

Department of Agricultural and Resource Economics

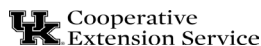
2021 DARK-FIRED TOBACCO BUDGET

February 2021

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Area Farm Management Specialist



DARK-FIRED TOBACCO BUDGET



2021 ESTIMATED CONTRACTED TOBACCO COSTS AND RETURNS

4,600 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT (#/AC)	PRICE (\$/UNIT)	TOTAL (\$/AC)	TOTAL (\$/LB)	YOUR FARM
GROSS REVENUE							
Tobacco Sales	Dark-Fired Tobacco	lb	3000	\$2.75	\$8,250.00	\$2.75	_____
VARIABLE COSTS							
Transplants	Purchased	1000	4.6	\$52.00	\$239.20	\$0.08	_____
Fertilization	Dolomite Lime - Spread	ton	1	\$24.00	\$24.00	\$0.01	_____
	Nitrogen - N*	lb	300	\$0.35	\$105.00	\$0.04	_____
	Phosphorus - P	lb	175	\$0.59	\$103.25	\$0.03	_____
	Potassium - K**	lb	250	\$0.64	\$160.00	\$0.05	_____
Herbicides		ac	1	\$45.20	\$45.20	\$0.02	_____
Insecticides		ac	1	\$106.20	\$106.20	\$0.04	_____
Fungicides		ac	1	\$50.45	\$50.45	\$0.02	_____
Sucker Control		ac	1	\$111.25	\$111.25	\$0.04	_____
Cover Crop	Wheat	bag	2	\$10.50	\$21.00	\$0.01	_____
Hired Labor***		hr	200	\$15.40	\$3,080.00	\$1.03	_____
Curing	Sawdust, Slabs	ac	1	\$535.00	\$535.00	\$0.18	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$165.00	\$165.00	\$0.06	_____
Crop Insurance		ac	1	\$125.00	\$125.00	\$0.04	_____
Custom Hire	Spraying (4 times)	ac	1	\$125.00	\$125.00	\$0.04	_____
GAP****	Certification		1	\$100.00	\$100.00	\$0.03	_____
Trucking		ac	1	\$150.00	\$150.00	\$0.05	_____
Interest	6 months	\$	\$5,095.55	6.00%	\$152.87	\$0.05	_____
TOTAL VARIABLE COSTS					\$5,398.42	\$1.80	_____
RETURN OVER VARIABLE COSTS					\$2,851.58	\$0.95	_____
FIXED COSTS*****							
Machinery	Depreciation, Insurance, Storage	ac	1	\$110.00	\$110.00	\$0.04	_____
3-Tier Barn	Depreciation, Insurance	ac	1	\$420.00	\$420.00	\$0.14	_____
Tobacco Sticks	Depreciation at 8 years	ac	1	\$60.00	\$60.00	\$0.02	_____
Interest	Barns, Machinery	ac	1	\$200.00	\$200.00	\$0.07	_____
TOTAL FIXED COSTS					\$790.00	\$0.26	_____
RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT					\$2,061.58	\$0.69	_____
Land	Value of Land/Rental Cost	ac	1	\$250.00	\$250.00	\$0.08	_____
RETURN TO OPERATORS LABOR AND MANAGEMENT					\$1,811.58	\$0.60	_____
Operator Labor	Unpaid Operator and/or Family Labor	hrs	50	\$15.00	\$750.00	\$0.25	_____
RETURN TO MANAGEMENT					\$1,061.58	\$0.35	_____

Revised January 2021 - Alan Galloway, Area Farm Management Specialist, UT Extension

* Nitrogen cost shown was reduced 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 H-2A 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.

**TABLE 1. PER ACRE RETURN OVER VARIABLE COSTS
AT VARYING YIELDS AND PRICES**

Yield Per Acre	Average Sale Price Per Pound				
	\$2.35	\$2.45	\$2.55	\$2.65	\$2.75
2700	\$947	\$1,217	\$1,487	\$1,757	\$2,027
2800	\$1,182	\$1,462	\$1,742	\$2,022	\$2,302
2900	\$1,417	\$1,707	\$1,997	\$2,287	\$2,577
3000	\$1,652	\$1,952	\$2,252	\$2,552	\$2,852
3100	\$1,887	\$2,197	\$2,507	\$2,817	\$3,127
3200	\$2,122	\$2,442	\$2,762	\$3,082	\$3,402
3300	\$2,357	\$2,687	\$3,017	\$3,347	\$3,677
3400	\$2,592	\$2,932	\$3,272	\$3,612	\$3,952

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

Yield Per Acre	Average Sale Price Per Pound				
	\$2.35	\$2.45	\$2.55	\$2.65	\$2.75
2700	-\$843	-\$573	-\$303	-\$33	\$237
2800	-\$608	-\$328	-\$48	\$232	\$512
2900	-\$373	-\$83	\$207	\$497	\$787
3000	-\$138	\$162	\$462	\$762	\$1,062
3100	\$97	\$407	\$717	\$1,027	\$1,337
3200	\$332	\$652	\$972	\$1,292	\$1,612
3300	\$567	\$897	\$1,227	\$1,557	\$1,887
3400	\$802	\$1,142	\$1,482	\$1,822	\$2,162

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

Yield Per Acre	Average Sale Price Per Pound				
	\$2.35	\$2.45	\$2.55	\$2.65	\$2.75
2700	\$0.35	\$0.45	\$0.55	\$0.65	\$0.75
2800	\$0.42	\$0.52	\$0.62	\$0.72	\$0.82
2900	\$0.49	\$0.59	\$0.69	\$0.79	\$0.89
3000	\$0.55	\$0.65	\$0.75	\$0.85	\$0.95
3100	\$0.61	\$0.71	\$0.81	\$0.91	\$1.01
3200	\$0.66	\$0.76	\$0.86	\$0.96	\$1.06
3300	\$0.71	\$0.81	\$0.91	\$1.01	\$1.11
3400	\$0.76	\$0.86	\$0.96	\$1.06	\$1.16

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

Yield Per Acre	Average Sale Price Per Pound				
	\$2.35	\$2.45	\$2.55	\$2.65	\$2.75
2700	-\$0.31	-\$0.21	-\$0.11	-\$0.01	\$0.09
2800	-\$0.22	-\$0.12	-\$0.02	\$0.08	\$0.18
2900	-\$0.13	-\$0.03	\$0.07	\$0.17	\$0.27
3000	-\$0.05	\$0.05	\$0.15	\$0.25	\$0.35
3100	\$0.03	\$0.13	\$0.23	\$0.33	\$0.43
3200	\$0.10	\$0.20	\$0.30	\$0.40	\$0.50
3300	\$0.17	\$0.27	\$0.37	\$0.47	\$0.57
3400	\$0.24	\$0.34	\$0.44	\$0.54	\$0.64

The tobacco budget was developed to assist producers in estimating the cost of production and net return to land and management. This budget should be considered a template or guide to estimating expenses and revenues, and it should not be considered representative of all circumstances. Users of this budget are encouraged to enter information into the budget that reflects their individual situation and production practices. Using information most closely related to a particular operation will improve the decision-making process.

Disclaimer: Significant variability in inputs, prices and production practices exist across operations and from region to region. The information contained in this spreadsheet relies on estimates and assumptions specific to Tennessee and Kentucky. This budget should not be construed as a reflection of all circumstances, as regional variability does exist. To improve the value of this tool, users are encouraged to use inputs, prices, production practices and management that are employed on their specific operation.



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D 37-B 2/21

D 37-B (Rev) 2/21 Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development. University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and county governments cooperating. UT Extension provides equal opportunities in programs and employment.