OKLAHOMA COOPERATIVE EXTENSION SERVICE
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# Current Report

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# Oklahoma Farm and Ranch Custom Rates, 2005-2006

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This Current Report summarizes data collected from Oklahoma farmers, ranchers and custom operators during the fall of 2005. Custom work is defined as machine operations performed for the customer with the custom operator furnishing the machine, fuel, labor and other inputs directly associated with the machine. Custom operators do not usually furnish materials such as seed or fertilizer unless it is explicitly stated. In general, custom rates have increased since the 2003 survey due to the impact of higher energy prices (e.g., fuel) on operating inputs and services.

## Summary Procedure

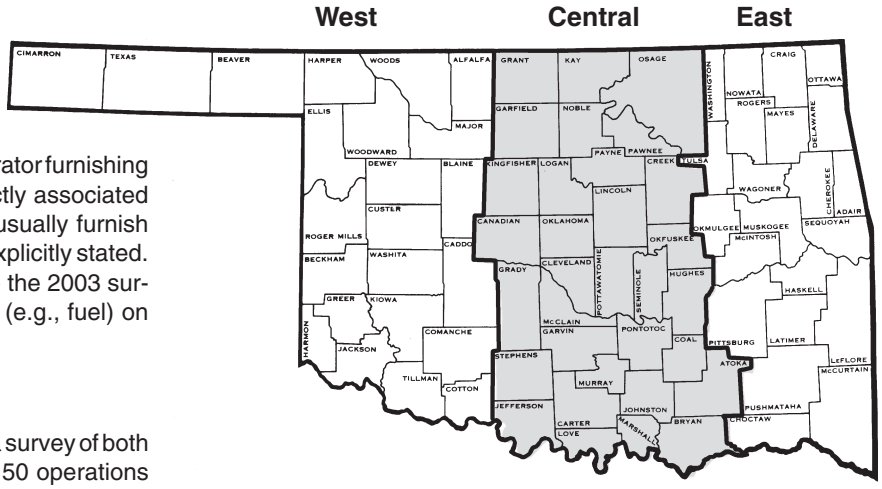
The rates quoted herein were collected by a survey of both farmers and custom operators. A list of over 150 operations was provided from which each respondent quoted rates for only selected operations. Some respondents quoted rates for only one or two operations while others were familiar with rates for many of the machines listed.

The rates summarized on the inside pages were edited to remove those replies for which the respondent's interpretation of the information being requested did not match the interpretation of other respondents.

## Interpreting the Rate Tables

A statewide rate summary for each operation is quoted in the following table. If available, separate quotes are listed for each area of the state as shown in the map. The number of estimates obtained, the average rate, and the lowest and highest rates reported are shown. The cost of following up with individual surveys prohibited questioning or affirming doubtful replies. In most cases the number of observations was insufficient to allow statistical analysis. In general, large numbers of observations improve reliability. You must interpret these results, therefore, with these limitations in mind.

If you are interested in a rate quotation for a specific operation in an area which shows a small number of reports, you may consider rates for other areas of the state where the operation is more common or refer to the statewide summary. Additional adjustments for field size and soil type may be necessary.




## Reporting Regions

Area rates are summarized for the State of Oklahoma as shown in the map above. Regional differences are apparent in the rate table with higher rates prevailing when:

- Fields are small.
- Soils are heavy.
- Slopes are steep.
- Machines are scarce.
- Custom operators are not available.

Rates tend to be lower than expected when exchange work is common between relatives and neighbors. Under these circumstances, fixed costs of ownership such as depreciation and interest on investment (sometimes even labor) tend to be discounted when a rate is established for a particular job.

