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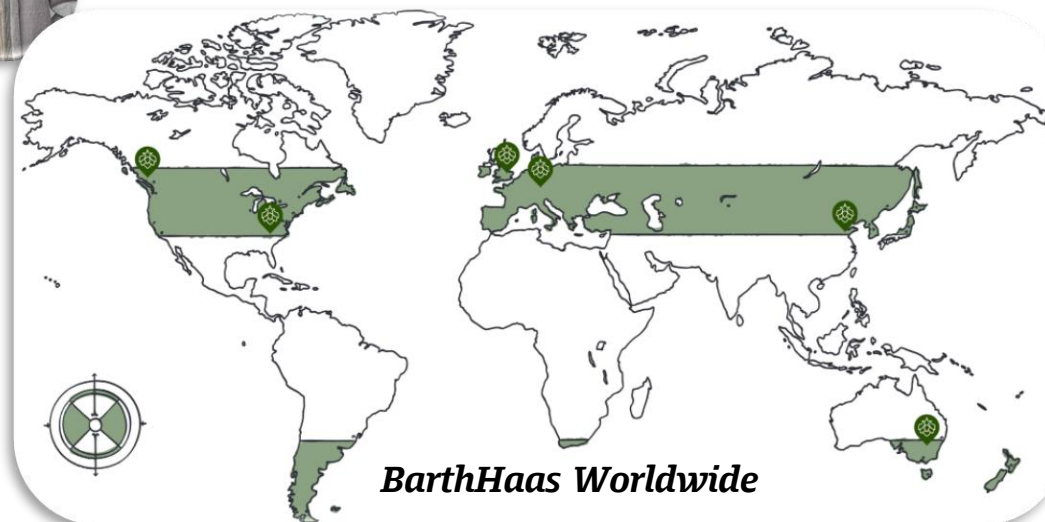
*May 27, 2020*

# **MRL Harmonisation Workshop**

## **EU Pesticide Policy: Hop Industry Perspective**

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*Plant Protection Representative, German Hop Industry Association (DHWV)*

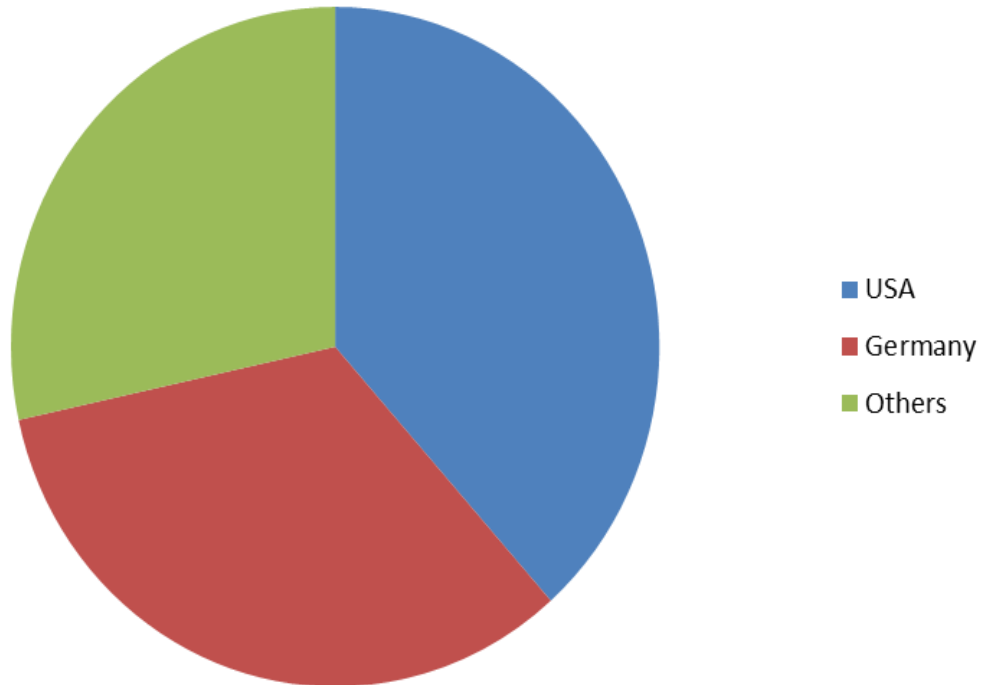
# About BarthHaas



- 1. Facts about the Worldwide Hop Industry**
2. Harmonisation of MRLs – Non-Harmonisation of Pesticide Registration in the EU Member States
3. Impact of the EU Pesticide Policy on all Levels of the Hop Industry
4. Global Response of the Hop Industry



