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Ted Nelson

Dale Thompson

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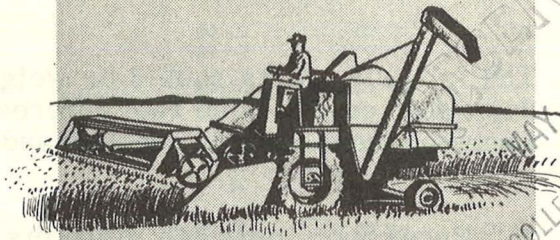
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Farm Custom Rates

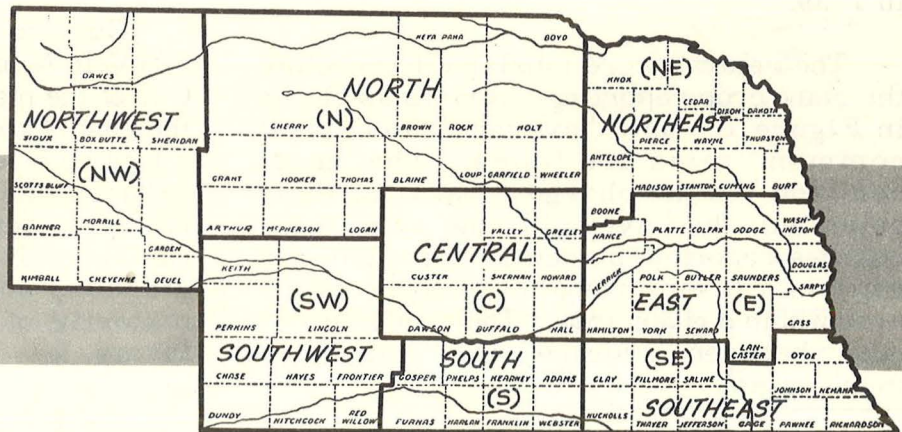


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PAID IN NEBRASKA

1959

BY
TED NELSON
DALE THOMPSON



EXTENSION SERVICE
UNIVERSITY OF NEBRASKA COLLEGE OF AGRICULTURE
AND U. S. DEPARTMENT OF AGRICULTURE
COOPERATING
W. V. LAMBERT, DIRECTOR E. W. JANIKE, ASSOC. DIRECTOR

FARM CUSTOM RATES PAID IN NEBRASKA 1959

by Ted Nelson* and Dale Thompson**

Custom work is defined as "the hiring of men with machines for performance of a specified machine task." The custom rate includes charges for the machine, tractor or power unit, fuel, lubrication, incidental supplies and operator labor. The cost of materials applied are not included--fertilizer, insecticide, herbicide and seed being cases in point.

Custom rates shown in this circular are a summary of those reported by 650 farmers and custom operators throughout Nebraska. Each was asked to report the rates he charged or paid for custom work in 1959.

The returns were tabulated for each of the state crop reporting districts as shown in Figure I. Both "average" and "most common" rates are listed. The "most common" is the charge most frequently reported; the "average" the sum of the charges reported divided by the number of reports. A wide range of charges exists even within a given area. Thus, differences occur between "average" and "most common" rates.

* Extension Economist, Agricultural Extension Service.

** Agricultural Statistician, State-Federal Division of Agricultural Statistics.

The following facts should be weighed carefully when considerable rate differences exist between the district in question and the remainder of the state:

1. Rates vary between districts for many machines because of soil conditions, size of fields, and local availability of a particular machine.

2. Variation in rates shown may be caused by an insufficient number of reports. Rates for districts showing large numbers of returns are more reliable than items where less than ten reports are involved.

Custom work is used extensively on farms in Nebraska for a variety of reasons. One of the most common reasons is to avoid the cost of ownership for a machine used on a limited scale. Labor is also a factor. It is often easier to hire the services of a skilled operator by hiring the machine also. Because of health or unusual circumstances, some farm operators hire the majority of the machine work on their farms.

Custom work is usually provided by those who own and operate specialized equipment as a business or by farmers who have excess machine capacity and labor on their own farms.

