS), Agralytica was contracted to write and manage HGA's Unified Export Strategy (UES) and the Country Progress Report (CPR). It is important to note that in addition to these reports being extremely time consuming due to length and required in-depth research, they are also crucial to secure funding which has historically paid for approximately 90% of HGA's promotional and technical training program. Furthermore, USDA requires third party assessment, and this work done by Agralytica satisfies this requirement. This work still requires heavy staff involvement, but lessens the burden on staff and results in the best possible report submitted for funding consideration.

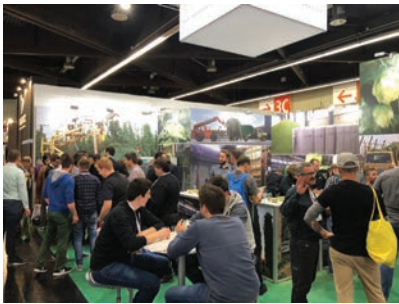
The decision to bring direct management of these programs in-house has not only allowed more agility to change as programs expand, but improvement to program execution, direct cooperation with international contractors, faster internal communication on program execution, and a deeper in-house knowledge, allowing for longer term planning for HGA's international promotions program. Furthermore, due to a more active involvement in the program from HGA staff, the program has already received additional funding for the program, and is hopeful the trend will continue. HGA thanks Bryant Christie for their work in building the foundations of our program still in place today. To be clear, these contracts do not affect international harmonization work done primarily through U.S.H.I.P.P.C.

TRADE SHOWS

6.9% Grower funded



CBC | Nashville, Tennessee



BrauBeviale | Nuremburg, Germany

BrauBeviale | Nuremburg newspaper cover
CG Meghan Gregonis rubs hops
with Matthew Brynildson
of Firestone Walker Brewing Company



BREWCON | Sydney, Australia



Additionally, Communications Director Jaki Brophy attended BREWCON in Sydney Australia to confirm suitability to exhibit, funding allowing. Accompanying Jaki was Matthew Brynildson of Firestone Walker to help in the assessment of the show and market, and to also deliver a talk officially on behalf of Hop Growers of America which was well-attended and received. Matthew Brynildson also served as a beer contest judge and gave additional talks for the hosting organization (the Independent Brewers Association – IBA) further adding to excitement of American hops and craft beer. HGA looks forward to participating in future years should funding and circumstances allow.



Eastern Europe
Craft Brewing Seminar
Prague, Czech Republic



Weihenstephan TUM
Brewing School Seminar
Munich, Germany



Doemens Brewing
School Seminar
Munich, Germany



TU Berlin
Berlin, Germany

Over the course of the year, 5 seminars were held at brewing schools – 1 was for alumni, and the remaining 4 were a combination, mostly of brewing school students, plus some attendees already working at breweries. Total attendees from all five seminars was 247, averaging just under 50 people per seminar.

In addition, speakers also gave technical talks at the Warsaw Beer Festival, at a special USDA-FAS partner event in Prague, at BrauBeviale in Nuremberg, Germany and at BREW-CON in Sydney, Australia. Each talk focused on American hops, the advantages of them – both in their qualities and the overall U.S. industry – and then also translating into practical brewing advice with them.

Combining the brewing school seminars and the technical talks, speakers represented HGA and American-grown hops this year at 9 different talks. Speakers in 2018 were Matthew Brynildson of Firestone Walker, Jennifer Talley of 1849 Brewing Company, and Steve Dresler, retired from Sierra Nevada Brewing Company.

Eight different public U.S. hops were featured at these events, each brewing school seminar featuring five hops and corresponding beers, and the additional events varying.



HGA just announced its third winner for the IPA contest – now expanded past strictly IPA's and German breweries. After two years of the German IPA contest, 2018 saw an expansion to other European breweries, with the four best performing German breweries remaining in the contest, and six other breweries joining from the Czech Republic, the UK, Italy, Finland, and Serbia.

