

# Department of Agricultural and Resource Economics

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## 2025 Tennessee-Kentucky Burley Tobacco Budget

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# BURLEY TOBACCO BUDGET

UK Cooperative  
Extension Service

UEXTENSION  
INSTITUTE OF AGRICULTURE  
THE UNIVERSITY OF TENNESSEE

## 2025 ESTIMATED COSTS AND RETURNS

7,000 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT (Qty/AC)	PRICE (\$/UNIT)	TOTAL (\$/AC)	TOTAL (\$/LB)	YOUR FARM
<b>GROSS REVENUE</b>							
Tobacco Sales	Burley Tobacco	lb	2100	\$2.50	\$5,250.00	\$2.50	_____
<b>VARIABLE COSTS</b>							
Transplants	Purchased	1000	7	\$60.00	\$420.00	\$0.20	_____
Planting/setting		acre	1	\$70.00	\$70.00	\$0.03	_____
Fertilization	Lime	ton	1	\$30.00	\$30.00	\$0.01	_____
	Nitrogen- N*	units	225	\$0.55	\$123.75	\$0.06	_____
	Phosphorus -P	units	130	\$0.80	\$104.00	\$0.05	_____
	Potassium- K**	units	180	\$0.39	\$70.20	\$0.03	_____
Herbicide		acre	1	\$61.48	\$61.48	\$0.03	_____
Insecticide		acre	1	\$128.37	\$128.37	\$0.06	_____
Fungicide		acre	1	\$125.98	\$125.98	\$0.06	_____
Sucker Control		acre	1	\$77.50	\$77.50	\$0.04	_____
Cover Crop		bu	2	\$15.00	\$30.00	\$0.01	_____
Hired Labor***		hrs	150	\$19.00	\$2,850.00	\$1.36	_____
Miscellaneous	Fuel/Oil, Repairs, Supplies, Materials	acre	1	\$125.00	\$125.00	\$0.06	_____
Crop Insurance		lb	2100	\$0.11	\$231.00	\$0.11	_____
GAP****	certification		1	\$30.00	\$30.00	\$0.01	_____
Trucking/Hauling		lb	2100	\$0.03	\$63.00	\$0.03	_____
Interest*****		\$	\$4,477.28	8.00%	\$143.27	\$0.07	_____
<b>TOTAL VARIABLE COSTS</b>					<b>\$4,683.55</b>	<b>\$2.23</b>	_____
<b>RETURN OVER VARIABLE COSTS</b>					<b>\$566.45</b>	<b>\$0.27</b>	_____
<b>FIXED COSTS*****</b>							
Machinery	Depreciation, Insurance, Storage	acre	1	\$120.00	\$120.00	\$0.06	_____
3-Tier Barn	Depreciation, Insurance	acre	1	\$500.00	\$500.00	\$0.24	_____
Tobacco Sticks	Depreciated over 8 years	acre	1	\$47.00	\$47.00	\$0.02	_____
Interest	Barns, Machinery	acre	1	\$195.00	\$195.00	\$0.09	_____
<b>TOTAL FIXED COSTS</b>					<b>\$862.00</b>	<b>\$0.41</b>	_____
<b>RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT</b>					<b>-\$295.55</b>	<b>-\$0.14</b>	_____
Land	Value of Land/Rental Cost	acre	1	\$250.00	\$250.00	\$0.12	_____
<b>RETURN TO OPERATOR LABOR AND MANAGEMENT</b>					<b>-\$545.55</b>	<b>-\$0.26</b>	_____
Operator Labor	Unpaid Operator and/or Family Labor	hrs	35	\$18.47	\$646.45	\$0.31	_____
<b>RETURN TO MANAGEMENT</b>					<b>-\$1,192.00</b>	<b>-\$0.57</b>	_____

Revised February 2025 - Tori M. Griffin, Extension Farm Management Specialist, UT; with input from Mitchell Richmond, Extension Tobacco Specialist, UT  
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\* 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 \$800 per year per farm

\*\*\*\*\* Interest is assumed to be charged on half of all variable expenses

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

**2025 Burley Tobacco Budget - Sensitivity Tables**

<b>TABLE 1. PER ACRE RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES</b>					
Burley					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$504	-\$124	\$66	\$256	\$446
2000	-\$284	\$116	\$316	\$516	\$716
2100	-\$64	\$356	\$566	\$776	\$986
2200	\$156	\$596	\$816	\$1,036	\$1,256
2300	\$376	\$836	\$1,066	\$1,296	\$1,526
2400	\$596	\$1,076	\$1,316	\$1,556	\$1,796

<b>TABLE 2. PER ACRE RETURN OVER VARIABLE AND FIXED COSTS AT VARYING YIELDS AND PRICES</b>					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$1,366	-\$986	-\$796	-\$606	-\$416
2000	-\$1,146	-\$746	-\$546	-\$346	-\$146
2100	-\$926	-\$506	-\$296	-\$86	\$124
2200	-\$706	-\$266	-\$46	\$174	\$394
2300	-\$486	-\$26	\$204	\$434	\$664
2400	-\$266	\$214	\$454	\$694	\$934

<b>TABLE 3. PER ACRE RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES</b>					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$2,262	-\$1,882	-\$1,692	-\$1,502	-\$1,312
2000	-\$2,042	-\$1,642	-\$1,442	-\$1,242	-\$1,042
2100	-\$1,822	-\$1,402	-\$1,192	-\$982	-\$772
2200	-\$1,602	-\$1,162	-\$942	-\$722	-\$502
2300	-\$1,382	-\$922	-\$692	-\$462	-\$232
2400	-\$1,162	-\$682	-\$442	-\$202	\$38

<b>TABLE 4. PER POUND RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES</b>					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$0.27	-\$0.07	\$0.03	\$0.13	\$0.23
2000	-\$0.14	\$0.06	\$0.16	\$0.26	\$0.36
2100	-\$0.03	\$0.17	\$0.27	\$0.37	\$0.47
2200	\$0.07	\$0.27	\$0.37	\$0.47	\$0.57
2300	\$0.16	\$0.36	\$0.46	\$0.56	\$0.66
2400	\$0.25	\$0.45	\$0.55	\$0.65	\$0.75

<b>TABLE 5. PER POUND RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES</b>					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$1.19	-\$0.99	-\$0.89	-\$0.79	-\$0.69
2000	-\$1.02	-\$0.82	-\$0.72	-\$0.62	-\$0.52
2100	-\$0.87	-\$0.67	-\$0.57	-\$0.47	-\$0.37
2200	-\$0.73	-\$0.53	-\$0.43	-\$0.33	-\$0.23
2300	-\$0.60	-\$0.40	-\$0.30	-\$0.20	-\$0.10
2400	-\$0.48	-\$0.28	-\$0.18	-\$0.08	\$0.02

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