

# 2022 Tennessee Kentucky Dark Air Wrapper Tobacco Budget

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# DARK AIR/CT WRAPPER 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 Air Wrapper Tobacco	lb	2000	\$4.00	\$8,000.00	\$4.00	_____
<b>VARIABLE COSTS</b>							
Transplants	Purchased	1000	4.6	\$52.00	\$239.20	\$0.12	_____
Fertilization	Dolomite Lime - Spread	ton	1	\$25.00	\$25.00	\$0.01	_____
	Nitrogen - N*	lb	300	\$0.91	\$273.00	\$0.14	_____
	Phosphorus - P	lb	175	\$0.98	\$171.50	\$0.09	_____
	Potassium - K**	lb	250	\$0.99	\$247.50	\$0.12	_____
Herbicides		ac	1	\$44.00	\$44.00	\$0.02	_____
Insecticides		ac	1	\$210.00	\$210.00	\$0.11	_____
Fungicides		ac	1	\$70.00	\$70.00	\$0.04	_____
Sucker Control		ac	1	\$140.00	\$140.00	\$0.07	_____
Cover crop	Wheat	bag	2	\$11.00	\$22.00	\$0.01	_____
Hired Labor***		hr	240	\$16.50	\$3,960.00	\$1.98	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$165.00	\$165.00	\$0.08	_____
Crop Insurance		ac	1	\$125.00	\$125.00	\$0.06	_____
Custom Hire	Spraying (4 times)	ac	1	\$125.00	\$125.00	\$0.06	_____
GAP****	certification		1	\$100.00	\$100.00	\$0.05	_____
Trucking		ac	1	\$150.00	\$150.00	\$0.08	_____
Interest	6 months	\$	\$5,917.20	6.00%	\$177.52	\$0.09	_____
<b>TOTAL VARIABLE COSTS</b>					<b>\$6,244.72</b>	<b>\$3.12</b>	_____
<b>RETURN OVER VARIABLE COSTS</b>					<b>\$1,755.28</b>	<b>\$0.88</b>	_____
<b>FIXED COSTS*****</b>							
Machinery	Depreciation, Insurance, Storage	ac	1	\$110.00	\$110.00	\$0.06	_____
3-Tier Barn	Depreciation, Insurance	ac	1	\$420.00	\$420.00	\$0.21	_____
Tobacco Sticks	Depreciation at 8 years	ac	1	\$60.00	\$60.00	\$0.03	_____
Interest	Barns, Machinery	ac	1	\$200.00	\$200.00	\$0.10	_____
<b>TOTAL FIXED COSTS</b>					<b>\$790.00</b>	<b>\$0.40</b>	_____
<b>RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT</b>					<b>\$965.28</b>	<b>\$0.48</b>	_____
Land	Value of Land/Rental Cost	ac	1	\$250.00	\$250.00	\$0.13	_____
<b>RETURN TO OPERATORS LABOR AND MANAGEMENT</b>					<b>\$715.28</b>	<b>\$0.36</b>	_____
Operator Labor	Unpaid Operator and/or Family L	hrs	35	\$16.50	\$577.50	\$0.29	_____
<b>RETURN TO MANAGEMENT</b>					<b>\$137.78</b>	<b>\$0.07</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 Air/CT Wrapper Cured Tobacco Budget - Sensitivity Tables**

**TABLE 1. PER ACRE RETURN OVER VARIABLE COSTS**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
1700	\$215	\$385	\$555	\$725	\$895
1800	\$595	\$775	\$955	\$1,135	\$1,315
1900	\$975	\$1,165	\$1,355	\$1,545	\$1,735
2000	\$1,355	\$1,555	\$1,755	\$1,955	\$2,155
2100	\$1,735	\$1,945	\$2,155	\$2,365	\$2,575
2200	\$2,115	\$2,335	\$2,555	\$2,775	\$2,995
2300	\$2,495	\$2,725	\$2,955	\$3,185	\$3,415
2400	\$2,875	\$3,115	\$3,355	\$3,595	\$3,835

**TABLE 2. PER ACRE RETURN TO MANAGEMENT**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
1700	-\$1,402	-\$1,232	-\$1,062	-\$892	-\$722
1800	-\$1,022	-\$842	-\$662	-\$482	-\$302
1900	-\$642	-\$452	-\$262	-\$72	\$118
2000	-\$262	-\$62	\$138	\$338	\$538
2100	\$118	\$328	\$538	\$748	\$958
2200	\$498	\$718	\$938	\$1,158	\$1,378
2300	\$878	\$1,108	\$1,338	\$1,568	\$1,798
2400	\$1,258	\$1,498	\$1,738	\$1,978	\$2,218

**TABLE 3 PER POUND RETURN OVER VARIABLE COSTS**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
1700	\$0.13	\$0.23	\$0.33	\$0.43	\$0.53
1800	\$0.33	\$0.43	\$0.53	\$0.63	\$0.73
1900	\$0.51	\$0.61	\$0.71	\$0.81	\$0.91
2000	\$0.68	\$0.78	\$0.88	\$0.98	\$1.08
2100	\$0.83	\$0.93	\$1.03	\$1.13	\$1.23
2200	\$0.96	\$1.06	\$1.16	\$1.26	\$1.36
2300	\$1.08	\$1.18	\$1.28	\$1.38	\$1.48
2400	\$1.20	\$1.30	\$1.40	\$1.50	\$1.60

**TABLE 4 PER POUND RETURN TO MANAGEMENT**

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
1700	-\$0.82	-\$0.72	-\$0.62	-\$0.52	-\$0.42
1800	-\$0.57	-\$0.47	-\$0.37	-\$0.27	-\$0.17
1900	-\$0.34	-\$0.24	-\$0.14	-\$0.04	\$0.06
2000	-\$0.13	-\$0.03	\$0.07	\$0.17	\$0.27
2100	\$0.06	\$0.16	\$0.26	\$0.36	\$0.46
2200	\$0.23	\$0.33	\$0.43	\$0.53	\$0.63
2300	\$0.38	\$0.48	\$0.58	\$0.68	\$0.78
2400	\$0.52	\$0.62	\$0.72	\$0.82	\$0.92



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