

Yakima Valley Hops Farm

Confidential Offering Memorandum



Root Realty LLC, A Limited Liability
Company of Idaho – WA Lic. #25488

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Section I

Executive Summary

Transaction Summary

We are proud to offer a turnkey hop operation featuring approximately 900 deeded acres and an additional 1,000 leased acres, supported by a complete vertical of equipment for hop harvest, storage, and processing. The operation is strategically located in Yakima County, WA, southwest of Toppenish.

Overview

- Yakima Valley Hops, (or “the Company”) focuses primarily on hops production, with additional crop acreage potential. Crops historically grown include:
 - Corn
 - Alfalfa
 - Wheat
 - Grapes
 - Dry Beans
 - Mint
- The offering consists of dual-purpose hops plantings, specifically aroma and bittering. Additionally, all harvest, processing equipment, and rolling stock is to be included in the sale with two farm/labor houses if desired.
- Questions can be directed to Bradley Calaway or Skye Root:
 - bradley@rootagadvisory.com
 - skye@rootagadvisory.com

Key Asset Details



~902 (738 irrigated) deeded acres



~50,000 sq ft of Hops processing facilities



~13 Premium Hop Varieties*

Process Timeline

1

March 1st, 2025 : Initial Bids Due

2

April 1st, 2025 : Anticipated PSA Execution

3

June 1st, 2025 : Anticipated Closing Date

* All proprietary hops rootstock and varieties are not included in the transaction.



Operation Summary

For several years, Yakima Valley Hops has been a trusted supplier of premium hops to major retailers, renowned for their consistent quality and reliability. The Company's innovative growing and storage strategy enhances their vertical integration, driving operational efficiencies, optimizing supply chain management, and maximizing revenue potential.

Yakima Valley Hop Farm

Farming



- The Yakima Valley marries high quality soils with warmer winters, making the region home to the largest variety of freshly grown produce in the PNW.
- Hops produced in the area are sold to over 50 countries worldwide, cementing Washington's position as the industry leader in hop production and processing

Processing



- Crop production is supported by 50,000 square feet of processing warehouses and 47,000 square feet of outbuildings and shops, providing comprehensive infrastructure for operations.
- The modern kiln and staging facility, completed in 2019, features state-of-the-art processing technology, ensuring optimal operational efficiencies while maintaining quality.

Marketing



- The farm's Hops has been historically contracted with Anheuser-Busch, Haas, and Yakima Chief Hops. The 2025 crop is currently open.

