



AEDE Agricultural, Environmental,
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Ohio State University Extension
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Ohio Tobacco Farm Custom Rates 2010

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Abstract: A large number of Ohio tobacco farmers hire machinery operations and other farm related work to be completed by others. This farm work completed by others is often referred to as “custom farm work” or more simply “custom work”. A “custom rate” is the amount agreed upon by both parties to be paid from the custom work customer to the custom work provider.

The custom rates reported in this publication are based on a statewide survey of 44 farmers, custom operators, farm managers and landowners conducted in 2010.

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A large number of Ohio tobacco farmers hire machinery operations and other farm related work to be completed by others. This is often due to lack of proper equipment or lack of time or expertise for a particular operation. Many farm business owners do not own equipment for every possible job that they may encounter in the course of operating a farm and may, instead of purchasing the equipment needed, seek out someone with the proper tools necessary to complete the job. This farm work completed by others is often referred to as “custom farm work” or more simply “custom work”. A “custom rate” is the amount agreed upon by both parties to be paid from the custom work customer to the custom work provider.

The custom rates reported in this article are based on a survey of 44 farmers, custom operators, farm managers and landowners conducted in 2010. These rates, except where noted, include the implement and tractor if required, all variable machinery costs such as fuel, oil, lube, twine etc., and the labor for the operation.

There is no assurance that the average rates reported in this publication will cover your total costs for performing the custom service or that you will be able to hire a custom operator for the average rate published here. Calculate your own costs carefully before determining the rate to charge or pay.

Some custom rates published in this publication have a wide range. Possible explanations are the type or size of equipment used, the value of labor, the mix of labor and equipment used, different income needs of full-time custom operators versus farmers supplementing their income. Also some custom operations are provided at bargain rates due to family relationships between the parties or due to the fact that custom providers may see an increased probability of eventually securing the custom farmed farmland in a cash rental or other rental agreement.

Charges may be added if the custom provider considers a job abnormal such as distance from the operator’s base location, difficulty of terrain, amount of product or labor involved with the operation, or other special requirements of the custom work customer.

Publications are available that may help in calculating your total costs of performing a given custom operation. Some of the online resources available that may be of assistance include:

Farm Machinery Cost Estimates available at:

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

Machinery Economics at *farmdoc*:

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

Estimating Farm Machinery Costs

<http://www.extension.iastate.edu/agdm/crops/html/a3-29.html>

Before entering into an agreement, discuss all of the details of the specific job with the other party.

Fuel prices have an impact on custom rates and rates may fluctuate based on large movements in fuel prices. The approximate price of diesel fuel at the time of this survey was \$2.50 per gallon for off-road (farm) usage.

For the custom rates reported in this publication the average is the simple average of all the survey responses. The “Low” and “High” rates represent \pm one standard deviation around the average. (Standard deviation is a measure of the variability of the survey responses and one standard deviation both above and below the average includes approximately two-thirds of all survey responses.)

Ohio Tobacco Farm Custom Rates - 2010
Tobacco Production

	Low	Average	High
Direct Seeding Trays			
\$/hr.	\$5.75	\$7.00	\$8.00
\$/tray	\$0.37	\$0.51	\$0.66
Plug and Transfer			
\$/hr.	\$5.25	\$6.50	\$7.50
Set tobacco			
\$/hr.	\$6.00	\$7.50	\$8.75
Cultivate			
\$/hr.	\$6.75	\$8.25	\$9.75
Hoe/chop out weeds			
\$/hr.	\$5.75	\$7.25	\$8.75
Spraying (Pesticides/Suckers)			
\$/acre	\$29.75	\$45.25	\$60.75
Topping			
\$/hr.	\$6.25	\$7.25	\$8.50
Suckering			
\$/hr.	\$6.50	\$7.50	\$8.75
Dropping Sticks			
\$/hr.	\$6.50	\$7.75	\$9.00

**Ohio Tobacco Farm Custom Rates - 2010
Tobacco Production**

	Low	Average	High
Cutting			
\$/stick	\$0.12	\$0.13	\$0.15
\$/hr.	\$7.75	\$8.75	\$9.75
Housing			
\$/hr.	\$8.00	\$9.00	\$10.00
Cutting & Housing			
\$/stick	\$0.28	\$0.34	\$0.39
\$/hr.	\$7.75	\$8.75	\$9.50
\$/acre	\$535.25	\$573.50	\$611.75
Taking down to strip			
\$/hr.	\$5.75	\$7.00	\$8.00
Stripping			
\$/hr.	\$5.50	\$6.75	\$7.75
\$/pound	\$0.16	\$0.18	\$0.19
Take down & Strip			
\$/hr.	\$5.50	\$6.75	\$8.00
\$/pound	\$0.20	\$0.22	\$0.24