

2019

US Hemp Cultivation Landscape



BRIGHTFIELD GROUP

Introduction

With the hemp-derived CBD market in the US set to reach nearly \$20 billion in revenue by 2023, hemp cultivation is expected to surge. We conducted a study intended to determine the true capacity of domestic hemp production in 2019 as well as across the globe. In addition, we examined how hemp is being cultivated in the US and the wholesale market, including popular cultivars and different growing strategies.

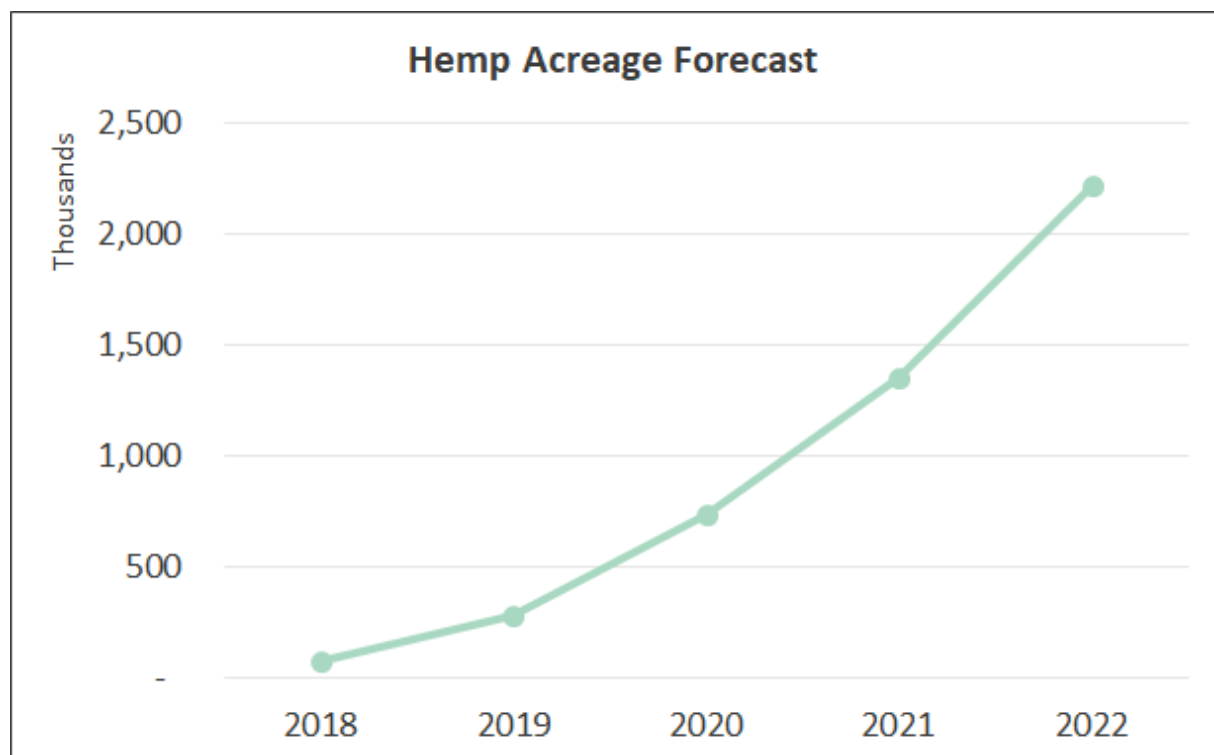
The research shows that the US is now the global leader in hemp cultivation. This shift was driven by the federal legalization of hemp-derived cannabinoids through the signing into law of The Agriculture Improvement Act of 2018 (The 2018 Farm Bill), the expansion of state industrial hemp programs, as well as the potential for big profits that encouraged thousands of farmers to plant industrial hemp in 2019. An estimated 285,000 acres of industrial hemp were planted in the U.S. in 2019, up from 78,000 acres in 2018. The U.S., China, and Canada lead global industrial hemp cultivation in 2019 with the largest shares of the nearly 1 million total acres planted.

About 87% of the hemp grown in the US is expected to be used for CBD processing in 2019. Though there are potential risks associated with hemp farming, many farmers have decided to cultivate hemp for CBD processing because the potential benefits outweighs many of these risks. Hemp farming offers a chance for family farms facing low commodity prices for corn and dairy to increase their incomes and pass down their farm to the third or fourth generation. On a per acre level, hemp for CBD could potentially lead to revenue of over \$40,000, compared to less than \$1,000 per acre for corn.

How much will the hemp cultivation industry grow?

We expect hemp to grow at an annual rate of over 75% per year through 2023, yielding up to 2.7 million planted acres

The percentage of hemp planted for CBD will slowly decline between 2019 and 2023, going from 87% to 82%. This is because as the hemp industry grows it will need to validate the value of the crop beyond CBD production.



What does this mean for farmers?

On average, hemp could command revenues of over \$40,000 per acre planted, depending on quality and yield.

From preventing "hot crops" to managing pollen drift, cultivating hemp can be a costly transition for many farmers.

