Custom Rates

For Farm Operations in Oklahoma

By E. A. Tucker, Odell L. Walker and D. B. Jeffrey



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ON THE COVER

Annual Use Affects Cost Per Acre

Average costs per acre, day, bushel or bale for farm equipment usually decrease as use of the equipment increases per year within the usual range of use on Oklahoma farms. Farmers who have limited use for expensive machines may find average costs to be lower for used machines than for new ones. Frequently they find custom rates to be lower than their cost of owning and operating either new or used equipment, (Hypothetical data, Table IV).

Custom Rates for Farm Operations in Oklahoma

By

E. A. Tucker, Odell L. Walker, and D. B. Jeffrey*

Oklahoma farmers make extensive use of the services of custom operators. These operators provide numerous services in various seasons of the year and in almost every section of the state. Reduced costs, conveniences, better timing, better work, reduced investment, and greater flexibility are a few of the reasons custom operators are used. Sometimes it is a method of securing the services of trained labor for relatively short periods of time.

Farmers who do not wish to own all the machinery they need on their farms may secure the service in one of the following ways:

- Renting only the machinery, usually from neighbors or from their landlord.
- Borrowing. In many cases this is an exchange of machines with a neighbor or relative.
- Partnership or cooperative ownership of machinery.
- Hiring custom operators who furnish the machinery, the operators, and often any additional labor which may be used on the job.

Hiring vs. Owning Farm Equipment

A farmer's decision to "hire it done" or to own and operate his own equipment will usually be based on relative total cost of the alternatives plus an adjustment for his individual preferences. Only when total costs, as he knows them, are quite similar for alternatives will his personal preferences be given much consideration in making the final decision. Total costs will, of course, be cash or out-of-pocket costs and the farmer's evaluation of alternatives stemming from different lines of action such as risk reduction through completing the job as early as possible, self employment, reduced investment requirements, and many others.

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The purpose of this publication is to indicate what custom operators are reported to be charging and to show a method which individual farmers may use to determine how the cost of owning and operating their own equipment compares to custom rates.

Custom Rates by Areas of Oklahoma

The discussion presented in this bulletin is based on custom rates in various parts of Oklahoma as they were reported to the Extension Service by agricultural committees in 48 counties. These rates were assembled and edited by Experiment Station agricultural economists to provide the information contained in Appendix Table I, page 12.

Both the usual rate and range in rates are shown. Rather wide variations in the range of rates should be expected as numerous forces influence the rate at which a particular operation may be secured. Some of the factors responsible for variations in rates in a particular area are:

- 1. Variation in size, shape, and topography of field.
- 2. Texture and condition of the soil.
- 3. Thoroughness of the job and services rendered.
- 4. Crop yields.
- 5. Competition which comes from the ratio of available jobs to interested contractors.
- 6. Neighborhood customs, family relationships, etc.

While the above list is not complete it should indicate why rates may not be uniform within a particular area and why wide variations exist between different areas of the state. Figure 1 outlines areas where practices and rates tend to be similar.

When Should Farmers Hire Custom Operators?

Obviously, farmers should hire custom operators whenever it will be to their advantage to do so. Determining when this is the case is not, however, an easy matter. Benefits from hiring particular jobs done may come in a number of forms. On the surface it may appear that since the custom operator is in the business to make a profit for himself the farmer can also make money by doing the job himself. This is not always true of course, because "Total Cost" is



Figure I.—Areas of Similar Custom Rates in Oklahoma

made up of two parts, "Fixed Costs" and "Variable or Operating Costs". Fixed costs are made up of such items as taxes, interest on the investment, insurance, that part of depreciation which becomes a reality regardless of the use made of the machine and similar items.

Operating costs include fuel, lubricants, labor, and such repairs as are related to the amount the machine is used. Thus, it appears that some repairs would be classified as operating costs (chains, sprockets, gears) and that others (tires, batteries, belts) might actually be fixed costs as they deteriorate whether used or not. The amount of annual use is an important factor in determining the relative size of these two items, "Fixed" and "Operating Costs."

Costs Illustrated

A self-propelled combine costing \$5,000.00, assumed to have a life-expectancy of ten years and a scrap or trade-in value of \$500.00 at the end of this time, might be used to illustrate various costs (Table I).* While it is recognized that the machine may actually be serviceable for twice this period of time, it is also recognized that improved types of machines may make this machine as antiquated in a few years as the pull type of combines are at this time.

