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Current Report
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Oklahoma Farm and Ranch Custom Rates, 2019-2020

Roger Sahs
Extension Assistant Specialist

This Current Report summarizes data collected from Oklahoma farmers, ranchers and custom operators during the fall of 2019. Respondents were recipients of a mailing by the Oklahoma Agricultural Statistics Service. Custom work is defined as machine operations performed for the customer with the custom operator furnishing the machine, fuel, labor and other inputs directly associated with the machine. Custom operators do not usually furnish materials such as seed or fertilizer unless it is explicitly stated. The change in custom rates was mixed since the 2017 survey. While the relative low fuel price environment over the past several years has stabilized custom rates, higher labor costs as well as machinery repair and ownership costs contribute to higher rates in many situations. Approximately 690 surveys were returned with usable data.

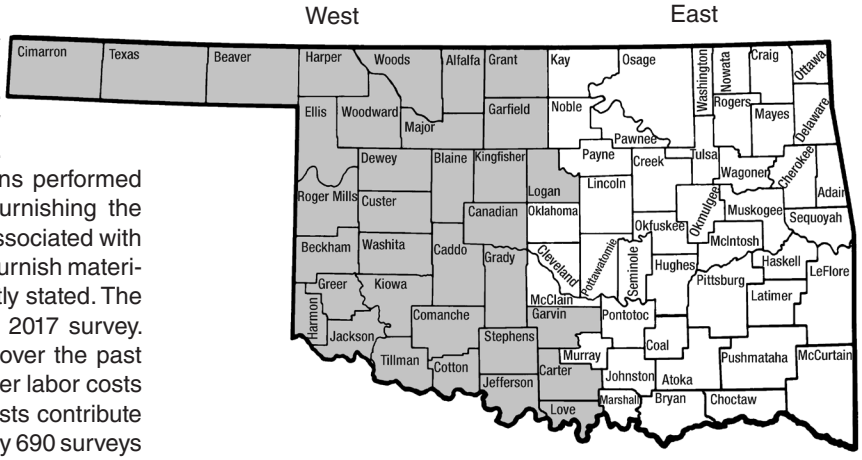


Figure 1. Regions used in reporting custom rate survey results.

Summary Procedure

The rates quoted herein were collected by a survey of both farmers and custom operators. A list of over 190 operations was provided from which each respondent quoted rates for only selected operations. Some respondents quoted rates for only one or two operations while others were familiar with rates for many of the machines listed. Fair rates are negotiated. Regional or state average rates may be used as a beginning point for discussion. However, differences in operations, requirements, and circumstances may impact rates.

The rates summarized on the inside pages were edited to remove those replies for which the respondent's interpretation of the information being requested did not match the interpretation of other respondents.

Interpreting the Rate Tables

A statewide rate summary for each operation is quoted in the included table. If available, separate quotes are listed for each area of the state as shown in Figure 1. The number of estimates obtained, the average rate, and the median rate are shown. The average rate for a specific operation provides an estimate of the prevailing charge with its reliability improving as the number of responses increase. Median values provide an additional measure of the central tendency of the survey response distribution. In most cases the number of observations was insufficient to allow statistical analysis. Results must be interpreted, therefore, with these limitations in mind.

Figure 2 shows the distribution of survey responses for operations with at least 32 observations. For example, a distribution of 119 responses for a baling a 5-foot width round bale is one of several graphs shown. Eight percent reported a custom rate less than $14 per bale, 46 percent reported a custom rate between $14 and $17 per bale, 33 percent reported a custom rate between $17 and $20 per bale, 11 percent reported a custom rate between $20 and $23 per bale, and 3 percent of the respondents reported a custom rate of $23 or more per bale.

