

BURLEY TOBACCO BUDGET



2010 ESTIMATED COSTS AND RETURNS

7,000 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT (Qty/AC)	PRICE (\$/UNIT)	TOTAL (\$/AC)	YOUR FARM
GROSS REVENUE						
Tobacco Sales	Burley Tobacco	lb	2100	\$1.73	\$3,633.00	_____
VARIABLE COSTS						
Transplants	Purchased	1000	7	\$38.00	\$266.00	_____
Fertilization	Lime	ton	1	\$24.00	\$24.00	_____
	Blended Fertilizer, 9-18-27	lb	900	\$0.29	\$261.00	_____
	Ammonium Nitrate, 34-0-0	lb	300	\$0.18	\$54.00	_____
Herbicide	Spartan 4F	oz	10.1	\$4.60	\$46.46	_____
	Command 3ME	pint	2	\$15.00	\$30.00	_____
Insecticide	Orthene 97G, 3 Applications	lb	4.5	\$9.85	\$44.33	_____
	Admire Pro	oz	7	\$6.80	\$47.60	_____
Fungicide	Ridomil Gold (1 pint rate)	pint	1	\$106.00	\$106.00	_____
	Actigard 50WG	appl	2	\$34.00	\$68.00	_____
Sucker Control	MH-30	gal	1.5	\$14.00	\$21.00	_____
	Prime plus	gal	0.5	\$83.00	\$41.50	_____
Cover Crop	Wheat	bu	2	\$9.00	\$18.00	_____
Hired Labor	Pre-Harvest, transplant to stick drop	hr	17.5	\$9.50	\$166.25	_____
	Harvest, cutting	sticks	1167	\$0.30	\$350.00	_____
	Harvest, loading and hanging	sticks	1167	\$0.18	\$210.00	_____
	Post Harvest, market preparation	hr	60.8	\$9.50	\$577.60	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$92.00	\$92.00	_____
Supplies	Bale Twine or Wire	ac	1	\$14.00	\$14.00	_____
Crop Insurance		lb	2100	\$0.12	\$252.00	_____
Interest	Variable Costs, 6 months	\$	\$2,437.74	6.00%	\$58.51	_____
TOTAL VARIABLE COSTS					\$2,748.24	_____
RETURN OVER VARIABLE COSTS					\$884.76	_____
FIXED COSTS						
Machinery	Depreciation, Insurance, Storage	ac	1	\$97.00	\$97.00	_____
3-Tier Barn	Depreciation, Insurance	ac	1	\$185.00	\$185.00	_____
Tobacco Sticks	Depreciated over 8 years	ac	1	\$25.00	\$25.00	_____
Interest	Barns, Machinery	ac	1	\$195.00	\$195.00	_____
TOTAL FIXED COSTS					\$502.00	_____
RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT					\$382.76	_____
Land	Value of Land/Rental Cost	ac	1	\$125.00	\$125.00	_____
RETURN TO OPERATOR LABOR AND MANAGEMENT					\$257.76	_____
Operator Labor	Unpaid Operator and/or Family Labor	hrs	65.4	\$9.50	\$621.30	_____
RETURN TO MANAGEMENT					-\$363.54	_____

Revised February 2010 - Alan B. Galloway, Area Farm Management Specialist

Use of trade or brand names is for clarity and information; it does not imply approval of the product to the exclusion of others which may be of similar, suitable composition, nor does it guarantee or warrant the standard of the product. Chemicals recommended were registered for the prescribed uses. Chemical registrations are continuously being reviewed. Should registration of a recommended chemical be canceled, it will no longer be recommended by The University of Tennessee. In order to protect people and the environment, chemicals should be used safely. This is everyone's responsibility. Read and follow label directions carefully before you buy, mix, apply, store or dispose of a chemical. According to laws regulating chemicals, they must be used only as directed by the label. Adjust the estimates as appropriate. This budget is intended as a guide only. Adjustments can and should be made as needed.

TABLE 1. PER ACRE RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$123	\$52	\$227	\$402	\$577
2000	\$252	\$452	\$652	\$852	\$1,052
2250	\$627	\$852	\$1,077	\$1,302	\$1,527
2500	\$1,002	\$1,252	\$1,502	\$1,752	\$2,002
2750	\$1,377	\$1,652	\$1,927	\$2,202	\$2,477
3000	\$1,752	\$2,052	\$2,352	\$2,652	\$2,952

TABLE 2. PER ACRE RETURN OVER VARIABLE AND FIXED COSTS AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$625	-\$450	-\$275	-\$100	\$75
2000	-\$250	-\$50	\$150	\$350	\$550
2250	\$125	\$350	\$575	\$800	\$1,025
2500	\$500	\$750	\$1,000	\$1,250	\$1,500
2750	\$875	\$1,150	\$1,425	\$1,700	\$1,975
3000	\$1,250	\$1,550	\$1,850	\$2,150	\$2,450

TABLE 3. PER ACRE RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$1,372	-\$1,197	-\$1,022	-\$847	-\$672
2000	-\$997	-\$797	-\$597	-\$397	-\$197
2250	-\$622	-\$397	-\$172	\$53	\$278
2500	-\$247	\$3	\$253	\$503	\$753
2750	\$128	\$403	\$678	\$953	\$1,228
3000	\$503	\$803	\$1,103	\$1,403	\$1,703

TABLE 4. PER POUND RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$0.07	\$0.03	\$0.13	\$0.23	\$0.33
2000	\$0.13	\$0.23	\$0.33	\$0.43	\$0.53
2250	\$0.28	\$0.38	\$0.48	\$0.58	\$0.68
2500	\$0.40	\$0.50	\$0.60	\$0.70	\$0.80
2750	\$0.50	\$0.60	\$0.70	\$0.80	\$0.90
3000	\$0.58	\$0.68	\$0.78	\$0.88	\$0.98

TABLE 5. PER POUND RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES					
Yield per Acre	Average Sale Price Per Pound				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$0.78	-\$0.68	-\$0.58	-\$0.48	-\$0.38
2000	-\$0.50	-\$0.40	-\$0.30	-\$0.20	-\$0.10
2250	-\$0.28	-\$0.18	-\$0.08	\$0.02	\$0.12
2500	-\$0.10	\$0.00	\$0.10	\$0.20	\$0.30
2750	\$0.05	\$0.15	\$0.25	\$0.35	\$0.45
3000	\$0.17	\$0.27	\$0.37	\$0.47	\$0.57