Select Customers





Section II

Deeded Acreage Details

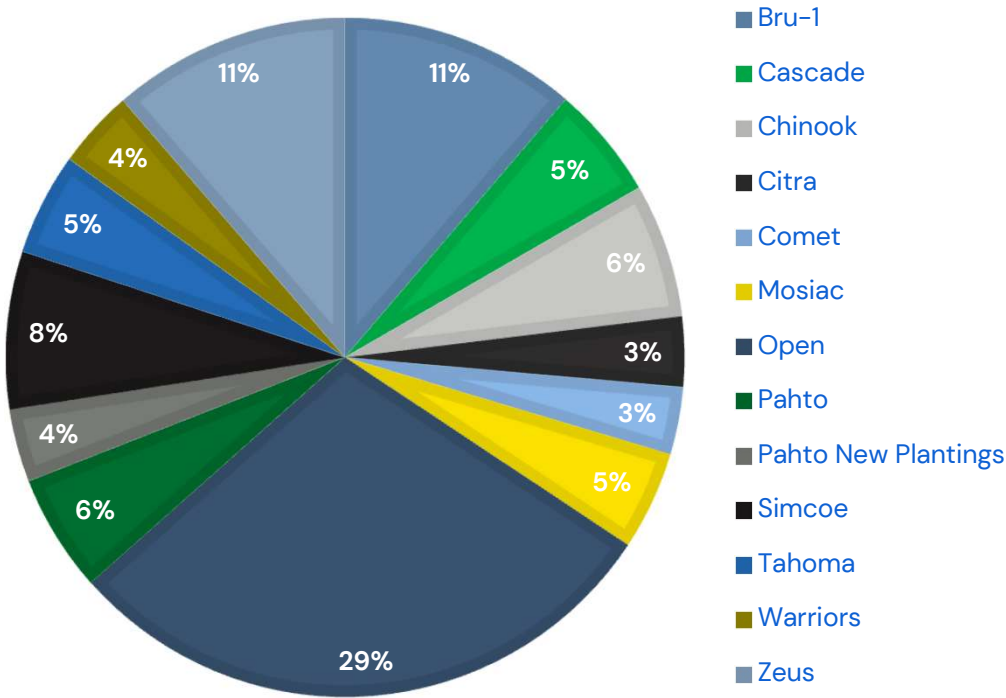
Hop Planting Summary

All planted blocks are conventionally farmed and include standard hop trellises with drip irrigation. The blocks, ranging from 3 to 12 years old, are laid out in a diamond pattern with 14 x 28-foot spacing, utilizing treated hop poles, cable guides, hop supports, and anchor lines. Additionally, the open acreage is equipped with standard hop trellises and drip tubing, which is currently rolled up

2024 Variety Mix

Mix Summary (in acres)

VARIETAL SUMMARY



Bru-1*	164.4
Cascade	78.8
Chinook	93.5
Citra*	48.6
Comet	46.9
Mosaic*	68.7
Open	425.4
682 (Pahto)*	81.9
Pahto New Plantings	50.8
Simcoe*	109.5
Tahoma	71.1
Warriors*	54.4
<u>Zeus</u>	<u>165.6</u>
Grand Total (Acres)	1,459.7

* All proprietary hops rootstock and varieties are not included in the transaction



General Region Details



Regional Overview

- The Yakima Valley is renowned for producing nearly 75% of the hops grown in the United States, exported to over 50 countries, making it the global leader in hops production.
- The regions combination of well-draining soils, long daylight hours, and reliable irrigation from the Yakima River creates perfect conditions for cultivating high-quality crops
- In addition to hops, the Yakima Valley supports a variety of crops, highlighting its agricultural richness and adaptability.

Yakima Valley Crop Production & Value (2022)

State	Year	Crop Type	Harvested Acres	Value of Production
Washington	2022	Hops	43,500	\$635,000,000
Washington	2022	Apples	175,000	\$2,155,140,000
Washington	2022	Cherries	38,000	\$404,700,000
Washington	2022	Grapes	14,000	\$210,000,000
Total			270,500	\$3,404,840,000

Washington Row Crop Acreage & Production Value

State	Year	Crop Type	Harvested Acres	Value of Production
Washington	2022	Corn (grain)	80,000	\$108,075,000
Washington	2022	Potatoes	164,500	\$942,651,000
Washington	2022	Carrots	10,200	\$399,525,000
Total			254,700	\$1,450,251,000

