For a detailed reporting of this work, please see the team’s website: nwnyteam.cce.cornell.edu, click “Business”, click “Economic Analysis”. Also, see Cornell University’s website focusing on industrial hemp production in New York, https://hemp.cals.cornell.edu.

Industrial Hemp Production Budgets, New York, 2019

To make decisions regarding industrial hemp’s place in their cropping systems, farm business owners can use information from 2019 industrial hemp budgets (Table 1).

Please note that budgets are projections, estimates of expected, future revenues, costs and returns. Presently, considerable uncertainty characterizes projected values of production and revenues. Farm business owners may not obtain projected prices and quantities due to uncertainties in evolving markets for industrial hemp end uses. Farm business owners should thoroughly investigate markets for their potential to sustain favorable economic performance at the farm level by working closely with potential buyers to best understand expected prices, quantities and marketing costs. Marketing considerations suggest that industrial hemp enterprises perhaps require relatively greater management input versus other crops.

Notes:
- Reported totals may not equal the sum of individual items due to rounding.
- Expected value of hemp fiber production: $0.10 per pound; expected value of hemp seed (grain) production: $1.10 per pound.
- Expected yield, hemp fiber production, fiber production and harvest only scenario: 3.97 tons per acre; expected yield, hemp fiber production, dual purpose fiber and seed (grain) production and harvest scenario: 1.24 tons per acre; expected yield, hemp seed (grain) production: 1,000 pounds per acre.
- Revenues, costs and returns reflect expected 2019 price levels.
- Fertilizers & Lime costs reflect Cornell University agronomists’ recommendations regarding N and Purdue University regarding phosphorus and potash.
- Seeds & Plants costs vary by scenario with respect to seeding rates, but are constant with respect to seed price per pound.
- Sprays & Other Crop Inputs include crop professional fees, machinery hire rent & lease, and others. Estimates reflect no spray inputs, since no pesticides are registered for use on industrial hemp in the United States.
- Labor costs reflect labor from hired and/or family and/or owner/operator sources.
- Machinery related variable and fixed costs per Lazarus. 2018. <t.umn.edu/machdata>
- This analysis excludes a charge for management inputs.

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