2008 Nebraska Farm Custom Rates - Part I

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This Article is brought to you for free and open access by the Agricultural Economics Department at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Cornhusker Economics by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.
Every two years a survey of custom operators is conducted to determine the current rates charged for specific machinery operations. The PRELIMINARY results reported here reflect only the statewide results for Part I, which includes the spring and summer operations such as planting and small grains harvest. This is not the full report for all operations.

Custom rates reported include charges for the use of necessary equipment, fuel and supplies such as baling wire or twine provided by the custom operator, and labor. Seed, fertilizer and chemical costs are not included.

This survey is not based on a random sample of custom operators in Nebraska. Questionnaires were sent to all the individuals on our custom operator’s mailing list. Thus, the results reflect the average of those who responded to the specific questions, but may not be representative of the rates charged in a particular area. The Average Rate for a specific operation provides an estimate of the prevailing charge, with its reliability improving as the number of responses increase. The Most Common Rate is the rate reported more often than any other for that practice. Usually the Average Rate and the Most Common Rate are similar. The Average Rate is calculated to the nearest cent, while the Most Common Rate is more generally reported to the nearest dollar. The Range gives the minimum and the maximum amounts reported. It may be indicative of different conditions under which the work was performed. The range also may reflect the fact that some rates consider travel to and from the field, while others do not.

The rates do not necessarily measure the full economic cost of performing the work specified. Some custom operators may only charge for fuel and labor. Other operators may charge for all costs, including depreciation on equipment, a charge for risk, and a management return. Field conditions such as size, terrain and location vary, which will account for some of the range in the rates charged.

Estimates of the costs of owning and operating farm machinery are available to compare with these custom rates. One source of estimated costs of owning and operating machines is the “Minnesota Farm Machinery Economics Cost Estimates,” which is available electronically at:

http://www.agecon.unl.edu/Cornhuskereconomics.html

The information presented here should be used only as a guide. Rates change from year to year due to cost changes and the availability of custom operators. For example, the rates reported in this presentation were the prevailing rates in the Spring of 2008. In determining the rates for 2008, custom operators and farm owners should consider changes in the cost of machinery, labor and fuel.

Factoring in the difference in fuel cost is essential for obtaining an accurate estimate for the cost associated with custom farming. This survey was conducted when fuel prices ranged from $2.75 - $3.00. As the prices vary, fuel consumption rates and the change in fuel price can be used to update the custom rates to current prices. For example, if the farm diesel price is $2.75 per gallon with a consumption rate of .80 gallons per acre, $2.75 X .80=$2.20 that could be allocated to the per acre custom rate. If farm diesel prices increased to $3.00 per gallon, an estimate of the additional cost due to the fuel increase would be $2.75 X .80=$2.20. This price then can be added to the custom rate quoted here.

Final results will be available mid to late April, at the Agricultural Economics website: http://www.agecon.unl.edu/resource.html under Publications.

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Extension Farm Management Specialist hjose1@unl.edu

Paige Bek, Student Assistant
Dept. of Agricultural Economics
University of Nebraska–Lincoln