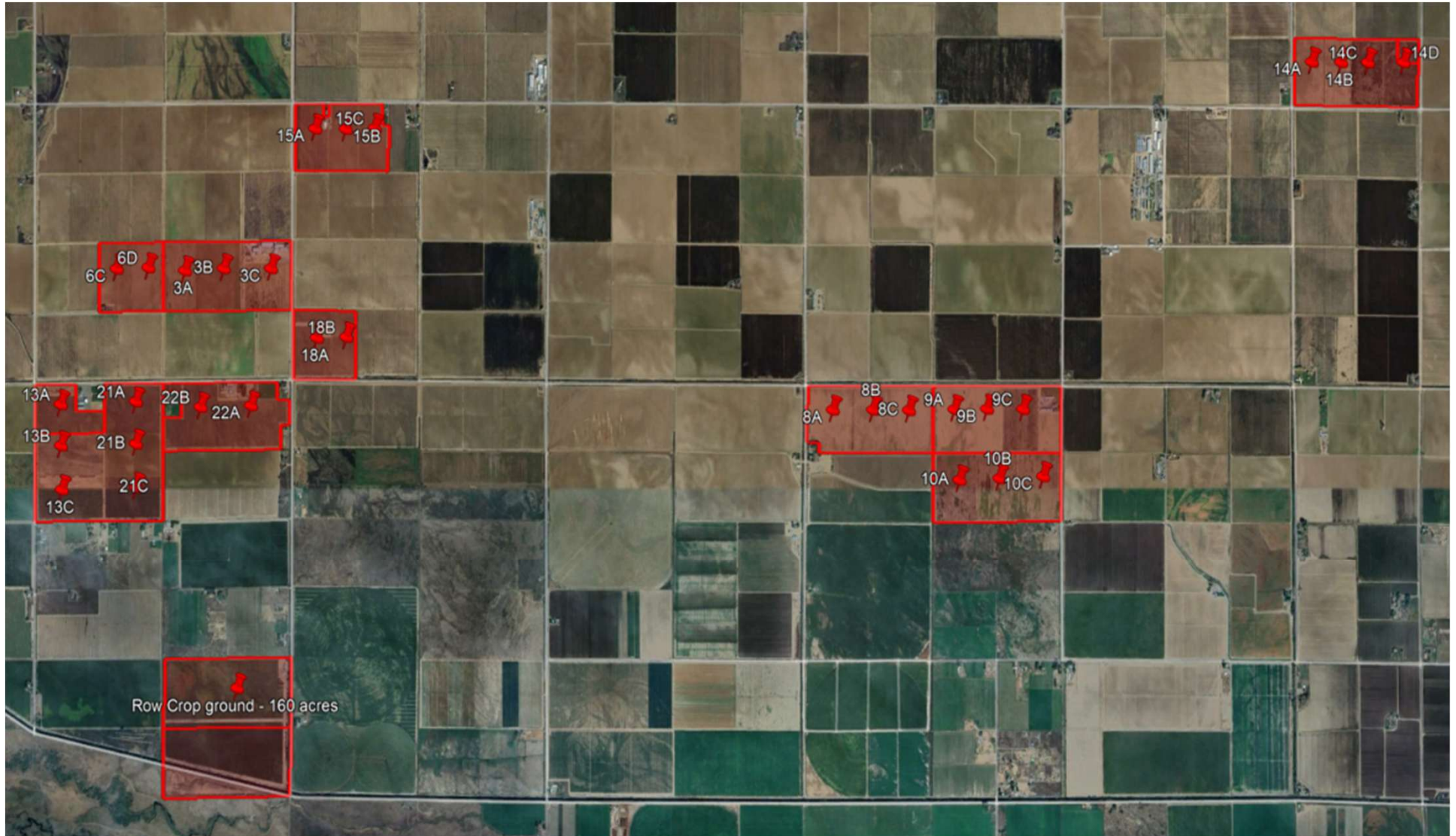
Washington Farm Operations

State	Year	Avg. Acres/Farm	# of Farms	Acres Farmed
Washington	2022	412	35,200	14,500,000



Deeded Acreage Location

The approximately 900 deeded acres are strategically situated in Yakima County, at the heart of the valley's premier hop-growing region. The processing and storage facilities are conveniently located near major highways and interstate hubs, ensuring efficient transportation and logistics.



Parcel and Property Tax

Tax History					
Field ID	Owner	County	Tax Parcel	Acres	2024
3	Brulotte Farms Inc	Yakima	191016-41001	79.09	\$16,000.70
9	Brulotte Farms Inc	Yakima	191024-11001	79.09	\$9,648.39
8	Brulotte Farms Inc	Yakima	191024-21001	78.62	\$4,016.02
10	Topp Hop Ranch LLC	Yakima	191024-13004	79.74	\$4,194.02
6(D)	Brulotte Farms Inc	Yakima	191016-31001	40	\$5,506.65
14(D)	Brulotte Farms Inc	Yakima	201008-33005	4.66	\$259.39
14	Mark A Bouchey	Yakima	201008-33004	71.32	\$3,852.10
15	Brulotte Farms Inc	Yakima	191015-21404	55.89	\$3,819.43
18	Brulotte Farms Inc	Yakima	191015-33001	39.04	\$6,085.41
21 – 13B,C	Brulotte Farms Inc	Yakima	191021-24402	128.29	\$6,104.32
13A	Antonio Cuellar / Reggie Brulotte	Yakima	191021-21404	24.1	\$1,203.34
22	Brulotte Farms Inc	Yakima	191021-11407	66.38	\$2,378.01
Row Crop	Brulotte Farms Inc	Yakima	191028-11001	80	\$4,009.19
Row Crop	Brulotte Farms Inc	Yakima	191028-13001	80	\$1,730.86
Home	Brulotte Farms Inc	Yakima	191021-12401	2.01	\$2,266.44
Home	Brulotte Farms Inc	Yakima	191021-11406	1.25	\$2,025.68
Total				912.48	\$76,512.60