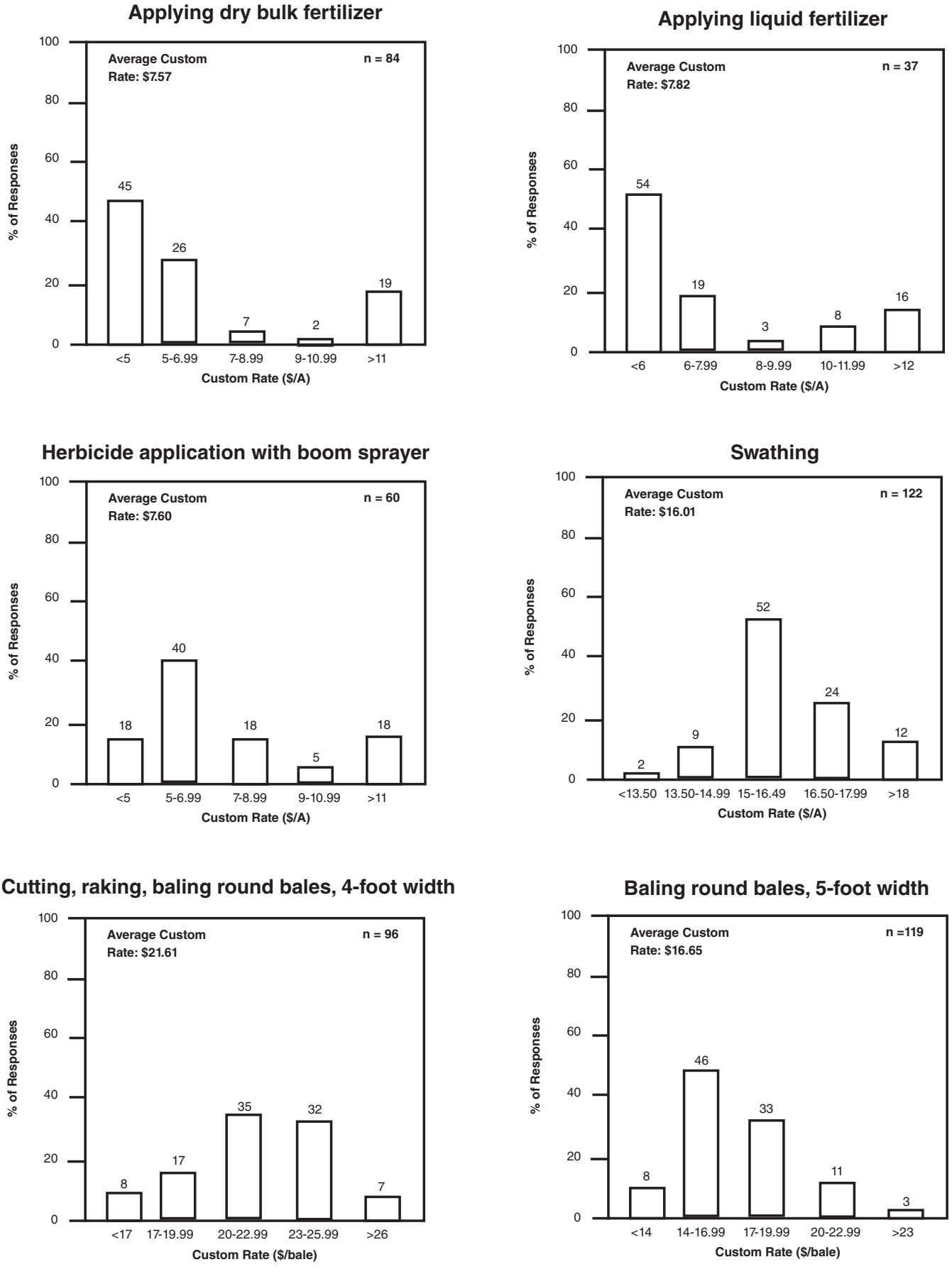
If you are interested in a rate quotation for a specific operation in an area which shows a small number of reports, consider rates for other areas of the state where the operation is more common or refer to the statewide summary. Additional adjustments for field size, terrain and soil type may be necessary.