Also new in 2018, the contest expanded from a West Coast IPA submissions only, to allowing West Coast IPA's, East Coast IPA's, and also an IPL – India Pale Lager to allow for an easier transition for those breweries more used to brewing Lagers. Finally, 2018's winners will be the first to receive two free Skype consultations where a U.S.

Craft Brewer will receive beer from the winning brewery (recipe of their choosing) and then provide feedback to the winning brewery. Previously, winners won a trip to Yakima during harvest.

After three years of this contest, exciting trends are appearing:

- 2017 winner – Brauerei Lemke's Spree Coast IPA was awarded a Gold Medal at the European Beer Star in 2018
- 8 out of 22 contest beers are permanent offerings
- 2 out of 22 contest beers are now best-selling beers
- In total, German breweries participating in the contest purchased American hops afterwards with a value close to USD \$450,000 in the past year



NEW MARKETS

In terms of market expansion, at the direction of the HGA Board, staff is looking to expand TEC activities in Brazil and Australia. Historically, HGA has participated in Europe-centric programs, participating in BrauBeviale and European Brewing School Seminars, plus Craft Brewers Conference. Some activity had also been recently active in China by Bryant Christie, but with greater opportunities and less barriers in Brazil and Australia, activities in China were dropped until staff capacities and FAS funding allows re-entry. Approximately two years of market research studies by contractors with Board input, travel to new markets by staff for on-the-ground research, and further customized market research specifically on Brazil and China (paid for by a special grant from USDA) directed these decisions.

For 2019, HGA has committed to BrasilBrau and is awaiting funding notification from USDA plus further communication from BREWCON staff in Australia to see if it can also commit to exhibit at their 2019 trade show as well.

IHGC REPRESENTATION

The International Hop Growers Convention provides a forum for hop growers from across the globe to meet three times annually to share crop reports, statistics, and discuss issues of common concern. Hop Growers of America is a member, representing US hop growers at these meetings. Statistical estimates are provided for each meeting and compiled with those from other member countries by the Economic Commission. HGA distributed these reports to US growers following each meeting in 2018. The Scientific and Technical Commission provides a forum for hop researchers to collaborate internationally. This commission has also taken on the task of maintaining the international list of hop varieties and variety codes, to ensure these are harmonized worldwide. The Regulatory Harmonization Commission, chaired by Ann George, has primarily concentrated its efforts on the harmonization of pesticide maximum residue levels (MRLs). In November this commission coordinated international efforts to submit letters to the European Commission protesting their regulatory system for pesticide review, which will soon result in the loss of a number of important plant protection tools.

IHGC holds a biennial International Hop Congress, with the next event scheduled for 2019 in Slovenia. A highlight of these events includes the presentation of the Order of the Hop. The HGA Board is responsible for collecting, reviewing and submitting nominations for this recognition from the US.

STATISTICS

Hop Growers of America collaborates with USDA National Agricultural Statistics Service, state hop commissions, Small Grower Council, hop merchant companies, researchers, and other information sources to create some of the most accurate statistics available for US agricultural crops. USDA-NASS publishes five hop reports annually: March Hop Stocks, June Hop Acreage, August Pre-Harvest Estimates, September Hop Stocks, and the December National Hop Report. HGA utilizes these reports along with data from the IHGC and other sources to prepare the annual Statistical Packet, released in January.

Technical & Regulatory Work

RESEARCH & TECHNICAL

The Washington Hop Commission provided grants in 2018 to hop researchers at Washington State University and USDA-ARS to address issues related to virus and viroids, entomology, pathology, and hop variety development. WHC is also a member of Hop Research Council, providing additional research funding through its dues and assessments to that organization. Patrick Smith represents the WHC on the Hop Research Council.

WHC is also an active member of the National Clean Plant Network's Tier 2 Advisory Board for Hops. Megan Twomey represented the Commission on this board. In this role she also provided a formal link between WHC and the Clean Plant Center Northwest, which is responsible for supplying virus-free foundation stock for propagation of clean planting material for the hop industry. WHC actively supports the CPCNW and NCPN-Hops, through direct research funding. HGA and HGW also support these programs through Congressional outreach to seek enhanced funding.