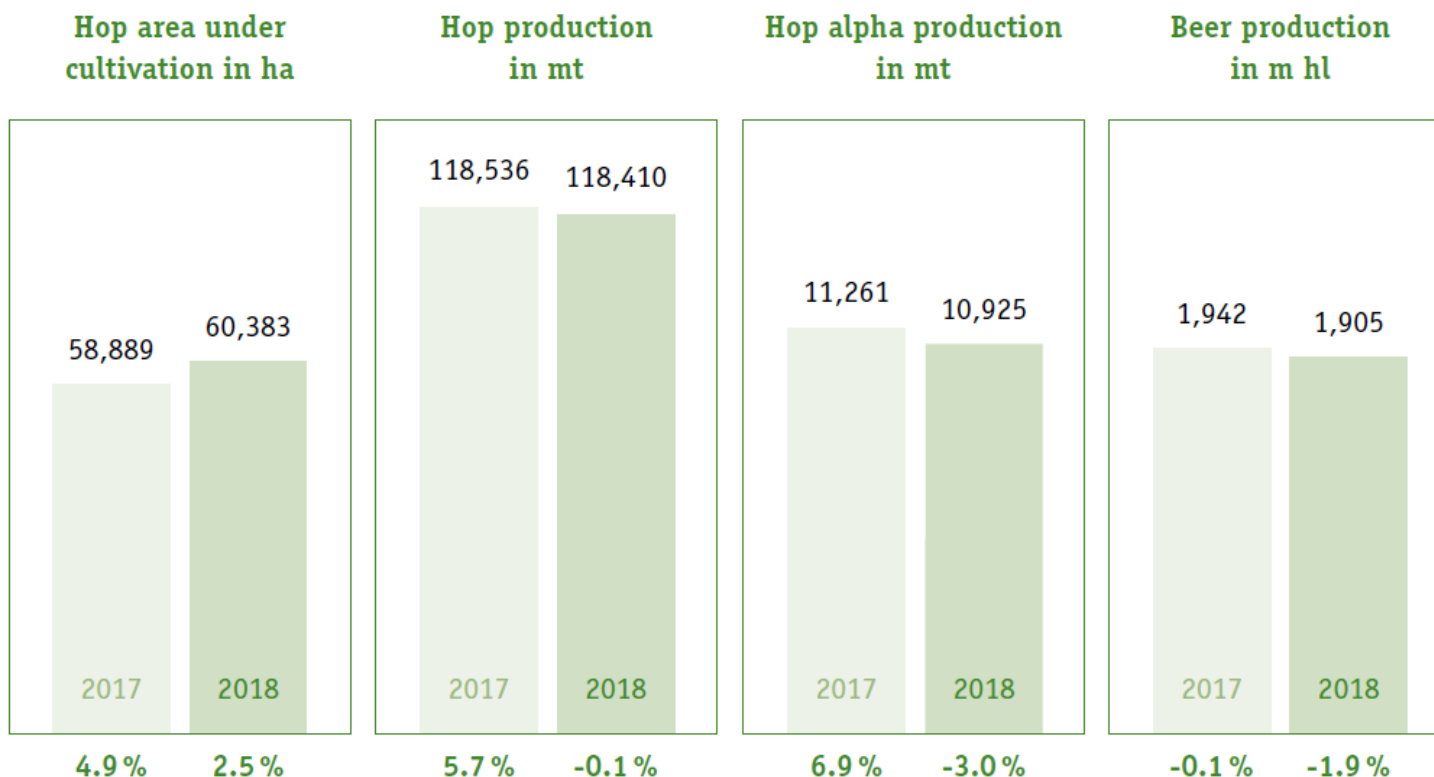
## TWO THIRD OF ALL HOPS ARE GROWN IN THE US AND IN GERMANY



# ECONOMIC SIGNIFICANCE OF THE WORLDWIDE HOP INDUSTRY



## WORLD MARKET BASIC DATA



**Total revenue:**  
**approx. 1.6 billion €**

# Key Hop Industry Data for the 2019 Harvest

4.200	Growers
61.300	Hectares
€ 1 bil.	Farm gate value
€ 44 mil.	EU exports to US
€ 124 mil.	US Exports to EU

# The World's Top 40 Brewing Groups...

... PRODUCE 90% OF THE BEER WORLDWIDE



MOLSON *Coors*

Asahi

Ranking	Brewery	Country	Beer output 2018 in mill. hl	Share of world beer production
1	AB InBev	Belgium	567.0	29.8%
2	Heineken	Netherlands	233.8	12.3%
3	China Res. Snow Breweries	China	121.0	6.4%
4	Carlsberg	Denmark	112.3	5.9%
5	Molson Coors	USA/Canada	96.6	5.1%
6	Tsingtao Brewery Group	China	80.3	4.2%
7	Asahi	Japan	57.9	3.0%
8	BGI / Groupe Castel	France	40.5	2.1%
9	Yanjing	China	38.0	2.0%
10	Efes Group	Turkey	31.8	1.7%
11	Grupo Petrópolis	Brasil	30.0	1.6%
12	Kirin	Japan	27.8	1.5%
13	San Miguel Corporation	Philippines	24.0	1.3%
14	Constellation Brands	USA	22.0	1.2%