^{*} An actual situation might be found which would be very similar to the hypothetical example used above, just as cases could be cited of machines costing half as much and perhaps lasting twice as long. These figures appear not unreasonable, but were selected to illustrate a point and should not be construed to represent all possible situations.

On the basis of the assumptions used, fixed costs would total \$693.00 per year. This includes depreciation, interest, taxes, shelter, and insurance. If the machine is used to harvest 500 acres per year fixed costs will be \$1.39 per acre; but if the machine is used only on 100 acres per year fixed costs will be \$6.93 per acre.

Operating cost consisting of fuel, lubricants, repairs, maintenance, and labor of the operator, total \$1.00 per acre and will remain constant per acre regardless of how much or how little the machine is used (Table II). Actually a part of the repairs and maintenance probably should have been included in the "Fixed Cost" group but this appears to be a rather minor matter and is ignored for brevity. This adjustment would have increased "Fixed Costs" slightly and decreased "Operating Costs".

Item	New	Used
Depreciation ¹	\$450.00	\$240.00
Interest ²	137.50	45.00
Taxes	35.00	25.00
Shelter	35.00	35.00
Insurance	35.50	30.00
	\$693.00	\$375.00

Table I.—Fixed Costs per Year for New and Used Combine (Estimated).

New machine cost \$5,000 less trade-in value of \$500 or \$4,500 depreciation expected in 10 years, average \$450 per year. For the used machine costing \$1,500 and having a trade-in value of \$300 after 5 years of use; \$1,500-\$300-\$1,200/5 years=\$240. per year.
New machine average investment of \$2,750 (55,000+\$500/2 x .05)
Used machine average investment of \$900 @ 5%=\$45.00 (\$1,500+\$300/2 x 0.5)

Per Day Per Acre¹ Used New Used New 6.30 6.30 .21 Fuel .16 1.25 Lubricants 1.25 .03 .04 Repair & 17.45 34.90 .44 1.16 Maintenance Labor of 15.00 15.00 .37 .50 Operator 1.00 1.91

Table II.—Operating Costs for New and Used Combine (Estimated).

¹ Based on the assumption that the new machine would harvest 40 acres per day and that the used machine would harvest only 30 acres per day with fuel lubricants and labor the same per day for both machines. Repairs were assumed to be twice as high per day for the used machine as for the one bought new. When converted to a per acre basis this makes all charges one-third higher per acre for the older machine except repairs and maintenance which are 150 percent higher per acre for the older machine. These assumptions probably favor the newer machine but still emphasize the point that when there is limited use for an expensive machine a used one may be more economical.

Total Use Affects Cost

When "Fixed" and "Operating" costs are added together to arrive at "Total Costs" it is seen that the owner of this machine would have a total cost of \$7.93 per acre if he used it on only 100 acres. His average total cost would drop to \$4.46 per acre if he harvested 200 acres, to \$2.39 for 500 acres, and to \$1.69 per acre if he should harvest 1,000 acres (See Table III).

A farmer with 200 acres or less of small grain to harvest per year would, on the basis of this example, find it less costly to hire his grain combined than to own a \$5,000.000 machine for his exclusive use if he could hire it done for less than \$4.46 per acre assuming no difference in the quality or timeliness of the work. This method of decision making is appropriate only for the farmer who is considering the acquisition of a machine. Once he has the machinery many of his costs have become fixed. Frequently a farmer with a machine for which he has limited use on his own farm can reduce his average cost by doing custom work. Many custom operators are farmers in this situation. Any additional work they can get at a price above their operating cost (1.00 per acre in this example) reduces their average costs and contributes toward the payment of their fixed costs.

Used Machine May Have Lower Cost

Another hypothetical example illustrates the way in which a used machine with lower initial cost but with an assumed higher maintenance and operating cost along with a smaller daily capacity may actually offer a cost reducing plan of operation for the farmer with a smaller acreage and no desire to engage in custom work.

New	Used	New	Used	New	lised
6.93	3.75	1.00	1.91	7.93	5.66
3.46	1.88	1.00	1.91	4.46	3.79
2.31	1.25	1.00	1.91	3.31	3.16
1.98	1.07	1.00	1.91	2.98	2. 98
1.39	.75	1.00	1.91	2.39	2.66
.69	.38	1.00	1.91	1.69	2.29
	6.93 3.46 2.31 1.98 1.39 .69	6.93 3.75 3.46 1.88 2.31 1.25 1.98 1.07 1.39 .75 .69 .38	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

Table III.—Average Total Cost per Acre for New and Used Combine (Estimated).

