



## Farm Management

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# 2012 Indiana Farm Custom Rates

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The rates reported in this publication were compiled from questionnaires received from farmers, farm 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 2012. Respondents were asked to report custom rates they had either paid or received during the past year. We are grateful to the 272 survey respondents who provided the information for 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 summarize 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. Operations for which fewer than eight responses were received are not reported here. A small number of responses signals readers to be extra cautious when using the survey results.

Farm custom rates may differ significantly from one area in 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 from 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 <sup>1</sup>	
Shredding Corn Stalks	\$/acre	22	14.16	6.19	22.13
Moldboard Plowing	\$/acre	22	18.27	14.57	21.97
Chisel Plowing	\$/acre	52	14.52	11.52	17.51
Vertical Tillage	\$/acre	30	12.33	7.51	17.15
Rotary Hoeing	\$/acre	14	7.93	4.89	10.96
Disking With Tandem Disk	\$/acre	55	12.32	8.39	16.25
Field Cultivating	\$/acre	62	11.55	8.67	14.44
Cultivating Corn or Beans	\$/acre	9	12.28	8.66	15.89
V-Ripping or Sub-Soiling	\$/acre	42	16.19	11.44	20.94
Farm Fertilizer and Chemical Application Operations					
Fertilizer Application – Ground	Unit	Responses	Average	Variation	
Broadcasting Bulk Dry Fertilizer	\$/acre	94	5.64	4.28	7.00
Spraying Liquid Fertilizer	\$/acre	52	6.32	5.02	7.61
Knifing-in Liquid Fertilizer	\$/acre	31	9.03	7.56	12.73
Anhydrous Application Pre-Plant	\$/acre	51	10.60	7.50	13.69
Side-Dress Anhydrous Ammonia	\$/acre	42	11.66	7.89	15.43
Spreading Manure	\$/acre	11	18.09	8.75	27.43
Chemical Application	Unit	Responses	Average	Variation	
Tractor & Sprayer	\$/acre	33	6.25	3.88	8.11
Self-Propelled Sprayer	\$/acre	99	6.48	4.85	8.11
Aerial Sprayer	\$/acre	31	10.55	8.46	12.63
Precision Application	Unit	Responses	Average	Variation	
Precision Fertilizer Application	\$/acre	42	7.07	4.76	9.37
Precision Chemical Application	\$/acre	24	7.25	5.91	8.59
Planting Operations					
Planting Operation	Unit	Responses	Average	Variation	
Conventional Till Corn – 30" row	\$/acre	75	16.14	12.02	20.27
No-Till Corn – 30" row	\$/acre	71	17.24	13.51	20.98
Conventional Till Soybeans – 15" row	\$/acre	44	16.22	12.87	19.58
No-Till Soybean – 15" row	\$/acre	56	16.49	13.70	19.28
Conventional Till Soybeans – 30" row	\$/acre	22	17.18	13.29	21.07
No-Till Soybeans – 30" row	\$/acre	18	18.73	12.87	24.59
Conventional Till Soybeans – Drilled	\$/acre	29	15.31	12.81	17.81
No-Till Drilled Soybeans	\$/acre	46	16.43	13.21	19.66
Conventional Till Small Grains	\$/acre	22	16.11	12.61	19.62
No-Till Small Grains	\$/acre	26	16.91	12.30	21.52
Corn, Soybean, and Small Grain Harvesting Operations					
Harvesting Operation(s)	Unit	Responses	Average	Variation	
Corn – Combine Only	\$/acre	139	28.06	23.41	32.71
Soybeans – Combine Only	\$/acre	140	27.18	22.39	31.97
Small Grain – Combine Only	\$/acre	60	26.93	22.76	31.10
Corn – Combine and Haul to Bin	\$/acre	66	33.47	23.77	43.16
Soybeans – Combine and Haul to Bin	\$/acre	62	30.89	22.75	39.02
Small Grain – Combine and Haul to Bin	\$/acre	27	31.41	24.27	38.55

