

2024 Tennessee Kentucky Burley Tobacco Budget

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BURLEY TOBACCO BUDGET

2024 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	2100	\$2.50	\$5,250.00	\$2.50	_____
VARIABLE COSTS							
Transplants	Purchased	1000	7	\$60.00	\$420.00	\$0.20	_____
Planting/setting		acre	1	\$70.00	\$70.00	\$0.03	_____
Fertilization	Lime	ton	1	\$25.00	\$25.00	\$0.01	_____
	Nitrogen- N*	units	225	\$0.47	\$105.75	\$0.05	_____
	Phosphorus -P	units	130	\$0.79	\$102.70	\$0.05	_____
	Potassium- K**	units	180	\$0.44	\$79.20	\$0.04	_____
Herbicide		acre	1	\$50.00	\$50.00	\$0.02	_____
Insecticide		acre	1	\$86.00	\$86.00	\$0.04	_____
Fungicide		acre	1	\$131.00	\$131.00	\$0.06	_____
Sucker Control		acre	1	\$73.00	\$73.00	\$0.03	_____
Cover Crop		bu	2	\$15.00	\$30.00	\$0.01	_____
Hired Labor***		hrs	150	\$18.25	\$2,737.50	\$1.30	_____
Miscellaneous	Fuel/Oil, Repairs, Supplies, Materials	acre	1	\$120.00	\$120.00	\$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	Variable Costs, 6 months	\$	\$4,291.15	8.00%	\$137.32	\$0.07	_____
TOTAL VARIABLE COSTS					\$4,491.47	\$2.14	_____
RETURN OVER VARIABLE COSTS					\$758.53	\$0.36	_____
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	\$0.10	_____
Tobacco Sticks	Depreciated over 8 years	acre	1	\$45.00	\$45.00	\$0.02	_____
Interest	Barns, Machinery	acre	1	\$195.00	\$195.00	\$0.09	_____
TOTAL FIXED COSTS					\$570.00	\$0.27	_____
RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT					\$188.53	\$0.09	_____
Land	Value of Land/Rental Cost	acre	1	\$250.00	\$250.00	\$0.12	_____
RETURN TO OPERATOR LABOR AND MANAGEMENT					-\$61.47	-\$0.03	_____
Operator Labor	Unpaid Operator and/or Family Labor	hrs	35	\$18.25	\$638.75	\$0.30	_____
RETURN TO MANAGEMENT					-\$700.22	-\$0.33	_____

Revised February 2024 - Alan B. Galloway, 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

***** 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 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				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$311	\$69	\$259	\$449	\$639
2000	-\$91	\$309	\$509	\$709	\$909
2100	\$129	\$549	\$759	\$969	\$1,179
2200	\$349	\$789	\$1,009	\$1,229	\$1,449
2300	\$569	\$1,029	\$1,259	\$1,489	\$1,719
2400	\$789	\$1,269	\$1,509	\$1,749	\$1,989

TABLE 2. PER ACRE RETURN OVER VARIABLE AND FIXED COSTS AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$881	-\$501	-\$311	-\$121	\$69
2000	-\$661	-\$261	-\$61	\$139	\$339
2100	-\$441	-\$21	\$189	\$399	\$609
2200	-\$221	\$219	\$439	\$659	\$879
2300	-\$1	\$459	\$689	\$919	\$1,149
2400	\$219	\$699	\$939	\$1,179	\$1,419

TABLE 3. PER ACRE RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$1,770	-\$1,390	-\$1,200	-\$1,010	-\$820
2000	-\$1,550	-\$1,150	-\$950	-\$750	-\$550
2100	-\$1,330	-\$910	-\$700	-\$490	-\$280
2200	-\$1,110	-\$670	-\$450	-\$230	-\$10
2300	-\$890	-\$430	-\$200	\$30	\$260
2400	-\$670	-\$190	\$50	\$290	\$530

TABLE 4. PER POUND RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$0.16	\$0.04	\$0.14	\$0.24	\$0.34
2000	-\$0.05	\$0.15	\$0.25	\$0.35	\$0.45
2100	\$0.06	\$0.26	\$0.36	\$0.46	\$0.56
2200	\$0.16	\$0.36	\$0.46	\$0.56	\$0.66
2300	\$0.25	\$0.45	\$0.55	\$0.65	\$0.75
2400	\$0.33	\$0.53	\$0.63	\$0.73	\$0.83

TABLE 5. PER POUND RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$2.20	\$2.40	\$2.50	\$2.60	\$2.70
1900	-\$0.93	-\$0.73	-\$0.63	-\$0.53	-\$0.43
2000	-\$0.78	-\$0.58	-\$0.48	-\$0.38	-\$0.28
2100	-\$0.63	-\$0.43	-\$0.33	-\$0.23	-\$0.13
2200	-\$0.50	-\$0.30	-\$0.20	-\$0.10	\$0.00
2300	-\$0.39	-\$0.19	-\$0.09	\$0.01	\$0.11
2400	-\$0.28	-\$0.08	\$0.02	\$0.12	\$0.22

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