## Custom Service vs. Ownership

Individual circumstances–cash flow, ownership and operating costs, labor availability, reliability and timeliness of custom operators, pride of ownership–will influence an individual's decision on whether to buy or lease machinery and equipment or custom hire work done. Software to help evaluate the cost of owning and operating farm machinery is available online at www.dasnr.okstate.edu/agmach/index.html.

| OPERATION | | OKLAHOMA | | | | WEST | | | | CENTRAL | | | | EAST | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. | Avg. | Low | High | No. | Avg. | Low | High | No. | Avg. | Low | High | No. | Avg. | Low | High |
| **TILLAGE** | | | | | | | | | | | | | | | | | |
| Moldboard plowing | $/acre | 19 | 12.47 | 8.00 | 18.00 | 15 | 12.67 | 8.00 | 18.00 | 4 | 11.75 | 8.00 | 15.00 | | | | |
| Chisel plowing | $/acre | 32 | 9.05 | 6.00 | 15.00 | 20 | 8.74 | 6.00 | 13.00 | 12 | 9.58 | 7.50 | 15.00 | | | | |
| Surface chisel | $/acre | 11 | 8.00 | 5.00 | 12.50 | 9 | 7.72 | 5.00 | 11.00 | 2 | 9.25 | 6.00 | 12.50 | | | | |
| Discing stubble | $/acre | 38 | 9.12 | 5.00 | 17.00 | 23 | 7.96 | 5.00 | 10.00 | 14 | 11.11 | 6.00 | 17.00 | | | | |
| Discing shallow | $/acre | 23 | 8.93 | 5.00 | 15.00 | 13 | 8.04 | 7.00 | 10.00 | 8 | 10.50 | 6.00 | 15.00 | 2 | 8.50 | 5.00 | 12.00 |
| Blade or wide sweeps | $/acre | 14 | 7.63 | 4.00 | 10.00 | 13 | 7.63 | 4.00 | 10.00 | | | | | | | | |
| Spike tooth harrow | $/acre | 13 | 5.34 | 3.40 | 10.00 | 5 | 5.80 | 4.00 | 8.00 | 7 | 5.29 | 4.00 | 10.00 | | | | |
| Spring tooth harrow | $/acre | 12 | 5.66 | 2.00 | 8.00 | 8 | 5.99 | 3.40 | 7.50 | 4 | 5.00 | 2.00 | 8.00 | | | | |
| Rotary hoe | $/acre | 3 | 6.00 | 5.00 | 7.00 | 3 | 6.00 | 5.00 | 7.00 | | | | | | | | |
| Row cultivating | $/acre | 3 | 6.33 | 5.00 | 8.00 | 3 | 6.33 | 5.00 | 8.00 | | | | | | | | |
| Field cultivating | $/acre | 16 | 6.73 | 4.00 | 12.00 | 8 | 6.03 | 4.00 | 8.00 | 8 | 7.44 | 5.00 | 12.00 | | | | |
| Stalk shredder | $/acre | 2 | 10.50 | 6.00 | 15.00 | 2 | 10.50 | 6.00 | 15.00 | | | | | | | | |
| Subsoiling | $/acre | 9 | 12.72 | 6.50 | 15.00 | 6 | 12.25 | 6.50 | 15.00 | 3 | 13.67 | 12.00 | 15.00 | | | | |
| **FERTILIZER AND CHEMICAL APPLICATION** | | | | | | | | | | | | | | | | | |
| Applying bulk dry fertilizer | $/acre | 83 | 3.72 | 2.25 | 10.00 | 42 | 3.34 | 2.25 | 7.00 | 25 | 3.90 | 2.50 | 10.00 | 15 | 4.51 | 2.50 | 10.00 |