¹ From Table I. ² From Table II. In this case it is assumed that a used self-propelled combine could be bought for \$1,500.00, that after a useful life of five years it would have a trade-in value of \$300., would harvest three-quarters as many acres per day as a new machine and require one-third more fuel, lubricants and labor per acre than the machine bought new (Table I). An additional assumption is that repair and maintenance costs would be more than two and a half times as high per acre of use for the older machine (Table II). Even with these assumptions, which appear to favor the newer machine, the second-hand machine would have the lower total costs per acre until annual use reached 350 acres. (Figure on cover and Table III).

Indirect Costs and Benefits are Important

Cost per acre as computed above may not be an adequate basis for deciding if a custom operator should be employed or if it is desirable to own a machine. The independence and security which come from owning a machine and thus being able to control the timing of the work are important. On the other hand, using custom operators may give greater control over timing; enough custom machines can often be secured to complete the job in a day or two, whereas if farmer used only their own machine the work might require a week or more. Thus better timing and reduction of risk may be accomplished through hiring. In addition, using custom operators frees the farm operator for other work. Some wheat growers who hire their combining done are about through plowing by the time they would normally complete the harvest if they used only their own machine. If this early plowing increases yields of the next year's crop and the harvesting in good time prevented loss through shattering of the standing grain or decreases the chance of hail damage then the cost of hiring the harvesting done may have cost the farmer very little.

Furthermore, a farmer with limited capital may find that hiring custom operators for some jobs permits him to use his funds in better paying alternatives.

These factors should be evaluated on the basis of additional cost and additional income received or savings realized. Any costs of machine ownership and operation above the local custom rate will be the additional cost for these additional advantages. The additional income would be the value of expected increases in yield or quality of product. Decisions affecting timeliness, quality of work, risk or use of limited capital and labor may thus be made in a logical manner. The development of specialized, expensive machines used for relatively short periods of time during the year gives custom operation increased advantages already referred to plus simplifications of labor recruitment, training, and supervision.

Figuring Cost of Ownership

Farmers who wish to make some check on the probable cost of owning and operating a particular machine may find the forms on pages 10 and 11 useful. The form on page 10 has been filled out to illustrate how probable costs for an automatic hay baler can be computed. On the basis of the assumptions used regarding rate of baling per day and amount of annual use expected, costs total 21 cents per bale. This total cost is made up of fixed cost at 12.7 cents per bale and operating costs of 8.3 cents per bale. Note that if an assumption of 6000 bales per year had been used rather than 3000 bales then fixed costs per bale would have been 6.3 cents and total costs would have been reduced to 14.6 cents per bale.

The form on page 11 may be used to compute probable costs of an individual farm machine. Here it will be necessary to use estimates when actual figures are not available. Results thus obtained should prove to be about as accurate as are the figures and estimates from which they are developed.

FORM FOR ESTIMATING MACHINE COSTS ON AN INDIVIDUAL FARM

Machine Hay Baler*

Fixed Costs per Year

Dollars

(\$2700) (\$500)	\$220.00
(\$2700) + (\$500) x (.06 percent) $\div 2$ Interest: Original Cost + Trade in Value x Interest rate $\div 2^1$	96.00
Taxes: Expected taxes to be paid on the machine year	20.00
Shelter: Portion of depreciation, interest, and maintenance of shelter used by this machine. ²	27.00
Insurance: Liability, fire, theft, windstorm, etc.	17.50
Total Fixed Cost per Year:	380.50
(bale) (\$380.50) \div (3000 bales) Fixed Costs per Unit ³ (Total yearly costs \div work done per year)	.127 per bal e

Operating Costs

Per day	(bale) Per unit ^s
5.40	.006
1.10	.001
or 15.00	.018
33.60	.04
15.00	.018
70.10	.083
	\$ 21/bale
	Per day 5.40 1.10 or 15.00 33.60 15.00 70.10

* To demonstrate use of this form, costs of hay baler ownership have been estimated. This was estimated for a farmer with 50 acres of alfalfa yielding 2 tons per acre, thus a total of 3000 bales per year. At 840 bales per day it would take 3.5 days to bale each year.

Item

¹ Interest rate should be that paid for funds borrowed or the rate which owned funds would return in other investments.

