

2015

Iowa farm custom rate survey shows slight increases for 2015

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Iowa farm custom rate survey shows slight increases for 2015

By Alejandro Plastina, extension economist, plastina@iastate.edu, 515-294-6160; Ann Johannis, extension program specialist, aholste@iastate.edu, 641-732-5574

Rates for custom machine work and services are showing a steady increase again for 2015, according to the 2015 Iowa Farm Custom Rate Survey. The service categories that were surveyed include information on tillage, planting, spraying, harvesting, and hauling grain and forages. Also included are values for miscellaneous services, and machinery and grain storage rental.

Alejandro Plastina, economist with Iowa State University Extension and Outreach, indicates that expected farm custom rates for 2015 increased 1.2 percent from their 2014 survey results.

“In dollar terms, rates are 19 cents higher on average. However, 90 percent of the changes in custom rates range between a decline of \$2.10 and

an increase of \$2.20 from their 2014 levels, averaging only a 1-cent increase,” said Plastina.

Reported values on the survey are averaged from all the received responses for each category. The range of the highest and lowest responses received is also reported. The values survey participants report are what they expect to pay or charge in the coming year. These values are intended only as a guide to help both custom operators and people who hire custom work done arrive at a reasonable rate. Table 1 shows historic results for a selection of operations.

A total of 166 Iowa farmers, custom operators and farm managers replied to the survey. Twenty-five percent of them reported that they performed custom work for others, 11

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Handbook updates

For those of you subscribing to the handbook, the following new updates are included.

Historical Corn Yields by County - A1-12 (10 pages)

Historical Soybean Yields by County - A1-13 (10 pages)

Corn and Soybean County Yields - A1-14 (4 pages)

Iowa Farm Custom Rate Survey - A3-10 (2 pages)

Please add these files to your handbook and remove the out-of-date material.

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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