

This document has been prepared primarily for internal use and project reporting

Summary of Tennessee Craft Breweries Survey with Focus on Hops

David Hughes, Rob Holland, Sarah Elizabeth Best, S. Aaron Smith, and Edward Yu
Agriculture and Resource Economics and Center for Profitable Agriculture

A survey was conducted of 74 Tennessee Craft Breweries regarding their production practices (Best, 2019). For purposes of this analysis, key questions concerned their use of hops. Responses were received from 34 breweries (a response rate of 47%).

Brewers as a group showed strong to moderate interest in using Tennessee grown hops in a wet hop beer with 14 out of 30 respondents (46.7%) indicating a very strong interest while three additional brewers indicated a strong interest (Figure 1). Only three respondents showed no interest. Their interest in using dried or pelletized Tennessee hops was slightly less strong with 11 out of 30 respondents (36.7%) showed very strong interest while three had strong interest.

Interest in using only pelletized hops may be limiting the use of Tennessee hops because like all nearby areas the state has no hop pelletizing facility. In respondent to the question “I am only interested in using pelletized hops”, six out of 30 respondents were in complete agreement while eleven out of 30 respondents where in strong agreement (Figure 2).

In terms of actual hops use, on average 46 pounds of wet hops were used with the largest level of use at 500 pounds and 13 out of 29 respondents (44.8%) actually using wet hops. Average use in a dry or pelletized form was 2,301 pounds with maximum use at 16,500 pounds. While the variety and use of hops has an important influence on the nature of beer (such as level of bitterness and aromatic quality) hops make up a relatively small share of the brewery budget. Based on this survey data, Hughes et al. (2019) estimate that Tennessee craft breweries spent 3.36% of their revenue on dried hops (primarily in pellet form) and 0.14% on wet hops. These values are much smaller than spending on labor, malted barley, and bottling (cans and kegs).

Finally, responding breweries in general felt their business would experience marked growth over the next five years. This result implies a growing potential market for Tennessee hops. Among respondents, 17 out of 32 (53.1%) expected greater than 25% growth while nine (28.1%) expected 5% to 25% growth in sales (Figure 3).

Figure 1. Responses to “Please indicate your level of interest in the following with 1 as not interested at all and 5 as very interested: Purchasing Tennessee grown hops for a wet-hops beer and purchasing Tennessee grown hops (dry or pelleted) for beer production”.

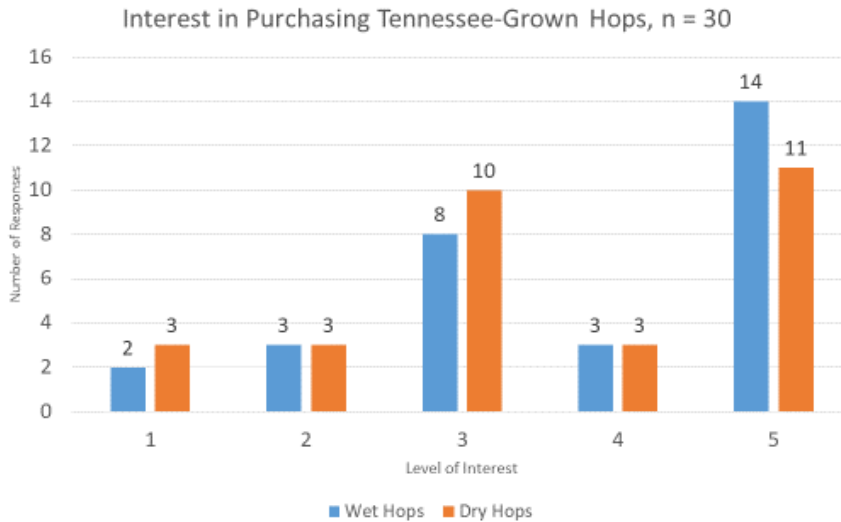


Figure 2. Responses to Please indicate your level of agreement with the following statement (1 indicating completely disagree and 5 indicating completely agree): “I am only interested in using pelletized hops.”

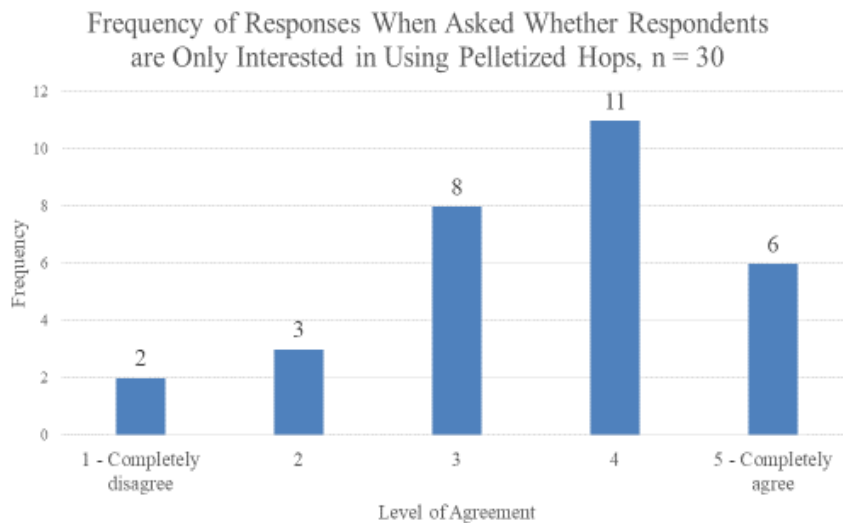
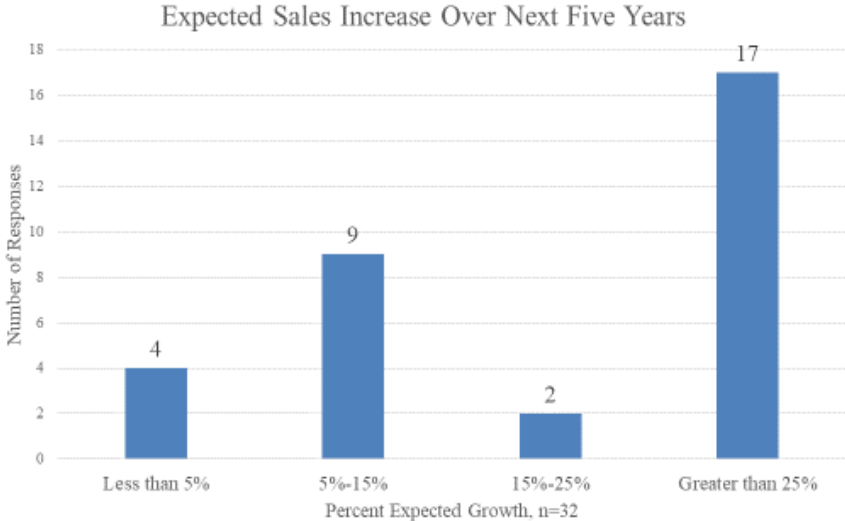


Figure 3. Responses to “How much do you expect your sales to increase over the next five years?”



Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development.
University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and county governments cooperating.
UT Extension provides equal opportunities in programs and employment.