² If no shelter is provided then this cost may be reflected in somewhat higher depreciation and maintenance charges.

³ The unit may be in terms of acres, bales, tons, bushels, hours, etc., depending on the type of machine for which total costs are being estimated.

^{*} Fixed costs per unit plus operating costs per unit.

Custom Rates in Oklahoma

FORM FOR ESTIMATING MACHINE COSTS ON AN INDIVIDUAL FARM

Machine _____

Fixed Costs per Year Dollars Item Depreciation: Original cost less trade-in value - Expected life of machine in years Interest: Original cost + trade-in value \times Interest rate $\div 2^1$ _____ Taxes: Expected taxes to be paid on the machine per year Shelter: Portion of depreciation, interest, and maintenance of shelter used by this machine.² Insurance: Liability, fire, theft, windstorm, etc. Total Fixed Cost per Year Fixed Costs per Unit[®] (Total yearly costs ÷ Work done per year) **Operating Costs** T 4 n D D ... TT... 13

110111	Fer Day	ret Unu
Fuel		
Lubricants		
Repair and Maintenance		
Labor and Operator		
Total Operating Costs		
Total Costs per Unit'		

¹ Interest rate should be that paid for funds borrowed or the rate which owned funds would return in other investments.

² If no shelter is provided then this cost may be reflected in somewhat higher depreciation and maintenance charges.

³ The unit used may be in terms of acres, bales, tons, bushels, hours, etc., depending on the type of machine for which total costs are being estimated.

⁴ Fixed costs per unit plus operating costs per unit.

	Unit	Pa Usual	nhandle Range	No Usual	orthwest Range	Sou Usual	uthwest Range	North Usual	Central Range
LAND PREPARATION:									
Moldboard Plow	Acre	2.25		2.00	1.75-3.00	3.00	2.50-3.50	2.40	2.00-3.00
List	"	1.00	1.00-1.50	1.25	.75-1.50	1.75	1.25-2.50	1.50	1.00-2.00
Oneway	"	1.00	1.00	1.25	1.00-1.50	1.25	1.25-2.00	1.25	1.00-3.00
Spike Tooth Harrow	"	.50		.50	.2550	.75	.50-1.00	.50	.5075
Spring Tooth Harrow	"	.75		.70	.6570	1.00	.75-1.25	1.00	.50-1.00
Tandem Disc	"	.90	.75-1.00	1.00	.40-1.00	1.50	1.25-1.50	1.50	1.00-2.00
Horme	"	1.00	1.00-1.50	1.50	1.00-1.50	1.50	1.50-2.50	1.40	1.00-2.00
SEEDING:									
Drill Grain	Acre	.75	.7585	.75	.50-1.00	1.00	.65-1.00	1.00	.75-1.00
and Fertilizer	"			1.25	1.00-1.50	1.25	1.10-1.50	1.70	1.00-2.50
Drill Alf. & Clover	"	1.00	.75-1.35	1.15	.75-2.00	1.00	.75-1.50	1.50	1.00-2.00
and Fertilizer	"			1.75	1.00-3.00	1.25	1.00-2.50	1.60	1.25-2.00
Plant Row Crops	"	1.25	1.00-1.50	1.25	1.00-1.50	1.75	1.00-1.75	2.00	
and Fertilizer	"					1.80	1.25-2.50	2.00	
CULTIVATING:									
Row									
Weeder	Acre					.75	.75-1.25	1.00	
Cultivator	"	.75	.50-1.00	1.00	.75-1.25	1.50	.75-1.50	1.00	
Rotary Hoe	"	.60	.5075	.50	.40-1.00	1.00	.75-1.00	1.00	.75-1.00
Field									
Cultivator	"	.90	.75-1.00	.75	.75-1.00	1.50	.75-1.50	1.00	
Rotary Hoe	"	.60	.5075	.50	.3565	1.00	.75-1.00	1.00	.75-1.00
HARVESTING:									
Combining:									
Wheat and Oats	Acre	3.00	2.50-3.00	3.00	2.50-3.50	3.00	2.50-3.25	3.00	
Grain Sorghum	"	2.50	2.50-3.00	3.00	2.50-3.00	3.00	2.50-3.25	3.50	3.00-4.00
Sov Beans	"					3.00	3.00-3.25	3.00	
Vetch	"			4.00		5.00	4.00-7.00	4.50	4.00-5.00
Clover	"	4.50	4.00-5.00	5.00	4.50-6.00	5.00	3.00-6.00	4.00	3.00-5.00
Alfalfa	"	5.00	4.00-6.50	5.00	3.00-5.00	5.00	3.00-6.00	4.50	3.00-5.00
Grass Seed	"	4.75	4 00-5 50	4 50	3 00-6 00	4 25	4 00-5 00	4 00	3 00-5 00