LEGAL & REGULATORY ADVOCACY

The US hop industry's legislative and regulatory advocacy program is a broad, collaborative effort that includes Hop Growers of America and state hop grower organizations. In 2018, these efforts expanded to coordinate efforts with Hop Research Council, the Brewers Association, and Beer Institute. In February, HGA participated in targeted Congressional visits by representatives of the hop and brewing industries, which resulted in the approval of an additional \$1 million appropriation for USDA-ARS hop research that will expand existing pathology and public hop breeding efforts.

On the regulatory front, the hop industry has spent the past three years working with the US Food and Drug Administration regarding the Food Safety Modernization Act (FSMA). Although FDA included hops as a crop regulated under this rule, we have maintained that hops should have been classified as "rarely consumed raw" and exempted from FSMA. Efforts continued throughout 2018, including presentations from FDA officials at the 2018 American Hop Convention regarding implementation plans for the Produce Safety, Foreign Supplier Verification and Preventative Controls rules.

HGA retained legal counsel to assist efforts to seek exemption, as well as working with members of Congress to communicate the industry's concerns to FDA. Furthermore, HGA Executive Director Ann George and Best Practices Committee Chair Carman McKinney traveled to Washington, DC in June to meet with FDA officials. Following this meeting HGA worked with retained legal counsel and US hop merchant companies to develop the data FDA needed to support reclassification of hops as "rarely consumed raw", which was submitted in August. On December 24 HGA received a verbal commitment from FDA that they will proceed with reclassification. Regulatory relief in the form of written guidance is expected in spring of 2019 until FDA can complete rulemaking for the formal reclassification.

USHIPPC | 2 mtg/year

The US Hop Industry Plant Protection Committee (USHIPPC) formed in 1988 to coordinate plant protection issues and pesticide registration efforts on behalf of hop growers in Washington, Oregon and Idaho. At the time, growers had experienced registration cancellations and resistance development that left them with a very limited plant protection toolbox.

The initial goal of seeking new registrations for hop plant protection products was expanded in 1992 with the launch of the International Harmonization program. At the time, merchants, processors and brewers were facing barriers to shipments of hops containing residues that were not covered by MRLs (maximum residue limits or tolerances) in the recipient country. The decision was made to contract with Bryant Christie Inc., a Seattle-based technical consulting firm specializing in international regulatory issues, phytosanitary barriers to trade and harmonizing global pesticide MRLs. Our contract with BCI has continued for 27 years, with the program expanding from initial focus on the European Union, Canada, Japan, and Codex (international standards developed under the World Health Organization) to its current ongoing efforts in 11 countries. A key component is the Hop MRL Tracking Chart, which is updated monthly and tracks MRLs in these 11 markets. Matt Lantz, BCI's Vice President, Global Access, is a familiar face at hop industry meetings and the annual Hop Convention.

USHIPPC | 2 mtg/year cont.

USHIPPC's efforts are funded with annual contributions from the Washington, Oregon and Idaho Hop Commissions, along with contributions from several hop merchants/processors – currently including John I. Haas, S.S. Steiner, Yakima Chief, Kalsec, Crosby Hop Farms, Roy Farms, Hollingbery & Son, and BSG Hops. Grants from several sources, including EPA, USDA Technical Assistance for Specialty Crops, Western IPM Center, Specialty Crop Block Grant Programs, and pesticide registrant companies have helped provide funding for concentrated efforts in specific markets or to fund necessary studies required to move forward with import tolerance requests. In July 2018, the German Hop Growers Association and German Hop Merchants formally joined the International Harmonization effort, now contributing half of the contract for Bryant Christie's base program, which was expanded to include German priorities as well as those of the US hop industry.

