

# BURLEY TOBACCO BUDGET



## 2012 ESTIMATED COSTS AND RETURNS

7,000 Plants per Acre

ITEM	DESCRIPTION	UNIT	AMOUNT (Qty/AC)	PRICE (\$/UNIT)	TOTAL (\$/AC)	TOTAL (\$/LB)	YOUR FARM
<b>GROSS REVENUE</b>							
Tobacco Sales	Burley Tobacco	lb	2100	\$1.75	\$3,675.00	\$1.75	_____
<b>VARIABLE COSTS</b>							
Transplants	Purchased	1000	7	\$40.00	\$280.00	\$0.13	_____
Fertilization	Lime	ton	1	\$24.00	\$24.00	\$0.01	_____
	Blended Fertilizer, 9-18-27	lb	900	\$0.33	\$300.00	\$0.14	_____
	Urea, 46-0-0	lb	222	\$0.27	\$58.83	\$0.03	_____
Herbicide	Spartan Charge	oz	13	\$3.50	\$45.50	\$0.02	_____
	Command 3ME	pint	2	\$19.00	\$38.00	\$0.02	_____
Insecticide	Corragen	oz	7	\$6.25	\$43.75	\$0.02	_____
	Admire Pro	oz	7	\$6.30	\$44.10	\$0.02	_____
	Orthene 97G / acephate (1 appl.)	lb	0.75	\$9.00	\$6.75	\$0.00	_____
Fungicide	Ridomil Gold (1 pint rate)	pint	1	\$108.00	\$108.00	\$0.05	_____
	Quadris	oz	8	\$2.85	\$22.80	\$0.01	_____
Sucker Control	MH-30	gal	1.5	\$14.00	\$21.00	\$0.01	_____
	Prime plus	gal	0.5	\$84.75	\$42.38	\$0.02	_____
Cover Crop	Wheat	bu	2	\$13.00	\$26.00	\$0.01	_____
Hired Labor	Pre-Harvest, transplant to stick drop	hr	17.5	\$9.50	\$166.25	\$0.08	_____
	Harvest, cutting	sticks	1167	\$0.30	\$350.00	\$0.17	_____
	Harvest, loading and hanging	sticks	1167	\$0.18	\$210.00	\$0.10	_____
	Post Harvest, market preparation	hr	60.8	\$9.50	\$577.60	\$0.28	_____
Machinery	Fuel/Oil, Repairs	ac	1	\$115.00	\$115.00	\$0.05	_____
Supplies	Bale Twine or Wire	ac	1	\$14.00	\$14.00	\$0.01	_____
Crop Insurance		lb	2100	\$0.10	\$210.00	\$0.10	_____
Interest	Variable Costs, 6 months	\$	\$2,493.95	4.80%	\$47.88	\$0.02	_____
<b>TOTAL VARIABLE COSTS</b>					<b>\$2,751.84</b>	<b>\$1.31</b>	_____
<b>RETURN OVER VARIABLE COSTS</b>					<b>\$923.16</b>	<b>\$0.44</b>	_____
<b>FIXED COSTS</b>							
Machinery	Depreciation, Insurance, Storage	ac	1	\$97.00	\$97.00	\$0.05	_____
3-Tier Barn	Depreciation, Insurance	ac	1	\$185.00	\$185.00	\$0.09	_____
Tobacco Sticks	Depreciated over 8 years	ac	1	\$25.00	\$25.00	\$0.01	_____
Interest	Barns, Machinery	ac	1	\$195.00	\$195.00	\$0.09	_____
<b>TOTAL FIXED COSTS</b>					<b>\$502.00</b>	<b>\$0.24</b>	_____
<b>RETURN TO LAND, OPERATOR LABOR AND MANAGEMENT</b>					<b>\$421.16</b>	<b>\$0.20</b>	_____
Land	Value of Land/Rental Cost	ac	1	\$125.00	\$125.00	\$0.06	_____
<b>RETURN TO OPERATOR LABOR AND MANAGEMENT</b>					<b>\$296.16</b>	<b>\$0.14</b>	_____
Operator Labor	Unpaid Operator and/or Family Labor	hrs	65.4	\$9.50	\$621.30	\$0.30	_____
<b>RETURN TO MANAGEMENT</b>					<b>-\$325.14</b>	<b>-\$0.15</b>	_____

Revised February 2012 - 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.

<b>TABLE 1. PER ACRE RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES</b>					
<b>Yield per Acre</b>	<b>Average Sale Price Per Pound</b>				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$127	\$48	\$223	\$398	\$573
2000	\$248	\$448	\$648	\$848	\$1,048
2250	\$623	\$848	\$1,073	\$1,298	\$1,523
2500	\$998	\$1,248	\$1,498	\$1,748	\$1,998
2750	\$1,373	\$1,648	\$1,923	\$2,198	\$2,473
3000	\$1,748	\$2,048	\$2,348	\$2,648	\$2,948

<b>TABLE 2. PER ACRE RETURN OVER VARIABLE AND FIXED COSTS AT VARYING YIELDS AND PRICES</b>					
<b>Yield per Acre</b>	<b>Average Sale Price Per Pound</b>				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$629	-\$454	-\$279	-\$104	\$71
2000	-\$254	-\$54	\$146	\$346	\$546
2250	\$121	\$346	\$571	\$796	\$1,021
2500	\$496	\$746	\$996	\$1,246	\$1,496
2750	\$871	\$1,146	\$1,421	\$1,696	\$1,971
3000	\$1,246	\$1,546	\$1,846	\$2,146	\$2,446

<b>TABLE 3. PER ACRE RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES</b>					
<b>Yield per Acre</b>	<b>Average Sale Price Per Pound</b>				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$1,375	-\$1,200	-\$1,025	-\$850	-\$675
2000	-\$1,000	-\$800	-\$600	-\$400	-\$200
2250	-\$625	-\$400	-\$175	\$50	\$275
2500	-\$250	\$0	\$250	\$500	\$750
2750	\$125	\$400	\$675	\$950	\$1,225
3000	\$500	\$800	\$1,100	\$1,400	\$1,700

<b>TABLE 4. PER POUND RETURN OVER VARIABLE COSTS AT VARYING YIELDS AND PRICES</b>					
<b>Yield per Acre</b>	<b>Average Sale Price Per Pound</b>				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$0.07	\$0.03	\$0.13	\$0.23	\$0.33
2000	\$0.12	\$0.22	\$0.32	\$0.42	\$0.52
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

<b>TABLE 5. PER POUND RETURN TO MANAGEMENT AT VARYING YIELDS AND PRICES</b>					
<b>Yield per Acre</b>	<b>Average Sale Price Per Pound</b>				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
1750	-\$0.79	-\$0.69	-\$0.59	-\$0.49	-\$0.39
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