

Farm Management

2013 Indiana Farm Custom Rates



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The rates reported in this publication were compiled from questionnaires received from farmers, land owners, farm custom operators, and professional farm managers in Indiana. The questionnaire was developed by Purdue Extension educators and specialists. Purdue Extension educators distributed the questionnaires at meetings and events statewide during the first three months of 2013. Respondents were asked to report custom rates they had either paid or received during 2012. We are grateful to the 168 survey respondents who provided the information for this publication.

Because 38 percent fewer surveys were collected this year than the previous year, fewer custom farming activities appear in this report. Readers are advised to refer back to the 2012 Indiana Farm Custom Rates <http://www.extension.purdue.edu/extmedia//EC/EC-130-2012-W.pdf> if they don't find the custom farming activity they are looking for here, or use the links to custom rates reported by other states on page 4 of this publication.

Unless otherwise stated, the rates reported include payments made for fuel, operator labor, and machinery ownership costs. For each operation, the average of the responses received and the estimated variation of rates around the average are reported. The variation is the average rate plus and minus one standard deviation. Approximately two-thirds of the responses would be expected to fall between the high and low numbers used to illustrate the extent of the variation. Larger standard deviations in relation to reported averages indicate greater variability in the reported custom rates. For several of the operations, the custom rates reported varied widely. A small number of responses should signal report readers to be extra cautious when using the survey results.

Farm custom rates may differ significantly from one area of the state to another based on availability of custom operators and demand for their services. Therefore, the statewide averages reported here may be quite different than the going rate in any given area. Custom rates in a given area may vary significantly according to timeliness, operator skill, field size and shape, crop conditions, the performance characteristics of the machine being used, the relationship between the custom operator and the person needing custom work done, competitive pressures, and economic circumstances of the custom operator. Despite the fact that extreme outliers in the observed responses were eliminated when the averages were calculated, the variation of reported rates was extremely large and should only be used as a starting point for establishing a rate in any given situation.

In Indiana, custom work is often done by farming neighbors after they complete their own work. In these situations, the custom operator may charge a custom rate that is well below the full cost of owning and operating their farm machinery either to build goodwill or to more fully utilize their machinery capacity. For that reason, readers of this publication should not interpret the average rates reported here as indicative of the total cost of completing these operations. Custom operators who do large amounts of custom work should estimate the full ownership and operating costs of their services before agreeing to work for the "going rate" in their area. Useful resources for estimating farm machinery costs are listed on page 4 of this publication, along with links to custom rate survey data from other Midwestern states.

Land Preparation Operations					
Operation	Unit	Responses	Average	Variation ¹	
Shredding Corn Stalks	\$/acre	8	12.75	8.38	17.12
Chisel Plowing	\$/acre	31	15.24	11.86	18.61
Vertical Tillage	\$/acre	21	15.48	11.39	19.56
Disking With Tandem Disk	\$/acre	32	12.88	9.14	16.61
Field Cultivating	\$/acre	35	12.69	9.14	16.25
V-Ripping or Sub-Soiling	\$/acre	32	17.07	11.57	22.58
Farm Fertilizer and Chemical Application Operations					
Fertilizer Application – Ground	Unit	Responses	Average	Variation ¹	
Broadcasting Bulk Dry Fertilizer	\$/acre	47	5.57	4.47	6.66
Spraying Liquid Fertilizer	\$/acre	24	6.14	5.30	6.97
Knifing-in Liquid Fertilizer	\$/acre	21	8.94	6.67	11.20
Anhydrous Application Pre-Plant	\$/acre	29	11.83	8.85	14.81
Side-Dress Anhydrous Ammonia	\$/acre	27	11.41	8.43	14.39
Chemical Application	Unit	Responses	Average	Variation ¹	
Tractor & Sprayer	\$/acre	17	6.44	3.42	9.46
Self-Propelled Sprayer	\$/acre	66	6.19	4.83	7.55
Aerial Sprayer	\$/acre	14	11.96	9.20	14.73
Precision Application	Unit	Responses	Average	Variation ¹	
Precision Fertilizer Application	\$/acre	36	6.56	4.51	8.60
Precision Chemical Application	\$/acre	23	6.86	4.83	8.90
Planting Operations					
Planting Operation	Unit	Responses	Average	Variation ¹	
Conventional Till Corn – 30" row	\$/acre	45	16.49	11.64	21.35
No-Till Corn – 30" row	\$/acre	41	18.45	14.73	22.16
Conventional Till Soybeans – 15" row	\$/acre	28	16.07	12.66	19.48
No-Till Soybean – 15" row	\$/acre	32	17.23	13.90	20.56
Conventional Till Soybeans – 30" row	\$/acre	16	15.40	12.15	18.66
No-Till Soybeans – 30" row	\$/acre	11	17.36	13.72	21.00
Conventional Till Soybeans – Drilled	\$/acre	15	16.38	13.48	19.29
No-Till Drilled Soybeans	\$/acre	29	15.86	12.04	19.68
Conventional Till Small Grains	\$/acre	11	15.18	12.91	17.45
No-Till Small Grains	\$/acre	15	16.81	14.12	19.51
Corn, Soybean, and Small Grain Harvesting Operations					
Harvesting Operation(s)	Unit	Responses	Average	Variation ¹	
Corn – Combine Only	\$/acre	83	27.51	23.82	31.21
Soybeans – Combine Only	\$/acre	87	25.97	22.62	29.33
Small Grain – Combine Only	\$/acre	31	25.14	21.58	28.71
Corn – Combine and Haul to Bin	\$/acre	37	33.54	26.85	40.23
Soybeans – Combine and Haul to Bin	\$/acre	41	29.45	23.24	35.66
Small Grain – Combine and Haul to Bin	\$/acre	15	28.44	24.44	32.45