15	Diageo (Guinness)	Ireland	20.0	1.1%
16	Saigon Beverage Corp. (SABECO)	Vietnam	17.0	0.9%
17	Singha Corporation	Thailand	12.9	0.7%
18	CCU	Chile	12.9	0.7%
19	Grupo Mahou - San Miguel	Spain	12.7	0.7%
20	United Breweries	India	12.5	0.7%
21	Radeberger Gruppe	Germany	11.8	0.6%
22	Damm	Spain	11.5	0.6%
23	Pearl River	China	10.7	0.6%
24	Beer Thai (Chang)	Thailand	9.0	0.5%
25	Suntory	Japan	8.8	0.5%
26	TCB Beteiligungsgesellschaft mbH	Germany	8.6	0.5%
27	Oettinger	Germany	8.5	0.4%
28	Sapporo	Japan	8.4	0.4%
29	Swinkels Family Brewers	Netherlands	7.8	0.4%
30	Bitburger Braugruppe	Germany	6.6	0.3%
31	Krombacher	Germany	6.3	0.3%
32	Paulaner Brauerei Gruppe	Germany	6.0	0.3%
33	HiteJinro	South Korea	5.4	0.3%
34	Royal Unibrew	Denmark	5.2	0.3%
35	Hanoi Beverage Corp. (HABECO)	Vietnam	4.5	0.2%
36	Obolon	Ukraine	4.2	0.2%
37	Warsteiner	Germany	4.0	0.2%
38	Olvi Group	Finland	4.0	0.2%
39	Polar	Venezuela	3.9	0.2%
40	Gold Star	China	3.6	0.2%
TOTAL			1,709.8	89.8%
World beer production 2018			1,904.6	100.0%

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Since 2008 we do have harmonised MRLs, but...