| Renting bulk dry applicator | $/acre | 18 | 1.97 | 0.40 | 5.00 | 5 | 2.26 | 0.50 | 4.80 | 8 | 1.75 | 0.50 | 3.00 | 4 | 2.43 | 0.70 | 5.00 |
| Applying liquid fertilizer | $/acre | 52 | 3.93 | 2.50 | 8.00 | 31 | 3.75 | 2.50 | 8.00 | 17 | 4.01 | 3.00 | 6.25 | 4 | 5.00 | 3.00 | 7.00 |
| Renting liquid applicator | $/acre | 4 | 2.25 | 1.00 | 5.00 | 3 | 2.67 | 1.00 | 5.00 | | | | | | | | |
| Applying anhydrous | $/acre | 14 | 8.29 | 6.00 | 12.00 | 7 | 7.64 | 6.00 | 9.00 | 7 | 8.93 | 8.00 | 12.00 | | | | |
| Lime application | $/acre | 11 | 5.05 | 2.50 | 7.50 | | | | | 6 | 5.42 | 3.00 | 7.50 | 4 | 4.88 | 2.50 | 7.00 |
| Lime application | $/ton | 4 | 6.75 | 4.00 | 10.00 | | | | | 2 | 5.00 | 4.00 | 6.00 | 2 | 8.50 | 7.00 | 10.00 |
| Ground appl., insect, fung. | $/acre | 16 | 4.11 | 2.75 | 10.00 | 9 | 3.86 | 2.75 | 10.00 | 7 | 4.43 | 3.00 | 10.00 | | | | |
| Aircraft appl., insect, fung. | $/acre | 13 | 4.69 | 2.75 | 9.00 | 9 | 4.39 | 2.75 | 7.00 | 4 | 5.38 | 3.50 | 9.00 | | | | |
| Ground spraying for weeds | $/acre | 62 | 4.07 | 2.35 | 12.00 | 23 | 3.48 | 2.35 | 5.25 | 25 | 4.44 | 2.50 | 12.00 | 14 | 4.38 | 3.00 | 8.00 |
| Aircraft spraying for weeds | $/acre | 22 | 5.21 | 2.75 | 12.00 | 12 | 5.67 | 2.75 | 12.00 | 9 | 4.75 | 3.40 | 9.82 | | | | |
| **PLANTING** | | | | | | | | | | | | | | | | | |
| Drill small grains | $/acre | 65 | 8.57 | 4.00 | 17.50 | 41 | 8.17 | 5.00 | 17.00 | 16 | 9.06 | 4.00 | 17.50 | 6 | 9.58 | 6.00 | 12.00 |
| Sod drill small grains into bermuda | $/acre | 12 | 9.46 | 3.50 | 14.00 | 5 | 11.60 | 10.00 | 14.00 | 7 | 7.93 | 3.50 | 12.00 | | | | |
| Drill alfalfa and other legumes | $/acre | 9 | 10.44 | 8.00 | 13.00 | 5 | 9.60 | 8.00 | 10.00 | 4 | 11.50 | 9.00 | 13.00 | | | | |
| Planting cotton | $/acre | 2 | 10.50 | 8.00 | 13.00 | | | | | | | | | | | | |
| Seeding forages | $/acre | 5 | 6.80 | 3.00 | 10.00 | 3 | 8.67 | 8.00 | 10.00 | 2 | 4.00 | 3.00 | 5.00 | | | | |
| Broadcasting seed | $/acre | 10 | 4.75 | 2.00 | 10.00 | 4 | 4.25 | 3.50 | 5.00 | 2 | 5.00 | 5.00 | 5.00 | 4 | 5.13 | 2.00 | 10.00 |
| Plant corn, conventional | $/acre | 4 | 8.50 | 6.00 | 10.00 | 2 | 9.00 | 8.00 | 10.00 | 2 | 8.00 | 6.00 | 10.00 | | | | |
| Plant corn, no-till | $/acre | 7 | 11.00 | 10.00 | 13.00 | 2 | 10.00 | 10.00 | 10.00 | 4 | 11.75 | 10.00 | 13.00 | | | | |
| Plant grain sorghum, conventional | $/acre | 5 | 10.60 | 8.00 | 13.00 | 2 | 9.00 | 8.00 | 10.00 | 3 | 11.67 | 10.00 | 13.00 | | | | |
