

Current Report 0404 Rev.

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West

Oklahoma Farm and Ranch Custom Rates, 2003-2004

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This Current Report summarizes data collected from Oklahoma farmers, ranchers and custom operators during the fall of 2003.

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.

In general, custom rates have not changed substantially since the survey in 2001. Some rates have increased while others have declined.

Summary Procedure

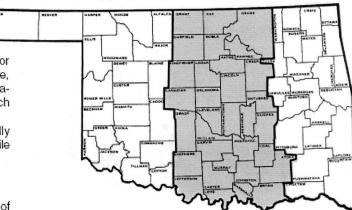
The rates quoted herein were collected by a survey of both farmers and custom operators. A list of over 150 operations was provided from which each respondent quoted rates for only selected operations. Some respondents quoted rates for only one or two operations while others were familiar with rates for many of the machines listed.

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 following table. If available, separate quotes are listed for each area of the state as shown in the map. The number of estimates obtained, the average rate, and the lowest and highest rates reported are shown. The cost of following up with individual surveys prohibited questioning or affirming doubtful replies. In most cases the number of observations was insufficient to allow statistical analysis. In general, large numbers of observations improve reliability. You must interpret these results, therefore, with these limitations in mind.

If you are interested in a rate quotation for a specific operation in an area which shows a small number of reports, you may 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 and soil type may be necessary.



Reporting Regions

Area rates are summarized for the State of Oklahoma as shown in the map above. 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. Software to help evaluate the cost of owning and operating farm machinery is available online at www.dasnr.okstate.edu/agmach/index.html.