Since reports not identified as to district of origin were included only in state totals, the total "number reporting" for the state may be larger than the sum of the district figures.

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
<u>GENERAL TILLAGE</u>									
PLOWING, per acre									
Number Reporting	16	10	43	15	42	13	13	32	190
Average	3.19	3.00	3.54	3.15	3.22	2.77	3.00	3.19	3.23
Most Common	3.00	3.00	3.00	3.00	2.50	3.00	3.00	3.00	3.00
ONEWAY, per acre									
Number Reporting	15	2	6	9	6	17	11	11	81
Average	1.80	1.00	2.58	2.31	2.46	1.43	2.20	2.48	2.03
Most Common	1.50	--	--	2.50	2.50	1.50	2.00	2.00	2.00
DISC, SINGLE, per acre									
Number Reporting	8	3	19	9	16	11	5	19	91
Average	1.05	1.16	1.00	1.10	1.11	.78	1.00	1.00	1.01
Most Common	.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DISC, TANDEM, per acre									
Number Reporting	12	1	13	11	21	14	7	23	106
Average	1.46	1.50	1.88	1.61	1.60	1.16	1.61	1.42	1.51
Most Common	1.00	1.50	1.50	1.50	1.60	1.25	1.50	1.50	1.50
HARROW, SPIKE, per acre									
Number Reporting	7	2	10	10	15	9	5	20	81
Average	.79	.63	.56	.63	.73	.53	.71	.60	.64
Most Common	1.00	--	.50	.75	.50	.75	.75	.50	.50
HARROW, SPRING TOOTH, per acre									
Number Reporting	7	0	1	7	9	8	2	13	47
Average	1.12	--	1.00	1.29	1.43	.76	1.00	1.01	1.10
Most Common	1.00	--	--	1.00	1.50	.75	--	1.00	1.00
SWEEP MACHINE, per acre									
Number Reporting	6	1	0	0	1	7	1	1	18
Average	1.29	3.00	--	--	2.00	1.21	1.25	3.50	1.50
Most Common	.75	--	--	--	--	1.25	--	--	1.25

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
SURFACE CHISEL, per acre									
Number Reporting	8	0	3	3	2	10	2	0	32
Average	1.22	--	3.42	2.83	2.55	1.23	1.50	--	1.81
Most Common	.75	--	--	--	--	1.25	--	--	1.25
DEEP CHISEL, per acre									
Number Reporting	6	0	3	4	3	4	2	2	27
Average	2.92	--	4.33	3.50	5.83	2.06	4.75	2.50	3.51
Most Common	4.00	--	5.00	--	--	--	--	--	4.00
STALKCUTTER, per acre (Conventional)									
Number Reporting	2	0	5	1	7	2	1	6	27
Average	.88	--	.80	1.13	.99	1.07	.80	.96	.97
Most Common	--	--	--	--	.75	--	--	--	1.00
STALKCUTTER, per acre (Power-driven)									
Number Reporting	3	2	17	4	15	5	6	13	68
Average	2.33	2.00	1.22	1.50	1.47	1.50	1.33	1.38	1.45
Most Common	3.00	--	1.00	--	1.50	1.50	--	--	1.50
4 ROD WEEDER, per acre									
Number Reporting	13	0	2	4	1	12	2	2	37
Average	1.08	--	1.25	1.13	1.25	1.00	1.05	1.75	1.10
Most Common	1.00	--	--	1.50	--	1.00	--	--	1.00
ROTARY HOE, per acre									
Number Reporting	9	2	9	5	13	9	3	9	62
Average	.99	.87	.91	.79	.87	.69	.69	.94	.86
Most Common	1.00	--	.75	--	1.00	.50	--	1.25	1.00
<u>SMALL GRAINS</u>									
DRILL WITH NO ATTACHMENT, per acre									
Number Reporting	15	3	14	13	22	17	12	20	117
Average	1.20	1.08	1.33	1.22	1.17	1.27	1.01	1.09	1.18
Most Common	1.00	1.00	1.25	1.25	1.00	1.00	1.00	1.00	1.00