OPERATION		Oklahoma			West			East		
		No.	Avg.	Median	No.	Avg.	Median	No.	Avg.	Median
TILLAGE										
Chisel plowing	$/acre	7	14.11	12.50						
Surface chisel	$/acre	6	11.17	11.75						
Discing - offset	$/acre	24	12.86	12.50	19	12.72	12.50	5	13.36	15.00
Discing - tandem	$/acre	21	13.04							
Blade or wide sweeps	$/acre	9	11.56	10.00						
Vertical/turbo tillage	$/acre	7	14.14							
Spike tooth harrow	$/acre	6	10.00	10.00						
Field cultivating	$/acre	8	12.00	12.00						
FERTILIZER AND CHEMICAL RESULTS										
Applying bulk dry fertilizer	$/acre	84	7.82	5.00	64	7.42	5.00	20	9.12	4.75
Renting bulk dry fertilizer applicator	$/acre	10	10.66	4.25						
Applying liquid fertilizer	$/acre	37	7.66		29	7.84	5.00	8	6.99	7.00
Applying liquid fertilizer, side-dress	$/acre	9	17.34							
Applying anhydrous with knife applicator	$/acre	6	12.00	12.00						
Ground appl - herbicides with boom sprayer	$/acre	60	7.60	6.00	46	7.27	6.00	14	8.70	7.75
Ground appl - herbicides, liquid broadcast or banded	$/acre	8	7.31	6.75						
Ground appl - herbicides, dry broadcast or banded	$/acre	6	8.67	7.00						
Air application - herbicides	$/acre	27	9.46	8.00	20	9.57	7.50	7	9.14	8.00
Ground appl - fungicides with boom sprayer	$/acre	11	5.55	5.00						
Air application - insecticides	$/acre	8	7.72	7.50						
Ground application -desiccants	$/acre	27	7.57	6.00	17	5.84	5.00	10	10.50	7.50
Air application - desiccants	$/acre	9	8.83	8.00						
Air application - growth regulators	$/acre	5	14.99	16.00						
PLANTING										
Air Seeder - conventional tillage, small grains w/fertilizer	$/acre	15	16.63	17.00						
Air Seeder - conventional tillage, small grains w/o fertilizer	$/acre	10	15.70	16.00						
Drill small grains - conventional tillage	$/acre	29	15.33	15.00						
Drill small grains - no-till	$/acre	8	19.00	18.00						
Broadcasting seed	$/acre	6	10.25	11.00						
Sprigging bermuda grass	$/acre	5	39.10							
Plant cotton - conventional tillage	$/acre	5	12.20							
HAYING										
Mowing hay	$/acre	31	14.68	15.00	22	15.14	16.00	9	13.56	
Raking hay	$/acre	30	5.57	5.00	22	5.14	4.00	8	6.75	5.00
Swathing	$/acre	122	16.01	16.00	116	16.03	16.00	6	15.70	15.75
Small square bales										
Baling a small square bale	$/bale	14	1.53	1.50	6	1.18	1.23	8	1.79	1.75
Cost of all haying operations (cutting to stacking sm squares)	$/bale	6	2.63	2.00						
Flat rate for hauling small square bale, other trailer	$/bale	10	1.07	1.00						
Large square bales										
Baling a large square bale, 3-foot width	$/bale	5	13.00	12.00						
Baling a large square bale, 4-foot width	$/bale	9	22.00	22.00						
Large round bales										
Baling a round bale, 4-foot width	$/bale	29	16.62	16.00	15	15.53	15.00	14	17.79	20.00
Cutting, raking, baling round bales, 4-foot width	$/bale	96	21.61	22.00	21	21.29	22.00	75	21.69	21.00
Flat rate for hauling round 4-foot width bales, semi-trailer	$/bale	6	5.67	5.00						
Flat rate for hauling round 4-foot width bales, other trailer	$/bale	10	5.06	5.00						
Baling a round bale, 5-foot width	$/bale	119	16.65	16.00	96	16.33	16.00	23	18.01	20.00
Cutting, raking, baling round bales, 5-foot width	$/bale	225	22.34	23.00	96	21.20	20.00	129	23.18	23.00

