

2015

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William Edwards

Iowa State University, wedwards@iastate.edu

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Recommended Citation

Edwards, William (2015) "Iowa farm custom rate survey for 2012 now available," *Ag Decision Maker Newsletter*: Vol. 16 : Iss. 5 , Article 2.

Available at: <http://lib.dr.iastate.edu/agdm/vol16/iss5/2>

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Iowa farm custom rate survey for 2012 now available

by William Edwards, extension economist, 515-294-6161, wedwards@iastate.edu

The 2012 Iowa Farm Custom Rate Survey showed consistent increases in rates this year. Most operations had increases of 5 to 15 percent over the average rates in the 2011 survey. The average rate for combining soybeans, exceeded \$30 per acre for the first time.

Fuel prices are predicted to increase drastically over the coming months, which could affect the rates custom operators charge. In the survey, the average price for diesel fuel in 2012 was assumed to be \$3.25 per gallon. As a rule of thumb, a \$0.50 per gallon increase in the price of fuel will cause total costs for machinery operations to increase about 5 percent.

The values reported on the survey are simply the average of all the responses received for each category. The range of the highest and lowest responses received is also reported. These values are intended only as a guide. There are many reasons why the rate charged in a particular situation should be above or below the average. These

include the timeliness with which operations are performed, quality and special features of the machine, operator skill, size and shape of fields, number of acres contracted, and the condition of the crop for harvesting. The availability of custom operators in a given area will also affect rates.

New operations and services included in the 2012 survey, include side dressing liquid fertilizer, aerating liquid manure and vacuuming grain.

The Ag Decision Maker website offers a Decision Tool to help custom operators and other farmers estimate their own costs for specific machinery operations. The Machinery Cost Calculator (File A3-29) can be found under Crops, then Machinery in the Ag Decision Maker table of contents.

The 2012 Iowa Farm Custom Rate Survey is available at county extension offices, as publication FM-1698 from the ISU Extension Online Store, or as Information File A3-10, Iowa Farm Custom Rate Survey on the Ag Decision Maker website.

Average Farm Custom Rates Reported for Iowa

| Operation | 1978 | 1988 | 1998 | 2011 | 2012 |
|------------------------------------|---------|---------|---------|----------|----------|
| Chisel plowing, per acre | \$6.00 | \$8.40 | \$9.65 | \$13.70 | \$14.90 |
| Planting, per acre | \$4.40 | \$6.80 | \$8.85 | \$14.80 | \$15.60 |
| Spraying, per acre | \$2.40 | \$3.50 | \$4.00 | \$6.05 | \$6.35 |
| Combining corn, per acre | \$16.20 | \$22.00 | \$23.40 | \$30.90 | \$31.85 |
| Combining soybeans, per acre | \$14.00 | \$20.60 | \$22.55 | \$29.65 | \$31.10 |
| Baling square bales, per bale | \$.21 | \$.29 | \$.36 | \$.50 | \$.55 |
| Custom farming, corn, per acre | \$58.00 | \$71.00 | \$75.80 | \$108.95 | \$119.80 |
| Custom farming, soybeans, per acre | \$50.00 | \$65.00 | \$70.65 | \$96.40 | \$105.70 |
| Machinery operating wage, per hour | \$3.50 | \$5.10 | \$7.20 | \$12.00 | \$13.40 |

Source: Iowa State University, Iowa Farm Custom Rate Surveys, FM-1698.