## EU Regulation 396/2005



... the responsibility for the authorisation of PPPs still lies with the Member States



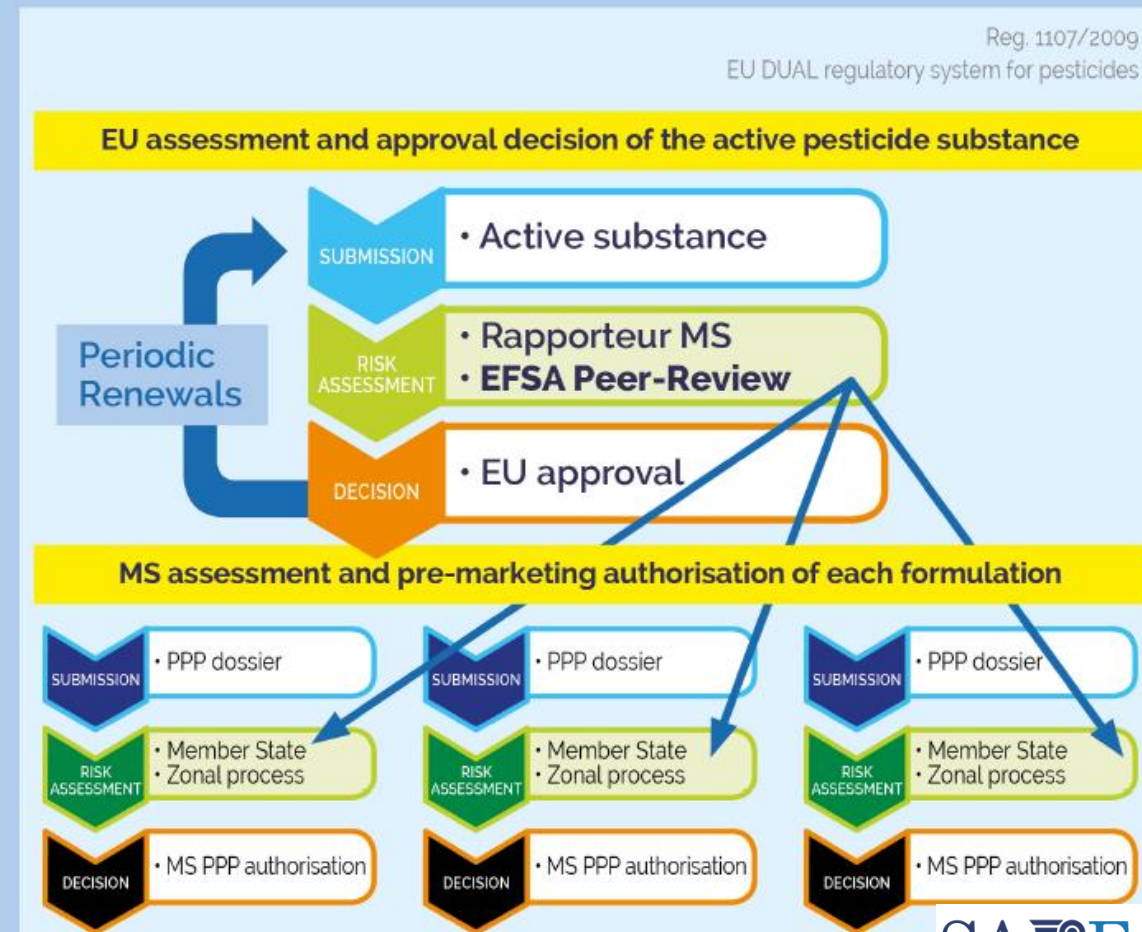
The consequence: Different framework conditions for farmers in different Member States !



# AUTHORISATION OF PLANT PROTECTION PRODUCTS (PPP) IN THE EU

- Assessment of a.i. and report by Rapporteur Member State (RMS)
- EFSA consults experts of MS and public opinion
- EFSA prepares conclusion
- Approval by EU Commission (KOM)
- Authorisation by MS authorities (in Germany: BVL)

## Regulatory system for Plant Protection Products (PPP)



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# Who is affected?

## **EU HOP GROWERS**

Fewer Pesticides  
Lower Quality  
Lower Yield

## **NON-EU HOP GROWERS**

Fewer Import Tolerances  
Fewer Pesticides  
Lower Quality/Yield

## **HOP TRADE**

Non-Tariff Trade Barriers  
Less Flexibility  
Higher Risks

## **BREWERIES**

Less Choice  
Lower Quality  
Higher Costs

## **PPP MANUFACTURERS**

Less Revenue  
Higher R&D Costs

## **AUTHORITIES**

Supervision  
Enforcement  
Harmonisation....