Section IV

Water Summary

Water Summary

Overview

- The property relies primarily on groundwater sourced from approximately 12 ring wells, ensuring consistent and reliable irrigation year-round, with Wapato Irrigation Project (WIP) allocations serving as a supplemental backup.
- Groundwater is efficiently distributed via pumps and drip irrigation, delivering sustainable water to high-value crops like hops.
- The dual-source setup enhances flexibility, ensuring reliable crop production even during fluctuations in surface water availability.
- The irrigation infrastructure is maintained for efficiency and compliance, offering operational security and scalability for future expansion.

Wapato Irrigation Project (WIP)

- Wapato Irrigation Project (WIP) sources its water primarily from the Yakima River, a key waterway in Central Washington that supports agriculture, fisheries, and local communities
- WIP delivers water through a network of canals and laterals, supporting farms across Yakima County
- WIP water shares, categorized as A & B, cost \$86/acre and \$92/acre, respectively, and provide additional water when needed. The system draws from the Yakima River, supporting one of the most productive agricultural regions in the U.S.

Ground Water



Surface Water



WIP Water Assessments

In 2024, WIP water shares increased by \$6 per acre for A shares and \$7 per acre for B shares, reaching \$86/acre and \$92/acre, respectively. These shares are typically allocated evenly across 80-acre blocks. Below are the assessment fees for 2024.

Fields	Owner	Tax Parcel	Acres	2024 Total Assessment Fees
3	Brulotte Farms Inc	191016-41001	79.09	\$ 7,120.00
9	Brulotte Farms Inc	191024-11001	79.09	\$ 6,977.60
8	Brulotte Farms Inc	191024-21001	78.62	\$ 6,804.38
10	Topp Hop Ranch LLC	191024-13004	79.74	\$ 7,120.00
6	Brulotte Farms Inc	191016-31001	40	\$ 3,440.00
14	Brulotte Farms Inc	201008-33005	4.66	\$ 308.20
14	Mark A Bouchey	201008-33004	71.32	\$ 6,977.60
15	Brulotte Farms Inc	191015-21404	55.89	\$ 5,217.78
18	Brulotte Farms Inc	191015-33001	39.04	\$ 4,305.00
21 - 31B,C	Brulotte Farms Inc	191021-24402	128.29	TBD
13A	Antonio Cuellar / Reggie Brulotte	191021-21404	24.1	\$ 2,201.13
22	Brulotte Farms Inc	191021-11407	66.38	\$ 5,719.36
Row Crop	Brulotte Farms Inc	191028-11001	80	TBD
Row Crop	Brulotte Farms Inc	191028-13001	80	TBD
Home	Brulotte Farms Inc	191021-12401	2.01	TBD
1	Leased	191016-99990	80	TBD
2	Leased	191016-99990	80	\$ 7,120.00
4	Leased	191016-99990	80	TBD
5	Leased	191016-99990	80	\$ 7,120.00
6	Leased	191016-99990	40	\$ 3,440.00
7	Leased	191016-99990	80	\$ 7,120.00
11	Leased	191016-99990	80	TBD
12	Leased	191018-99990	80	TBD
16	Leased	191015-23001	73	TBD
17	Leased	191015-99990	80	\$ 7,120.00
18	Leased	191015-99990	40	\$ 3,348.80
19	Leased	191022-99990	80	\$ 7,120.00
20	Leased	191022-99990	79	\$ 7,120.00
Row Crop	Leased	191021-99990	81	TBD
Total				\$105,699.85





