

Project #4: SD Hop Growers

FINAL PERFORMANCE REPORT

AWARD YEARS 2016 FORWARD

A Final Performance Report must be received within 90 days after the end of the grant agreement. You are required to report on the administration of the agreement and each project approved within the agreement. The completed Final Performance Report will be posted to the AMS website.

GRANT INFORMATION

AGREEMENT

AMS Agreement Number:	Enter Agreement Number (e.g., 16SCBGPXX####).		
Period of Performance:	Start Date:	7/1/2020	End Date: 8/1/2022
Award Amount:	\$5160		

RECIPIENT

Recipient Organization Name:	South Dakota Hop Growers, chapter of South Dakota Specialty Producers		
Recipient's Point of Contact			
Name:	Mark Bonnema		
Phone:	(605) 261-8260		
Email:	southdakotahopgrowers@gmail.com		

REPORT

Report Type:	Final Report
Date Report is Submitted:	8/1/2022

GRANT ADMINISTRATION

If funds were used for grant administration, indicate the amount of funding expended from the beginning of the grant to the end of the reporting period covered by this report. Also, indicate the amount charged as indirect expenses versus the amount charged as direct expenses.

Amount Requested	Direct and/or Indirect Expended to Date
\$382	\$0

FINAL PROJECT REPORT TEMPLATE

Final Performance Reports must illustrate the completion of each project within the grant agreement. Each project shall be outlined as separate project profiles. You will report on projects in the same order they were submitted in the approved application and subsequent amendments.

PROJECT INFORMATION

Project Title	Establishing a South Dakota Hop Grower's Association: Increasing Sales and Awareness of South Dakota Hops		
Recipient Organization Name:	South Dakota Hop Growers, subchapter of South Dakota Specialty Producers		
Period of Performance:	Start Date:	7/1/2020	End Date: 8/1/2022
Recipient's Project Contact			
Name:	Mark Bonnema		
Phone:	(605) 261-8260		
Email:	southdakotahopgrowers@gmail.com		

PERFORMANCE NARRATIVE

PROJECT BACKGROUND

Provide enough information for the reader to understand the importance or context of the project. This section may draw from the background and justification contained in the approved project proposal.

South Dakota breweries are spread out across a large geographical area, posing significant challenges for South Dakota Hop producers to directly market, promote, and sell their hops to South Dakota breweries. This project will establish a South Dakota hop producer identity that will initiate contact; provide marketing, education, awareness, and sales opportunities with receptive South Dakota breweries. The project will additionally establish an established and consistent means of communication with South Dakota breweries via newsletter and social media presence.

ACTIVITIES PERFORMED

Address the below sections as they relate to the entire project's period of performance.

OBJECTIVES

Provide the approved project's objectives.

#	Objective	Completed?	
		Yes	No*
1	Increase annual sales of South Dakota produced hops to South Dakota breweries from baseline of \$19,800 in 2019 to \$49,500 in 2021, an increase of 250% by establishing contacts and direct marketing to South Dakota Breweries.		x
2	Initiate direct, person-to-person contact with at least one member of the brewing team/crew from >85% of the 34 South Dakota based breweries. Of the 28+ brewers reached with direct person-to-person contact, 100% will indicate increased knowledge of South Dakota grown hops and 50% will indicate an intention to utilize more South Dakota grown Hops.		x
3	Provide a presentation and supporting documents (i.e., promotional flier, organizational brochure, info-graphic South Dakota Hop sheet) that promote and market South Dakota produced hops by educating brewers about the network of South Dakota Hop Producers; the varieties of hops grown in South Dakota; the quality and distinguishing features of South Dakota hops; and how to purchase South Dakota produced hops.	x	
4	Develop a chapter specific name, logo, website, and social media presence for the SDSPA Hop Producer Subchapter. Social media presence will include a Facebook page and Instagram account.	x	

5	Maintain contact and provide ongoing updates with South Dakota brewery representatives via tri-annual newsletter (print and digital) and monthly social media postings on Facebook and Instagram to further advance the awareness of South Dakota produced hops among South Dakota breweries.		x
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**If no is selected for any of the listed objectives, you must expand upon this in the challenges and lessons learned sections.*

ACCOMPLISHMENTS

List your accomplishments for the project's period of performance, including the impact they had on the project's beneficiaries, and indicate how these accomplishments assist in the fulfillment of your project's objective(s), outcome(s), and/or indicator(s).