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
DRILL WITH FERTILIZER ATTACHMENT, per acre									
Number Reporting	2	2	6	5	6	3	3	8	36
Average	2.25	1.38	1.67	1.70	1.71	1.45	1.70	1.21	1.34
Most Common	--	--	--	1.50	--	--	--	1.50	1.50
DRILL WITH GRASS SEED ATTACHMENT									
Number Reporting	2	5	10	8	21	6	4	11	69
Average	2.50	1.35	1.66	1.97	1.27	1.35	1.53	1.02	1.41
Most Common	--	1.25	1.50	1.00	2.00	1.50	--	--	1.50
WINDROWER									
Number Reporting	17	4	39	4	8	7	3	1	83
Average	1.76	1.12	1.37	1.38	1.50	1.71	1.35	1.75	1.47
Most Common	1.50	1.50	1.50	1.00	1.25	1.50	--	1.75	1.50
<u>CORN</u>									
5 PLANTER, SURFACE, per acre									
Number Reporting	2	1	22	11	18	6	7	12	82
Average	1.75	1.25	1.25	1.20	1.26	1.25	1.11	1.70	1.22
Most Common	--	--	1.00	1.00	1.00	1.00	1.00	1.00	1.00
LISTER, per acre									
Number Reporting	3	4	19	11	21	14	9	18	103
Average	3.33	1.50	2.31	1.89	1.76	1.46	1.61	1.72	1.85
Most Common	4.00	1.00	1.50	2.00	2.00	1.50	1.50	1.50	1.50
GO DEVIL, per acre									
Number Reporting	2	2	4	6	14	9	6	10	55
Average	2.37	2.00	1.00	1.42	1.29	.92	1.42	1.37	1.31
Most Common	--	--	1.00	1.50	1.25	1.00	1.50	1.00	1.50
CULTIVATOR, per acre									
Number Reporting	0	1	20	9	18	10	7	17	87
Average	--	1.00	1.11	1.23	1.26	1.13	1.25	1.26	1.22
Most Common	--	--	1.00	1.25	1.25	1.00	1.25	1.25	1.25

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
CHOPPER, FIELD, per acre									
Number Reporting	2	3	3	5	7	2	3	7	32
Average	5.00	6.00	6.33	5.30	5.50	6.00	7.00	6.14	5.88
Most Common	--	6.00	7.00	4.00	6.00	6.00	--	5.00	6.00
CHOPPER, FIELD, per hour									
Number Reporting	0	0	10	5	14	2	3	11	46
Average	--	--	7.50	6.80	7.75	6.00	7.50	8.22	7.58
Most Common	--	--	7.00	7.50	6.00	--	--	10.00	8.00
PICK-UP BALING OF HAY									
ROUND BALES, per bale									
Number Reporting	9	16	41	20	33	11	8	45	188
Average	.12	.10	.10	.10	.10	.11	.11	.10	.10
Most Common	.10	.10	.10	.10	.10	.10	.10	.10	.10
SQUARE BALES, TWINE, per bale									
Number Reporting	17	6	58	22	81	25	17	80	314
Average	.13	.12	.11	.11	.11	.13	.12	.10	.11
Most Common	.10	.10	.11	.10	.10	.12	.10	.10	.10
SQUARE BALES, WIRE, per bale									
Number Reporting	15	7	58	22	74	16	20	48	267
Average	.17	.13	.13	.14	.13	.15	.14	.13	.13
Most Common	.20	.12	.13	.14	.13	.15	.14	.12	.12
BALE LOADER, per bale									
Number Reporting	3	0	5	0	13	4	5	18	52
Average	.01	--	.016	--	.017	.027	.02	.016	.0175
Most Common	.01	--	.02	--	.01	.01	.01	.02	.01
<u>COMBINING</u>									
WHEAT, per acre									
Number Reporting	31	13	35	32	117	34	33	96	402
Average	3.57	3.63	4.51	4.67	4.86	3.87	4.05	4.66	4.47
Most Common	3.00	3.00	5.00	5.00	5.00	4.00	4.00	5.00	5.00