| Plant grain sorghum, no-till | $/acre | 9 | 11.67 | 9.00 | 14.00 | 4 | 12.00 | 11.00 | 14.00 | 4 | 12.00 | 11.00 | 13.00 | | | | |
| Plant soybeans, conventional | $/acre | 5 | 8.20 | 5.00 | 12.00 | | | | | 4 | 8.25 | 5.00 | 12.00 | | | | |
| Plant soybeans, no-till | $/acre | 9 | 11.11 | 9.00 | 14.00 | 2 | 12.50 | 11.00 | 14.00 | 5 | 11.20 | 10.00 | 12.00 | 2 | 9.50 | 9.00 | 10.00 |
| **HAYING** | | | | | | | | | | | | | | | | | |
| Mowing hay | $/acre | 34 | 8.25 | 2.40 | 15.00 | 17 | 10.24 | 4.00 | 12.50 | 13 | 6.78 | 2.50 | 15.00 | 3 | 4.80 | 2.40 | 8.00 |
| Raking hay | $/acre | 30 | 3.15 | 2.00 | 7.00 | 13 | 3.38 | 2.00 | 6.00 | 12 | 2.58 | 2.00 | 3.00 | 4 | 3.85 | 2.00 | 7.00 |
| Swathing | $/acre | 105 | 10.42 | 4.00 | 15.10 | 73 | 10.92 | 7.00 | 15.10 | 31 | 9.45 | 6.00 | 12.00 | | | | |
| Cutting to stacking for one ton | $/ton | 10 | 29.15 | 16.50 | 50.00 | 2 | 25.00 | 22.00 | 28.00 | 4 | 32.50 | 25.00 | 50.00 | 4 | 27.88 | 16.50 | 40.00 |
| **Small square bales** | | | | | | | | | | | | | | | | | |
| Baling small square bales | $/bale | 46 | 0.83 | 0.45 | 1.95 | 18 | 0.64 | 0.45 | 0.80 | 18 | 0.91 | 0.50 | 1.95 | 10 | 1.02 | 0.85 | 1.25 |
| Baling small square bales | $/ton | 2 | 39.50 | 24.00 | 55.00 | | | | | 2 | 39.50 | 24.00 | 55.00 | | | | |
| Cutting to stacking for a small square bale | $/bale | 9 | 1.67 | 1.05 | 3.00 | | | | | 5 | 1.91 | 1.05 | 3.00 | 3 | 1.47 | 1.25 | 1.75 |
| Base rate for hauling small square bale | $/bale | 10 | 0.66 | 0.50 | 0.80 | 4 | 0.64 | 0.50 | 0.75 | 4 | 0.70 | 0.55 | 0.80 | 2 | 0.60 | 0.50 | 0.70 |
| extra charge per bale | $/bale | 10 | 0.22 | 0.01 | 1.00 | 4 | 0.03 | 0.01 | 0.10 | 4 | 0.27 | 0.05 | 0.85 | 2 | 0.51 | 0.01 | 1.00 |
| for a distance over XX miles | miles | 10 | 5.20 | 1.00 | 15.00 | 4 | 4.50 | 1.00 | 10.00 | 4 | 6.00 | 1.00 | 15.00 | 2 | 5.00 | 5.00 | 5.00 |
| **Large square bales (4'X4'X8')** | | | | | | | | | | | | | | | | | |
| Baling a large square bale (4'X4'X8') | $/bale | 21 | 12.43 | 8.00 | 16.00 | 13 | 12.85 | 10.00 | 16.00 | 8 | 11.75 | 8.00 | 15.00 | | | | |
| Base rate for hauling large square bale | $/bale | 2 | 5.00 | 5.00 | 5.00 | 2 | 5.00 | 5.00 | 5.00 | | | | | | | | |
| extra charge per bale | $/bale | 2 | 1.50 | 1.00 | 2.00 | 2 | 1.50 | 1.00 | 2.00 | | | | | | | | |
| for a distance over XX miles | miles | 2 | 5.00 | 5.00 | 5.00 | 2 | 5.00 | 5.00 | 5.00 | | | | | | | | |
| **Large round bales (800 to 1500 lb.)** | | | | | | | | | | | | | | | | | |