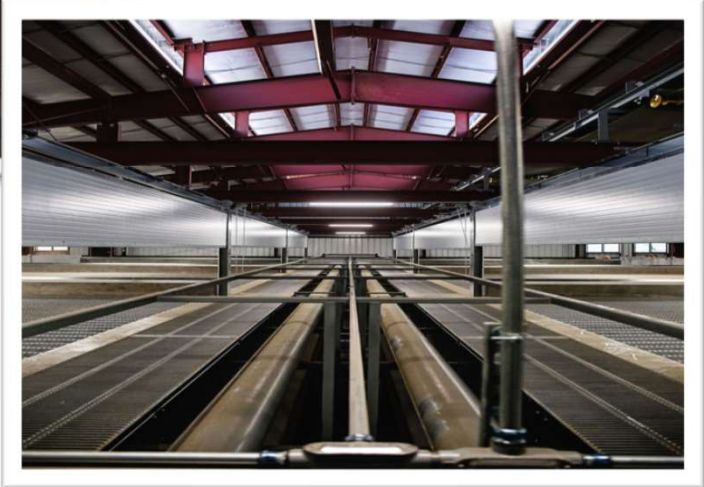
Section IV

Improvements & Processing Asset details

Improvements

Location	Type	Size / sq ft	Age
Home Place	Hop Processing Facility	49,930	2005
Home Place	Shop	7,290	1998
Home Place	Shop	2,500	2008
Home Place	Shop	3,530	1998
Home Place	House	3,061	1993
Home Place	House	2,158	1993
Home Place	House	3,553	1998
Home Place	House	2,047	1998
Home Place	Storage Shed	2,400	2017
Home Place	Machine Shed	5,575	2017
Home Place	Machine Shed	4,900	2008
Home Place	Machine Shed	4,833	2008
Home Place	Machine Shed	2,417	1998
Home Place	GP Building	2,909	1998
Home Place	Garage	455	1998
Marion Drain	House	1,843	1969
Marion Drain	Machine Shed	2,827	1980
Marion Drain	Quonset Shell	1,023	1980
Wellner Place	Shop	3,300	N/A
Wellner Place	Machine Shed	2,850	N/A
Wellner Place	Shed	795	N/A