#	Accomplishment or Impact	Relevance to Objective, Outcome, and/or Indicator
1	Creation of Name and Logo in October 2020.	Relevance to Obj #4: Commissioned and developed the South Dakota Hop Growers full color logo. Full rights obtained for the artwork.
2	Creation of South Dakota Hop Growers website in November 2020. South Dakota Hop Growers created and maintain the webpage with Squarespace web hosting.	Relevance to Obj #4: Develop a SDSPA Hop Subchapter website. Had 524 visits in 2021. Website shut down due to hop farm closures prior to calendar year 2022.
3	Creation of Instagram and Facebook pages in November 2020. https://www.facebook.com/southdakotahopgrowers https://www.instagram.com/southdakotahopgrowers/?hl=en	Relevance to Obj #4: Develop a SDSPA Hop Subchapter social media presence. Instagram has 200+ followers and Facebook has 83 page followers. Additional social media posts were not created in 2022 due to project early termination and hop farm closures.
4	Completed 18 Brewery Visits/Presentations with visit dates in March 2021, June 2021, and July 2021. Brewers were receptive to our group's representative and the visit. South Dakota Hop Growers Catalog and 2021 Brewer Update (See Figure 2) were provided to the brewers. Clear instructions on how to contact our group for hop purchases or inquiries were clearly delineated in print. The South Dakota Hop Growers and its member farms were introduced. Hop varieties grown and available for purchase were noted. A post visit survey was obtained from most of these brewers, unfortunately the survey copies have been misplaced. Follow up emails were sent to 15 brewers thanking them for their time and recapping the meetings. Additional brewery visits/follow-up were not completed due to hop farm closures and early project termination at the end of 2021.	Relevance to Obj #2: Initiate direct, person-to-person contact with at least one member of the brewing team for >85% of the 34 South Dakota based breweries
5	Publication and distribution of 1 st Edition <i>South Dakota Hop Catalog</i> ; "South Dakota Brewer Update" Flyer (Figure 2). Catalog and Brewer Update print materials were distributed to 18 breweries during brewery visits in March 2021, June 2021, and July 2021. The <i>South Dakota Hop Catalog</i> was well received by brewers. Many brewers flipped through the pages during the presentation and asked questions about the hops featured in the catalog. For example, head brewery from One-Legged Pheasant in Aberdeen, SD stated, "I didn't know anyone was growing Tahoma around here, I use that in our amber ale."	Relevance to Obj #3: Provide print documents and educational materials to South Dakota breweries that promote South Dakota Hop Growers and SD Hops. Relevance to Obj #5: Ongoing updates via newsletter were not accomplished, as project terminated early due to several hop farm closures.

#	Accomplishment or Impact	Relevance to Objective, Outcome, and/or Indicator
	The 1 st Issue <i>South Dakota Hop Growers Newsletter (Figure 1)</i> was written and printed, but was not distributed due to several hop farms ceasing operation and leaving the South Dakota hop Grower group.	
6	Reported sale of 3239lb of hops to South Dakota Breweries. Sales were not tracked or reported for 2022 due to early termination of the project following the closure of several hop farms.	Relevance to Obj #1: Increase sale of SD Grown hops to SD Breweries 250%

CHALLENGES AND DEVELOPMENTS

Provide any challenges to the completion of your project or any positive developments outside of the project's original intent that you experienced during this project. Also, provide the corrective actions you took to address these issues. If you did not attain an approved objectives, outcome(s), and/or indicator(s), provide an explanation in the Corrective Actions column.