OPERATION		OKLAHOMA				1	WEST			1	CENTRAL				EAST			
		No.	Avg.	Lov	v High	No.	. Avg	ı. Lo	w High	No.	Avg	. Low	High	No	. Avg	ı. Lo	w High	
TILLAGE	•										1000							
Moldboard plowing Chisel plowing	\$/acre	30 46				6				8	A 14/2 CONTRACTOR							
Surface chisel	\$/acre \$/acre	17			12.00	8 2				10	7.70							
Discing stubble	\$/acre	53			16.00	11	6.36			10	8.25							
Discing shallow	\$/acre	26			12.00	5				6	9.17							
Blade or wide sweeps	\$/acre	24	6.24			5				2	7.25							
Listing (bedding)	\$/acre	3	6.67	5.00	8.00													
Spike tooth harrow	\$/acre	22			8.00	- 1				6	5.08	3.00	8.00			was.		
Spring tooth harrow	\$/acre	16								8	5.76	4.00	8.60	(C)				
Rotary hoe	\$/acre	8		3.00		7											3 3	
Row cultivating Field cultivating	\$/acre	7 25								2	8.00							
Stalk shredder	\$/acre \$/acre	25		2.50 5.00		4	4.48	2.93	2 6.00	- 6	6.33	5.00	7.50					
Subsoiling	\$/acre	17			15.00					3	11.67	10.00	15.00					
FERTILIZER AND CHEMICAL APPLICATION	4													1				
Applying bulk dry fertilizer	\$/acre	120	3.02	1.00	6.00	27	3.04	2.50	4.50	29	3.28	2.00	6.00	13	3.12	2.50	4.00	
Renting bulk dry applicator	\$/acre	20		0.25		4	1.31	0.25	3.00	8	2.09	0.25	6.00	3	2.33	1.00		
Applying liquid fertilizer	\$/acre	65		2,00		18	3.03	2.00	5.00	20	3.44	2.25	6.00	6	4.26	2.50	6.00	
Renting liquid applicator	\$/acre	5		1.00						2	2.25	1.00	3.50					
Applying anhydrous	\$/acre	22		2.50		4	5.38	3.00	6.50	8	6.56			1				
Renting anhydrous applicator	\$/acre	6		0.50						3	1.50		3.00					
Lime application Lime application	\$/acre \$/ton	14		2.00		2	4.00	3.00	5.00	4	5.00	3.00	7.00	2	6.00			
Ground appl., insect, fung.	\$/acre	19	5.22 3.55	5.00 2.50		7	3.32	2.50						2	5.50	5.00	6.00	
Aircraft appl., insect, fung.	\$/acre	27	4.36	2.50		9	3.53			3	4.08		5.00					
Ground spraying for weeds	\$/acre	77	3.72	2.00		16	3.53			19	5.50 3.64		8.50	2	3.50			
Aircraft spraying for weeds	\$/acre	44	4.45		10.00	11	4.30			19	4.51	2.25	8.00	9 5	4.10 4.90			
PLANTING				3.24		''	4.00	5.00		"	01	3.00	0.00	l °	4.80	3.00	7 10.00	
Drill small grains	\$/acre	74	7.48	4.00	13.50	15	6,77		10.00									
Sod drill small grains into bermuda	\$/acre	22	8.70		12.50	2	7.50		13.00	17	8.59 9.75	9.00		5	9.16	6.00	13.50	
Drill alfalfa and other legumes	\$/acre	21	7.18		15.00	5	6.60			7	8.54	5.00	10.00					
Planting cotton	\$/acre	5	6.50		10.00	3	6.00			•	0.54	5.00	15.00					
Seeding forages	\$/acre	9	4.89	2.50		١٠	0.00	0.00	10.00	2	6.50	5.00	8.00					
Broadcasting seed	\$/acre	11	4.00	2.00		2	3.25	3.00	3.50	4	3.00		3.50					
Plant corn, conventional	\$/acre	12	10.00	7.00	13.00					4	10.00	8.00	12.00					
Plant corn, no-till	\$/acre	8	10.44	7.50	13.00											-		
Plant grain sorghum, conventional	\$/acre	16	9.00	5.00	13.00					5	9.20	5.00	12.00					
Plant grain sorghum, no-till	\$/acre	15	10.47	7.50	13.00	2	11.50	10.00	13.00									
Plant scybeans, conventional Plant scybeans, no-till	\$/acre \$/acre	10	9.00		13.00	3	11.00	10.00	13.00	2 2	10.00 9.75	8.00 7.50	12.00 12.00	2	8.00	0.00	10.00	
HAYING						ľ		10.00	10.00	-	2.75	7.50	12.00		8.00	6.00	10.00	
Mowing hay	\$/acre	38	7.88	200	12.00													
Raking hay	\$/acre	42	3.96		10.00	8 7	9.38	8.00		9	8.00	5.00	10.00	4	5.13	2.00		
Swathing	\$/acre	124	9.18	4.00		45	4.71 9.37		10.00	10	3.10 8.93	2.00 4.00	7.00	3	4.50	3.00		
Cutting to stacking for one ton	\$/ton	14	27.23	10.00	Value of the same	3	24.33		33.00	21	6.83	4.00	12.00	2 2	7.75 20.00	7.50	***************************************	
Small square bales																		
Baling small square bales	\$/bale	71	0.68	0.42	2.20	13	0.56	0.50	0.75	15	0.74	0.45	2.20	5	0.83	0.50	1.00	
Baling small square bales	\$/ton	8	20.85	12.50							0.14	0.40		2	25.50	21.00		
Cutting to stacking for a small square bale	\$/bale	14	1.31	0.55	1.75					5	1.21	0.55	1.60			21.00	00.00	
Cutting to stacking for one ton	\$/ton	14	27.23	10.00	40.00	3	24.33	10.00	33.00					2	20.00	10.00	30.00	
Base rate for hauling small square bale	\$/bale	14	0.51	0.35	0.65		***			5	0.56	0.50	0.65		20.00		00.00	
extra charge per bale	\$/mile	14	0.11	0.01	0.50	1				5	0.15	0.01	0.50	l				
for a distance over XX miles	miles	14	5.43	1.00	10.00					5	4.60	1.00	10.00					
Large square bales (4'X4'X8') Baling a large square bale (4'X4'X8')	¢4-1-			F 24.5	/F 65													
	\$/bale	35	11.43		15.00	7	11.71	9.00	13.00	5	13.00	12.00	14.00	3	9.83	5.00	12.50	
Base rate for hauling large square bale extra charge per bale	\$/bale	4	3.50	3.00	4.00					- 3								
for a distance over XX miles	\$/mile miles	4	1.25 3.50	1.00	5.00									6				
Large round bales (800 to 1500 lb.)																		
Baling a large round bale (800-1500 lb.)	\$/bale	159	9.82	3.00	20.00	39	9.87	8.00	20.00	95	10.07	3.00	18.00	16	10.03	3.00	15.00	
Cutting, raking, baling large round bales	\$/bale	73	13.43	10.00	20.00	2	16.00	12.00	20.00	16	14.31	13.00	18.00	15	13.17		20.00	
Base rate for hauling a large round bale	\$/bale	15	3.80	2.00	5.00	3	3.00	2.00	4.00	3	4.33	3.00	5.00					
extra charge per bale for a distance over XX miles	\$/mile miles	15	0.95 6.87	0.10	2.00 15.00	3	1,17 7.67	0.50	2.00 15.00	3	1.67	1.00	2.00	4				
			0.01	1.00	. 0.00		7.07	3.00	15.00	3	10.00	5.00	15.00					
Giant round bales (1500 to 3000 lb.) Baling a giant round bale (1500-3000 lb.)	\$/bale	33	9.12	5.00	14.00	8	10.25	8.00	14.00	5	9.20	8.00	10.00	3	7.67	5.00	13.00	
SMALL GRAIN AND SOYBEAN HARVEST														1				
Swathing small grains	\$/acre	27	9.46	6.00	12.00	9	9.78	8.00	12.00	4	9.25	7.00	12.00					
Combining wheat & small grains					L. 181 1					130,5			10 P					
(flat rate)	\$/acre		14.04	8.60		25	13.12	12.00		22	14.53	8.60	20.00	6	15.67	12.00	19.00	
Base rate for combining grain extra charge per bushel	\$/acre \$/bu.		13.26	10.00		25	12.84		15.00	11	13.50		15.50					
for excess over XX bushels/acre	bu./acre	78 78	0.13		0.20 40.00	25	0.13	0.05	0.20	# :		0.10	0.15					
. J. C.	Du. acie	70	-1.14	.0.00	40.00	25	2120	20.00	30.00	11	19.45	10.00	30.00			43		