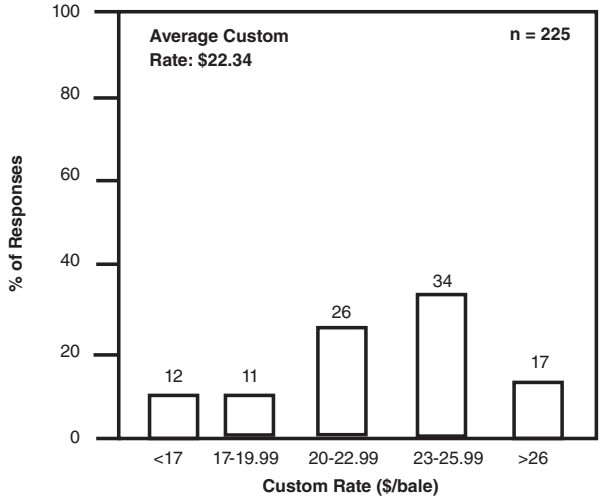
OPERATION		Oklahoma			West			East		
		No.	Avg.	Median	No.	Avg.	Median	No.	Avg.	Median
Flat rate for hauling round 5-foot width bales, semi-trailer	$/bale	9	7.65							
Flat rate for hauling round 5-foot width bales, other trailer	$/bale	37	5.68	5.00	13	5.69	5.00	24	5.67	5.00
Cost of all haying operations (cutting to stacking round bales)	$/bale	63	24.48	25.00	17	24.92	25.00	46	24.32	24.81
SMALL GRAIN HARVEST										
Combining wheat & sm. grains (flat rate)	$/acre	56	22.97	23.00						
Base rate for combining small grains	$/acre	28	23.57	24.00						
extra charge per bushel	$/bu.	28	0.23	0.24						
for excess over XX bushels/acre	bu.	28	21.21	20.00						
Flat rate for hauling small grains	$/bu.	19	0.22	0.23						
LIVESTOCK OPERATIONS										
Artificial insemination, cattle	$/head	13	12.65	10.00	5	13.10	10.00	8	12.38	11.00
Branding cattle	$/head	19	2.11	2.00	14	2.01	1.80	5	2.40	
Castrating cattle	$/head	32	4.25	3.63	21	4.04	4.00	11	4.65	
Chute fee, cattle	$/head	17	2.96	3.00	9	3.31	4.00	8	2.56	2.50
Pregnancy test cattle	$/head	32	4.73	5.00	19	4.86		13	4.55	5.00
Processing cattle	$/head	5	6.49							
Worming cattle	$/head	15	4.67		10	3.78	3.47	5	6.45	
Hauling cattle semi truck	$/mile	16	4.34	4.00						
Hauling cattle flat truck	$/mile	5	2.66							
Hauling cattle other method	$/day	5	202.00							
Hauling other livestock semi truck	$/mile	14	3.88	3.90	6	4.17	4.25	8	3.67	3.78
Hauling other livestock gooseneck	$/mile	14	3.50	3.79	5	4.30	4.00	9	3.05	
MISCELLANEOUS										
Picking up pecans (% for owner)	%	5	50.00	50.00						
Brush hogging	$/day	5	386.00							
Brush hogging	$/hour	35	48.40	50.00	12	67.08	82.50	23	38.65	
Clearing cedar trees	$/hour	16	112.19	102.50	11	123.18		5	88.00	
Dozing (D6 or smaller)	$/hour	46	115.60	115.00	28	125.18	125.00	18	100.69	100.00
Dozing (D7 or larger)	$/hour	18	137.69	140.00	10	143.83	145.00	8	130.00	127.50
Welding	$/hour	15	45.33	40.00	10	50.00	50.00	5	36.00	
Building new fence w/materials (4-6 wire, steel posts)	$/hour	6	28.13	29.00						
Building new fence w/materials (4-6 wire, steel posts)	$/mile	28	5644	5000	16	4986	4500	12	6522	5550
Building new fence w/o materials (4-6 wire, steel posts)	$/hour	10	23.64	17.82	5	26.16		5	21.13	
Building new fence w/o materials (4-6 wire, steel posts)	$/mile	23	3603		15	3518		8	3761	3828
Fence maintenence - inspection and minor repair	$/hour	14	20.80	13.50	5	22.00		9	20.14	10.00
Fence removal	$/mile	5	1542							
MACHINERY RENTAL										
Skid steer loader	$/hour	9	60.11							

Median values that represent an individual operation are withheld.

