

Burley Tobacco Cost of Production Project Results

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Cost, Return Summary Statistics

2009 COP	Minimum	Maximum	Average
Number of Acres	4.75	176	63.41
Yield Per Acre	539	3,240	2,268
Avg Sales Price (\$/lb)	\$1.69	\$1.87	\$1.76
Avg Gross Returns (\$/Ac)	\$911	\$6,071	\$4,008
NR to Cap, Op Labor & Mgt (\$/lb)	\$(0.77)	\$0.74	\$0.22
2010 COP	Minimum	Maximum	Average
Number of Acres	4.75	162	56.8
Yield Per Acre	1,675	2,852	2,318
Avg Sales Price (\$/lb)	\$1.46	\$1.79	\$1.69
Avg Gross Returns (\$/Ac)	\$2,883	\$4,935	\$3,921
NR to Cap, Op Labor & Mgt (\$/lb)	\$(0.56)	\$0.84	\$0.22

2009 Burley Tobacco Costs and Returns, Per Pound

	"Small" farms	"Medium" farms	"Large" farms
Range of acreage	4.75 to 33 ac	39 to 80 ac	90 to 176 ac
Number of farms per size category	N=6	N=9	N=6
Average pounds per acre	2,397	2,367	1,998
Average Price per pound	\$1.79	\$1.77	\$1.74
Average Gross Returns Per acre	\$4,258	\$4,195	\$3,486
Variable Costs			
Transplants/Greenhouse	\$0.12	\$0.11	\$0.10
Fertilizer/Lime and Chemicals	\$0.36	\$0.30	\$0.32
Total Labor Costs	\$0.48	\$0.63	\$0.65
Other Variable Costs	\$0.22	\$0.27	\$0.32
Total Variable Costs	\$1.18	\$1.31	\$1.39
Return Above Variable Costs	\$0.60	\$0.45	\$0.34
Total Fixed Costs			
Total Fixed Costs	\$0.30	\$0.20	\$0.18
TOTAL COSTS			
TOTAL COSTS	\$1.48	\$1.51	\$1.57
Return to Capital, Operator Labor and Mgt			
Return to Capital, Operator Labor and Mgt	\$0.30	\$0.26	\$0.16

2010 Burley Tobacco Costs and Returns, Per Pound

	"Small" farms	"Medium" farms	"Large" farms
Range of acreage	4.75 to 15 ac	42.8 to 60 ac	71.7 to 162 ac
Number of farms per size category	N=4	N=3	N=4
Average pounds per acre	2,394	2,532	2,081
Average Price per pound	\$1.70	\$1.65	\$1.72
Average Gross Returns Per acre	\$4,061	\$4,196	\$3,574
Variable Costs			
Transplants/Greenhouse	\$0.08	\$0.09	\$0.10
Fertilizer/Lime and Chemicals	\$0.26	\$0.26	\$0.35
Total Labor Costs	\$0.45	\$0.60	\$0.82
Other Variable Costs	\$0.12	\$0.22	\$0.43
Total Variable Costs	\$0.91	\$1.17	\$1.67
Return Above Variable Costs	\$0.78	\$0.47	\$0.05
Total Fixed Costs			
Total Fixed Costs	\$0.41	\$0.13	\$0.08
TOTAL COSTS			
TOTAL COSTS	\$1.32	\$1.30	\$1.75
Return to Capital, Operator Labor and Mgt	\$0.38	\$0.35	(\$0.03)

Labor as a % of TVC

Labor % TVC	"Small" Farms	"Medium" Farms	"Large" Farms
2009	39.8%	47.6%	46.3%
2010	46.4%	50.7%	49.1%

Avg Yield /Ac	"Small" Farms	"Medium" Farms	"Large" Farms
2009	2,397	2,367	1,998
2010	2,394	2,532	2,081

Land and/or Barn Rent

2009 COP	"Small Farms"	"Medium" Farms	"Large" Farms
Land Rent	\$0.10	\$0.06	\$0.12
Land and Barn Rent	\$0.11	\$0.20	\$0.22
Barn Rent	\$0.02	\$0.02	\$0.01

2010 COP	"Small Farms"	"Medium" Farms	"Large" Farms
Land Rent	none	\$0.00	\$0.11
Land and Barn Rent	\$0.10	\$0.06	none
Barn Rent	\$0.01	\$0.01	\$0.02

Fixed Costs: Machinery

\$/lb	"Small" Farms	"Medium" Farms	"Large" Farms
2009	\$0.15	\$0.09	\$0.09
2010	\$0.16	\$0.05	\$0.08

2009	"Small" farms	"Medium" farms	"Large" farms
Range of acreage	4.75 to 33 ac	39 to 80 ac	90 to 176 ac
Number of farms per size category	N=6	N=9	N=6

2010	"Small" farms	"Medium" farms	"Large" farms
Range of acreage	4.75 to 15 ac	42.8 to 60 ac	71.7 to 162 ac
Number of farms per size category	N=4	N=3	N=4

Project Highlights

- Quality suffered in 2010
 - 2010 avg sales price equaled 2009 min sales price
 - 2009 small farms had highest sales price, 2010 large farms had highest sales price
- Both years, as farm sized increased, total variable costs increased and fixed costs decreased.
- Both years, as farm size increased, labor costs increased.
- Avg yields fairly constant among farm sized-groups from 2009 to 2010.