#	Challenge or Development	Corrective Action or Project Change
1	Covid 19 pandemic shutdowns/precautions limiting contact and visits with breweries.	Follow Covid 19 precautions and guidance for public health and safety. Resume brewery meetings as deemed safe by South Dakota Hop Grower members and target breweries. Consider increased online marketing and sales. Decreased marketing opportunities affected Outcome #1. <i>The plan for increased online marketing became obsolete as member farms ceased operation and left the South Dakota Hop Grower group in fall 2021.</i>
2	Covid 19 reducing beer production by local breweries and thus limiting need for raw ingredients, including hops.	Continue to present brewers with South Dakota Hop information in preparation for resumption of pre-pandemic production levels of beer. This limited opportunity for sales of South Dakota grown hops to South Dakota based breweries, affecting Outcome #1. <i>The plan for resuming brewery presentations became obsolete as member farms ceased operation and left the South Dakota Hop Grower group in fall 2021.</i>
3	Hop growers having increased time requirements at jobs outside of farming, such as Nursing and Health System Administration.	Budget time monthly for South Dakota Hop Grower's activities, promotion, and administrative duties. Minimum 5 hours/month. Track hours. <i>The plan for increasing budgeted time for South Dakota Hop Grower activities became obsolete as member farms ceased operation and left the South Dakota Hop Grower group in fall 2021.</i>
4	Closure of 3 member hop farms. 4 th planned to close in fall of 2022.	All member South Dakota Hop Grower farms faced significant challenges during the grant period. Two large farms ceased operation and liquidated equipment. One additional small farm ceased by attrition, hops were abandoned and neglected in 2022. A fourth hop farm has expressed plan to close in fall of 2022 after reducing production in 2022. Of two remaining hop farms, one is a very small hobby farm with <100lb annual production, the other has no plans to expand or grow its production or sales beyond what is currently contracted due to time and monetary constraints.

#	Challenge or Development	Corrective Action or Project Change
5	Proliferation of proprietary varieties of hops by large, established hop producer groups rendered older, public hop varieties less desirable.	Multi-generational hop farms with large, integrated hop production, processing, and development operations are heavily invested in developing new hybrid varieties of hops via cross breeding. These new varieties often have more desirable or intense flavor and aroma and improved growing and/or brewing characteristics. Major farms have developed and proliferated dozens of new varieties that have become the preferred hop varieties for many, if not most beer producers. These new varieties have proprietary protection and South Dakota growers cannot produce them. Development of new hybrids often takes millions of dollars of investment and up to a decade for each new variety, making similar new hybrid development impractical for our South Dakota Hop Grower producers.

LESSONS LEARNED

Provide recommendations or advice that others may use to improve their performance in implementing similar projects.

Specialty crop production can often burn bright and fade quickly. This phenomena was experienced by hop producers in South Dakota. From 2010 through 2018 the number of new breweries (the majority of which are craft breweries) opening grew 10+% year over year. During the period of rapid expansion of craft breweries, the amount of hops used in each barrel of beer also grew, resulting in a growing need for hops. The increased need for hops occurred in total volume/weight of hops and also in greater geographical area as breweries opened in locations where breweries had not previously operated. This presented opportunities for small, local hop producers to provide hops for local and regional breweries. Member and participating farms in the South Dakota Hop Growers group all started production during this period of craft brewery expansion and increased need for hops. Production and sales of hops by South Dakota hop farms seemed promising during initial years of production (2016-2018). As challenges arose, such as abnormal weather, plant disease, Covid-19 production decreases, and increased competition, South Dakota Hop Growers quickly lost marketing and sales inroads to larger producers and loss production capacity due to weather challenges and plant disease. The promise of a profitable new specialty crop arose quickly and suddenly, and subsequently faded just as quickly, leaving South Dakota hop producers with debt, infrastructure, and broken promises and dreams.

Lessons for future hop producers or other specialty crop farmers:

- Initiate a Cooperative/Grower Association early in the specialty crop start up process.
 - Start-up costs for infrastructure, plants, harvesting, and processing equipment are substantial. Critical, time-sensitive equipment such as harvester and sprayer are needed by each farm, but less time-sensitive equipment, such as processing (in the case of hops, pelleting equipment) and cold storage space may be shared by farms. Sharing expensive, less time-sensitive equipment will increase the profitability of each member farm and result in less equipment to maintain.
 - Early in the start up phase, new producers appear to each other as competition. In the case of hops, however, more would have been gained by working together from early in the startup process (i.e., 2015-2017 as opposed to 2020). If a South Dakota Hop Grower group had been established sooner, there would be less redundant (and now unused) equipment

purchased. Working together as a group would also have allowed for organized and concerted marketing and better efforts towards product awareness among a greater number of South Dakota based breweries at an earlier and critical phase of brewery expansion and South Dakota hop production establishment.

