

Burley Tobacco Budgeting Sensitivity Summary

Gross Returns	Amount	Unit	\$/Unit	Total (\$) per acre	Total (\$) per Pound
Tobacco Sales	2200	lbs	\$ 1.70	\$ 3,740.00	\$ 1.70
Variable Costs					
Transplants	7	thou	\$ 42.00	\$ 294.00	\$ 0.13
Fertilizer & Lime	1	acre	\$ 350.00	\$ 350.00	\$ 0.16
Chemicals	1	acre	\$ 450.00	\$ 450.00	\$ 0.20
Hired Labor	160	hours	\$ 9.00	\$ 1,440.00	\$ 0.65
Other	1	acre	\$ 425.00	\$ 425.00	\$ 0.19
Total Variable Costs				\$ 2,959.00	\$ 1.35
Returns over Variable Costs				\$ 781.00	\$ 0.36

		Return over Variable Costs, \$ per Pound					
		Tobacco Sales Price (\$ per pound)					
		\$ 0.70	\$ 0.80	\$ 0.90	\$ 1.00	\$ 1.10	\$ 1.20
Average Yield Per Acre	1900	(\$0.86)	(\$0.76)	(\$0.66)	(\$0.56)	(\$0.46)	(\$0.36)
	2000	(\$0.78)	(\$0.68)	(\$0.58)	(\$0.48)	(\$0.38)	(\$0.28)
	2100	(\$0.71)	(\$0.61)	(\$0.51)	(\$0.41)	(\$0.31)	(\$0.21)
	2200	(\$0.65)	(\$0.55)	(\$0.45)	(\$0.35)	(\$0.25)	(\$0.15)
	2300	(\$0.59)	(\$0.49)	(\$0.39)	(\$0.29)	(\$0.19)	(\$0.09)
	2400	(\$0.53)	(\$0.43)	(\$0.33)	(\$0.23)	(\$0.13)	(\$0.03)
	2500	(\$0.48)	(\$0.38)	(\$0.28)	(\$0.18)	(\$0.08)	\$0.02
	2600	(\$0.44)	(\$0.34)	(\$0.24)	(\$0.14)	(\$0.04)	\$0.06
	2700	(\$0.40)	(\$0.30)	(\$0.20)	(\$0.10)	\$0.00	\$0.10
2800	(\$0.36)	(\$0.26)	(\$0.16)	(\$0.06)	\$0.04	\$0.14	

Modify the numbers in the gray boxes (blue font) to make them fit your tobacco enterprise costs and yield. Note what the resulting break-even price is below. This is the minimum price you need to receive to cover your cash costs.

Break-even price to cover variable costs of: \$ 2,959.00 per acre

\$ 1.35 per pound

Break-even yield to cover variable costs of: \$ 2,959.00 per acre

1740.59 pounds

The Break-even price and Break-even yield, gives the MINIMUM price or yield required to cover the costs to produce and harvest the crop.

\$	1.30	\$	1.40
	(\$0.26)		(\$0.16)
	(\$0.18)		(\$0.08)
	(\$0.11)		(\$0.01)
	(\$0.04)		\$0.05
	\$0.01		\$0.11
	\$0.07		\$0.17
	\$0.12		\$0.22
	\$0.16		\$0.26
	\$0.20		\$0.30
	\$0.24		\$0.34