

2024 Tennessee Kentucky Dark Fired Tobacco Budget

Alan B. Galloway, Area Farm Management Specialist, UT Extension, University of Tennessee
Mitchell Richmond, Assistant Professor, Department of Plant Sciences, University of Tennessee
Andy Bailey, Extension Professor, University of Kentucky
Bob Pearce, Extension Professor, University of Kentucky
Will Snell, Extension Professor, University of Kentucky



DARK FIRED TOBACCO BUDGET

2024 ESTIMATED CONTRACTED TOBACCO COSTS AND RETURNS

5,000 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT	PRICE	TOTAL	TOTAL	YOUR
			(#/AC)	(\$/UNIT)	(\$/AC)	(\$/LB)	FARM
GROSS REVENUE							
Tobacco Sales	Dark Fired Tobacco	lb	3200	\$3.00	\$9,600.00	\$3.00	_____
VARIABLE COSTS							
Transplants	Purchased	1000	5	\$65.00	\$325.00	\$0.10	_____
Fertilization	Dolomite Lime - Spread	ton	1	\$30.00	\$30.00	\$0.01	_____
	Nitrogen - N*	unit	300	\$0.47	\$141.00	\$0.04	_____
	Phosphorus - P	unit	175	\$0.79	\$138.25	\$0.04	_____
	Potassium - K**	unit	250	\$0.78	\$195.00	\$0.06	_____
Herbicides		ac	1	\$81.00	\$81.00	\$0.03	_____
Insecticides		ac	1	\$87.00	\$87.00	\$0.03	_____
Fungicides		ac	1	\$146.00	\$146.00	\$0.05	_____
Sucker Control		ac	1	\$194.00	\$194.00	\$0.06	_____
Cover crop	Wheat	bag	2	\$15.00	\$30.00	\$0.01	_____
Hired Labor***		hr	220	\$18.25	\$4,015.00	\$1.25	_____
Curing	Sawdust, Slabs	ac	1	\$500.00	\$500.00	\$0.16	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$300.00	\$300.00	\$0.09	_____
Crop Insurance		ac	1	\$450.00	\$450.00	\$0.14	_____
Custom Hire	Spraying (4 times)	ac	1	\$125.00	\$125.00	\$0.04	_____
GAP****	certification		1	\$30.00	\$30.00	\$0.01	_____
Trucking		ac	1	\$150.00	\$150.00	\$0.05	_____
Interest	6 months	\$	\$6,787.25	8.00%	\$271.49	\$0.08	_____
TOTAL VARIABLE COSTS					\$7,208.74	\$2.25	_____
RETURN OVER VARIABLE COSTS					\$2,391.26	\$0.75	_____
FIXED COSTS*****							
Machinery	Depreciation, Insurance, Storage	ac	1	\$300.00	\$300.00	\$0.09	_____
4-Tier Barn	Depreciation, Insurance	ac	1	\$560.00	\$560.00	\$0.18	_____
Tobacco Sticks	Depreciation at 8 years	ac	1	\$60.00	\$60.00	\$0.02	_____
Interest	Barns, Machinery	ac	1	\$250.00	\$250.00	\$0.08	_____
TOTAL FIXED COSTS					\$1,170.00	\$0.37	_____
RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT					\$1,221.26	\$0.38	_____
Land	Value of Land/Rental Cost	ac	1	\$300.00	\$300.00	\$0.09	_____
RETURN TO OPERATORS LABOR AND MANAGEMENT					\$921.26	\$0.29	_____
Operator Labor	Unpaid Operator and/or Family L	hrs	40	\$18.25	\$730.00	\$0.23	_____
RETURN TO MANAGEMENT					\$191.26	\$0.06	_____

Revised February 2024 - Alan Galloway, Extension Farm Mgmt. Specialist, UT, with input from Mitchell Richmond, UT Tobacco Extension Specialist,

Andy Bailey, Dark Tobacco Specialist, UK, Bob Pearce, Burley Tobacco Specialist, UK, Will Snell, Ag Economist, UK & Tori Griffin, Extension Farm Mgmt. Spec., UT

* 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 \$800 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.

2024 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				
	\$2.80	\$2.90	\$3.00	\$3.10	\$3.20
2800	\$631	\$911	\$1,191	\$1,471	\$1,751
2900	\$911	\$1,201	\$1,491	\$1,781	\$2,071
3000	\$1,191	\$1,491	\$1,791	\$2,091	\$2,391
3100	\$1,471	\$1,781	\$2,091	\$2,401	\$2,711
3200	\$1,751	\$2,071	\$2,391	\$2,711	\$3,031
3300	\$2,031	\$2,361	\$2,691	\$3,021	\$3,351
3400	\$2,311	\$2,651	\$2,991	\$3,331	\$3,671
3500	\$2,591	\$2,941	\$3,291	\$3,641	\$3,991

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

Yield per Acre	Average Sale Price Per Pound				
	\$2.80	\$2.90	\$3.00	\$3.10	\$3.20
2800	-\$1,569	-\$1,289	-\$1,009	-\$729	-\$449
2900	-\$1,289	-\$999	-\$709	-\$419	-\$129
3000	-\$1,009	-\$709	-\$409	-\$109	\$191
3100	-\$729	-\$419	-\$109	\$201	\$511
3200	-\$449	-\$129	\$191	\$511	\$831
3300	-\$169	\$161	\$491	\$821	\$1,151
3400	\$111	\$451	\$791	\$1,131	\$1,471
3500	\$391	\$741	\$1,091	\$1,441	\$1,791

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

Yield per Acre	Average Sale Price Per Pound				
	\$2.80	\$2.90	\$3.00	\$3.10	\$3.20
2800	\$0.23	\$0.33	\$0.43	\$0.53	\$0.63
2900	\$0.31	\$0.41	\$0.51	\$0.61	\$0.71
3000	\$0.40	\$0.50	\$0.60	\$0.70	\$0.80
3100	\$0.47	\$0.57	\$0.67	\$0.77	\$0.87
3200	\$0.55	\$0.65	\$0.75	\$0.85	\$0.95
3300	\$0.62	\$0.72	\$0.82	\$0.92	\$1.02
3400	\$0.68	\$0.78	\$0.88	\$0.98	\$1.08
3500	\$0.74	\$0.84	\$0.94	\$1.04	\$1.14

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

Yield per Acre	Average Sale Price Per Pound				
	\$2.80	\$2.90	\$3.00	\$3.10	\$3.20
2800	-\$0.56	-\$0.46	-\$0.36	-\$0.26	-\$0.16
2900	-\$0.44	-\$0.34	-\$0.24	-\$0.14	-\$0.04
3000	-\$0.34	-\$0.24	-\$0.14	-\$0.04	\$0.06
3100	-\$0.24	-\$0.14	-\$0.04	\$0.06	\$0.16
3200	-\$0.14	-\$0.04	\$0.06	\$0.16	\$0.26
3300	-\$0.05	\$0.05	\$0.15	\$0.25	\$0.35
3400	\$0.03	\$0.13	\$0.23	\$0.33	\$0.43
3500	\$0.11	\$0.21	\$0.31	\$0.41	\$0.51

This publication is a cooperative effort of the University of Tennessee Institute of Agriculture and the University of Kentucky College of Agriculture, Food and Environment Cooperative Extension Service.



UTIA.TENNESSEE.EDU

Real. Life. Solutions.™