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2008 Nebraska Farm Custom Rates - Part I

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2008 Nebraska Farm Custom Rates – Part I (Preliminary Draft)

Market Report	Yr Ago	4 Wks Ago	3/28/08
Livestock and Products, Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	$96.46	$93.13	$87.93
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	128.19	125.17	121.20
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	110.61	98.73	99.75
Choice Boxed Beef, 600-750 lb. Carcass	154.06	149.41	139.99
Western Corn Belt Base Hog Price Carcass, Negotiated	58.49	56.41	54.02
Feeder Pigs, National Direct 50 lbs, FOB	69.48	49.76	46.31
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	69.94	60.45	56.50
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct	84.75	89.63	92.95
National Carcass Lamb Cutout, FOB	242.18	258.01	257.11
Crops, Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	4.23	10.90	9.52
Corn, No. 2, Yellow Omaha, bu.	3.49	5.27	5.27
Soybeans, No. 1, Yellow Omaha, bu.	7.10	14.40	11.82
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	*	9.29	9.04
Oats, No. 2, Heavy Minneapolis, MN , bu.	2.85	4.23	3.54
Hay			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	135.00	135.00	135.00
Alfalfa, Large Rounds, Good Platte Valley, ton.	92.50	85.00	85.00
Grass Hay, Large Rounds, Good Northeast Nebraska, ton.	90.00	*	*

* No market.

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.extension.umn.edu/distribution/businessmanagement/DF6696.pdf.

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 $.25 X .80=$.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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	Number Reporting	Average Rate ($)	Range ($)	Most Common ($)
LAND TILLAGE OPERATIONS				
Moldboard Plowing w/o Plow Packer, per acre	28	13.25	7.00-25.00	18.00
Disk Harrowing, Tandem or Offset, Primary Harrowing, per acre	117	10.35	5.00-18.00	10.00
Disk Harrowing, Tandem or Offset, Finishing Harrowing, per acre	88	9.58	4.25-17.00	10.00
Harrowing, Spike Tooth, per acre	20	6.83	4.00-12.00	6.00
Harrowing, Spring Tooth, per acre	18	7.69	4.00-12.50	10.00
Chisel Plow for Primary Tillage, per acre	46	11.09	5.00-18.00	12.00
Deep Chisel, per acre	44	13.86	7.00-22.00	15.00
Subsoiler or Ripping, per acre	62	15.70	7.00-35.00	15.00
Field Cultivator, per acre	83	9.40	4.00-18.00	8.00
Drilling Soybeans, Conventional Drill, per acre	35	11.74	5.00-16.00	12.00
Drilling Soybeans, No-Till Drill, per acre	117	14.13	6.00-22.50	15.00
Seeding Legumes, per acre	28	12.08	5.25-18.00	12.00
Seeding Legumes with Depth Bands, per acre	12	13.58	9.50-18.00	12.00
Cultivation Tillage, Conventional Crop Cultivator, per acre	43	8.35	4.75-16.00	8.00
Cultivation Tillage, Cultivator Handling Residue and/or Making Ridges, per acre	33	9.39	6.00-16.00	10.00
Cultivation Tillage, Hilling or Ditching for Irrigation, per acre	43	8.98	5.00-16.00	8.00
Planting Row Crops, No-Till, with Band Applicator, per acre	57	13.93	7.00-25.00	12.00
Planting Row Crops, No-Till, without Band Applicator, per acre	62	13.00	6.00-22.50	12.00
Combination Tillage Operations, Primary Tillage, per acre	22	11.70	6.50-18.00	10.00
Combination Tillage Operations, Finishing Tillage, per acre	33	11.70	8.00-22.00	10.00
Stalk Shredder Tilling, per acre	20	15.83	8.00-35.00	15.00
Stalk Shredder PTO Driven, per acre	51	8.90	4.25-15.00	10.00
Rolling Stalk Chopper, Not PTO, per acre	46	7.52	5.00-13.50	8.00