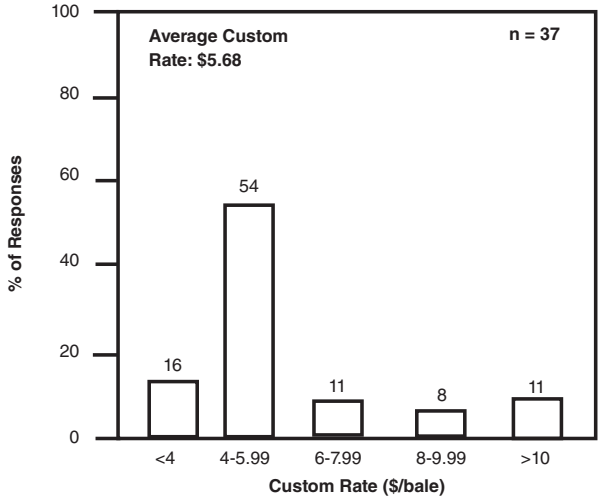
Figure 2. Relative frequency of responses for selected operations, 2019-2020.



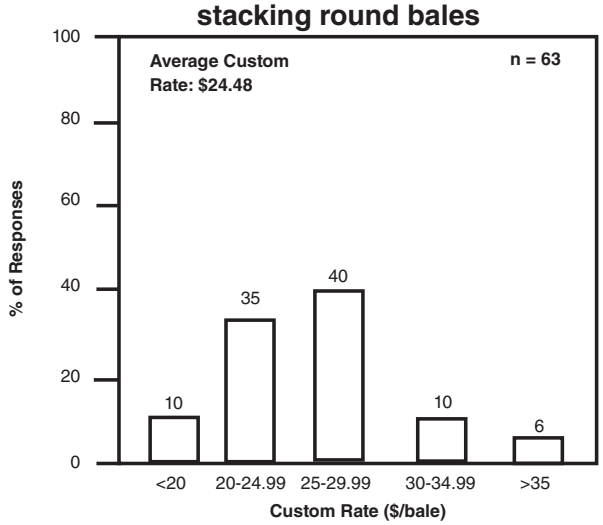
Cutting, raking, baling round bales, 5-foot width



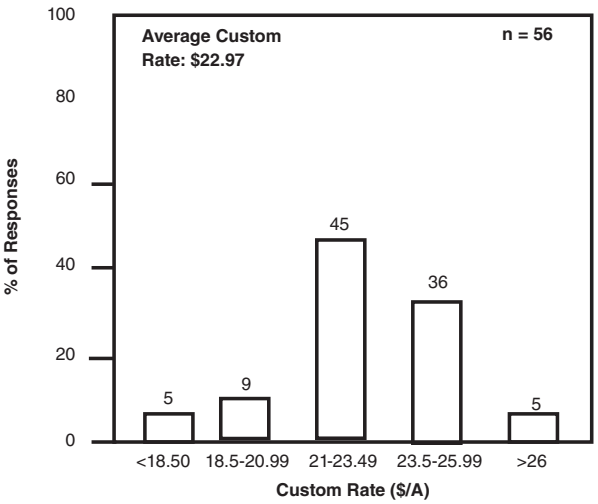
Flat rate for hauling round 5-foot width bales, other trailer



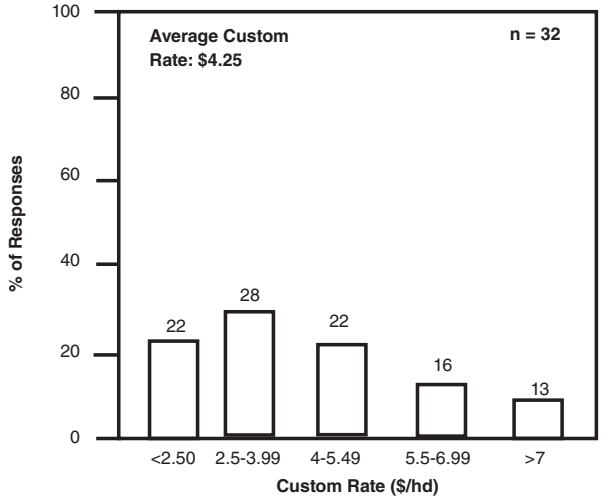
Cost of all haying operations, cutting to stacking round bales