<table>
<thead>
<tr>
<th>OPERATIONS</th>
<th>Number Reporting</th>
<th>Average Rate ($)</th>
<th>Range ($)</th>
<th>Most Common ($)</th>
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<tr>
<td>LAND TILLAGE OPERATIONS</td>
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<tr>
<td>Moldboard Plowing w/o Plow Packer, per acre</td>
<td>28</td>
<td>13.25</td>
<td>7.00-25.00</td>
<td>18.00</td>
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<tr>
<td>Disk Harrowing, Tandem or Offset, Primary Harrowing, per acre</td>
<td>117</td>
<td>10.35</td>
<td>5.00-18.00</td>
<td>10.00</td>
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<tr>
<td>Disk Harrowing, Tandem or Offset, Finishing Harrowing, per acre</td>
<td>88</td>
<td>9.58</td>
<td>4.25-17.00</td>
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<tr>
<td>Harrowing, Spike Tooth, per acre</td>
<td>20</td>
<td>6.83</td>
<td>4.00-12.00</td>
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<tr>
<td>Harrowing, Spring Tooth, per acre</td>
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<td>4.00-12.50</td>
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<td>Chisel Plow for Primary Tillage, per acre</td>
<td>46</td>
<td>11.09</td>
<td>5.00-18.00</td>
<td>12.00</td>
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<td>Deep Chisel, per acre</td>
<td>44</td>
<td>13.86</td>
<td>7.00-22.00</td>
<td>15.00</td>
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<tr>
<td>Subsoiler or Ripping, per acre</td>
<td>62</td>
<td>15.70</td>
<td>7.00-35.00</td>
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<td>Field Cultivator, per acre</td>
<td>83</td>
<td>9.40</td>
<td>4.00-18.00</td>
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<tr>
<td>Drilling Soybeans, Conventional Drill, per acre</td>
<td>35</td>
<td>11.74</td>
<td>5.00-16.00</td>
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<tr>
<td>Drilling Soybeans, No-Till Drill, per acre</td>
<td>117</td>
<td>14.13</td>
<td>6.00-22.50</td>
<td>15.00</td>
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<tr>
<td>Seeding Legumes, per acre</td>
<td>28</td>
<td>12.08</td>
<td>5.25-18.00</td>
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<tr>
<td>Seeding Legumes with Depth Bands, per acre</td>
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<td>13.58</td>
<td>9.50-18.00</td>
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<td>Cultivation Tillage, Conventional Crop Cultivator, per acre</td>
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<td>8.35</td>
<td>4.75-16.00</td>
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<td>Cultivation Tillage, Cultivator Handling Residue and/or Making Ridges, per acre</td>
<td>33</td>
<td>9.39</td>
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<td>Cultivation Tillage, Hilling or Ditching for Irrigation, per acre</td>
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<tr>
<td>Planting Row Crops, No-Till, with Band Applicator, per acre</td>
<td>57</td>
<td>13.93</td>
<td>7.00-25.00</td>
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<tr>
<td>Planting Row Crops, No-Till, without Band Applicator, per acre</td>
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<td>13.00</td>
<td>6.00-22.50</td>
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<tr>
<td>Combination Tillage Operations, Primary Tillage, per acre</td>
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<td>11.70</td>
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<tr>
<td>Combination Tillage Operations, Finishing Tillage, per acre</td>
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<td>11.70</td>
<td>8.00-22.00</td>
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<tr>
<td>Stalk Shredder Tilling, per acre</td>
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<td>15.83</td>
<td>8.00-35.00</td>
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<tr>
<td>Stalk Shredder PTO Driven, per acre</td>
<td>51</td>
<td>8.90</td>
<td>4.25-15.00</td>
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<td>Rolling Stalk Chopper, Not PTO, per acre</td>
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<td>7.52</td>
<td>5.00-13.50</td>
<td>8.00</td>
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<tr>
<td><strong>PLANTING AND POST PLANTING OPERATIONS</strong></td>
<td>Number Reporting</td>
<td>Average Rate ($)</td>
<td>Range ($)</td>
<td>Most Common ($)</td>
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<td>------------------------------------------</td>
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<tr>
<td>Drilling Small Grains, Conventional Drill, per acre</td>
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<td>11.03</td>
<td>5.00-17.00</td>
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<td>Drilling Small Grains, No-Till Drill, per acre</td>
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<td>13.82</td>
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<td>Planting Row Crops, with Coulters, with Band Applicator, per acre</td>
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<td>14.47</td>
<td>10.00-25.00</td>
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<tr>
<td>Planting Row Crops, with Coulters, without Band Applicator, per acre</td>
<td>57</td>
<td>13.64</td>
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<td>Planting Row Crops, with Row Cleaning, with Band Applicator, per acre</td>
<td>64</td>
<td>14.44</td>
<td>10.00-25.00</td>
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<tr>
<td>Planting Row Crops, with Row Cleaning, without Band Applicator, per acre</td>
<td>40</td>
<td>14.04</td>
<td>7.00-27.00</td>
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<table>
<thead>
<tr>
<th><strong>HAYING AND BALING</strong></th>
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<tbody>
<tr>
<td>Mowing, per acre</td>
<td>28</td>
<td>9.07</td>
<td>5.00-20.00</td>
<td>10.00</td>
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<tr>
<td>Raking, per acre</td>
<td>79</td>
<td>4.53</td>
<td>1.00-10.00</td>
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<td>Mowing and Raking, per acre</td>
<td>14</td>
<td>11.93</td>
<td>6.00-17.50</td>
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<td>Swathing with Crushing/Crimping, per hour</td>
<td>44</td>
<td>76.52</td>
<td>25.00-120.00</td>
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<tr>
<td>Swathing with Crushing/Crimping, per acre</td>