- Consider competition from established producers in the specialty crop space.
 - The allure of “Local Grown” hops led to limited sales and commitment from South Dakota based breweries. Breweries would purchase small amounts of hops for one-off specialty beers, but it was much more difficult to get them to commit to larger purchases to be used in flagship or everyday beers that remain in production year round year after year.
 - Brewers preferred newer, proprietary varieties for their flagship beers over local grown hops. Newer proprietary hops offered by large hop producers in the Pacific Northwest held greater marketing power in the form of new and improved flavor profiles and offered the promise of more consistent and reliable supply.
 - When South Dakota hop growers experienced difficulties in production due to weather, plant disease, labor, or Covid-19 production decreases, the larger producers were able to quickly fill vacated market share.
 - Producers in the Pacific Northwest (Washington, Oregon, Idaho) experience a more consistent and ideal annual growing season with lower disease pressure. Consistent growing conditions also result in hops that meet or exceed ideal analysis parameters for the hop oils produced.
 - Pacific Northwest producers also have a more consistent and dedicated labor force from H-2A and return labor.
 - Pacific Northwest producers have large, automated harvesting and processing systems that greatly increase efficiency and consistency of product over and above South Dakota growers semi-automated or manual processes.
 - Anticipate and plan for long-term trends in the specialty crop production
 - Demand for hops grew consistently from 2010-2019. This corresponds with rapid growth in the number of new U.S. craft breweries and the amount of beer produced by these breweries. Overall beer production and consumption in the U.S. was largely flat during this period, but with newer craft breweries gaining beer production market share and utilizing more hops in each barrel of craft beer produced, the demand for hops grew steadily during this period. Growth has slowed, but continues after 2019. Market saturation has recently become a concern in many areas.
 - Local hop growers began production to meet the needs of new, local breweries in the mid 2010s. This is the case with hop growers in South Dakota.
 - Large producers in the Pacific Northwest also increased their hop production capacity up to 15% annually during this period. Pacific Northwest production was 65.5 million pounds in 2010. Production in 2019 was 112 million pounds, a 175% increase over the decade. Increase in hop production by large producers largely kept pace with the increase in demand for hops from new craft breweries.
 - Increase in overall hop production by large Pacific Northwest producers also coincides with a proliferation in new hybrid hop varieties with more desirable flavor, aroma, brewing, and growing/production characteristics. These new varieties are almost all proprietary with the exclusive production rites held by the large producers who developed the new varieties. South Dakota hop growers can only grow public hop varieties, which have increasingly lost favor and desirability from brewers.

- South Dakota Hop growers found it increasingly difficult to compete with the large producers given their efficiency, consistency, and the new hybrid varieties they offer.

CONTINUATION AND DISSEMINATION OF RESULTS (IF APPLICABLE)

Describe your plans for continuing the project (sustainability; capacity building) and/or disseminating the project results.

South Dakota Hop Growers will cease to continue ongoing and planned activities. The South Dakota Hop Catalog produced in 2020 and distributed in 2021 was received well. Profiles were provided for each hop farm/producer and every variety of hops grown. This format could be replicated by future specialty crop groups.

BENEFICIARIES

Number of project beneficiaries: 6 farms, 18 breweries, 2 contractors, 1 administrator

OUTCOME(S) AND INDICATOR(S)/SUB-INDICATOR(S)

Provide the results of the project outcome(s) and indicator(s) as approved in your application and project proposal. The results of the outcome(s) and indicator(s) will be used to evaluate the performance of the Program on a national level.

OUTCOME MEASURE(S)

Select the Outcome Measure(s) that were approved for your project.

- ☒ **Outcome 1:** Enhance the competitiveness of specialty crops through increased sales
- ☒ **Outcome 2:** Enhance the competitiveness of specialty crops through increased consumption
- ☒ **Outcome 3:** Enhance the competitiveness of specialty crops through increased access
- ☐ **Outcome 4:** Enhance the competitiveness of specialty crops through greater capacity of sustainable practices of specialty crop production resulting in increased yield, reduced inputs, increased efficiency, increased economic return, and/or conservation of resources
- ☐ **Outcome 5:** Enhance the competitiveness of specialty crops through more sustainable, diverse, and resilient specialty crop systems
- ☐ **Outcome 6:** Enhance the competitiveness of specialty crops through increasing the number of viable technologies to improve food safety
- ☐ **Outcome 7:** Enhance the competitiveness of specialty crops through increased understanding of the ecology of threats to food safety from microbial and chemical sources
- ☐ **Outcome 8:** Enhance the competitiveness of specialty crops through enhancing or improving the economy as a result of specialty crop development

OUTCOME INDICATOR(S)

Provide the indicator approved for your project and the related quantifiable result. If you have multiple outcomes and/or indicators, repeat this for each outcome/indicator (add more rows as needed).