<b>Hiring Machinery and Operator for All Growing &amp; Harvesting Operations</b>					
<b>Crop</b>	<b>Unit</b>	<b>Responses</b>	<b>Average</b>	<b>Variation</b>	
Soybeans	\$/acre	34	78.62	34.91	121.34
Corn	\$/acre	36	93.99	42.75	145.24
<b>On-Farm Corn Drying</b>					
<b>Points of Moisture Removed</b>	<b>Unit</b>	<b>Responses</b>	<b>Average</b>	<b>Variation</b>	
Five	¢/bushel	15	20¢	8¢	32¢
Ten	¢/bushel	14	34¢	12¢	55¢
<b>Hay/Straw or Corn Stover Harvesting Operations</b>					
<b>Mowing and Conditioning Hay or Straw</b>					
<b>Tractor and Mower/Conditioner</b>	<b>Unit</b>	<b>Responses</b>	<b>Average</b>	<b>Variation</b>	
Tractor and Mower/Conditioner	\$/acre	57	15.00	9.70	20.30
Self-Propelled Mower/Conditioner	\$/acre	9	13.28	10.66	15.89
Tedding	\$/acre	41	6.83	3.58	10.08
Raking (windrowing)	\$/acre	49	7.23	3.29	11.18
<b>Baling Hay/Straw or Corn Stover</b>					
<b>Small Rectangular Hay Bales (25-60 lbs.)</b>	<b>Unit</b>	<b>Responses</b>	<b>Average</b>	<b>Variation</b>	
Small Rectangular Hay Bales (25-60 lbs.)	\$/bale	60	.79	.43	1.16
Large Rectangular Bales (over 1,000 lbs.)	\$/bale	21	10.74	5.98	15.49
Medium Round Hay Bales (4 feet wide)	\$/bale	40	10.48	7.10	13.86
Large Round Hay Bales (5 feet wide)	\$/bale	38	11.20	8.15	14.25
Large Round Corn Stover Bales	\$/bale	16	12.08	9.67	14.49
<b>Bale Wrapping and Moving</b>					
<b>Wrapping Rectangular Bales Over 1,000 lbs.</b>	<b>Unit</b>	<b>Responses</b>	<b>Average</b>	<b>Variation</b>	
Wrapping Rectangular Bales Over 1,000 lbs.	\$/bale	8	7.00	2.88	11.12
Moving Large Rectangular Bales To Storage	\$/bale	10	3.20	1.89	4.51
Wrapping Large Round Bales	\$/bale	9	10.14	7.01	13.26
Moving Large Round Bales To Storage	\$/bale	11	5.91	2.01	9.80
<b>Miscellaneous Custom Work</b>					
<b>Type of Activity or Machine Operation</b>	<b>Unit</b>	<b>Responses</b>	<b>Average</b>	<b>Variation</b>	
Tiling (excluding cost of tile)	¢/foot	27	64¢	37¢	91¢
Installing Woven Wire Fence & One Strand of Barb Wire (excluding cost of fence)	\$/rod	9	10.33	5.02	15.65
Post Hole Digging	\$/hole	13	3.58	1.64	5.52
Bushhogging Pasture or CRP Acres	\$/acre	26	19.15	8.10	30.21
Chain Sawing	\$/hour	14	28.50	17.16	39.84
Bulldozing (blade = 9 foot wide or less)	\$/hour	34	84.56	67.35	101.77
Bulldozing (blade = larger than 9 foot)	\$/hour	19	122.63	93.06	152.21
Broadcasting Grass or Legume Seed	\$/acre	12	6.17	1.60	10.73
<b>Farm Machine Rental (excluding cost of fuel and labor)</b>					
<b>Type of Machine Or Machine Rental</b>	<b>Unit</b>	<b>Responses</b>	<b>Average</b>	<b>Variation</b>	
Combine Rental Based on Separator Hours	\$/hour	12	137.92	96.86	178.97
Combine with Corn Head	\$/acre	11	31.88	22.22	41.54
Combine with Grain Table	\$/acre	14	28.79	19.16	38.42
No-Till Planter	\$/acre	15	14.38	9.73	19.03
Tractor (average reported PTO-HP = 205)	\$/hour	17	55.47	37.29	73.65

<sup>1</sup> Variation was computed using the average custom 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

You can find useful resources for estimating farm machinery costs at:

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

<http://faculty.apec.umn.edu/wlazarus/>

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

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

Iowa State University Extension annually conducts a farm custom rates survey. The Iowa survey results include types of custom operations that are not reported in this Indiana publication. You can find the 2012 Iowa farm custom rates survey results at:

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

The Ohio State University has been conducting and reporting the results of an Ohio farm custom rates survey every other year since 2008. You can download a copy of the 2012 Ohio farm custom rates survey at:

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

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