Improvement Images



Processing and Staging

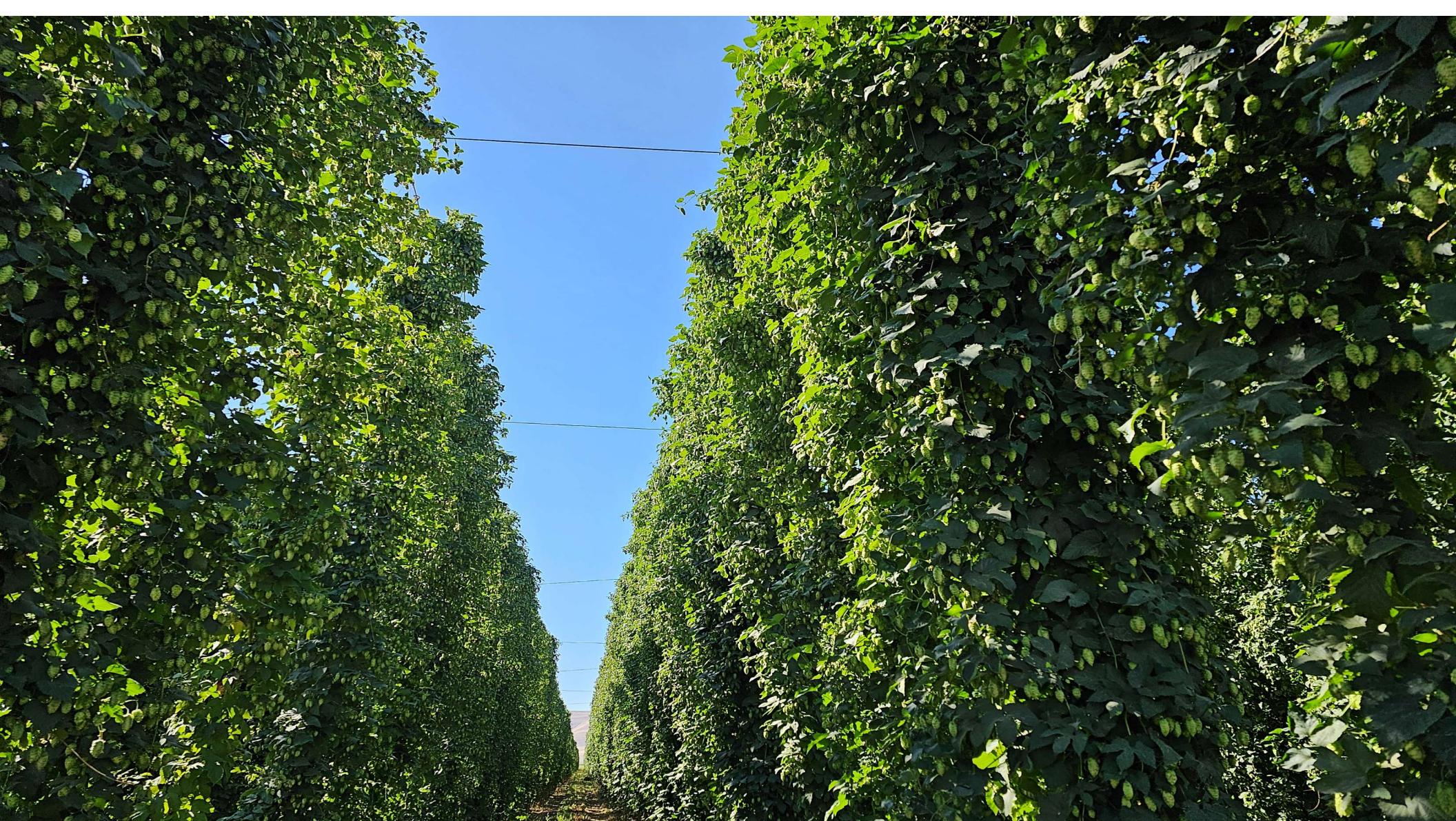


- State of the art 12-bay hop kiln, installed in 2019, designed for efficient and uniform moisture reduction in hops.
- The numerous bays enable the facility to handle a high volume of hops simultaneously, with over 12,000 sq ft of drying capacity, ensuring timely processing during peak harvest.
- The location includes dedicated areas for staging, drying, baling, and storage, streamlining the transition from harvest to transportation for end users.
- The facility has been meticulously maintained, with minimal deferred maintenance, ensuring operational reliability and longevity.