#	Outcome and Indicator	Quantifiable Results
1	Outcome 1, Indicator 1.a. Annual sales of South Dakota produced hops to South Dakota breweries will increase from baseline of \$19,800 in 2019 to \$49,500 in 2021, an increase of 250% by establishing direct personal networking/contacts, direct person-to-person marketing,	Sales of hops to South Dakota Breweries are increased 47% compared to 2019. 3239lb in 2021 x \$9/lb = \$29,151 +147% over 2019 baseline of \$19,800. *2020 sales/volume were greatly skewed due to Covid-19 restrictions, shutdowns, and loss of sales opportunity

	and a social media presence with South Dakota Breweries.	
2	Outcome 2, Indicator 1.a. Consumption of South Dakota produced hops will correlate with annual sales. As sales increase, so too utilization and consumption of South Dakota Produced hops will increase in beer produced by South Dakota based breweries. Utilization will increase from baseline of 2200# to #5500lb, an increase of 250%.	Consumption is highly correlated with sales. See Outcome #1. 2200lb vs 3239 = 147% increase We are unable to precisely track consumption of a given year and lot number of South Dakota grown hops used in South Dakota produced beer. Breweries do not regularly track this information and have indicated it would be prohibitively cumbersome for them to do so.
3	Outcome 2, Indicator 2.a. The South Dakota Hop Growers will initiate contact with marketing and sales materials to at least 29 of the current 34 South Dakota based breweries ("consumers"). Of the 29 South Dakota Breweries/CONSUMERS with direct person-to-person contact, 100% will gain knowledge on how to access, purchase, and utilize South Dakota grown hops via marketing and sales materials.	Access to Hop Grower/Producers increased via website traffic (524 visits), Facebook and Instagram Social Media (250+ combined followers), and print materials i.e. Hop Catalog, Brewer Update Flyer, and 1 st Issue Hop Growers Newsletter. Of the 18 brewery visits completed, 100% gained knowledge on how to access, purchase, and utilize South Dakota Grown hops via 2021 Brewer Update Flyer, 2020 South Dakota Hop Grower Catalog; and direct conversation with South Dakota Hop Grower member. See Figure 2.
4	Outcome 2, Indicator 2.b Survey feedback on intended future utilization/consumption of South Dakota produced hops will be obtained from 60% of the 29 contacted brewery/CONSUMER representatives prior to completion of project in 2021.	*Hard copies of these survey results are missing/misplaced. The South Dakota Hop Grower member who collected them moved residences and cannot locate them following the move. Overall sentiment of the results was positive for using LOCAL hops; neutral for the importance of PRICE ; and non-committal or non-applicable regarding quality/obstacles/barriers resulting from the fact most brewers said they simply do not have enough experience/exposure to South Dakota Grown hops to make a determination. See Figure 3.
5	Outcome 3, Indicator 1.a. Developing a SDSPA Hop subchapter name and logo will establish a recognizable identity and increase the validity of the South Dakota hop producers.	A South Dakota Hop Growers Logo was developed and adopted in Oct 2020. The designer, Jon Danyeur works at a local Sioux Falls Brewery and has experience working on a hop farm. The logo was modeled loosely after the State flag of South Dakota. 
6	Outcome 3, Indicator 2.a. Development of a SDSPA Hop subchapter specific website and domain will increase South Dakota	The South Dakota Hop Grower website was launched in Nov 2020. It had 524 page visits in 2021. https://www.southdakotahopgrowers.com