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
OATS, per acre									
Number Reporting	20	17	68	27	83	9	11	69	315
Average	3.43	3.63	4.22	4.26	4.38	3.89	3.95	4.45	4.22
Most Common	3.00	4.00	4.00	4.00	4.00	3.50	4.00	4.00	4.00
BARLEY, per acre									
Number Reporting	22	11	36	25	45	15	13	38	211
Average	3.50	3.70	4.28	4.34	4.46	3.68	3.77	4.54	4.19
Most Common	3.00	3.25	4.00	4.00	4.00	3.00	4.00	4.00	4.00
SOYBEANS, per acre									
Number Reporting	0	1	40	9	40	0	3	17	116
Average	--	4.00	4.74	5.33	5.19	--	4.50	5.29	5.04
Most Common	--	4.00	5.00	5.00	5.00	--	4.50	5.00	5.00
GRAIN SORGHUM, per acre									
Number Reporting	17	9	45	32	90	18	25	84	330
Average	3.63	4.31	4.95	5.03	5.23	3.81	4.11	4.95	4.83
Most Common	3.00	4.00	5.00	5.00	5.00	3.00	5.00	5.00	5.00
COMBINING, OPENING FIELDS (small grain), per acre									
Number Reporting	1	1	8	0	20	0	6	15	51
Average	3.00	5.00	4.38	--	5.93	--	4.58	5.50	5.32
Most Common	--	--	5.00	--	5.00	--	5.00	5.00	5.00
COMBINING, OPENING FIELDS (small grain), per hour									
Number Reporting	4	0	4	3	4	1	5	18	42
Average	9.13	--	10.00	13.00	13.13	15.00	11.20	9.31	10.08
Most Common	--	--	10.00	12.00	5.00	--	10.00	10.00	10.00
<u>CORN HARVESTING</u>									
CORNPICKER, per acre									
Number Reporting	14	20	68	22	81	27	22	57	317
Average	5.55	3.94	4.56	4.86	4.84	3.69	4.33	4.60	4.56
Most Common	7.00	4.00	5.00	5.00	5.00	3.50	3.50	4.00	5.00

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
CORNPICKER, per bushel									
Number Reporting	0	0	0	7	17	1	1	19	47
Average	--	--	--	.09	.09	.10	.10	.10	.10
Most Common	--	--	--	.10	.10	--	--	.10	.10
PICKER - SHELLER, (Corn Combine) per acre									
Number Reporting	2	0	19	13	27	14	9	23	109
Average	11.00	--	6.72	7.08	6.30	4.75	5.75	6.32	6.31
Most Common	--	--	6.00	5.00	6.00	4.00	6.00	5.00	5.00
PICKER - SHELLER, per bushel									
Number Reporting	2	2	9	12	31	11	15	29	112
Average	.13	.13	.11	.10	.10	.09	.10	.11	.10 1/2
Most Common	--	--	.10	.10	.10	.10	.10	.10	.10
OPENING FIELDS (corn), per acre									
Number Reporting	0	0	10	4	13	1	4	11	43
Average	--	--	5.15	5.75	5.62	5.00	5.00	6.27	5.83
Most Common	--	--	5.00	6.00	5.00	--	5.00	5.00	5.00

Combination rates of a fixed rate per acre plus an additional charge per bushel over a minimum yield were reported for several operations. These charges are reported below on a state basis.

Operation	No. Reporting	Average			Most Common		
COMBINING							
Wheat	51	\$3.68 per acre	6¢ per bushel over 21 bushel	\$3.50 per acre	5¢ per bushel over 20 bushel		
Oats	5	3.50	5 1/2	20	3.00	5	20
Barley	9	3.56	5 1/4	18	3.50	5	20
Grain Sorghum	36	3.85	6	30	4.00	5	40
CORN HARVESTING							
Corn Picker	4	4.75	7	37.5	5.00	10	50
Picker Sheller	39	----	--	----	5.00	2	(no min)
OTHER							
Trucking per bu.	22	.04 1st 4 miles + 1/2 cents per mile			.05 1st 5 miles + 1/2 cent each additional mile		
Grain Drying	18	----	--	----	.05 per bu. + 1 cent per point of moisture over 5 point reduction		

