

Driving the New York State Hop Industry to Meet Demand

By

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Submitted to the Engineering Systems Division on May 6th, 2016 in Partial Fulfillment of the Requirements for the Degree of Master of Engineering in Logistics.

Abstract

The craft brewing industry in New York State has grown rapidly over the past five years helped in part by New York State legislation called the Farm Brewery Act of 2012. The act imposes agricultural stipulations for breweries desiring to file for a Farm Brewing license. The hop industry will have to grow in kind to meet the Farm Brewery Act requirements. The level of growth that needs to be achieved was determined through the use of system dynamics modeling. Production volumes were calculated based on survey results from brewers and farmers. Currently, the state's hop industry is producing a surplus of hops and will be able to supply short-term brewery growth over the horizon of the next three years. It was discovered, however, that the industry is vulnerable to demand shifts and prudent action should be taken to become resilient to changes in buyer regulations and preferences: increasing the economy of scale and building collaborative relationships through farm clustering will improve the longevity of New York's hop industry.

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