Appendix Table I.—Custom Rates in Oklahoma.¹

	Unit	P: Usual	anhandle Range	N Usual	orthwest Range	Sou Usual	athwest Range	North Usual	Central Range
HARVESTING: (Cont'd) Peanuts:	Acre								<u></u> , <u>, , , , , , , , , , , , , , , , , , </u>
Dug and Winrowed	"								
Threshed from Winrow Threshed (Station-	"								
ary Machine)	Cwt.								
Small Grain Threshing	Bu.			.05		.10		.10	
Corn Picking	Acre					3.50			
Cotton Stripping	Cwt.			1.25	1.00-1.50	1.00	1.00-3.00		
Having:									
Mow	Acre	1.25	1.00-2.00	1.00	.75-1.00	1.00	1.00-1.25	1.00	
Rake	"	.75	.50-1.00	.50	.25-1.25	1.75	.50-1.00	1.00	.75-1.00
Bale	Bale	.20	.2025	.20	.1525	.15	.1518	.18	.1523
Load, Haul, Store	Bale	.10	.0515	.10	.0520	.06	.0609	.10	
Complete Job	Bale	.35	.3540	.35	.3040	.36	.3240	.35	
DUSTING AND SPRAVING	•								
Cattle, Material Furn. Crops. No	Animal	.15	.1020	.10	.0510	.15	.1017	.15	
Material Furnished	Acre								
Spray, Air	"		1.00-1.50	1.00		1.50	.85-2.00	1.00	
Spray, Ground	**	1.00		1.00		1.00	.75-1.50	.75	
Dust, Air	"			1.00			1.00-1.75	1.00	
Dust, Ground	"			1.00		1.00	.75-1.50	1.50	
GRINDING:									
Grain	Cwt.		.1015	.15	.1015	.15	.1520	.10	
Forage	"		.1520	.20		.20	.2030		
POST HOLE DIGGING:	Hole		.0510	.10	.0510	.10		.10	

Appendix Table I.—Custom Rates in Oklahoma.¹ (Continued).

· · · · · · · · · · · · · · · · · · ·	Centra		ntral	l Northcast		Southeast	
	Unit	Usual	Range	Usual	Range	Usual	Range
LAND PREPARATION:							
Moldboard Plow	Acre	3.00	2.50-3.50	3.00	2.50-3.50	3.00	2.00-3.50
List	"	2.00		3.00		1.50	1.50-2.25
Oneway	"	2.00	1.50-3.00	2.00	1.50-2.25	2.00	1.50-3.00
Spike Tooth Harrow	"	.65	.50-1.00	.50	.50-1.50	.75	.50-1.00
Spring Tooth Harrow	"	1.00	.75-1.75	1.50	1.00-2.00	1.00	.50-1.75
Tandem Disc	"	1.50	1.00-1.50	1.50	1.00-2.00	1.50	.75-1.75
Hoeme	"	2.00	1.00-4.00	2.25	2.00-3.00	2.25	2.00-3.00
SEEDING:							
Drill Grain	Acre	1.00	.80-1.50	1.00	1.00-1.50	1.00	1.00-1.25
and Fertilizer	"	1.50	1.25-2.00	1.50	1.00-2.00	1.50	1.00-2.50
Drill Alf. & Clover	"	1.25	.75-1.50	1.50	1.00-1.50	1.50	1.00-2.20
and Fertilizer	"	1.50	1.00-2.00	1.75	1.50-2.00	2.00	1.00-2.50
Plant Row Crops	"	1.25	1.00-2.00	1.25	.75-2.00	1.50	1.25-2.00
and Fertilizer	"	1.50	1.25-2.50	1.50	.75-3.00	1.75	1.25-2.25
CULTIVATING:							
Row							
Weeder	Acre	.65	.50-1.00			1.50	
Cultivator	"	1.00	1.00-1.50	1.00	1.00-1.75	1.50	1.10-1.50
Rotary Hoe	"	.85	.75-1.00	1.50	1.25-1.50	1.00	.75-1.50
Field							
Cultivator	"	1.50	1.00-2.00	1.00	1.00-1.50	1.25	1.10-2.25
Rotary Hoe	"	.85	.75-1.00	1.00	.50-1.50	1.00	75-1 10
						1.00	
Combining:							
Combining:	A	4 00	9 05 4 05	4.05	9 50 5 00	4.00	0.05.6.50
wheat and Oats	Acre	4.00	3.23-4.23	4.25	3.50-5.00	4.00	3.25-6.50
Grain Sorgnum	"	4.00	4.00-4.25	4.50	3.30-3.30	5.00	4.50-6.00
Soy Beans	"	5.00	F 00 5 00	4.00	3.50-6.00	5.00	4.00-6.00
Vetch		5.00	5.00-6.00	5.00	4.50-6.00	5.00	3.50-7.00
Clover		5.00	4.00-5.25	4.50	4.00-6.00	4.00	4.00 -8 .00
Altalfa	~	4.50	4.00-5.50	4.50	4.50-5.50	5.00	
Grass Seed	**	5.00	4.50-5.25	5.00	3.75-6.00	5.00	4.25-6.00