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<td>10.70</td>
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<tr>
<td>Baling Small Square Bales with Twine Tie, (Average lbs/bale = 63), per bale</td>
<td>51</td>
<td>0.61</td>
<td>0.25-1.25</td>
<td>0.50</td>
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<td>Baling Small Square Bales with Wire Tie, (Average lbs/bale = 70), per bale</td>
<td>17</td>
<td>0.65</td>
<td>0.25-1.25</td>
<td>0.60</td>
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<tr>
<td>Baling Large Square Bales, (Average lbs/bale = 1,333), per bale</td>
<td>37</td>
<td>12.09</td>
<td>8.00-25.00</td>
<td>12.00</td>
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<tr>
<td>Baling Large Round Bales (Average lbs/bale = 1,557), per bale</td>
<td>152</td>
<td>10.06</td>
<td>7.00-20.00</td>
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<tr>
<td>Lifting and Moving Large Round Bales with Tractor, (Average Distance = 1.19 miles), per bale</td>
<td>43</td>
<td>2.40</td>
<td>0.75-5.00</td>
<td>2.00</td>
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<td>Loading and Moving Large Round Bales with Tractor (Average Distance = 4 miles) (Bales/Load = 13), per load</td>
<td>19</td>
<td>36.08</td>
<td>2.00-175.00</td>
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<tr>
<th><strong>APPLICATION OF FERTILIZER (EXCLUDING COST OF FERTILIZER)</strong></th>
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<tr>
<td>Dry Fertilizer, Including Power, Labor and Applicator, per acre</td>
<td>40</td>
<td>5.46</td>
<td>2.50-12.00</td>
<td>5.00</td>
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<tr>
<td>Liquid Fertilizer, Powder, Labor and Applicator, per acre</td>
<td>57</td>
<td>6.10</td>
<td>3.50-12.00</td>
<td>5.00</td>
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<tr>
<td>Anhydrous Ammonia, Conventional Knife, Power, Labor and Applicator, per acre</td>
<td>30</td>
<td>9.47</td>
<td>5.00-16.00</td>
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<tr>
<td>Anhydrous Ammonia, Knife with Coulters, Powder, Labor and Applicator, per acre</td>
<td>85</td>
<td>10.12</td>
<td>6.00-16.00</td>
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<thead>
<tr>
<th><strong>INSECT, DISEASE AND WEED CONTROL PER APPLICATION (EXCLUDES COST OF MATERIAL)</strong></th>
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<tr>
<td>Spraying Weed Control, Boom, per acre</td>
<td>114</td>
<td>5.58</td>
<td>3.75-12.00</td>
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<tr>
<td>Crop Spraying by Surface Vehicle, per acre</td>
<td>77</td>
<td>5.71</td>
<td>3.00-14.00</td>
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<table>
<thead>
<tr>
<th><strong>SMALL GRAIN HARVEST (WHEAT, OATS AND BARLEY)</strong></th>
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<tbody>
<tr>
<td>Windrowing Grain Crops, per Acre</td>
<td>32</td>
<td>10.52</td>
<td>7.00-18.00</td>
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<tr>
<td>Combining Small Grains, Flat Charge, per acre</td>
<td>115</td>
<td>22.21</td>
<td>13.00-35.00</td>
<td>25.00</td>
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<tr>
<td>Combining Small Grains, Minimum with Extra Charge for High Yields, per acre</td>
<td>42</td>
<td>16.98</td>
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<td>16.00</td>
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<td>Description</td>
<td>Number Reporting</td>
<td>Average Rate ($)</td>
<td>Range ($)</td>
<td>Most Common ($)</td>
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<tr>
<td>-----------------------------------------------------------------------------</td>
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<tr>
<td>Plus Additional Fee Per Bushel for Crops Yielding Over 24 Bushels, per acre</td>
<td>42</td>
<td>0.15</td>
<td>0.05-0.25</td>
<td>0.16</td>
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<tr>
<td>Combining Small Grain, Combination Charges Regardless of Yield, per acre</td>
<td>30</td>
<td>22.60</td>
<td>14.00-40.00</td>
<td>22.00</td>
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<tr>
<td>Plus Additional Fee, for Each Bushel</td>
<td>16</td>
<td>0.14</td>
<td>0.05-0.20</td>
<td>0.14</td>
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<td>Hauling Small Grain from Combine to Local Storage, Flat Rate, per bushel</td>
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<td>0.11</td>
<td>0.02-0.25</td>
<td>0.10</td>
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<tr>
<td>Plus Extra Charge for Distance Over 11 Miles, per bushel</td>
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<td>0.04</td>
<td>0.05-0.20</td>
<td>0.01</td>
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<td><strong>CUSTOM CONTRACT FARMING</strong></td>
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<td>Winter Wheat, No Fallow Ground (Average Times Over the Field = 3.5), per acre</td>
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<td>54.82</td>
<td>14.00-110.00</td>
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<td>Winter Wheat, Including Fallow Ground (Average Times Over the Field = 5), per acre</td>
<td>7</td>
<td>57.07</td>
<td>18.00-116.00</td>
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<td>Grain Sorghum (Average Times Over the Field = 4), per acre</td>
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<td>58.81</td>
<td>18.00-90.00</td>
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<td>Dryland Soybeans (Average Times Over the Field = 5), per acre</td>
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<td>64.50</td>
<td>18.00-100.00</td>
<td>90.00</td>
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<td>Irrigated Soybeans (Average Times Over the Field = 5), per acre</td>
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<td>77.24</td>
<td>32.00-110.00</td>
<td>80.00</td>
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<td>Dryland Corn (Average Times Over the Field = 4.5), per acre</td>
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<td>74.22</td>
<td>25.00-120.00</td>
<td>90.00</td>
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<td>Irrigated Corn (Average Times Over the Field = 5.33), per acre</td>
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<td>93.68</td>
<td>28.00-150.00</td>
<td>100.00</td>
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</tbody>
</table>

***NOT THE COMPLETE REPORT***