2015

Iowa farm custom rate survey shows slight increases for 2015

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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
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, 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/.

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

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

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

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...”