	based breweries' and the general public's ability to seek and gather information about the SDSPA Hop subchapter and its members.	
7	Outcome 3, Indicator 2.b. The SDSPA Hop subchapter website will produce online traffic of 125 unique visits to the website in calendar year 2020 and 250 unique visits to the website in calendar year 2021. Of the 375 unique INDIVIDUAL visitors to the SDSPA Hop Subchapter website, 50% will gain knowledge on how to access South Dakota grown hops	The South Dakota Hop Grower website was launched in Nov 2020. It had 524 page visits in 2021. https://www.southdakotahopgrowers.com
8	Outcome 3, Indicator 3.a. Development of a social media presence for the SDSPA Hop subchapter will increase the group's visibility and ease of access. A Facebook page and Instagram account will be created for the group following naming and logo development.	South Dakota Hop Growers Facebook Page was created in Nov 2020 and has amassed 83 page followers. https://www.facebook.com/southdakotahopgrowers South Dakota Hop Growers Instagram Account was created in Nov 2020 and has amassed 218 followers https://www.instagram.com/southdakotahopgrowers/?hl=en
9	Outcome 3, Indicator 3.b. The SDSPA Hop subchapter Facebook page will obtain 250 page likes by the end of the project period in December 2021. Facebook will serve as a new ACCESS POINT for INDIVIDUALS and CONSUMERS to GAIN KNOWLEDGE on HOW TO ACCESS South Dakota grown hops.	South Dakota Hop Growers Facebook Page was created in Nov 2020 and has amassed 83 page followers. https://www.facebook.com/southdakotahopgrowers
10	Outcome 3, Indicator 3.c. The SDSPA Hop subchapter will obtain 250 Instagram followers by the end of the project period in December 2021. Instagram will serve as a new ACCESS POINT for INDIVIDUALS and CONSUMERS to GAIN KNOWLEDGE on HOW TO ACCESS South Dakota grown hops.	South Dakota Hop Growers Instagram Account was created in Nov 2020 and has amassed 218 followers https://www.instagram.com/southdakotahopgrowers/?hl=en
11	Outcome 3, Indicator 4.a. The tri-annual newsletter will be physically mailed and emailed to 29 South Dakota based breweries. The South Dakota Hop Growers Newsletter will serve as a new ACCESS POINT for INDIVIDUALS	Vol 1 Issue 1 of the <i>South Dakota Hop Growers Newsletter</i> was formatted, written, and printed. The Newsletter is a four page, full color periodical. The newsletter was not sent to brewers, however, as two growers announced they were ceasing operation and the newsletter contained outdated information before it was ever sent out. See Figure 1.

	and CONSUMERS to GAIN KNOWLEDGE on HOW TO ACCESS South Dakota grown hops.	
12	Outcome 3, Indicator 4.b. In addition to 29 breweries, The tri-annual newsletter will be emailed to 75 subscribed at-large/general public subscribers requesting a copy of the newsletter. The South Dakota Hop Growers Newsletter will serve as a new ACCESS POINT for INDIVIDUALS and CONSUMERS to GAIN KNOWLEDGE on HOW TO ACCESS South Dakota grown hops.	Vol 1 Issue 1 of the <i>South Dakota Hop Growers Newsletter</i> was formatted, written, and printed. The Newsletter is a four page, full color periodical. The newsletter was not sent to brewers, however, as two growers announced they were ceasing operation and the newsletter contained outdated information before it was ever sent out. See Figure 1.
13	Outcome 4 – per federal request for comment: This project is not currently engaging farmer’s markets. No Farmers Markets will be reached, as hops are sold in bulk to commercial breweries. A later project may target small-scale, individuals and home brewers via farmer’s markets and other targeted access points.	

DATA COLLECTION

Explain what data was collected, how it was collected, the evaluation methods used, and how the data was analyzed to derive the quantifiable indicator.

South Dakota Hop Grower Members self-reported sales of hops in pounds of dried hops for 2019 and 2021. Sales of hops in pounds was calculated x average of \$9.00/lb, as growers were unwilling to share pricing and sales figures due to the competitive nature of hop sales.

Website visits per Squarespace webhost analytics.
Facebook followers/likes per Facebook Page analytics.
Instagram followers per Instagram account analytics.

Brewery visits tallied, and follow-up emails sent.

FEDERAL PROJECT EXPENDITURES

EXPENDITURES

Cost Category	Amount Approved in Budget	Actual Federal Expenditures (Federal Funds ONLY)
Personnel	2664	1354.5
Fringe Benefits		
Travel	1219	27.98
Equipment		
Supplies	260	350.83
Contractual	500	250

Cost Category	Amount Approved in Budget	Actual Federal Expenditures (Federal Funds ONLY)
Other	135	322.13
Direct Costs Sub-Total	4778	2305.44
Indirect Costs	382	0
Total Federal Costs	5160	2305.44

PROGRAM INCOME (IF APPLICABLE)

Source/Nature (i.e., registration fees)	Amount Approved in Budget	Actual Amount Earned
1.		
2.		
3.		
Total Program Income Earned		

Use of Program Income

Describe how the earned program income was used to further the objectives of this project.