| Baling a large round bale (800-1500 lb.) | $/bale | 162 | 10.94 | 3.25 | 20.00 | 74 | 11.00 | 3.80 | 20.00 | 55 | 10.38 | 3.25 | 19.00 | 31 | 11.73 | 5.10 | 19.00 |
| Cutting, raking, baling large round bales | $/bale | 61 | 14.98 | 9.00 | 24.00 | 3 | 16.50 | 10.00 | 22.50 | 31 | 15.93 | 10.00 | 24.00 | 27 | 13.72 | 9.00 | 18.00 |
| Base rate for hauling a large round bale | $/bale | 11 | 4.45 | 3.00 | 6.00 | 4 | 4.25 | 3.00 | 5.00 | 3 | 5.33 | 5.00 | 6.00 | 4 | 4.00 | 3.00 | 5.00 |
| extra charge per bale | $/bale | 11 | 0.69 | 0.20 | 1.00 | 4 | 0.56 | 0.25 | 1.00 | 3 | 0.73 | 0.20 | 1.00 | 4 | 0.79 | 0.40 | 1.00 |
| for a distance over XX miles | miles | 11 | 10.09 | 1.00 | 20.00 | 4 | 2.50 | 1.00 | 5.00 | 3 | 18.33 | 15.00 | 20.00 | 4 | 11.50 | 1.00 | 20.00 |
| **Giant round bales (1500 to 3000 lb,)** | | | | | | | | | | | | | | | | | |
| Baling a giant round bale (1500-3000 lb.) | $/bale | 19 | 11.42 | 9.00 | 19.00 | 10 | 11.30 | 10.00 | 15.00 | 8 | 11.25 | 9.00 | 19.00 | | | | |
| **SMALL GRAIN AND SOYBEAN HARVEST** | | | | | | | | | | | | | | | | | |
| Combining wheat & small grains (flat rate) | $/acre | 91 | 14.85 | 10.00 | 25.00 | 61 | 14.02 | 10.00 | 21.00 | 25 | 16.12 | 13.00 | 25.00 | 5 | 18.60 | 17.00 | 20.00 |
| Swathing small grains | $/acre | 13 | 11.12 | 9.00 | 14.00 | 9 | 11.50 | 10.00 | 14.00 | 4 | 10.25 | 9.00 | 12.00 | | | | |
| Base rate for combining small grain | $/acre | 71 | 14.14 | 12.00 | 16.00 | 50 | 13.97 | 12.00 | 16.00 | 21 | 14.55 | 13.00 | 16.00 | | | | |
| extra charge per bushel | $/bu. | 71 | 0.15 | 0.12 | 0.25 | 50 | 0.15 | 0.12 | 0.25 | 21 | 0.15 | 0.12 | 0.20 | | | | |
| for excess over XX bushels/acre | bu./acre | 71 | 20.38 | 10.00 | 30.00 | 51 | 20.14 | 10.00 | 30.00 | 20 | 21.00 | 20.00 | 30.00 | | | | |
| Small grains (fieldwork through harvesting) | $/acre | 2 | 32.50 | 20.00 | 45.00 | 2 | 32.50 | 20.00 | 45.00 | | | | | | | | |
| Storing small grain, per bu., per mo. | $/bu. | 4 | 0.03 | 0.03 | 0.05 | | | | | 3 | 0.04 | 0.03 | 0.05 | | | | |
| Combining soybeans (flat rate) | $/acre | 11 | 20.27 | 15.00 | 25.00 | 3 | 22.00 | 18.00 | 25.00 | 3 | 19.00 | 15.00 | 22.00 | 5 | 20.00 | 18.60 | 22.00 |
| Base rate for combining soybeans | $/acre | 3 | 23.67 | 19.00 | 30.00 | | | | | | | | | | | | |
| extra charge per bushel | $/bu. | 3 | 0.16 | 0.10 | 0.20 | | | | | | | | | | | | |
| for excess over XX bushels/acre | bu./acre | 3 | 30.00 | 20.00 | 50.00 | | | | | | | | | | | | |