OPERATION			OKL	АНОМ	Δ	ı	,	WEST	ı		CEI	NTRAL		I	EAS	ST	
		No.	Avg.	Low	High	N	lo. Avg	j. Lov	w High	No.	. Avg.	Low	High	No.	Avg.	Low H	igh
Storing grain, per bu., per mo.	\$/bu.	9	0.04	0.02	0.07					3	19.67	18.00	21.00	5	17 00	15.00	19.00
Combining soybeans (flat rate) Base rate for combining soybeans	\$/acre \$/acre	25	18.52	12.00	17.00			5 5	52.50		10.01	10.55		1.2			
extra charge per bushel	\$/bu.	2	0.15	0.13	0.17				5- 第								
for excess over XX bushels/acre	bu./acre	2	20.00	20.00	20.00			33					88				
Base rate for hauling small grains, soybeans	\$/bu.	20	0.13	0.10	0.15	7	0.13	0.12	0.15								
extra charge per bushel	\$/bu.	20	0.07	0.01	0.20	7	0.06	0.02	0.12								
for excess over XX miles	miles	20	15.45		30.00	7	15.00	5.00	25.00								
Storing soybeans, per bu., per mo.	\$/bu.	4	0.04	0.03	0.05				音量					7			
Small grains (fieldwork though harvesting)	\$/acre	10	50.70	20.00	86.00	2	44.00	30.00	58.00	3	49.67	20.00	86.00				
Scybeans (fieldwork though																	
harvesting)	\$/acre	3	61.67	60.00	65.00	l											
CORN, GRAIN SORGHUM HARVEST							40.00	40.00	44.00	١,	1450	13.00	10.00				
Combining grain sorghum (flat rate)	\$/acre	23	14.83	10.00	20.00	3	13.00	12.00	14.00	4	14.50	13.00	10.00				
Base rate for combining grain sorghum	\$/acre	11	13.09	10.00	15.00	3	14.00	13.00	15.00								
extra charge per bushel	\$/bu.	11	0.14	0.10		3	0.14	0.13	0.15					3.3			
for excess over XX cwt.	bu./acre		31.36	20.00		3	43.33	30.00	50.00								
Base rate for hauling grain sorghum	\$/bu. \$/bu.	7	0.13	0.12		1											
extra charge per bushel for excess over XX miles	miles	7	17.14		30.00										with the same of t		
Storing corn, per bu., per mo.	\$/bu.	3	0.04	0.03	0.05									1 7			
Storing grain sorghum, per bu., per mo.	\$/bu.	2	0.04	0.03	0.05 20.00					4	1950	1800	20.00				
Combining corn (flat rate)	\$/acre \$/bu.	13	19.15	0.20					57	-	10,00	10.00	20.00				
Cembining corn (flat rate) Base rate for combining corn	\$/acre	2	16.50		20.00												
extra charge per bushel	\$/bu.	2	0.15		0.17												
for excess over XX bushels/acre	bu./acre				80.00												
Grain sorghum (lieldwork though harvestin Corn (fieldwork though harvesting)	\$/acre	2	65.00 74.00		70.00 78.00												
COTTON HARVEST Stripping cotton	\$/lb.	7	0.08	0.05	0.10												
PEANUT HARVEST	#/	2	10.00	40.00	10.00	ı				1				1			
Digging peanuts Combining peanuts	\$/acre \$/acre	2			45.00	1								1			
LIVESTOCK OPERATIONS											***************************************						
Spraying	\$/head	12	2.00	1.00		2	2.00	1.00		3	3.25		3.50	2 5	1.50	1.00	2.00 5.00
Dehorning	\$/head \$/head	27	2.17	0.50		5	1.05	0.75		4	0.63			3	1.50	1.00	2.50
Branding Castrating	\$/head	29	2.33	0.50		5	2.70	0.50		6	1.83	0.50		4	2.88	1.00	5.00
Worming	\$/head	25	4.02		12.50	6	3.75	1.00	10.00	8	5.16	0.50	12.50	2 2	5.00 7.50	4.00 5.00	6.00 10.00
Artificial insemination	\$/head	7	12.50	5.00	25.00	ı								-	7.50	5.00	10.00
MISCELLANEOUS			2.05	F 00	10.00												
Pecan Shaking Picking up pecans (% for owner)	\$/tree %	4 7			60.0%												
Building new fence (5-wire,steel posts)	\$/mile	30			6600	7	1515	900	2190	2	1500	1000	2000	5	2820	600	5000
Digging line fence post holes	\$/hole.	5			10.00					١.	07.50	05.00	30.00	3	19.00	7.00	30.00
Brush hogging	\$/hour	16 46			90.00	7	62.86	40.00	90.00	10		25.00 55.00					80.00
Dozing (D6 or smaller) Dozing (D7 or smaller)	\$/hour \$/hour	26		SAME AND SECURITION OF THE PARTY OF THE PART	110.00	7		THE RESERVE OF THE PROPERTY OF	90.00	5			110.00	CONTRACTOR OF THE PARTY OF THE			90.00
Clearing cedar trees	\$/hour	16	49.22	25.00	70.00	4			70.00	5		40.00				05000	40000
Hauling cattle flat truck, capacity	lb.		29636		50000	2 3			25000	3 5	30000	25000					48000
Per mile (one-way load)	\$/mile lb.	17	1.95 49278		3.00	3	2.22	1.00	3.00	3		40000					54000
Hauling cattle belfy semi-truck, capacity Per mile (one-way load)	\$/mile	22								4	2.19						
Gooseneck trailer, length	feet	24			36.00	2	29.00	28.00	30.00	3		20.00					36.00 24000
capacity	lb.	18			0 24000 0 4.00	2	2.13	1.75	2.50	3	1.87	11000					1.50
rate per mile Combining alfalfa seed	\$/mile \$/acre	21			20.00	2			17.00	3		14.00					8.8
TRACTOR RENTAL				36						_			4555	Ι.	13.50	40.55	15.00
2 wheel drive-less than 100 hp	\$/hour	16			50.00	2	20.50	10.00	25.00	2	12.50	10.00	15.00	2			20.00
2 wheel drive-between 100 and 150 hp 2 wheel drive-greater than 150 hp	\$/hour \$/hour	15			0 65.00	2			30.00						.,,,,,,	. 5.50	
4 wheel drive-less than 175 hp	\$/hour	ε	31.20 42.50	15.00	0 65.00 0 65.00												
4 wheel drive-greater than 175 hp	\$/hour	4	42.5U	30.0	03.00												
MACHINERY RENTAL Grain drill	\$/acre	7	4.21	2.00	0 8.00					1							
No-till drill	\$/acre	16	8.44	4.0	0 13.00					2	8.13	3 4.25	12.00) 3	9.00	7.00	10.00
Grain cart with auger	\$/bu.	3															
Skid loader	\$/hour	4	47.50	40.0	0 60.00												

