

2022 Tennessee Kentucky Dark Fired Wrapper Tobacco Budget

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DARK FIRED WRAPPER TOBACCO BUDGET

2022 ESTIMATED CONTRACTED COSTS AND RETURNS

4,600 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT	PRICE	TOTAL	TOTAL	YOUR
			(#/AC)	(\$/UNIT)	(\$/AC)	(\$/LB)	FARM
GROSS REVENUE							
Tobacco Sales	Dark Fired Wrapper Tobacco	lb	2500	\$4.00	\$10,000.00	\$4.00	_____
VARIABLE COSTS							
Transplants	Purchased	1000	4.6	\$52.00	\$239.20	\$0.10	_____
Fertilization	Dolomite Lime - Spread	ton	1	\$25.00	\$25.00	\$0.01	_____
	Nitrogen - N*	lb	300	\$0.91	\$273.00	\$0.11	_____
	Phosphorus - P	lb	175	\$0.98	\$171.50	\$0.07	_____
	Potassium - K**	lb	250	\$0.99	\$247.50	\$0.10	_____
Herbicides		ac	1	\$44.00	\$44.00	\$0.02	_____
Insecticides		ac	1	\$210.00	\$210.00	\$0.08	_____
Fungicides		ac	1	\$70.00	\$70.00	\$0.03	_____
Sucker Control		ac	1	\$140.00	\$140.00	\$0.06	_____
Cover crop	Wheat	bag	2	\$11.00	\$22.00	\$0.01	_____
Hired Labor***		hr	265	\$16.50	\$4,372.50	\$1.75	_____
Curing	Sawdust, Slabs	ac	1	\$535.00	\$535.00	\$0.21	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$165.00	\$165.00	\$0.07	_____
Crop Insurance		ac	1	\$125.00	\$125.00	\$0.05	_____
Custom Hire	Spraying (4 times)	ac	1	\$125.00	\$125.00	\$0.05	_____
GAP****	certification		1	\$100.00	\$100.00	\$0.04	_____
Trucking		ac	1	\$150.00	\$150.00	\$0.06	_____
Interest	6 months	\$	\$6,864.70	6.00%	\$205.94	\$0.08	_____
TOTAL VARIABLE COSTS					\$7,220.64	\$2.89	_____
RETURN OVER VARIABLE COSTS					\$2,779.36	\$1.11	_____
FIXED COSTS*****							
Machinery	Depreciation, Insurance, Storage	ac	1	\$110.00	\$110.00	\$0.04	_____
3-Tier Barn	Depreciation, Insurance	ac	1	\$420.00	\$420.00	\$0.17	_____
Tobacco Sticks	Depreciation at 8 years	ac	1	\$60.00	\$60.00	\$0.02	_____
Interest	Barns, Machinery	ac	1	\$200.00	\$200.00	\$0.08	_____
TOTAL FIXED COSTS					\$790.00	\$0.32	_____
RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT					\$1,989.36	\$0.80	_____
Land	Value of Land/Rental Cost	ac	1	\$250.00	\$250.00	\$0.10	_____
RETURN TO OPERATORS LABOR AND MANAGEMENT					\$1,739.36	\$0.70	_____
Operator Labor	Unpaid Operator and/or Family L	hrs	100	\$16.50	\$1,650.00	\$0.66	_____
RETURN TO MANAGEMENT					\$89.36	\$0.04	_____

Revised January 2022 - Alan B. Galloway, Area Farm Management Specialist, UT Extension, with input from Mitchell Richmond, UT Tobacco Extension Specialist, Andy Bailey, Dark Tobacco Specialist, UK, Bob Pearce, Burley Tobacco Specialist, UK, and Will Snell, Ag Economist, UK

* Nitrogen cost shown was reduced 10% presuming DAP is used as phosphorus source

** Potassium cost includes 100# muriate of potash (60# of K) + 380# sulphate of potash (190# of K)

*** Labor cost allows for most of H2A related expenses

**** Total GAP certification cost is estimated to be \$300 to \$700 per year per farm

***** Fixed Costs are shown to provide long term information on all possible costs of production

This budget is intended as a guide only. Each farm should adjust the estimated income and expenses as appropriate.

2022 Dark Fired Wrapper Tobacco Budget - Sensitivity Tables

**TABLE 1. PER ACRE RETURN OVER VARIABLE COSTS
AT VARYING YIELDS AND PRICES**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2300	\$1,519	\$1,749	\$1,979	\$2,209	\$2,439
2400	\$1,899	\$2,139	\$2,379	\$2,619	\$2,859
2400	\$1,899	\$2,139	\$2,379	\$2,619	\$2,859
2500	\$2,279	\$2,529	\$2,779	\$3,029	\$3,279
2600	\$2,659	\$2,919	\$3,179	\$3,439	\$3,699
2700	\$3,039	\$3,309	\$3,579	\$3,849	\$4,119
2800	\$3,419	\$3,699	\$3,979	\$4,259	\$4,539
2900	\$3,799	\$4,089	\$4,379	\$4,669	\$4,959

**TABLE 2. PER ACRE RETURN TO MANAGEMENT
AT VARYING YIELDS AND PRICES**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2300	-\$1,171	-\$941	-\$711	-\$481	-\$251
2400	-\$791	-\$551	-\$311	-\$71	\$169
2400	-\$791	-\$551	-\$311	-\$71	\$169
2500	-\$411	-\$161	\$89	\$339	\$589
2600	-\$31	\$229	\$489	\$749	\$1,009
2700	\$349	\$619	\$889	\$1,159	\$1,429
2800	\$729	\$1,009	\$1,289	\$1,569	\$1,849
2900	\$1,109	\$1,399	\$1,689	\$1,979	\$2,269

**TABLE 3 PER POUND RETURN OVER VARIABLE COSTS
AT VARYING YIELDS AND PRICES**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2300	\$0.66	\$0.76	\$0.86	\$0.96	\$1.06
2400	\$0.79	\$0.89	\$0.99	\$1.09	\$1.19
2400	\$0.79	\$0.89	\$0.99	\$1.09	\$1.19
2500	\$0.91	\$1.01	\$1.11	\$1.21	\$1.31
2600	\$1.02	\$1.12	\$1.22	\$1.32	\$1.42
2700	\$1.13	\$1.23	\$1.33	\$1.43	\$1.53
2800	\$1.22	\$1.32	\$1.42	\$1.52	\$1.62
2900	\$1.31	\$1.41	\$1.51	\$1.61	\$1.71

**TABLE 4 PER POUND RETURN TO MANAGEMENT
AT VARYING YIELDS AND PRICES**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2300	-\$0.51	-\$0.41	-\$0.31	-\$0.21	-\$0.11
2400	-\$0.33	-\$0.23	-\$0.13	-\$0.03	\$0.07
2400	-\$0.33	-\$0.23	-\$0.13	-\$0.03	\$0.07
2500	-\$0.16	-\$0.06	\$0.04	\$0.14	\$0.24
2600	-\$0.01	\$0.09	\$0.19	\$0.29	\$0.39
2700	\$0.13	\$0.23	\$0.33	\$0.43	\$0.53
2800	\$0.26	\$0.36	\$0.46	\$0.56	\$0.66
2900	\$0.38	\$0.48	\$0.58	\$0.68	\$0.78



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