

Industrial Hemp Market in Minnesota



Market Spotlight

This document analyzes the industrial hemp market in Minnesota. AURI used publicly available information to understand the state of the hemp market in Minnesota. It is part of a series of market spotlights from AURI on Minnesota's different agricultural and food industries.

Industry Outlook

The hemp Industry in Minnesota is nascent and is characterized by high fluctuations in production. Figure 1 includes the acres of hemp planted in the state and the percentage planted for fiber and grain.

- According to the USDA, Minnesota hemp production significantly decreased from 2021 (2,650 acres) to 2022 (710 acres), with a slight increase in 2023 (1,160 acres).
- The hemp pilot program started in 2016, hence the lack of production data for years prior and no data was available in the state between 2016-2020.
- The percentage of acres planted for fiber in Minnesota went from 6% in 2021 to 85% in 2023, while hemp planted for grain went from 39% in 2021 to 12% in 2023.
- Preliminary results in 2024 from the Minnesota Department of Agriculture (MDA) show that 2,000 acres of hemp were planted in the state, and the percentage planted for fiber and grain was 29% and 52%, respectively. The significant drop in acres planted for fiber showcases the fluctuation that is characteristic to new industries and few key players. The remaining percentage not mentioned is for CBD production.
- Figure 2 shows the U.S. price trends of hemp fiber and grain from 2021-2023. In 2023, the price of hemp planted for fiber and grain dropped by 81% and 50%, respectively.

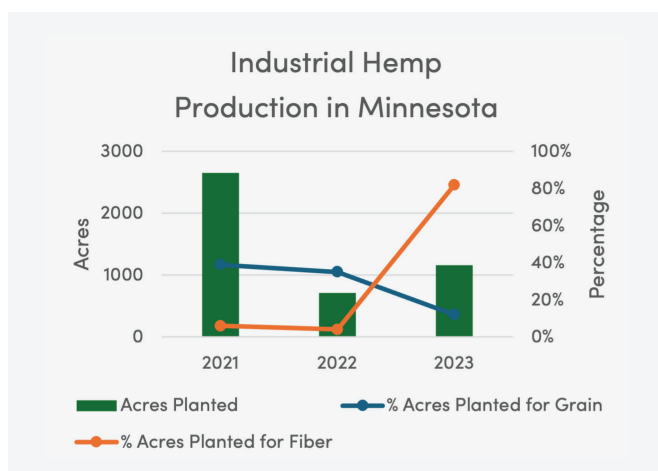


Figure 1. Industrial hemp production in Minnesota, 2021-2023 (MDA, 2023; USDA-ESMIS, 2024).

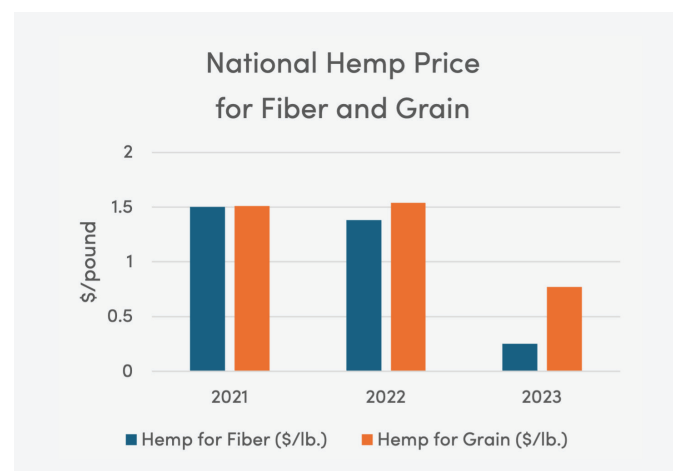


Figure 2. Price trends of hemp planted for fiber and grain, 2021-2023 (USDA-ESMIS, 2024).

Who is buying hemp in Minnesota?

The section below highlights Minnesota's hemp fiber and grain buyers and the products they process. In 2023, the MDA reported 230 licensed growers, and 158 licensed processors in Minnesota.

1: Hemp Acres

Hemp Acres specializes in hemp foods and fiber processing. Products include hemp seed oil and hemp hulls. The company intends to process 50,000 pounds of hemp per year.

2: Prairie Producers

Prairie Producers is an industrial hemp fiber processor; end-uses and value-added markets are still developing.

3: Green Fox LLC

Green Fox processes hemp for fiber, insulation, food applications, and hemp-laden home construction materials.