| OPERATION | | OKLAHOMA | | | | WEST | | | | CENTRAL | | | | EAST | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. | Avg. | Low | High | No. | Avg. | Low | High | No. | Avg. | Low | High | No. | Avg. | Low | High |
| Base rate for hauling small grains, soybeans | $/bu. | 26 | 0.15 | 0.10 | 0.25 | 20 | 0.15 | 0.10 | 0.25 | 6 | 0.18 | 0.14 | 0.25 | | | | |
| extra charge per bushel | $/bu. | 26 | 0.10 | 0.01 | 0.20 | 20 | 0.09 | 0.01 | 0.15 | 6 | 0.13 | 0.05 | 0.20 | | | | |
| for excess over XX miles | miles | 26 | 12.12 | 5.00 | 25.00 | 20 | 12.50 | 5.00 | 25.00 | 6 | 10.83 | 5.00 | 15.00 | | | | |
| **CORN, GRAIN SORGHUM HARVEST** | | | | | | | | | | | | | | | | | |
| Combining grain sorghum (flat rate) | $/acre | 14 | 14.64 | 12.00 | 17.00 | 11 | 14.45 | 12.00 | 17.00 | 2 | 14.50 | 14.00 | 15.00 | | | | |
| Base rate for combining grain sorghum | $/acre | 14 | 14.32 | 12.00 | 16.00 | 8 | 14.00 | 12.00 | 15.00 | 6 | 14.75 | 13.50 | 16.00 | | | | |
| extra charge per bushel | $/bu. | 14 | 0.14 | 0.10 | 0.16 | 8 | 0.14 | 0.10 | 0.15 | 6 | 0.14 | 0.12 | 0.16 | | | | |
| for excess over XX bushels/acre | bu./acre | 14 | 28.57 | 20.00 | 50.00 | 8 | 24.38 | 20.00 | 45.00 | 6 | 34.17 | 20.00 | 50.00 | | | | |
| Base rate for hauling grain sorghum | $/bu. | 5 | 0.15 | 0.14 | 0.18 | 3 | 0.15 | 0.14 | 0.15 | 2 | 0.17 | 0.15 | 0.18 | | | | |
| extra charge per bushel | $/bu. | 5 | 0.11 | 0.01 | 0.18 | 3 | 0.10 | 0.01 | 0.15 | 2 | 0.12 | 0.05 | 0.18 | | | | |
| for excess over XX miles | miles | 5 | 11.80 | 5.00 | 15.00 | 3 | 13.00 | 10.00 | 15.00 | 2 | 10.00 | 5.00 | 15.00 | | | | |
| Storing grain sorghum, per bu., per mo. | $/bu. | | | | | | | | | | | | | | | | |
| Grain sorghum (fieldwork though harvesting) | $/acre | 2 | 127.00 | 75.00 | 180.00 | | | | | | | | | | | | |
| Combining corn (flat rate) | $/acre | 5 | 19.40 | 17.00 | 20.00 | | | | | 3 | 19.00 | 17.00 | 20.00 | 2 | 20.00 | 20.00 | 20.00 |
| **COTTON HARVEST** | | | | | | | | | | | | | | | | | |
| Stripping cotton (flat rate) | $/lb. | 5 | 0.08 | 0.08 | 0.09 | 4 | 0.08 | 0.08 | 0.09 | | | | | | | | |
| **LIVESTOCK OPERATIONS** | | | | | | | | | | | | | | | | | |
| Spraying | $/head | 12 | 1.97 | 1.00 | 4.10 | 5 | 2.32 | 1.50 | 4.10 | 6 | 1.83 | 1.00 | 4.00 | | | | |
| Dehorning | $/head | 28 | 2.79 | 0.50 | 6.00 | 14 | 2.71 | 0.50 | 6.00 | 10 | 3.10 | 1.00 | 6.00 | 4 | 2.25 | 1.00 | 3.00 |
| Branding | $/head | 26 | 1.62 | 0.50 | 4.00 | 14 | 1.89 | 0.50 | 4.00 | 8 | 1.19 | 0.50 | 2.00 | 4 | 1.50 | 1.00 | 2.00 |
| Castrating | $/head | 37 | 2.85 | 0.50 | 6.00 | 16 | 3.16 | 1.00 | 6.00 | 15 | 2.33 | 0.50 | 6.00 | 6 | 3.33 | 1.00 | 5.00 |
| Worming | $/head | 28 | 3.35 | 1.00 | 6.00 | 10 | 3.40 | 1.00 | 5.00 | 11 | 3.63 | 1.00 | 6.00 | 7 | 2.86 | 2.00 | 5.00 |
| Artificial insemination | $/head | 7 | 14.71 | 5.00 | 25.00 | 3 | 20.00 | 15.00 | 25.00 | 4 | 10.75 | 5.00 | 20.00 | | | | |
| **MISCELLANEOUS** | | | | | | | | | | | | | | | | | |
| Picking up pecans (% for owner) | % | 3 | 50.00 | 50.00 | 50.00 | | | | | 2 | 50.00 | 50.00 | 50.00 | | | | |