ADDITIONAL INFORMATION

Provide additional information available (i.e., publications, websites, photographs) that is not applicable to any of the prior sections.

Figure 1: South Dakota Hop Growers Newsletter Vol 1 Issue 1

South Dakota Hop Growers Newsletter
Introductory Edition Vol. 1 Issue 1 2021



SOUTH DAKOTA HOP GROWERS

In This Issue:

- Introducing: SOUTH DAKOTA HOP GROWERS
- Hop Highlight
- Farmer Feature
- Up and Coming

South Dakota Grown by South Dakota's Own

Page 01

South Dakota Hop Growers Newsletter
Introductory Edition Vol. 1 Issue 1 2021

Introducing South Dakota Hop Growers

South Dakota Hop Growers is a collective of six independently owned and operated hop farms. We currently grow 18 varieties of hops on our farms.

Each member farm grows, harvests, processes, and sells their own hops directly to South Dakota Breweries. The South Dakota Hop Growers organization was created to advance and promote the hop industry in South Dakota by engaging with brewers and the public.

We are committed to growing, harvesting, and processing the highest quality hops. Our aim is to help South Dakota breweries and South Dakota hop farms partner together to produce great South Dakota beer with local ingredients.



Hop Highlight Michigan Copper™

TROPICAL FRUITY JUICY FLORAL with a dank whisper

Can you even imagine... tropical, juicy fruit, starburst, with a little floral and dank note – ALL IN ONE HOP??? This is it. Think Citra, and Columbus collide.

Developed and released by Great Lakes Hops in Michigan in 2014, Michigan Copper™ was bred to grow well in the Midwest and is rapidly growing in favor with brewers. It packs a fruity, hoppy punch and is ready to be unleashed on the brewing world. Michigan Copper™ features out of this world aroma that can hang with all the best trademarked hops.

**ALPHA ACID: 8.8-10.5
BETA ACID: 2.3-3.5
TOTAL OIL: 1.2-1.8**



South Dakota Grown by South Dakota's Own

Page 02

South Dakota Hop Growers Newsletter
Introductory Edition Vol. 1 Issue 1 2021

Farmer Feature

HERDS TO HOPS HOP FARM

A family farm if ever there was one. Located just west of Sioux Falls, SD, Herds to Hops grows corn, soybeans, hay and alfalfa. You will also find numerous chickens clucking around the farm! In 2017 work began on a 4-acre hop field, converting a small alfalfa field into hops. In 2019 expansion began into a 6-acre cattle pasture, and thus the name, Herds to Hops. They currently grow 6 varieties of hops and will be selecting additional varieties in consultation with SD brewers.

Herds to hops proved their dedication to South Dakota grown and produced hops in 2019 when they built a food grade hop processing building equipped with a state-of-the-art Buskirk hop pelleting system. While all hops produced by South Dakota hop farms are pelleted, hops from Herds to Hops are top quality.

Check out the herdstohops.com feature to learn more about Herds to Hops's signature hop variety, Michigan Copper™. Cheers to great beers made with hops from Herds to Hops, like Remedy Strata-Copter, Severance DB Cooper IPA, and Woodgrain Veneer Pils.

www.herdstohops.com herdstohops@gmail.com




South Dakota Hop Growers Newsletter
Introductory Edition Vol. 1 Issue 1 2021

2021 FARMER GROWERS

- 6th Meridian Hop Farm, Yankton, SD
- A&A Hops-N-Hotrods, Canton, SD
- A Homestead Brew, Valley Springs, SD
- Herds to Hops, Sioux Falls, SD
- Hoppy Trails Hop Farm, Inwood, IA
- Star Sister Organic Hops, Larchwood, IA

We **WANT** to work with you!

Call, email, text or reach out via social media.

Great South Dakota Breweries + Great South Dakota Hops = Great South Dakota Beer

GET in TOUCH

www.southdakotahopgrowers.com
southdakotahopgrowers@gmail.com
 Facebook @southdakotahopgrowers
 Instagram @southdakotahopgrowers

South Dakota Hop Growers is a subchapter of the South Dakota Specialty Producers Association.