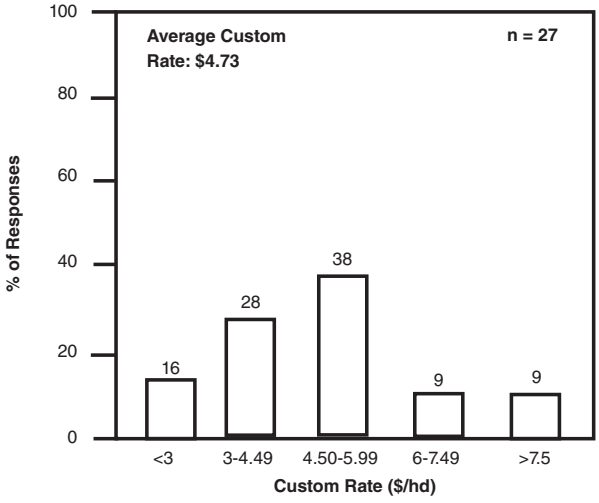
Combining wheat & small grains (flat rate)

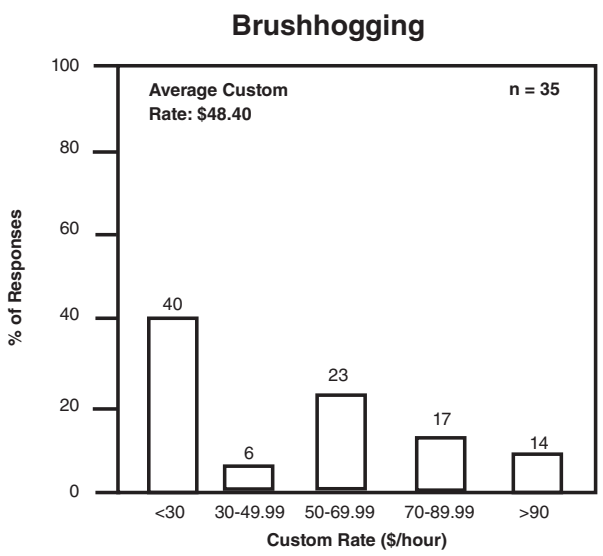


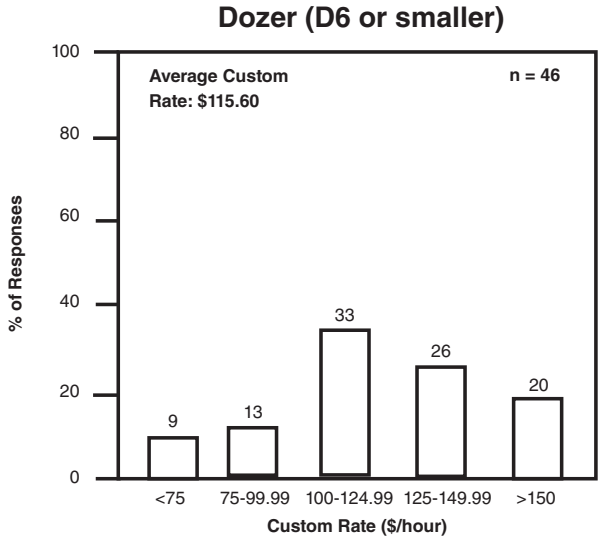
Castrating cattle



Pregnancy test, cattle







Reporting Regions

Area rates are summarized for the State of Oklahoma as shown in Figure 1. Regional differences are apparent in the rate table with higher rates prevailing when:

- Fields are small.
- Soils are heavy.
- Slopes are steep.
- Machines are scarce.
- Custom operators are not available.

Rates tend to be lower than expected when exchange work is common between relatives and neighbors. Under these circumstances, fixed costs of ownership such as depreciation and interest on investment (sometimes even labor) tend to be discounted when a rate is established for a particular job.