| Building new fence with materials (5-wire,steel posts) | $/mile | 18 | 3640 | 800 | 5620 | 7 | 3843 | 2000 | 5500 | 6 | 3320 | 800 | 5620 | 5 | 3740 | 1500 | 4900 |
| Building new fence w/o materials (5-wire,steel posts) | $/mile | 28 | 1674 | 500 | 4000 | 17 | 1444 | 900 | 2500 | 8 | 1665 | 500 | 3600 | 3 | 3000 | 2000 | 4000 |
| Digging line fence post holes | $/hole. | 5 | 3.85 | 0.50 | 10.00 | | | | | 2 | 5.38 | 0.75 | 10.00 | | | | |
| Brush hogging | $/hour | 27 | 30.42 | 10.00 | 50.00 | 5 | 33.20 | 16.00 | 50.00 | 12 | 27.11 | 10.00 | 40.00 | 10 | 33.00 | 10.00 | 50.00 |
| Dozing (D6 or smaller) | $/hour | 40 | 72.88 | 40.00 | 105.00 | 16 | 74.69 | 55.00 | 100.00 | 17 | 72.06 | 40.00 | 105.00 | 7 | 70.71 | 40.00 | 100.00 |
| Dozing (D7 or larger) | $/hour | 18 | 93.33 | 65.00 | 125.00 | 9 | 92.78 | 70.00 | 125.00 | 7 | 95.00 | 65.00 | 120.00 | 2 | 90.00 | 85.00 | 95.00 |
| Land planing | $/acre | 3 | 41.67 | 10.00 | 85.00 | | | | | 3 | 41.67 | 10.00 | 85.00 | | | | |
| Clearing cedar trees | $/hour | 14 | 48.57 | 30.00 | 65.00 | 8 | 55.00 | 40.00 | 65.00 | 5 | 42.00 | 35.00 | 50.00 | | | | |
| Sawing wood, chainsaw | $/hour | 5 | 11.00 | 5.00 | 15.00 | | | | | 4 | 10.00 | 5.00 | 15.00 | | | | |
| Hauling cattle flat truck, capacity | lb. | 11 | 36227 | 25000 | 50000 | 6 | 39167 | 25000 | 50000 | 4 | 31375 | 27500 | 38000 | | | | |
| Per mile (one-way load) | $/mile | 11 | 3.23 | 2.00 | 4.50 | 6 | 3.08 | 2.50 | 4.50 | 4 | 3.75 | 3.00 | 4.50 | | | | |
| Hauling cattle belly semi-truck, capacity | lb. | 22 | 49864 | 40000 | 60000 | 10 | 50200 | 40000 | 60000 | 9 | 49444 | 45000 | 51000 | 3 | 50000 | 50000 | 50000 |
| Per mile (one-way load) | $/mile | 22 | 3.22 | 2.25 | 4.00 | 10 | 3.23 | 2.25 | 4.00 | 9 | 3.17 | 2.25 | 4.00 | 3 | 3.32 | 3.00 | 3.75 |
| Gooseneck trailer, length | feet | 19 | 22.84 | 16.00 | 32.00 | 6 | 24.00 | 20.00 | 28.00 | 5 | 22.00 | 16.00 | 30.00 | 8 | 22.50 | 20.00 | 32.00 |
| capacity | lb. | 19 | 11174 | 1000 | 24000 | 6 | 13267 | 9600 | 24000 | 5 | 11000 | 1000 | 20000 | 8 | 9713 | 1200 | 15000 |
| rate per mile | $/mile | 19 | 1.98 | 1.25 | 3.50 | 6 | 2.33 | 1.50 | 3.50 | 5 | 1.87 | 1.50 | 2.75 | 8 | 1.78 | 1.25 | 2.50 |
| Combining alfalfa seed | $/acre | 2 | 20.00 | 20.00 | 20.00 | 2 | 20.00 | 20.00 | 20.00 | | | | | | | | |
| **TRACTOR RENTAL** | | | | | | | | | | | | | | | | | |
| 2 wheel drive-less than 100 hp | $/hour | 9 | 29.44 | 20.00 | 50.00 | 5 | 31.00 | 20.00 | 50.00 | 3 | 30.00 | 25.00 | 35.00 | | | | |
| 2 wheel drive-between 100 and 150 hp | $/hour | 8 | 36.75 | 20.00 | 60.00 | 6 | 35.67 | 24.00 | 50.00 | 2 | 40.00 | 20.00 | 60.00 | | | | |
| 4 wheel drive-greater than 175 hp | $/hour | 7 | 47.79 | 35.00 | 75.00 | 5 | 51.90 | 37.50 | 75.00 | 2 | 37.50 | 35.00 | 40.00 | | | | |
| **MACHINERY RENTAL** | | | | | | | | | | | | | | | | | |
| Grain drill | $/acre | 5 | 4.70 | 3.50 | 6.00 | 3 | 5.33 | 4.00 | 6.00 | | | | | | | | |
| No-till drill | $/acre | 14 | 7.25 | 4.00 | 10.00 | 8 | 7.63 | 4.00 | 10.00 | 5 | 7.20 | 5.00 | 10.00 | | | | |
| Skid loader | $/hour | 4 | 43.75 | 40.00 | 50.00 | | | | | 2 | 45.00 | 40.00 | 50.00 | | | | |