# EU PESTICIDE POLICY

- **Switch from risk based to hazard based approach**
- **Strict cut-off criteria**
- **Drastic reduction of available active ingredients**



review until 2008: oriented towards the practice;

So far, a **scientific based** review until 2008 in **risk assessment** under normal and proper use of the pesticide product for humans, animals and the environment was usual;

**Risk = Hazard x Probability**



**Example air traffic:**

Danger/Hazard: crash

Probability: 0.000000 X%

Government measures: regulatory control

According to statistical data of the BFU (German Federal Bureau of Aircraft-accident investigation) you would have to fly to Germany for at least 67 years uninterrupted to be a safe candidate for a plane crash.  
... ([www.flugzeug-absturz.de](http://www.flugzeug-absturz.de))



# Possible Consequences for Hop Growers

## EU PESTICIDE POLICY

- Fewer registrations in EU hop growing areas



- More hop imports from Non-EU countries



Unfair competition

- EU MRLs removed



- due to ecotox reasons (assuming that import tolerance remains in place)



Unfair competition remains



# Possible Consequences for Hop Growers and Brewers

## EU PESTICIDE POLICY

- **EU MRLs removed**
  - **due to human tox reasons (import tolerance will be removed as well)**
    - ➔ **Fewer pesticides for EU and Non-EU growers**
    - ➔ **Yield and quality issues for all growers**
    - ➔ **Quality and cost issues for customers**



# Possible Consequences for the Hop Trade

## EU PESTICIDE POLICY

- **Hop products can be stored up to five years or more!**
- **In general, new EU MRLs enter into force on the date of publication.**
- **In some cases regulations provide for a transitional arrangement for products which have been produced before the modification of MRLs, but not always.**



**In any case, the products produced in or imported into the EU after the publication date are not marketable anymore!**  
**(Special note: Product stored in a bonded EU warehouse is not considered imported yet!)**

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## GLOBAL RESPONSE



## Worldwide Collaboration

- IHGC has established the Commission on Regulatory Harmonization
- Provides a mechanism to keep all member countries informed regarding international regulatory issues related to MRLs

## EU Commodity Expert Group

- Important step forward in providing European hop growers a mechanism to collaborate on plant protection issues.
- Focused on usage and registration, ensuring growers in all member countries have access to products registered in other EU member countries, as well as seeking new products that are needed by EU producers.



# Worldwide Collaboration

## GLOBAL RESPONSE





# Worldwide Collaboration

## GLOBAL RESPONSE

Save time to develop new agronomic methods.



More than 100 participants discussed new directions for hop growing



Vertretung des  
Freistaates Bayern  
bei der Europäischen Union

## Global Hop Summit

Organizer:

Verband Deutscher Hopfenpflanzer e.V., Deutscher Hopfenwirtschaftsverband e.V.,  
International Hop Growers Convention



With support:

Bayerischer Brauerbund, Deutscher Brauer-Bund, The Brewers of Europe,  
European Brewery Convention, Copa\*Cogeca



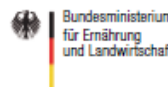
Die deutschen Brauer  
Deutscher Brauer-Bund e.V.



copa\*cogeca  
european farmers european agri-cooperatives

Other partners:

Bundesministerium für Ernährung und Landwirtschaft (BMEL), Bayerisches Staatsministerium für Ernährung, Landwirtschaft und Forsten (StmELF), Gesellschaft für Hopfenforschung e.V. – Hüll, Hopfenforschungs- und Hopfenzüchtungszentrum der Bayerischen Landesanstalt für Landwirtschaft (LfL) – Hüll, USA Hops/ Hop Growers of America (HGA), Bryant Christie Inc. – Seattle



Bayerisches Staatsministerium für  
Ernährung, Landwirtschaft und Forsten



BRYANT CHRISTIE



**Thank you for your attention !**



**BarthHaas<sup>®</sup>**

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