2021 VARIETIES

- AlphAroma
- Bow Valley™
- Cascade
- Cashmere
- Centennial
- Chinook
- Comet
- Crystal
- Dakota Challenger™
- Mackinac™
- Michigan Copper™
- Mount Hood
- Neo I
- Newport
- Olympic
- Tahoma
- Triple Perle
- Triumph

30,000 lbs of hops used annually for beer production in South Dakota

IF EVERY SD BREWERY COMMITTED TO USING A 20% SD GROWN HOP BILL IN 2021...

30,000lb X 20% = 6,000LB OF GREAT SD HOPS IN GREAT SD BEER.

The Brewers Association estimates that South Dakota Breweries produced 20,000 barrels of beer in 2019



South Dakota Grown by South Dakota's Own

Page 04

Fig 2: 2021 Brewer Update



Figure 3: Brewer Meeting Speaking Notes/Topics and Post Meeting Survey

Goals/Objectives:

- **Introduce South Dakota Hop Growers.**
 - We are a collective of 6 independent farms, but TOGETHER we have 18 varieties of hops.... Something for every SD brew.
- **Develop and maintain strong, trusting relationships with SD Brewers/breweries**
 - We need to work together to achieve positive relationships and reputation with SD Brewers. Each of us have day jobs.... We are busy... if we work together, however, we can reach more brewers and get more of our collective hops into SD beer.
 - When SD brewers need hops, we want them to think... What can I get local....?
- **Promote a goal: SD Brewers will use 21% SD grown hops in 2021 and 25% by 2025.**
 - The Brewers Association estimates that South Dakota produces 20,000 barrels of beer per year.
 - The average barrel of craft beer contains 1.57lb of hops
 - $20,000 \times 1.57 = 31,400\text{lb}$ of hops used for beer production in the state of SD each year.
 - $31,400 \times 21\% = 6,594\text{lb}$ of local, South Dakota Grown hops used each year in 2021. $31,400 \times 25\% = 7850\text{lb}$ of local, South Dakota Grown hops used each year in 2025.
- **Emphasize our accessibility and availability**
 - We are your neighbor down the road
 - We can deliver or ship quickly (will need to work out a process for West River)
 - We may be able to hold/store hops in cold storage and deliver when needed.
 - We care about our community and about South Dakota

- **Encourage open dialogue and honest feedback from brewers**
 - What do you like/value about South Dakota Grown Hops?
 - What are your fears or reservations about using South Dakota Grown Hops?
 - What varieties would you like produced locally?

Eventual goals and objectives:

- A beer festival of South Dakota GROWN and MADE beers.
- Hop sensory event for brewers to encourage their purchase of SD grown hops
- A South Dakota Hop Growers STAMP/APPROVAL that South Dakota breweries can display/use if they meet the goal of using at least 21% South Dakota grown hops in their brewing

Brewer Meeting Post Survey

Brewery _____

Respondent _____

Local: On a scale of 1-10, how important is it for your brewery to use LOCAL ingredients?

1	2	3	4	5	6	7	8	9	10
Not important			Its nice....			Absolute MUST			

Price: On a scale of 1-10, how important is the PRICE POINT of the ingredients you use?

1	2	3	4	5	6	7	8	9	10
Not important			Price is nice....			Deal Breaker			

When thinking of **LOCAL HOPS**:

- What is the LOWEST price you would expect to pay? \$____/lb
- What is the HIGHEST price you would be willing to pay? \$____/lb
- What do you think is a fair/median price for quality, local hops? \$____/lb
- How would you rate the quality of local hops you have used compared to national brands?

1	2	3	4	5	6	7	8	9	10	(N/A)
Terrible			Average			Excellent				

The South Dakota Hop Growers has a goal of 21% in 2021. (21% of the hops used by South Dakota Breweries are local/South Dakota Grown in 2021).

- What is your estimate of the current utilization of local/South Dakota Grown Hops for your brewery? _____%

- b. If there were no barriers or obstacles, what percent local/South Dakota Grown hop utilization is realistic for your brewery to achieve in 2021? _____%
- c. What are your brewery's main perceived **barriers** to using local/South Dakota Grown Hops?

Variety

Time/Effort

Contacts

Price

Storage

Knowledge

Availability

Necessity

Disinterest

Quality

Accessibility

Consumer Demand

OTHER (list) : _____

Are there any non-proprietary **VARIETIES** (i.e. Centennial, Chinook, Kent Golding, Galena, Willamette) hops that your brewery is seeking or wanting to use?