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.

Α.	Acres per hour = Acres covered in normal day + hours in normal	al day =	acres +	hou	rs=_	
	Average investment = (Original cost + Trade-in value) + 2 =					
	Annual <u>Original cost – Trade-in value</u> Depreciation = Number of years owned = (\$,			
	Annual Interest = Average Investment x Interest rate = \$					vac
E.	Annual Personal Taxes = Average Investment x Tax rate (1) = \$	x	%		=\$	
F.	Annual Insurance Insurance = Average Investment x rate (2) = \$	X	······································	š	=\$	
	Total Annual Ownership Costs (Sum of C through F)				=\$	
Н.	Ownership Annual Acres Costs per acre = Ownership Costs ≁ Per Year = \$	*	acres/y	*****************		****************
l.	Repairs Acres Per acre = Repairs (3) + Per Year = \$		_acres/year		=\$	J
J.	Fuel Cost Fuel Gallons Acres Per acre = Price x Per Hour (4) + Per Hour = (\$	/gal. x ga	d./hour) *	acres/hour= \$	§	
K.	Labor costs Dally Acres Per acre = Wage + Per day = \$	_/day +	acres/day		=\$	
L.	Total Cost Per Acre = Sum of items H through K above	* E P * P * P * P * P * P * P * P * P *	*********************			****************

(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 own insulative rate in known. Otherhall to one percent is a reasonable "guesstimate".

(3) Use your repair expense data, if a validable. 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.

(4) Estimate fuel use or see OSU Fact Sheet F-1211, "Tractor Selection, Operation and Service for Minimum Fuel Consumption."

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.

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