Processing images





Appendix A

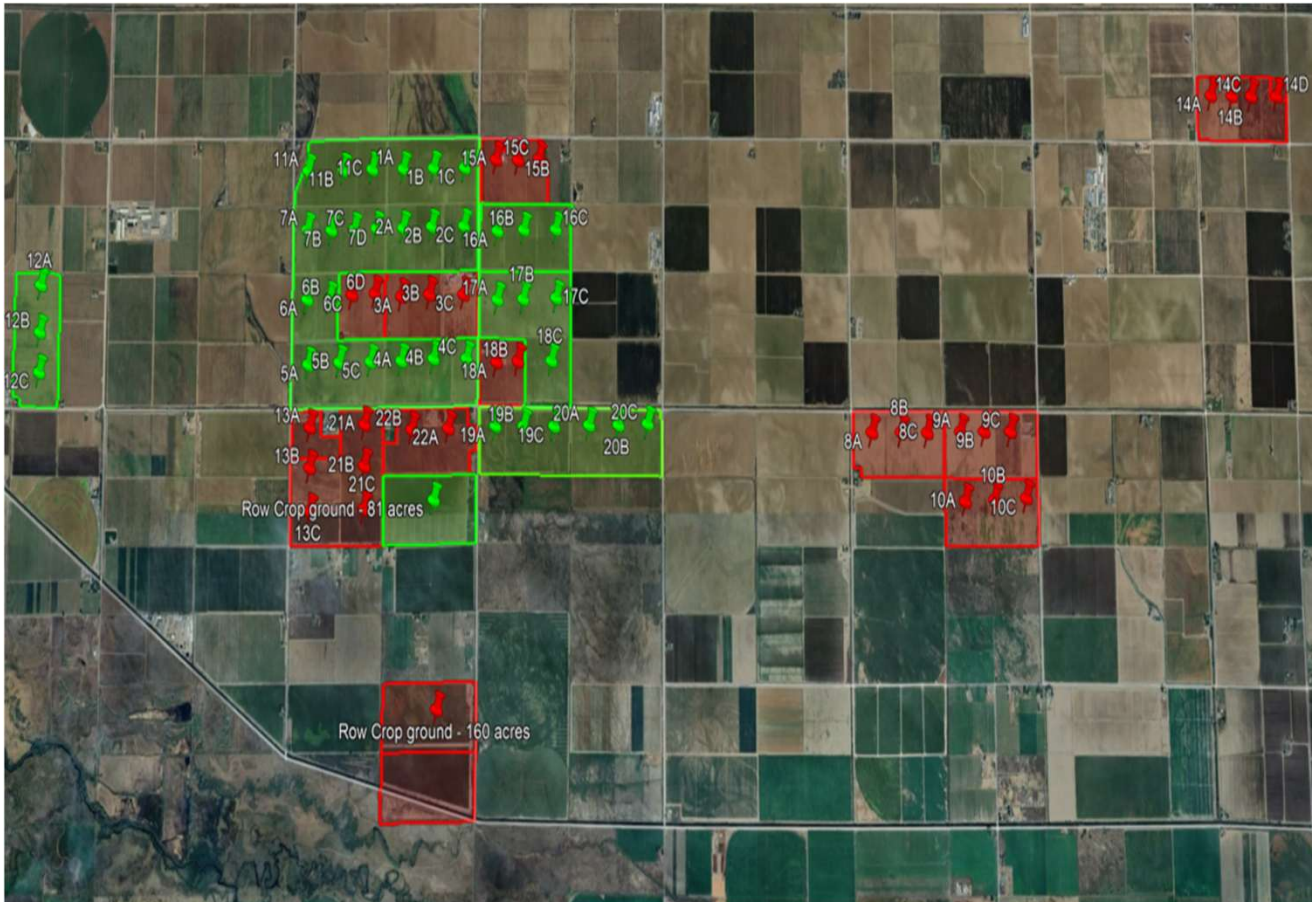
Leased Acreage Details

Leased Acreage Details

Much like the deeded acreage, the sellers have been intentional in pursuing strategically located leased acreage that easily folds into the existing operations. There are approximately 1,000 acres leased, or available to be lease, pending tribal approval and can be potentially included in the transaction. Leased acres are highlighted in green below and **include trellis and drip line infrastructure.**

Select Lease Details

Lease Footprint



Lease Mechanics

- Cash-rent structure
- Tenant responsible for all water costs, capital expenditures, and maintaining responsible farming practices.

Lease Status and Availability

- All leases have various expirations with option to renew. 10 yr terms being industry standard.
- Copy of lease agreements available upon request.
- Leased parcels are open for the 2025 season, with some acres planted to cover crops.
- All existing trellis and irrigation infrastructure remain intact on leased acres.

Lease Acreage Details

Leased Acreage Information						
Field ID	Farm Name	County	Tax Parcel	Acres	2023 Lease pmts	Lease Expirations
1	Corpus	Yakima	191016-99990	80	\$ 13,300.00	12/31/2019
2	No. 80	Yakima	191016-99990	80	\$ 13,300.00	12/31/2019
4	So. 80	Yakima	191016-99990	80	\$ 15,500.00	12/31/2026
5	Whites	Yakima	191016-99990	80	\$ 12,600.00	12/31/2012
6	Miles W40	Yakima	191016-99990	40	\$ 7,000.00	12/31/2027
7	Lommers	Yakima	191016-99990	80	\$ 9,500.00	12/31/2022
11	Rabanals	Yakima	191016-99990	80	\$ 8,500.00	12/31/2024
12	LATA	Yakima	191018-99990	80	\$ 13,125.00	12/31/2022
16	2nd KB*	Yakima	191015-23001	73	\$ 51,100.00	10/31/2028
17	3rd KB	Yakima	191015-99990	80	\$ 14,000.00	12/31/2024
18	4th KB	Yakima	191015-99990	40	\$ 7,500.00	12/31/2027
19	M Bouchey	Yakima	191022-99990	80	\$ 6,500.00	12/31/2019
20	Substation	Yakima	191022-99990	79	\$ 15,000.00	12/31/2017
Row Crop	-	Yakima	191021-99990	81	-	-
Total				1033	\$186,925.00	



Images



Contact Information

Skye Root

Founder / Broker

Phone: (208) 908-3848

skye@rootagadvisory.com

Bradley Calaway

Broker

Phone: (509) 201-0022

bradley@rootagadvisory.com

Maryellen Zeise

VP of Permanent Crops

Phone: (262) 385-3522

maryellen@rootagadvisory.com