Custom Service vs. Ownership

Individual circumstances–cash flow, ownership and operating costs, labor availability, reliability and timeliness of custom operators, pride of ownership–will influence an individual's decision on whether to buy or lease machinery and equipment or custom hire work done. A worksheet at the end of this article is designed to help evaluate the cost of machinery ownership and operation.

Possible Advantages of Using Custom Operations

- Ownership costs are avoided.
- Capital and labor can be channeled to other uses.
- Machine use can be readily adjusted to changes in crop mix and market conditions.
- Specialized operations may benefit from experience and skilled operator.
- Jobs may be completed faster using several machines.

Possible Disadvantages of Using Custom Operations

- Service may not be available at the best time.
- Reliability of the custom operator may not be known.
- Rates may be excessive in special situations.

Each manager must choose the best combination of owned and hired machines. The quotations here will be helpful in estimating custom costs and to provide a base figure for agreement on a rate when well established local rates are not available. If you have questions, ask your Extension Educator- Agriculture or Area Agricultural Economics Specialist for additional information.

Considerations to Keep in Mind

Keep in mind there is a wide variation in rates charged for most jobs, even within the same geographic area, partly because some custom work is done for friends, relatives, and neighbors at reduced rates, partly because *some* custom work is done late by farmers who do their own work first and therefore do not attempt to include the full cost of machine ownership in their rates, and partly because it is easy to under-estimate the full cost of ownership and operation of machinery.

A small number of reports for a given machine in a particular area may not be representative. In this case, it is particularly important to check rates in other areas or statewide where a larger number of reports are found.

Costs of Ownership and Operation

The management decision to own a machine, to custom hire operations performed, or to custom perform operations is partially determined by cost, which is heavily influenced by the amount of use realized over the period of machine ownership. Estimates of fixed and variable costs per hour can be approximated using the following steps. Unless accurate records are used to estimate costs, variability in machine and operator efficiencies can cause actual results to be significantly different from estimated results.

A. Acres per hour = Acres covered in normal day ÷ hours in normal day = _____ acres ÷ _____hours = _____

B. Average investment = (Original cost + Trade-in value) ÷ 2 = ($ _____ + $_____) ÷ 2 = $_____

C. Annual Depreciation = (Original cost – Trade-in value) / Number of years owned = ($ _____ – $_____) ÷ _____ years = $_____

D. Annual Interest = Average Investment x Interest rate = $_____ x _____% = $_____

E. Annual Taxes = Average Investment x Personal Tax rate (1) = $_____ x _____% = $_____

F. Annual Insurance = Average Investment x rate (2) = $_____x _____% = $_____

G. Total Annual Ownership Costs (Sum of C through F) = $_____

H. Ownership Annual Acres Costs per acre = Ownership Costs ÷ Per Year = $ _____ ÷ _____ acres/year = $_____

I. Repairs Acres Per acre = Repairs (3) ÷ Per Year = $_____ ÷ _____acres/year = $_____

J. Fuel Cost Fuel Gallons Acres Per acre = Price x Per Hour ÷ Per Hour = ($_____/gal. x _____ gal./hour) ÷ _____ acres/hour = $_____

K. Labor costs Daily Acres Per acre = Wage ÷ Per day = $_____/day ÷ _____ acres/day = $_____

L. Total Cost Per Acre = Sum of items H through K above = $_____

(1) Use local tax rate if known. One to two percent is a reasonable "guesstimate."

(2) Use own insurance rate if known. One-half to one percent is a reasonable "guesstimate."

(3) Use your repair expense data, if available. One percent of original price for each year machine is kept is a rough estimate; e.g., 10% per year if machine is to be used for 10 years.

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The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of the Cooperative Extension system are:

- The federal, state, and local governments cooperatively share in its financial support and program direction.
- It is administered by the land-grant university as designated by the state legislature through an Extension director.
- Extension programs are nonpolitical, objective, and research-based information.
- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government, and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
- The Extension staff educates people through personal contacts, meetings, demonstrations, and the mass media.
- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.

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