Appendix Table I.—Custom Rates in Oklahoma.⁴ (Continued).

		C	Central North			Sou	Southeast	
	Unit	Usual	Range	Usual	Range	Usual	Range	
HARVESTING: (Cont'd)	· · · · · · · · · · · · · · · · · · ·							
Peanuts:	Acre							
Dug and Winrowed	"	3.50	3.00-4.00	2.00		6.00	2.25-6.50	
Threshed from Winrow	"	6.50		4.50	4.00-5.00	5.00	5.00-8.00	
Threshed (Stationary Machine) Cwt.	.55	.5060	.55	.4560	.50	.4560	
Small Grain Threshing	Bu.	.14	.0723	.10	.0517	.13	.0917	
Corn Picking	Acre	4.25	4.00-5.00	5.00	5.00-7.00	5.00	5.00-7.00	
Cotton Stripping	Cwt.			1.50		1.50	1.00-2.00	
Having:				-				
Mow	Acre	1.00	.75-1.00	1.25	1.00-1.50	1.00	1.00-1.25	
Rake	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.75	.50-1.00	1.00	.62-1.00	.85	.50-1.50	
Balc	Bale	.16	1322	.15	.1222	.17	.1421	
Load, Haul, Store	Balc	.07	.0510	.09	.0610	.08	.0610	
Complete Job	Bale	.28	.2530	.30	.2435	.29	.2535	
DUSTING AND SPRAVING								
Cattle Material Furn	Animal	15	10-25	15	15- 25	15	12- 15	
Crops No Material Furnished	Acre	.15	.1040	.10	.1020	.15	.12 .10	
Spray Air	"	1.50	1.00-1.50	1 25	1.25-1.65			
Spray, Ground	"	1.00	50-1.00	1.00	.50-1.00		.5075	
Dust. Air	"	1.50		1.00	.5075			
Dust, Ground	"	1.00	.50-1.00	1.00	.50-1.00	.75	.5075	
GRINDING								
Grain	Cwt	20	15- 25	25	15- 35	25	20- 30	
Forage	<i>aw.</i> ,	.20	10- 40	30	20- 40	.25	20- 35	
POST HOLE DICCINC.	Hala	.20	.1010	.50	10 15	10		
FOST HOLE DIGGING:	riole	.10	.0710	.10	.1015	.10		
HAULING GRAIN Bu. (a) Most common tional mile c	rate state v or fraction t	wide—\$.05 minir hereof.	num through	the first mile, t	hen \$.005 fc	or each addi-	
(1) Second most	common rat	e—\$.01 per mile	and .05 min	imum.			
HAULING GRAIN Bu. (a) Most common tional mile o) Second most	rate state or fraction t common rat	wide—\$.05 minin hercof. c—\$.01 per mile	num through and .05 min	the first mile, t	hen \$.005 fo)r ea	

Appendix Table I.—Custom Rates in Oklahoma.¹

No significant difference was evident between charges reported for hauling (1) combine to market (2) combine to farm bin (3) farm bin to market.

¹ These rates were reported by the County Agricultural Committee through the Oklahoma Extension Service. The information was grouped by areas in which practices and rates tend to be similar because of similar conditions on farms. Rather wide variation in rates should be expected within a single area for a particular operation because of variations in conditions as to soil, size of field, yields, competition and a number of other factors.

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