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ISU Extension offers farm financial planning support

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Iowa farm custom rate survey shows slight increases for 2015, continued from page 1

percent reported hiring custom work done and 64 percent indicated that they did both.

There are many reasons why the rate charged in a particular situation should be above or below the average. These include the timeliness in 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 also will affect rates.

Ag Decision Maker offers a Decision Tool to help custom operators and other farmers estimate their own costs for specific machinery operations. The [Machinery Cost Calculator](#),

Table 1. Average Farm Custom Rates Reported for Iowa

Operation	1978	1988	1998	2008	2014	2015
Chisel plowing, per acre	\$6.00	\$8.40	\$9.65	\$13.70	\$16.15	\$16.90
Planting, per acre	\$4.40	\$6.80	\$8.85	\$13.20	\$17.85	\$18.50
Spraying, per acre	\$2.40	\$3.50	\$4.00	\$5.60	\$6.90	\$7.40
Combining corn, per acre	\$16.20	\$22.00	\$23.40	\$28.10	\$34.15	\$35.35
Combining soybeans, per acre	\$14.00	\$20.60	\$22.55	\$27.10	\$34.15	\$34.75
Baling square bales, per bale	\$.21	\$.29	\$.36	\$.48	\$.65	\$.72
Custom farming, corn, per acre	\$58.00	\$71.00	\$75.80	\$94.10	\$136.10	\$136.50
Custom farming, soybeans, per acre	\$50.00	\$65.00	\$70.65	\$83.00	\$121.00	\$125.35
Machinery operating wage, per hour	\$3.50	\$5.10	\$7.20	\$11.70	\$13.90	\$14.20

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

File A3-29 can be found under Crops, then Machinery in the Ag Decision Maker left-hand navigation bar.

The [2015 Iowa Farm Custom Rate Survey](#) is available at your Extension county office or online as publication FM-1698, from the Extension Online Store, or as Information File A3-10, Iowa Farm Custom Rate Survey, on the Ag Decision Maker website www.extension.iastate.edu/agdm/.



ISU Extension offers farm financial planning support

By Ann Johanns, extension program specialist, aholste@iastate.edu, 641-732-5574; Chad Hart, extension economist, chart@iastate.edu, 515-294-9911

It's safe to say that financial management for farm families is unique. Farm income can be irregular and unpredictable. Bills must be paid, livestock fed and crops tended to. Taking care of a family's needs can add stress.

Iowa State University Extension and Outreach is offering Farm Financial Planning, a program providing one-on-one financial support and advice to farmers. The program includes FINPACK, a computerized analysis of the farm business. It also offers useful referrals to ISU Extension and Outreach programs and outside services such as counseling or finance management courses.

A FINPACK analysis and useful counseling and finance management referrals are included in the support offered by ISU Extension and Outreach.

"FINPACK gives information to make more informed and profitable decisions for the future of a farm business," said Ann Johanns, extension program specialist. "The farm financial planning program was initiated in the 1980s in response to the farm crisis. It continues to be available

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to give Iowans confidence with stressful issues, legal questions and financial concerns.”

Any farmer who wants to understand a complete picture of their farm financial situation, which many lenders are requiring before they will extend further credit, should consider the Farm Financial Planning program. The goal of the program is to help determine farm business needs, and whether or not future changes are desirable.

As part of the program analysis, farm business operators will see at least three in-depth FIN-PAK business plans and how to implement alternatives like the addition, expansion or phasing out of a livestock operation, or buying, selling or renting land. Farm Financial Planning can also help evaluate ways to correct negative cash flow and profitability problems.

A trained ISU Extension and Outreach associate meets with the family one to two times to get farm records and to discuss results of the FIN-PAK analysis in confidence and possible effects if changes are made. The Extension associate may introduce other farm and family financial materials or information about outside sources of help.

The service is available at no charge and is funded by the Agricultural Credit School, a program of ISU Extension and Outreach, and the Iowa Bankers Association.

Farm Financial associates are part-time ISU Extension and Outreach employees trained in farm budgeting and financial analysis. They have farm backgrounds so they understand farming and the challenges it may bring.

To set up an appointment, contact the Farm Financial Associates in your area:

David Entriiken, Webster City, 515-835-1565, dfe1943@yahoo.com

Jim Dane, Iowa City, 319-354-3963, jim@dane.org

Roger Stewart, Red Oak, 712-623-6316, rogstewredoak@gmail.com

Mark Olsen, Newell, 712-660-1597, olsenmanagement@windstream.net

Tom Olsen, Newell, 712-272-3232, tomolsen@windstream.net

For more information, contact the ISU Extension and Outreach farm management specialist in your county office at www.extension.iastate.edu/ag/farm-management-0. Or contact the Beginning Farmer Center at 877-232-1999.



Crop and livestock land use analyzer

By William Edwards, retired economist

Due to rolling terrain and highly variable soil characteristics, land in some regions of Iowa has a variety of possible uses related to agriculture as well as conservation and recreation. Landowners and operators must take a long-range view when making decisions about the highest and best use of their land. Their primary agricultural alternatives are:

- Harvested crops, including corn, soybeans, small grains and forages
- Pasture to support livestock enterprises, such as cow/calf, stocker cattle and sheep flocks
- Long-term retirement such as the Conservation Reserve Program (CRP)