Hiring Machinery and Operator for All Growing & Harvesting Operations					
Crop	Unit	Responses	Average	Variation¹	
Soybeans	\$/acre	6	85.83	71.20	100.47
Corn	\$/acre	6	112.33	89.52	135.15
On-Farm Corn Drying					
Points of Moisture Removed	Unit	Responses	Average	Variation¹	
Five	¢/bushel	13	15¢	12¢	19¢
Ten	¢/bushel	12	31¢	21¢	41¢
Grain Hauling					
Grain Hauling	Unit	Responses	Average	Variation¹	
Total Cost of Hauling Grain to Market	¢/bushel	44	13¢	8¢	17¢
Average Farm to Market Haul One-Way	Miles	44	18	5	30
Hay/Straw or Corn Stover Harvesting Operations					
Mowing and Conditioning Hay or Straw					
	Unit	Responses	Average	Variation¹	
Tractor and Mower/Conditioner	\$/acre	36	12.62	8.46	16.77
Tedding	\$/acre	22	6.24	3.92	8.56
Raking (windrowing)	\$/acre	28	6.48	4.21	8.75
Baling Hay/Straw or Corn Stover					
	Unit	Responses	Average	Variation¹	
Small Rectangular Hay Bales (25-60 lbs.)	\$/bale	30	.86	.47	1.24
Large Rectangular Bales (over 1,000 lbs.)	\$/bale	9	12.17	10.23	14.10
Medium Round Hay Bales (4 feet wide)	\$/bale	17	9.44	6.85	12.03
Large Round Hay Bales (5 feet wide)	\$/bale	26	11.27	8.35	14.19
Large Round Corn Stover Bales	\$/bale	11	12.36	8.67	16.06
Bale Wrapping					
	Unit	Responses	Average	Variation¹	
Charge for Plastic Wrapping Large Bales	\$/bale	10	5.00	2.18	7.82
Baling Hay on Shares					
	Unit	Responses	Average	Variation¹	
Custom Operator's Share of Harvest	%	6	50%	no variation reported	
Miscellaneous Custom Work					
Type of Activity or Machine Operation	Unit	Responses	Average	Variation¹	
Tiling (excluding cost of tile)	¢/per foot	16	71¢	42¢	99¢
Bushhogging Pasture or CRP Acres	\$/acre	13	14.46	10.03	18.89
Bulldozing (blade = 9 foot wide or less)	\$/hour	12	84.33	72.94	95.73
Bulldozing (blade = larger than 9 foot)	\$/hour	13	104.62	87.24	121.99

¹ Variation was computed based on the average rate minus or plus one standard deviation, which means approximately two-thirds of the reported rates used to compute the average rate are between these two numbers.

Useful Resources for Estimating Farm Machinery Costs

Illinois Farm Management Handbook (Machinery Costs Chapter) University of Illinois Extension Publication, May 2012.

<http://www.farmdoc.illinois.edu/manage/index.asp#handbook>

Machinery Cost Estimates, William F. Lazarus, University of Minnesota Extension Publication, May 2012.

<http://faculty.apec.umn.edu/wlazarus/documents/machdata.pdf>

Estimating Farm Machinery Costs, William Edwards, Ag Decision Maker File A3-29, Iowa State University Extension Publication PM-710, November 2009.

<http://www.extension.iastate.edu/agdm/cdmachinery.html>

Custom Rate Calculator and Machinery Rental Rates Calculator, Ohio State University Extension Farm Management Decision Tools

<http://aede.osu.edu/programs-and-research/osu-farm-management/decision-tools>

Farm Custom Rate Survey Results for Midwestern States

Iowa State University Extension annually conducts a farm custom rate survey. The Iowa report typically includes considerably more types of custom operations than are included in the Indiana questionnaire. The 2013 report can be found at:

<http://www.extension.iastate.edu/agdm/crops/html/a3-10.html>

The Ohio State University has been conducting and reporting the results of a farm custom rates survey every other year since 2008. The 2012 results are available at:

<http://aede.osu.edu/programs-and-research/osu-farm-management/publications>

The University of Missouri published custom rates based on a mail survey conducted in the summer of 2012.

<http://extension.missouri.edu/explorepdf/agguides/agecon/g00302.pdf>

The NASS-Wisconsin Field Office Conducts a farm custom rates survey every three years. The most recent reports results from the survey conducted in the summer of 2010. This survey is distinguished by a relatively large number of respondents and by more extensive reporting on silage making custom operations than is found in most farm custom rate reports. The next survey should occur during the summer of 2013.

http://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/custom_rates_2010.pdf

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