# Costs of Ownership and Operation

The management decision to own a machine, to custom hire operations performed, or to custom perform operations is partially determined by cost, which is heavily influenced by the amount of use realized over the period of machine ownership. Estimates of fixed and variable costs per hour can be approximated using the following steps. Unless accurate records are used to estimate costs, variability in machine and operator efficiencies can cause actual results to be significantly different from estimated results.

A. Acres per hour = Acres covered in normal day ÷ hours in normal day = _____ acres ÷ _____hours = _____

B. Average investment = (Original cost + Trade-in value) ÷ 2 = ($ _____ + $_____) ÷ 2 = $_____

C. Annual Depreciation = (Original cost – Trade-in value) / Number of years owned = ($ _____ – $_____) ÷ _____ years = $_____

D. Annual Interest = Average Investment x Interest rate = $_____ x _____% = $_____

E. Annual Taxes = Average Investment x Personal Tax rate (1) = $_____ x _____% = $_____

F. Annual Insurance = Average Investment x Insurance rate (2) = $_____x _____% = $_____

G. Total Annual Ownership Costs (Sum of C through F) = $_____

H. Ownership Costs per acre = Annual Ownership Costs ÷ Acres Per Year = $ _____ ÷ _____ acres/year = $_____

I. Repairs Per acre = Repairs (3) ÷ Acres Per Year = $_____ ÷ _____acres/year = $_____

J. Fuel Cost Per acre = Fuel Price x Gallons Per Hour ÷ Acres Per Hour = ($_____/gal. x _____ gal./hour) ÷ _____ acres/hour = $_____

K. Labor costs Per acre = Daily Wage ÷ Acres Per day = $_____/day ÷ _____ acres/day = $_____

L. Total Cost Per Acre = Sum of items H through K above = $_____

(1) Use local tax rate if known. One to two percent is a reasonable "guesstimate".
(2) Use own insurance rate if known. One-half to one percent is a reasonable "guesstimate".
(3) Use your repair expense data, if available. One percent of original price for each year machine is kept is a rough estimate; e.g., 10% per year if machine is to be used for 10 years.

## Possible Advantages of Using Custom Operations

- Ownership costs are avoided.
- Capital and labor can be channeled to other uses.
- Machine use can be readily adjusted to changes in crop mix and market conditions.
- Specialized operations may benefit from experience and skilled operator.
- Jobs may be completed faster using several machines.

## Possible Disadvantages of Using Custom Operations

- Service may not be available at the best time.
- Reliability of the custom operator may not be known.
- Rates may be excessive in special situations.

Each manager must choose the best combination of owned and hired machines. The quotations here will be helpful in estimating custom costs and to provide a base figure for agreement on a rate when well established local rates are not available. If you have questions, ask your Extension Educator- Agriculture or Area Agricultural Economics Specialist for additional information.

## Considerations to Keep in Mind

Keep in mind there is a wide variation in rates charged for most jobs, even within the same geographic area, partly because some custom work is done for friends, relatives, and neighbors at reduced rates, partly because *some* custom work is done late by farmers who do their own work first and therefore do not attempt to include the full cost of machine ownership in their rates, and partly because it is easy to under-estimate the full cost of ownership and operation of machinery.

A small number of reports for a given machine in a particular area may not be representative. In this case, it is particularly important to check rates in other areas or statewide where a larger number of reports are found.



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