		Range	Average
Hemp plants and pounds of flower per acre	The average number of plants per acre was between 1,500-2,000 and 1 plant ~1 pound of flower	700-2,500 plants per acre	1,792 plants per acre
Pounds of flower per kilogram of CBD	The conversion of flower to CBD differs based on extraction method used and quality of the flower	25-45 lb/kg	40 lb/kg
Kilograms of CBD per acre	This yield is dependent on previous two variables	15-50 kg/acre	20 kg/acre
Average revenue per acre	Average revenue per acre calculated using current average pricing	\$30-\$50k per acre	\$45k per acre

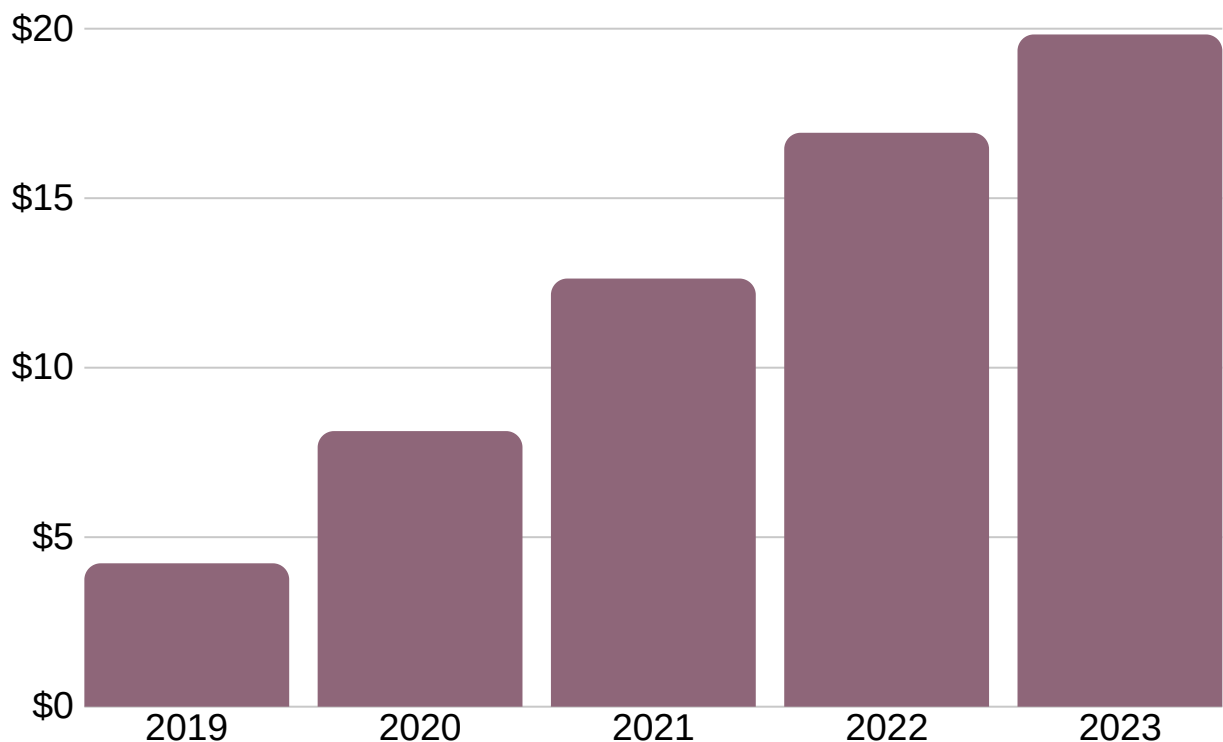
Will there be enough hemp to meet the demand for CBD?

Brightfield Group has projected that the market for CBD in the US will reach almost \$20 billion by 2023

We analyzed several scenarios, changing harvest rates, pricing, and other variables, and determine that even under a worst-case scenario, there would be an adequate supply of hemp to meet Brightfield Group's forecasted demand for CBD.

Imported hemp biomass for CBD may be banned if the Senate takes the recommendation of the National Hemp Association, but it is unlikely there will be demand for imports as there is likely to be a surplus of hemp in the next few years.

Brightfield Group US Hemp-Derived CBD Market Projections (\$ billions)



If you would like to explore our full 2019 Hemp Cultivation Report, [please contact us here](#).

The full report includes:

- International hemp cultivation breakdown and opportunities
- Scenario analysis including the wholesale market
- Fertilization breakdown
- State-by-state growth through 2023 and rankings
- Research on hemp imports to the U.S. - including top CBD brand market share and hemp sourcing
- Details on seed certification
- Profiles on the top 10 US states (by 2019 acreage)
- Profiles on Canada, China, France, Ecuador, Colombia, and South Africa
- Profiles on 5 leading hemp cultivators: Lilu's Garden, Eureka93, Integrated CBD, Blue Dog Hemp, and Hemp Depot

About Brightfield Group

We are a predictive market and consumer intelligence firm focused on the legal CBD and Cannabis industries. Our analytic solutions leverage data from millions of sources, enabling our customers to get the most holistic view possible while drilling down into the fine details. We provide comprehensive, up-to-date, and actionable insights that turn the best of technology and research into long-term business growth.

Our Methodology

Traditional market research companies cannot operate in the world we live in today. Data needs to be accessed from all sources available and filtered through a multi-industry lens in real-time, to provide companies impactful answers to their most difficult questions.

We take a researcher's rigor – quantifying, validating, and analyzing all information available – and meld it with a technologist's innovation – synthesizing real data, from real people – to get ahead of trends and provide each of our customers the most relevant answers possible.

To learn more about our Consumer Exploration, Market Insights, and custom business solutions capabilities, [please click here](#).