

# 2022 Tennessee Kentucky Dark Fired Tobacco Budget

Alan B. Galloway, Area Farm Management Specialist, UT Extension  
Dr. Mitchell Richmond, Assistant Professor, Department of Plant Sciences  
University of Tennessee

Dr. Andy Bailey, Extension Professor  
Dr. Bob Pearce, Extension Professor  
Dr. Will Snell, Extension Professor  
University of Kentucky



# DARK FIRED TOBACCO BUDGET

## 2022 ESTIMATED CONTRACTED TOBACCO COSTS AND RETURNS

4,600 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT	PRICE	TOTAL	TOTAL	YOUR
			(#/AC)	(\$/UNIT)	(\$/AC)	(\$/LB)	FARM
<b>GROSS REVENUE</b>							
Tobacco Sales	Dark Fired Tobacco	lb	3200	\$2.82	\$9,024.00	\$2.82	_____
<b>VARIABLE COSTS</b>							
Transplants	Purchased	1000	4.6	\$52.00	\$239.20	\$0.07	_____
Fertilization	Dolomite Lime - Spread	ton	1	\$25.00	\$25.00	\$0.01	_____
	Nitrogen - N*	lb	300	\$0.91	\$273.00	\$0.09	_____
	Phosphorus - P	lb	175	\$0.98	\$171.50	\$0.05	_____
	Potassium - K**	lb	250	\$0.99	\$247.50	\$0.08	_____
Herbicides		ac	1	\$44.00	\$44.00	\$0.01	_____
Insecticides		ac	1	\$105.00	\$105.00	\$0.03	_____
Fungicides		ac	1	\$35.00	\$35.00	\$0.01	_____
Sucker Control		ac	1	\$140.00	\$140.00	\$0.04	_____
Cover crop	Wheat	bag	2	\$11.00	\$22.00	\$0.01	_____
Hired Labor***		hr	200	\$16.50	\$3,300.00	\$1.03	_____
Curing	Sawdust, Slabs	ac	1	\$535.00	\$535.00	\$0.17	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$165.00	\$165.00	\$0.05	_____
Crop Insurance		ac	1	\$125.00	\$125.00	\$0.04	_____
Custom Hire	Spraying (4 times)	ac	1	\$125.00	\$125.00	\$0.04	_____
GAP****	certification		1	\$100.00	\$100.00	\$0.03	_____
Trucking		ac	1	\$150.00	\$150.00	\$0.05	_____
Interest	6 months	\$	\$5,652.20	6.00%	\$169.57	\$0.05	_____
<b>TOTAL VARIABLE COSTS</b>					<b>\$5,971.77</b>	<b>\$1.87</b>	_____
<b>RETURN OVER VARIABLE COSTS</b>					<b>\$3,052.23</b>	<b>\$0.95</b>	_____
<b>FIXED COSTS*****</b>							
Machinery	Depreciation, Insurance, Storage	ac	1	\$110.00	\$110.00	\$0.03	_____
3-Tier Barn	Depreciation, Insurance	ac	1	\$420.00	\$420.00	\$0.13	_____
Tobacco Sticks	Depreciation at 8 years	ac	1	\$60.00	\$60.00	\$0.02	_____
Interest	Barns, Machinery	ac	1	\$200.00	\$200.00	\$0.06	_____
<b>TOTAL FIXED COSTS</b>					<b>\$790.00</b>	<b>\$0.25</b>	_____
<b>RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT</b>					<b>\$2,262.23</b>	<b>\$0.71</b>	_____
Land	Value of Land/Rental Cost	ac	1	\$250.00	\$250.00	\$0.08	_____
<b>RETURN TO OPERATORS LABOR AND MANAGEMENT</b>					<b>\$2,012.23</b>	<b>\$0.63</b>	_____
Operator Labor	Unpaid Operator and/or Family L	hrs	50	\$16.50	\$825.00	\$0.26	_____
<b>RETURN TO MANAGEMENT</b>					<b>\$1,187.23</b>	<b>\$0.37</b>	_____

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 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				
	\$2.62	\$2.72	\$2.82	\$2.92	\$3.02
2800	\$1,364	\$1,644	\$1,924	\$2,204	\$2,484
2900	\$1,626	\$1,916	\$2,206	\$2,496	\$2,786
3000	\$1,888	\$2,188	\$2,488	\$2,788	\$3,088
3100	\$2,150	\$2,460	\$2,770	\$3,080	\$3,390
3200	\$2,412	\$2,732	\$3,052	\$3,372	\$3,692
3300	\$2,674	\$3,004	\$3,334	\$3,664	\$3,994
3400	\$2,936	\$3,276	\$3,616	\$3,956	\$4,296
3500	\$3,198	\$3,548	\$3,898	\$4,248	\$4,598

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

Yield per Acre	Average Sale Price Per Pound				
	\$2.62	\$2.72	\$2.82	\$2.92	\$3.02
2800	-\$501	-\$221	\$59	\$339	\$619
2900	-\$239	\$51	\$341	\$631	\$921
3000	\$23	\$323	\$623	\$923	\$1,223
3100	\$285	\$595	\$905	\$1,215	\$1,525
3200	\$547	\$867	\$1,187	\$1,507	\$1,827
3300	\$809	\$1,139	\$1,469	\$1,799	\$2,129
3400	\$1,071	\$1,411	\$1,751	\$2,091	\$2,431
3500	\$1,333	\$1,683	\$2,033	\$2,383	\$2,733

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

Yield per Acre	Average Sale Price Per Pound				
	\$2.62	\$2.72	\$2.82	\$2.92	\$3.02
2800	\$0.49	\$0.59	\$0.69	\$0.79	\$0.89
2900	\$0.56	\$0.66	\$0.76	\$0.86	\$0.96
3000	\$0.63	\$0.73	\$0.83	\$0.93	\$1.03
3100	\$0.69	\$0.79	\$0.89	\$0.99	\$1.09
3200	\$0.75	\$0.85	\$0.95	\$1.05	\$1.15
3300	\$0.81	\$0.91	\$1.01	\$1.11	\$1.21
3400	\$0.86	\$0.96	\$1.06	\$1.16	\$1.26
3500	\$0.91	\$1.01	\$1.11	\$1.21	\$1.31

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

Yield per Acre	Average Sale Price Per Pound				
	\$2.62	\$2.72	\$2.82	\$2.92	\$3.02
2800	-\$0.18	-\$0.08	\$0.02	\$0.12	\$0.22
2900	-\$0.08	\$0.02	\$0.12	\$0.22	\$0.32
3000	\$0.01	\$0.11	\$0.21	\$0.31	\$0.41
3100	\$0.09	\$0.19	\$0.29	\$0.39	\$0.49
3200	\$0.17	\$0.27	\$0.37	\$0.47	\$0.57
3300	\$0.25	\$0.35	\$0.45	\$0.55	\$0.65
3400	\$0.32	\$0.42	\$0.52	\$0.62	\$0.72
3500	\$0.38	\$0.48	\$0.58	\$0.68	\$0.78



**University of Kentucky**  
College of Agriculture,  
Food and Environment  
*Cooperative Extension Service*



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