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Iowa Farm Custom Rate Guide for 1961



Successful use of farm equipment on more than one farm depends on custom rates that are fair to both parties. The information in this guide can help you in figuring your custom work costs during 1961.

by Ray E. Armstrong

THE IOWA Farm Custom Rate Guide is published annually in IOWA FARM SCIENCE. The purpose is to provide a base or starting point for Iowa farm operators who may be interested in "getting together" on the offering, hiring or mutual exchanges of various custom services. The guide is *not* based on or applicable to commercial custom service operations.

Rates Differ . . .

In addition to cost factors, the effective local going rates for custom services and machinery are affected by supply and demand. This involves the number of operators willing to do custom work and the number of operators seeking custom services. Some types of equipment, however, aren't used enough in certain areas for a going rate to be set, or there may be little or no basis for estimating the costs of certain operations. Sometimes a transaction is between parties who don't wish to bargain "for all they can get," or an exchange of services between the parties may be involved.

The information and rates presented here are intended only as a guide in determining the rates to charge or the rates you can expect to pay for custom services in cases such as these. Even so, individual and local conditions must be con-

sidered in using and adjusting the rates given in the 1961 custom rate guide.

Using the Guide . . .

The Iowa State University Farm Services Department does a considerable amount of field tillage, crop harvesting and other farm operations and services for other departments of the College of Agriculture at Iowa State. This provides a chance to study the costs of certain farm operations.

It's from this experience and the cost data obtained—plus additional data supplied to us from agricultural colleges in adjoining states and the cooperation of farm management experts—that we develop the suggested charges and rates. Most of the operations performed by the Farm Services Department are handled on an actual custom basis. The costs are charged back to the other departments for which the work is done.

At the beginning of each year, we prepare an adjusted schedule of service rates. Each charge is determined by anticipating increases or decreases based on several year's records. Labor costs are carried as a separate item. Since these costs vary with local conditions and in different parts of the state, *labor charges* are *not* included in the custom rate guide.

The costs of owning and operating farm power units and machinery may be classified into two separate types of costs: *Cost of*

ownership represents a fixed cost, including costs of depreciation, interest and investment, taxes, insurance and housing. *Costs of operation* or the actual out-of-pocket operating costs of a tractor or machine are variable costs—depending directly on the amount of use, including costs of fuel, power, repairs, lubrication, etc. *Both* of these kinds of costs are taken into consideration in the rates suggested in the guide.

The guide rates are based on the approximate unit costs of work done under normal conditions and generally are applicable to most Iowa situations. For highly favorable conditions—large fields, long rows, etc.—the rate should be less than suggested in the guide. For unfavorable conditions—small or irregular fields, poor soil conditions, etc.—the rates suggested should be adjusted upward.

Remember These Things

Keep these three things in mind as you use the Iowa Farm Custom Rate Guide for 1961: (1) Because of local variations, labor charges are *not* included in the rates and charges listed. (2) The suggested rates and charges are based on normal working conditions. (3) Because of the supply and demand situation for custom services and machinery, actual going rates locally may be either above or below those listed in the table.

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IOWA FARM CUSTOM RATE GUIDE—1961

Farm operation	Suggested charges under normal conditions (labor NOT included)	
	Per hour	Per acre
TILLAGE:		
Plowing, 2-bottom	\$2.50	\$2.75
Plowing, 3-bottom	3.00	2.50
Plowing, 4-bottom	4.00	2.25
Disk harrow, 15-foot single	2.00	0.50
Disk harrow, 10-foot tandem	2.50	0.80
Disk harrow, 14-foot tandem	3.00	0.70
Disk harrow, 18-foot tandem	4.50	0.65
Spike-tooth harrow, 22-foot	1.80	0.25
Spring-tooth harrow, 17-foot	2.00	0.65
Packing, double-gang corrugated roller	2.00	0.65
PLANTING:		
Drill, small-grain, 11-foot	3.00	0.80
Drill, small-grain, 11-foot, with fertilizer attachment and grass seeder	4.25	1.10
Endgate seeder	1.25	0.30
Packer seeder, 10-foot	2.50	0.65
Plant corn, drill, 2-row	1.50	1.00
Plant corn, drill, 4-row	3.00	0.90
Plant corn, check, with fertilizer, 2-row	1.75	1.20
Plant corn, check, with fertilizer, 4-row	4.00	1.00
CULTIVATION:		
Rotary hoe or weeder, 2-row	1.80	0.50
Rotary hoe or weeder, 4-row	2.50	0.40
Cultivate, 2-row	1.75	0.85
Cultivate, 4-row	3.00	0.70
Cultivate and fertilize, 2-row	2.00	1.05
Cultivate and fertilize, 4-row	3.25	0.90
HARVESTING:		
Corn picking, 2-row, mounted	6.50	3.25
Combining, direct or pickup, 10-foot width	7.00	3.50
Corn combining, 2-row	8.00	4.00
Windrowing	2.50	0.85
Forage harvesting, corn and sorghum	6.00	6.00
Forage harvesting, grass and legume	5.00	5.00
HAYING:		
Mowing or pasture clipping	2.25	0.75
Raking, side delivery	2.50	0.80
Baling, field pickup	0.11 per bale	.....
Field chopping	6.00	.....
FERTILIZING:		
Spread commercial fertilizer, broadcast	2.25	0.70
Tractor and manure loader	2.25	.....
SPRAYING:		
Sprayer, tractor with attached or trailer-type boom	2.00	.....
MISCELLANEOUS:		
Mowing roadsides	2.50	.....
Cut cornstalks, 2-row, rotary-type	2.50	1.20
Bore post holes	2.00	.....
Saw wood, chain saw	2.50	.....
Tractor only, 2-plow*	1.25	.....
Tractor only, 3-plow*	1.50	.....
Tractor only, 4-plow*	1.75	.....
Tractor only, 5-plow*	2.00	.....
Shell corn	2½c per bushel	.....
Dry shelled corn or small grain	5c per bu. minimum charge; 1c per bu. per percent of moisture removed.	.....

*Fuel not furnished.