

2024 Tennessee Kentucky Dark Air Wrapper Tobacco Budget

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DARK AIR WRAPPER 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 Air Wrapper Tobacco	lb	2400	\$4.00	\$9,600.00	\$4.00	_____
VARIABLE COSTS							
Transplants	Purchased	1000	5	\$65.00	\$325.00	\$0.14	_____
Fertilization	Dolomite Lime - Spread	ton	1	\$25.00	\$25.00	\$0.01	_____
	Nitrogen - N*	lb	300	\$0.68	\$204.00	\$0.09	_____
	Phosphorus - P	lb	175	\$0.88	\$154.00	\$0.06	_____
	Potassium - K**	lb	250	\$0.80	\$200.00	\$0.08	_____
Herbicides		ac	1	\$81.00	\$81.00	\$0.03	_____
Insecticides		ac	1	\$245.00	\$245.00	\$0.10	_____
Fungicides		ac	1	\$146.00	\$146.00	\$0.06	_____
Sucker Control		ac	1	\$172.00	\$172.00	\$0.07	_____
Cover crop	Wheat	bag	2	\$15.00	\$30.00	\$0.01	_____
Hired Labor***		hr	240	\$18.25	\$4,380.00	\$1.83	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$165.00	\$165.00	\$0.07	_____
Crop Insurance		ac	1	\$250.00	\$250.00	\$0.10	_____
Custom Hire	Spraying (4 times)	ac	1	\$125.00	\$125.00	\$0.05	_____
GAP****	certification		1	\$30.00	\$30.00	\$0.01	_____
Trucking		ac	1	\$150.00	\$150.00	\$0.06	_____
Interest	6 months	\$	\$6,532.00	8.00%	\$261.28	\$0.11	_____
TOTAL VARIABLE COSTS					\$6,943.28	\$2.89	_____
RETURN OVER VARIABLE COSTS					\$2,656.72	\$1.11	_____
FIXED COSTS*****							
Machinery	Depreciation, Insurance, Storage	ac	1	\$110.00	\$110.00	\$0.05	_____
3-Tier Barn	Depreciation, Insurance	ac	1	\$420.00	\$420.00	\$0.18	_____
Tobacco Sticks	Depreciation at 8 years	ac	1	\$60.00	\$60.00	\$0.03	_____
Interest	Barns, Machinery	ac	1	\$220.00	\$220.00	\$0.09	_____
TOTAL FIXED COSTS					\$810.00	\$0.34	_____
RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT					\$1,846.72	\$0.77	_____
Land	Value of Land/Rental Cost	ac	1	\$300.00	\$300.00	\$0.13	_____
RETURN TO OPERATORS LABOR AND MANAGEMENT					\$1,546.72	\$0.64	_____
Operator Labor	Unpaid Operator and/or Family L	hrs	35	\$18.25	\$638.75	\$0.27	_____
RETURN TO MANAGEMENT					\$907.97	\$0.38	_____

Revised February 2024 - Alan B. Galloway, Extension Specialist-Farm Management, UT; with input from Mitchell Richmond, Tobacco Extension Specialist, UT
 Andy Bailey, Dark Tobacco Specialist, UK, Bob Pearce, Burley Tobacco Specialist, UK, Will Snell, Ag Economist, UK and Tori Griffin, Ext. 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 Air Wrapper Cured 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				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2100	\$1,037	\$1,247	\$1,457	\$1,667	\$1,877
2200	\$1,417	\$1,637	\$1,857	\$2,077	\$2,297
2300	\$1,797	\$2,027	\$2,257	\$2,487	\$2,717
2400	\$2,177	\$2,417	\$2,657	\$2,897	\$3,137
2500	\$2,557	\$2,807	\$3,057	\$3,307	\$3,557
2600	\$2,937	\$3,197	\$3,457	\$3,717	\$3,977
2700	\$3,317	\$3,587	\$3,857	\$4,127	\$4,397
2800	\$3,697	\$3,977	\$4,257	\$4,537	\$4,817

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

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2100	-\$712	-\$502	-\$292	-\$82	\$128
2200	-\$332	-\$112	\$108	\$328	\$548
2300	\$48	\$278	\$508	\$738	\$968
2400	\$428	\$668	\$908	\$1,148	\$1,388
2500	\$808	\$1,058	\$1,308	\$1,558	\$1,808
2600	\$1,188	\$1,448	\$1,708	\$1,968	\$2,228
2700	\$1,568	\$1,838	\$2,108	\$2,378	\$2,648
2800	\$1,948	\$2,228	\$2,508	\$2,788	\$3,068

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

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2100	\$0.49	\$0.59	\$0.69	\$0.79	\$0.89
2200	\$0.64	\$0.74	\$0.84	\$0.94	\$1.04
2300	\$0.78	\$0.88	\$0.98	\$1.08	\$1.18
2400	\$0.91	\$1.01	\$1.11	\$1.21	\$1.31
2500	\$1.02	\$1.12	\$1.22	\$1.32	\$1.42
2600	\$1.13	\$1.23	\$1.33	\$1.43	\$1.53
2700	\$1.23	\$1.33	\$1.43	\$1.53	\$1.63
2800	\$1.32	\$1.42	\$1.52	\$1.62	\$1.72

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

Yield per Acre	Average Sale Price Per Pound				
	\$3.80	\$3.90	\$4.00	\$4.10	\$4.20
2100	-\$0.34	-\$0.24	-\$0.14	-\$0.04	\$0.06
2200	-\$0.15	-\$0.05	\$0.05	\$0.15	\$0.25
2300	\$0.02	\$0.12	\$0.22	\$0.32	\$0.42
2400	\$0.18	\$0.28	\$0.38	\$0.48	\$0.58
2500	\$0.32	\$0.42	\$0.52	\$0.62	\$0.72
2600	\$0.46	\$0.56	\$0.66	\$0.76	\$0.86
2700	\$0.58	\$0.68	\$0.78	\$0.88	\$0.98
2800	\$0.70	\$0.80	\$0.90	\$1.00	\$1.10

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