

2022 Tennessee Kentucky Burley Tobacco Budget

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BURLEY TOBACCO BUDGET

2022 ESTIMATED COSTS AND RETURNS

7,000 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT (Qty/AC)	PRICE (\$/UNIT)	TOTAL (\$/AC)	TOTAL (\$/LB)	YOUR FARM
GROSS REVENUE							
Tobacco Sales	Burley Tobacco	lb	2300	\$2.10	\$4,830.00	\$2.10	_____
VARIABLE COSTS							
Transplants	Purchased	1000	7	\$50.00	\$350.00	\$0.15	_____
Planting/setting		acre	1	\$70.00	\$70.00	\$0.03	_____
Fertilization	Lime	ton	1	\$25.00	\$25.00	\$0.01	_____
	Nitrogen- N*	lb	200	\$0.91	\$182.00	\$0.08	_____
	Phosphorus -P	lb	130	\$0.98	\$127.40	\$0.06	_____
	Potassium- K**	lb	180	\$0.96	\$172.80	\$0.08	_____
Herbicide		acre	1	\$54.80	\$61.40	\$0.03	_____
Insecticide		acre	1	\$75.00	\$75.00	\$0.03	_____
Fungicide		acre	1	\$121.00	\$121.00	\$0.05	_____
Sucker Control		acre	1	\$67.50	\$67.50	\$0.03	_____
Cover Crop		bu	2	\$11.00	\$22.00	\$0.01	_____
Hired Labor***		hrs	150	\$16.50	\$2,475.00	\$1.08	_____
Miscellaneous	Fuel/Oil, Repairs, Supplies, Materials	acre	1	\$120.00	\$120.00	\$0.05	_____
Crop Insurance		lb	2300	\$0.08	\$184.00	\$0.08	_____
GAP****	certification		1	\$100.00	\$100.00	\$0.04	_____
Trucking/Hauling		lb	2300	\$0.03	\$57.50	\$0.03	_____
Interest	Variable Costs, 6 months	\$	\$4,153.10	6.00%	\$99.67	\$0.04	_____
TOTAL VARIABLE COSTS					\$4,310.27	\$1.87	_____
RETURN OVER VARIABLE COSTS					\$519.73	\$0.23	_____
FIXED COSTS*****							
Machinery	Depreciation, Insurance, Storage	acre	1	\$115.00	\$115.00	\$0.05	_____
3-Tier Barn	Depreciation, Insurance	acre	1	\$215.00	\$215.00	\$0.09	_____
Tobacco Sticks	Depreciated over 8 years	acre	1	\$45.00	\$45.00	\$0.02	_____
Interest	Barns, Machinery	acre	1	\$185.00	\$185.00	\$0.08	_____
TOTAL FIXED COSTS					\$560.00	\$0.24	_____
RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT					-\$40.27	-\$0.02	_____
Land	Value of Land/Rental Cost	acre	1	\$200.00	\$200.00	\$0.09	_____
RETURN TO OPERATOR LABOR AND MANAGEMENT					-\$240.27	-\$0.10	_____
Operator Labor	Unpaid Operator and/or Family Labor	hrs	35	\$16.50	\$577.50	\$0.25	_____
RETURN TO MANAGEMENT					-\$817.77	-\$0.36	_____

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 by 10% presuming DAP is used as phosphorus source

** Potassium cost includes 100# muriate of potash (60# of K) + 240# sulphate of potash (120# 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 Burley Tobacco Budget - Sensitivity Tables

TABLE 1. PER ACRE RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES					
Burley					
Yield per Acre	Average Sale Price Per Pound				
	\$2.00	\$2.05	\$2.10	\$2.15	\$2.20
2000	-\$310	-\$210	-\$110	-\$10	\$90
2100	-\$110	-\$5	\$100	\$205	\$310
2200	\$90	\$200	\$310	\$420	\$530
2300	\$290	\$405	\$520	\$635	\$750
2400	\$490	\$610	\$730	\$850	\$970
2500	\$690	\$815	\$940	\$1,065	\$1,190

TABLE 2. PER ACRE RETURN OVER VARIABLE AND FIXED COSTS AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.00	\$2.05	\$2.10	\$2.15	\$2.20
2000	-\$870	-\$770	-\$670	-\$570	-\$470
2100	-\$670	-\$565	-\$460	-\$355	-\$250
2200	-\$470	-\$360	-\$250	-\$140	-\$30
2300	-\$270	-\$155	-\$40	\$75	\$190
2400	-\$70	\$50	\$170	\$290	\$410
2500	\$130	\$255	\$380	\$505	\$630

TABLE 3. PER ACRE RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.00	\$2.05	\$2.10	\$2.15	\$2.20
2000	-\$1,648	-\$1,548	-\$1,448	-\$1,348	-\$1,248
2100	-\$1,448	-\$1,343	-\$1,238	-\$1,133	-\$1,028
2200	-\$1,248	-\$1,138	-\$1,028	-\$918	-\$808
2300	-\$1,048	-\$933	-\$818	-\$703	-\$588
2400	-\$848	-\$728	-\$608	-\$488	-\$368
2500	-\$648	-\$523	-\$398	-\$273	-\$148

TABLE 4. PER POUND RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.00	\$2.05	\$2.10	\$2.15	\$2.20
2000	-\$0.16	-\$0.11	-\$0.06	-\$0.01	\$0.04
2100	-\$0.05	\$0.00	\$0.05	\$0.10	\$0.15
2200	\$0.04	\$0.09	\$0.14	\$0.19	\$0.24
2300	\$0.13	\$0.18	\$0.23	\$0.28	\$0.33
2400	\$0.20	\$0.25	\$0.30	\$0.35	\$0.40
2500	\$0.28	\$0.33	\$0.38	\$0.43	\$0.48

TABLE 5. PER POUND RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.00	\$2.05	\$2.10	\$2.15	\$2.20
2000	-\$0.82	-\$0.77	-\$0.72	-\$0.67	-\$0.62
2100	-\$0.69	-\$0.64	-\$0.59	-\$0.54	-\$0.49
2200	-\$0.57	-\$0.52	-\$0.47	-\$0.42	-\$0.37
2300	-\$0.46	-\$0.41	-\$0.36	-\$0.31	-\$0.26
2400	-\$0.35	-\$0.30	-\$0.25	-\$0.20	-\$0.15
2500	-\$0.26	-\$0.21	-\$0.16	-\$0.11	-\$0.06



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