4: Lower Sioux Indian Community

Lower Sioux Indian Community is the most recent facility built in Minnesota. Processing includes hemp stalks and hempcrete as materials for homes. The owners plan to process 500 acres of hemp every year.

5: MN Hemp Farms

MN Hemp Farms processes hemp products and ingredients, including hulled hempseed and hempseed oil.



Figure 3. Map of hemp buyers in Minnesota.

Other buyers

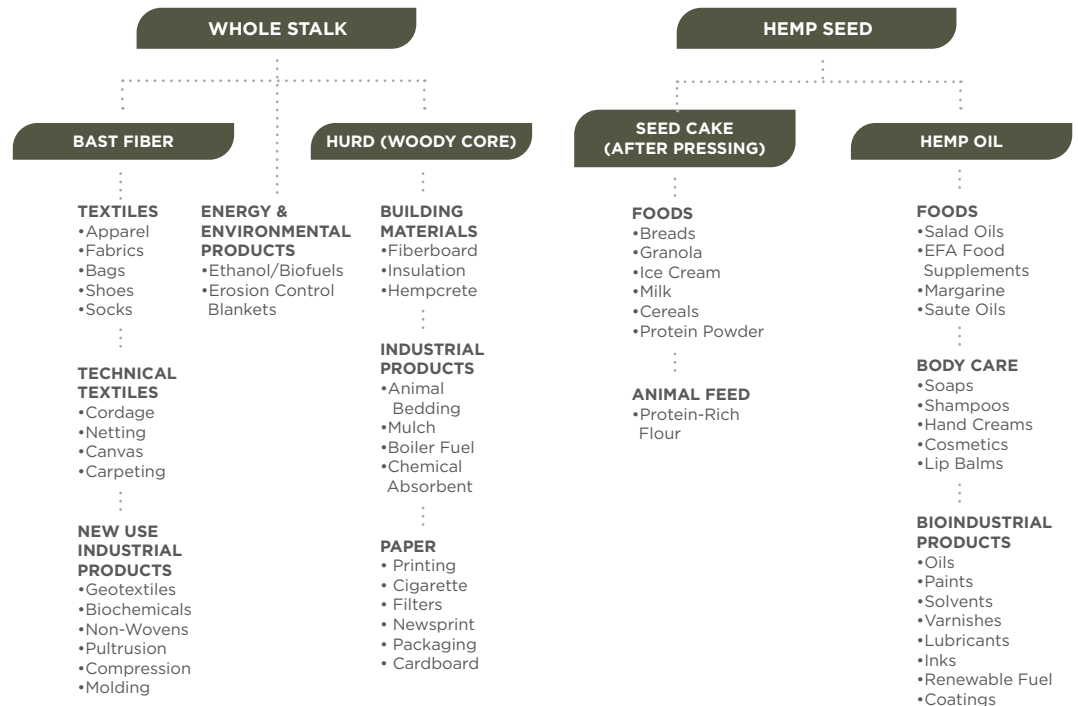
Hemp Industries LLC is another emerging hemp processor located in North Dakota in the beginning stages with plans to purchase hemp from producers in the foreseeable future.

Other processors include Dakota Hurd and Healthy Oilseeds in North Dakota. Dakota Hurd processes hemp stalks into Hurd, and Healthy Oilseeds processes hemp seeds into oil and food products.



Utilization of Hemp

This map showcases the modern uses of industrial hemp.



Takeaways

- 1 Production has been volatile over the past three years; however, AURI expects production to stabilize due to improved varieties, additional processing facilities, end-use market development, and enhanced crop insurance products.
- 2 In the foreseeable future, hybrid varieties will improve seed yields for hemp grain purposes. This improves the competitiveness of hemp in crop rotations.

- 3 Transparency on hemp markets is key to establishing economic viability and helping producers manage risk. Hemp contracts are paramount to growing hemp.
- 4 The USDA published a 2024 Hemp Research Needs Roadmap outlining specific needs for optimizing best management production practices, biobased product manufacturing for end-uses, trait-based varietal development goals for specific end-uses, and developing science-based definitions to underpin value chain development and markets. A link to the document is included here: <https://www.usda.gov/sites/default/files/documents/hemp-research-needs-roadmap.pdf>.



This document is part of the Agricultural Innovation Center at the Agricultural Utilization Research Institute (AURI) to provide market business development services to agricultural producers in Minnesota. The center assists farmers with market research, marketing plans, customer identification, and market intelligence issues. The center provides direct business, products, processes, and development services.

Questions or comments?

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