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
OPENING FIELDS (corn), per hour									
Number Reporting	0	3	5	4	5	0	1	9	29
Average	--	6.00	5.00	5.00	7.30	--	6.00	7.78	6.57
Most Common	--	5.00	5.00	5.00	5.00	--	--	5.00	5.00
OPENING FIELDS (corn), per bushel									
Number Reporting	0	0	2	6	9	3	1	9	30
Average	--	--	.10	.14	.13	.12	.10	.15	.13
Most Common	--	--	.10	.15	.10	.10	--	.10	.10
PICKING, HAULING TO CRIB AND ELEVATING, per acre									
Number Reporting	2	2	15	5	15	6	1	11	57
Average	9.50	4.88	6.70	6.90	6.67	5.88	8.00	7.45	6.84
Most Common	--	--	7.00	--	7.00	5.00	--	6.00	6.00
SHELLING, per bushel									
Number Reporting	8	11	50	32	81	22	23	59	290
Average	.05	.03	.025	.024	.02	.03	.025	.023	.025
Most Common	.05	.03	.025	.03	.02	.03	.025	.02	.020
MISCELLANEOUS									
TRACTOR ONLY: 2 PLOW, per hour									
Number Reporting	0	0	6	4	3	1	1	11	26
Average	--	--	2.46	2.75	1.83	1.50	1.80	2.24	2.35
TRACTOR ONLY: 3 PLOW, per hour									
Number Reporting	1	1	7	3	6	1	3	9	33
Average	1.50	1.00	3.07	3.50	2.25	2.00	2.80	2.56	2.68
TRACTOR ONLY: 4-5 PLOW, per hour									
Number Reporting	4	0	5	4	4	0	2	7	28
Average	4.38	--	5.45	5.50	4.25	--	4.00	3.57	4.41
MANURE LOADER, per hour									
Number Reporting	2	1	13	4	23	4	7	16	72
Average	4.00	3.00	3.65	4.13	3.46	4.00	3.48	3.06	3.51
Most Common	--	--	5.00	--	4.00	4.00	4.00	3.00	4.00

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
MANURE SPREADER, per hour									
Number Reporting	1	0	2	5	8	0	3	5	24
Average	1.00	--	1.75	2.80	2.75	--	1.08	2.00	2.20
Most Common	--	--	--	--	2.00	--	--	--	2.00
POST HOLE DIGGER, per hour									
Number Reporting	2	0	1	0	6	1	2	6	19
Average	3.00	--	5.00	--	3.42	5.00	2.75	4.58	3.87
Most Common	--	--	--	--	3.00	--	--	5.00	4.00
POST HOLE DIGGER, per hole									
Number Reporting	5	4	21	12	30	6	8	41	129
Average	.12	.11	.09	.12	.10	.11	.11	.11	.11
Most Common	.10	.10	.10	.10	.10	.10	.10	.10	.10
TRUCKING, per hour									
Number Reporting	0	0	3	0	4	0	0	2	10
Average	--	--	4.83	--	4.00	--	--	5.50	5.60
Most Common	--	--	--	--	4.00	--	--	--	4.00
FEED GRINDING, per hour									
Number Reporting	2	0	14	2	7	1	0	3	29
Average	8.50	--	9.93	6.25	11.29	3.50	--	4.33	9.10
Most Common	--	--	15.00	--	15.00	--	--	--	15.00
FEED GRINDING, per cwt.									
Number Reporting	4	1	0	0	3	3	10	2	23
Average	.16	.20	--	--	.06	.08	.08	.05	.09
Most Common	.15	--	--	--	.05	.07	.10	--	.10
FEED GRINDING, per bushel									
Number Reporting	0	0	2	4	5	2	1	4	20
Average	--	--	.06	.06	.05	.08	.05	.05	.06
Most Common	--	--	--	.05	--	--	--	.07	.05

