Economics of Producing Industrial Hemp in NYS: 2017 Costs of Production Estimates

Farm business owners in the NWNY region frequently express interest in alternative, new crops for their potential to enhance the economic viability of their farm businesses. Recent examples include double cropping winter cereals for forage following corn silage, grain sorghum, and malting barley. Due to legislation at the state level and funding decisions by New York State’s (NYS) executive branch, the state’s agricultural sector can add industrial hemp to the list.

To help determine industrial hemp’s place in farm business owners’ cropping systems, NWNY Program team members seek to answer four questions regarding the economics of growing industrial hemp in NYS.

- What are expected costs of production?
- What is the expected value of production?
- What is the value of expected profit?
- How sensitive are results to variability in key factors?

To date, analysts have focused on the costs of producing industrial hemp.

Via an article in the July, 2018 issue of Ag Focus and a posting to the team’s website <nwnyteam.cce.cornell.edu>, readers and visitors, respectively, learned the following.

- Variable costs of production estimates for 2017 are $282, $268, and $269 per acre for industrial hemp for fiber only, fiber and seed, and seed only, respectively
- Fixed costs of production estimates for 2017 are $145, $183, and $160 per acre for industrial hemp for fiber only, fiber and seed, and seed only, respectively
- Total costs of production estimates for 2017 are $427, $451, and $429 per acre for industrial hemp for fiber only, fiber and seed, and seed only, respectively

Producers looking to evaluate industrial hemp’s possible fit in cropping systems will achieve better results from decision making efforts when they apply a better understanding of expected economic effects and variability.
Beef Quality Assurance Trainings

Beef Quality Assurance trainings provide a learning opportunity for beef producers. It is a national voluntary program that was developed based on scientific research covering five topic areas: care and husbandry; feedstuffs; feed additives and medications; processing and treatment records; and injectable health products. For level one certification, New York requires attending a classroom presentation or self-study and test plus a chute side training where participants are required to demonstrate how to give a proper injection. Level two requires a signed veterinarian patient relationship (VCPR) form. Recertification is needed every three years by attending an hour-long educational event covering a health topic. The chute side portion is often assisted by a veterinarian, critical support for providing updated regulations and industry changes regarding antibiotic and other pharmaceutical use. Certification is also a required component for the NY Grown and Certified program for beef.

Two trainings were recently held in the region to certify and recertify 45 producers. These venues provide a great learning environment that goes beyond the requirements. Discussion outside the confines of the training are beneficial as well. Comments from participants stressed the importance of adequate handling equipment for both producer and animal welfare, safe handling and proper use of vaccines, and the importance of biosecurity.

Dairy Training Resource Guide

Employee training often feels like an overwhelming task for dairy farmers. From keeping up with milk cooperatives’ animal handling training requirements, to meeting OSHA safety training obligations, it can be a challenge to keep up with everything. Not to mention providing ongoing educational training for employees who are taking on new responsibilities.

During the 2017 Advisory Committee meeting, farmers lamented the fact that it was hard to find resources to aid them in providing training to their employees. In response to this, the team compiled a list of training resources that are easily accessible for farm managers. These resources include online videos, articles, fact sheets, posters, booklets, comic books, and webinars. Many of them are in Spanish and English. The topics covered include safety, animal handling, milk quality, herd health, learning Spanish and English and many more.

The document is available on our website and managers have expressed great appreciation in having a place to turn when they need ideas and resources to help them train their employees. Hosting the guide on our website makes it easy to update in response to website address changes and newly released resources, ensuring that it will be a valuable resource for years to come.