	Number Reporting	Average Rate ($)	Range ($)	Most Common ($)
PLANTING AND POST PLANTING OPERATIONS				
Drilling Small Grains, Conventional Drill, per acre	64	11.03	5.00-17.00	10.00
Drilling Small Grains, No-Till Drill, per acre	120	13.82	7.00-22.50	15.00
Planting Row Crops, with Coulters, with Band Applicator, per acre	63	14.47	10.00-25.00	15.00
Planting Row Crops, with Coulters, without Band Applicator, per acre	57	13.64	6.50-22.00	12.00
Planting Row Crops, with Row Cleaning, with Band Applicator, per acre	64	14.44	10.00-25.00	15.00
Planting Row Crops, with Row Cleaning, without Band Applicator, per acre	40	14.04	7.00-27.00	15.00
HAYING AND BALING				
Mowing, per acre	28	9.07	5.00-20.00	10.00
Raking, per acre	79	4.53	1.00-10.00	5.00
Mowing and Raking, per acre	14	11.93	6.00-17.50	10.00
Swathing with Crushing/Crimping, per hour	44	76.52	25.00-120.00	70.00
Swathing with Crushing/Crimping, per acre	120	10.70	5.00-15.00	10.00
Baling Small Square Bales with Twine Tie, (Average lbs/bale =63), per bale	51	0.61	0.25-1.25	0.50
Baling Small Square Bales with Wire Tie, (Average lbs/bale =70), per bale	17	0.65	0.25-1.25	0.60
Baling Large Square Bales, (Average lbs/bale = 1,333), per bale	37	12.09	8.00-25.00	12.00
Baling Large Round Bales (Average lbs/bale = 1,557), per bale	152	10.06	7.00-20.00	10.00
Lifting and Moving Large Round Bales with Tractor, (Average Distance = 1.19 miles), per bale	43	2.40	0.75-5.00	2.00
Loading and Moving Large Round Bales with Tractor (Average Distance = 4 miles) (Bales/Load = 13), per load	19	36.08	2.00-175.00	2.50
APPLICATION OF FERTILIZER (EXCLUDING COST OF FERTILIZER)				
Dry Fertilizer, Including Power, Labor and Applicator, per acre	40	5.46	2.50-12.00	5.00
Liquid Fertilizer, Powder, Labor and Applicator, per acre	57	6.10	3.50-12.00	5.00
Anhydrous Ammonia, Conventional Knife, Power, Labor and Applicator, per acre	30	9.47	5.00-16.00	10.00
Anhydrous Ammonia, Knife with Coulters, Powder, Labor and Applicator, per acre	85	10.12	6.00-16.00	10.00
INSECT, DISEASE AND WEED CONTROL PER APPLICATION (EXCLUDES COST OF MATERIAL)				
Spraying Weed Control, Boom, per acre	114	5.58	3.75-12.00	5.00
Crop Spraying by Surface Vehicle, per acre	77	5.71	3.00-14.00	6.00
SMALL GRAIN HARVEST (WHEAT, OATS AND BARLEY)				
Windrowing Grain Crops, per Acre	32	10.52	7.00-18.00	10.00
Combining Small Grains, Flat Charge, per acre	115	22.21	13.00-35.00	25.00
Combining Small Grains, Minimum with Extra Charge for High Yields, per acre	42	16.98	2.00-25.00	16.00

	Number Reporting	Average Rate ($)	Range ($)	Most Common ($)
Plus Additional Fee Per Bushel for Crops Yielding Over 24 Bushels, per acre	42	0.15	0.05-0.25	0.16
Combining Small Grain, Combination Charges Regardless of Yield, per acre	30	22.60	14.00-40.00	22.00
Plus Additional Fee, for Each Bushel	16	0.14	0.05-0.20	0.14
Hauling Small Grain from Combine to Local Storage, Flat Rate, per bushel	117	0.11	0.02-0.25	0.10
Plus Extra Charge for Distance Over 11 Miles, per bushel	47	0.04	0.05-0.20	0.01
CUSTOM CONTRACT FARMING				
Winter Wheat, No Fallow Ground (Average Times Over the Field = 3.5), per acre	11	54.82	14.00-110.00	14.00
Winter Wheat, Including Fallow Ground (Average Times Over the Field = 5), per acre	7	57.07	18.00-116.00	N/A
Grain Sorghum (Average Times Over the Field = 4), per acre	8	58.81	18.00-90.00	50.00
Dryland Soybeans (Average Times Over the Field = 5), per acre	21	64.50	18.00-100.00	90.00
Irrigated Soybeans (Average Times Over the Field = 5), per acre	19	77.24	32.00-110.00	80.00
Dryland Corn (Average Times Over the Field = 4.5), per acre	27	74.22	25.00-120.00	90.00
Irrigated Corn (Average Times Over the Field = 5.33), per acre	28	93.68	28.00-150.00	100.00