The committee is guided by 8 voting members: 2 representatives each for the three state hop commissions, and 2 representatives for Hop Growers of America. Current members include John Solt (Chair) and Michelle Gooding from Idaho; Cheyne Fobert and Alexa Weathers from Oregon; Patrick Smith and Andrew Jaques from Washington; and Kyle Shinn and Jared Favilla representing HGA. Further, representatives of eight hop merchant-processor companies who provide financial support serve on the committee, which meets twice annually (at the American Hop Convention and in conjunction with the HRC Summer Meeting). Ann George has administered the committee and its programs since its inception.

In addition to managing domestic registration priorities and international harmonization efforts for the US hop industry, the committee has also represented the hop industry on specific plant protection and international regulatory issues over the years, communicating directly with EPA, Congress, US Embassies and Consulates as needed. To further the collaboration of USHIPPC and US hop plant protection researchers with colleagues in Europe, Ann George and Matt Lantz also serve as members of the European Union Commodity Expert Group for Hops, ensuring excellent communications on priorities and research plans/results. Recognizing the importance of international harmonization of regulations impacting the shipment of hops, IHGC established its Regulatory Harmonization Commission in 2014. Ann George chairs this standing committee.

During 2018, key priorities for USHIPPC included: seeking hop MRLs in the new Korean positive list system, and addressing the EU's cut-off criteria that will severely impact several important hop plant protection tools.

LIASON | 2 mtg/year

The Hop Liaison Committee serves to coordinate hop inspection activities between the State Hop Inspection Labs, USDA, hop merchant companies, and hop growers. The committee meets twice annually. Historically, the committee addressed only Washington's inspection program as it originated out of the WHC. However, due to more frequent movement of hop bales between states for inspection, the committee was regionalized two years ago. Hop Liaison Committee now collaborates with neighboring states Oregon and Idaho, and their hop inspection programs and state hop commissions to ensure consistent inspection practices, bale labeling and reporting across the industry.

During the past year, the Hop Liaison Committee worked to harmonize bale stencil format across US hop production regions and worked with the International Hop Growers Convention (IHGC) to implement harmonized hop variety codes worldwide.

Other Business

OTHER WHC ACTIVITIES

Other activities from WHC include:

- Working with growers and the owner of a biodegradable twine for on-farm testing and feedback to the manufacturer for industry consideration. Cooperation continues into 2019
- Participating in both the Washington Beer Awards as a sponsor
- Hosting the HRC summer meeting dinner Barbeque
- Hosting tours for Cochran Groups & USDA Young Professional Group
- Managing grants for Best Practices, Dave Gent and Steve Massie

HGW ACTIVITIES

LEGISLATIVE & REGULATORY

Legislative and regulatory issue management is a key program area for Hop Growers of Washington. The Board annually reviews major issues of concern to the hop industry and establishes position statements utilized in communications with Congress, the State Legislature and government agencies. Current position statements support funding for: USDA-ARS hop research, National Clean Plant Network for Hops, the IR-4 Program, USDA National Agriculture Statistics Service (USDA-NASS), USDA Foreign Agriculture Service grant programs (including the Market Access Program and related grant programs which fund HGA's TEC program), and competitive grant programs (such as the Specialty Crop Block Grant program). Other key issues include labor, immigration and water supply.

PROMOTIONAL EVENTS

On Wednesday, March 21, HGW worked with Wine Yakima Valley and the Washington Wine Commission to host an informational event on hops and beer to national wine, food, and beverage writers otherwise totally focused for a week on Washington wine and wineries. This was a foray into an HGW promotional event after being invited by WYV and the WWC. The event was geared towards a "Hops 101" theme, as many writers were unfamiliar to hops, and some not well acquainted with craft beer either. Different brewer cuts were present along with some rhizomes, and representatives from Roy Farms, Hollingbery & Sons, and YCH were present. Varietal Beer Co. hosted the event, and walked the journalists through their beer, and focused on how hops translate into the final product.



Zac German of Hollingbery & Sons (left) and Leslie Roy of Roy Farms (distant center) talk hops with wine & beverage journalists