DISTRICTS

ITEM	NW	N	NE	C	E	SW	S	SE	State
ELEVATOR, PORTABLE, per bushel									
Number Reporting	3	1	8	6	8	3	4	5	39
Average	.027	.02	.01	.01	.01	.01	.02	.01	.01 1/4
Most Common	--	--	.01	.01	.01	.01	.01	.01	.01
GRAIN AUGER, per bushel									
Number Reporting	3	0	3	7	12	4	6	11	47
Average	.017	--	.01	.01	.01	.01	.01	.01	.01
Most Common	--	--	--	.01	.01	.01	.01	.01	.01
SPREADING FERTILIZER									
Anhydrous Ammonia, per acre									
Number Reporting	4	0	11	13	46	7	7	25	114
Average	1.63	--	1.21	1.71	1.50	1.23	1.64	1.65	1.53
Most Common	--	--	1.50	1.50	1.50	--	1.50	1.50	1.50
DRY, per acre									
Number Reporting	5	1	11	4	14	3	3	14	55
Average	.90	.50	.77	1.13	.90	.67	.92	.97	.89
Most Common	--	--	.75	1.00	--	.75	--	1.00	1.00
LIQUID, per acre									
Number Reporting	4	0	15	5	25	7	4	20	83
Average	1.38	--	.88	1.15	1.00	1.07	1.19	1.08	1.02
Most Common	1.00	--	.75	.75	1.00	1.00	1.00	.75	.75
SPRAYING WEEDS, Ground, per acre									
Number Reporting	8	4	12	5	26	7	6	17	85
Average	1.22	.75	.77	.98	.97	1.00	.92	.90	.94
Most Common	1.50	.50	1.00	1.00	.75	1.00	1.00	1.00	1.00
SPRAYING WEEDS, aerial application									
Number Reporting	5	0	5	6	7	7	2	8	40
Average	1.53	--	1.95	1.67	.43	1.37	1.83	1.72	1.61
Most Common	1.75	--	1.00	2.00	1.50	1.25	--	1.00	1.00

DISTRICTS

ITEMS	NW	N	NE	C	E	SW	S	SE	State
SPRAYING INSECTS, per acre									
Ground application									
Number Reporting	2	1	7	5	13	1	4	9	42
Average	1.88	1.00	.86	1.10	.85	1.25	.94	.86	.95
Most Common	--	--	.75	1.00	.75	--	1.00	1.00	1.00
SPRAYING INSECTS, aerial application									
Number Reporting	10	2	6	8	4	10	2	7	49
Average	1.85	2.38	2.25	1.50	1.31	1.56	2.05	2.04	1.81
Most Common	2.00	--	1.00	2.00	--	1.50	--	1.00	2.00
<u>ARTIFICIAL GRAIN DRYING</u>									
CORN, per bushel									
Number Reporting	3	2	27	10	39	14	14	32	143
Average	.063	.125	.09	.10	.07	.09	.075	.08	.08
Most Common	--	--	.10	.10	.05	.10	.08	.10	.10
SORGHUM, per bushel									
Number Reporting	3	0	20	7	29	10	13	33	116
Average	.063	--	.09	.10	.07	.09	.07	.07	.08
Most Common	--	--	.10	.10	.05	.08	.08	.06	.10

CONSIDER THESE ADVANTAGES AND
DISADVANTAGES OF CUSTOM SERVICE

Advantages

1. Costs of ownership are eliminated.
2. Capital required to own equipment can be invested in other enterprises.
3. Some labor is furnished with hired equipment.
4. Less power and associated equipment must be obtained by the farm operator.
5. Farmers may benefit from newer machinery, techniques and skilled operation.
6. Repairs, maintenance and securing materials is the custom operator's responsibility.
7. Farm operator with smaller jobs can gain benefits of large machines.
8. Risk of premature equipment obsolescence is eliminated.

Disadvantages

1. Service may not be available when job is ready.
2. Irresponsible custom operators may do poor work and lose quantity and quality of products.
3. Greater risk of crop loss and/or quality because of time delays.
4. Risk of carrying noxious weeds and diseases from farm to farm.
5. For large jobs total cost may be higher than owning equipment.
6. Custom operators prefer large jobs, may refuse or postpone small jobs.
7. Farmers may not be able to realize return on labor released by hiring custom work done.