



Current Report

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Oklahoma Farm and Ranch Custom Rates, 2007-2008

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This Current Report summarizes data collected from Oklahoma farmers, ranchers and custom operators during the fall of 2007. 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 increased since the 2005 survey due to the impact of higher energy prices (e.g., fuel) on operating inputs and services.

Summary Procedure

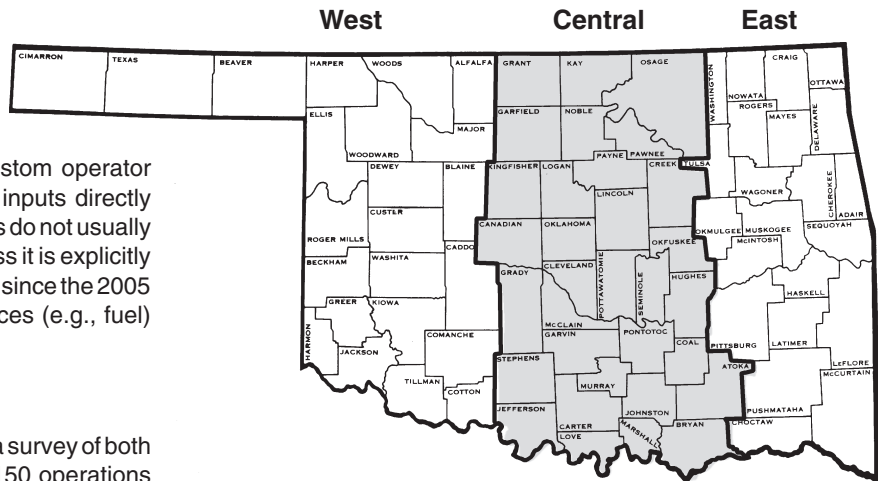
The rates quoted herein were collected by a survey of both farmers and custom operators. A list of over 150 operations was provided from which each respondent quoted rates for only selected operations. Some respondents quoted rates for only one or two operations while others were familiar with rates 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*				WEST				CENTRAL				EAST				
	No.	Avg.	Low	High	No.	Avg.	Low	High	No.	Avg.	Low	High	No.	Avg.	Low	High	
TILLAGE																	
Moldboard plowing	\$/acre	11	13.00	9.00	16.00	2	13.50	12.00	15.00	6	13.00	9.00	16.00				
Chisel plowing	\$/acre	16	9.32	7.00	12.00	5	9.36	8.00	11.00	7	9.76	7.00	12.00	2	10.00	10.00	10.00
Surface chisel	\$/acre	10	9.40	6.00	12.00	4	10.00	9.00	11.00	4	10.50	9.00	12.00				
Discing stubble	\$/acre	29	9.47	6.00	13.00	12	9.73	7.00	12.00	13	9.67	6.00	13.00	2	8.00	7.00	9.00
Discing shallow	\$/acre	15	8.32	5.00	12.00	2	9.00	8.00	10.00	11	8.43	5.00	12.00				
Blade or wide sweeps	\$/acre	8	8.88	6.00	11.00	3	10.00	9.00	11.00								
Strip tillage	\$/acre	2	6.00	6.00	6.00												
Spike tooth harrow	\$/acre	9	5.33	3.00	8.00					4	6.00	5.00	8.00	2	6.00	6.00	6.00
Spring tooth harrow	\$/acre	6	5.90	2.50	10.00	2	7.25	4.50	10.00	3	5.63	2.50	10.00				
Rotary hoe	\$/acre	2	6.00	5.00	7.00												
Row cultivating	\$/acre	3	8.67	6.00	12.00					2	10.00	8.00	12.00				
Field cultivating	\$/acre	13	8.42	6.00	11.00	4	10.50	10.00	11.00	6	7.75	6.00	8.50	2	7.50	7.00	8.00
Stalk shredder	\$/acre	2	7.00	6.00	8.00												
Subsoiling	\$/acre	4	12.00	8.00	15.00					3	13.33	12.00	15.00				
FERTILIZER AND CHEMICAL APPLICATION																	
Applying bulk dry fertilizer	\$/acre	66	3.71	1.10	10.00	21	3.40	2.00	5.00	30	4.00	1.10	10.00	13	3.63	1.25	10.00
Renting bulk dry applicator	\$/acre	11	3.00	0.50	12.00	4	1.50	0.50	3.50	6	3.68	1.00	12.00				
Applying liquid fertilizer	\$/acre	32	3.84	2.25	8.50	19	3.49	2.25	5.00	10	4.08	2.50	8.50	3	5.33	5.00	6.00
Renting liquid applicator	\$/acre	2	4.25	3.50	5.00												
Applying anhydrous	\$/acre	5	11.60	7.00	15.00	2	13.50	12.00	15.00	3	10.33	7.00	14.00				
Renting anhydrous applicator	\$/acre	3	6.17	5.00	7.50	2	6.25	5.00	7.50								
Lime application	\$/acre	2	5.25	5.00	5.50	2	5.25	5.00	5.50								
Ground appl., insect, fung.	\$/acre	9	3.81	3.00	5.00	2	3.75	3.50	4.00	6	3.92	3.00	5.00				
Aircraft appl., insect, fung.	\$/acre	8	5.53	3.00	10.00	3	4.17	3.00	5.00	4	5.44	4.00	9.00				
Ground spraying for weeds	\$/acre	38	4.61	2.00	12.00	10	4.05	2.50	7.00	18	4.67	2.00	12.00	8	5.41	4.00	12.00
Aircraft spraying for weeds	\$/acre	15	6.20	2.00	12.00	5	6.60	5.00	12.00	8	5.38	2.00	9.00				
PLANTING																	
Air seeder with fertilizer	\$/acre	12	14.17	12.00	18.00	6	13.33	12.00	15.00	5	15.60	14.00	18.00				
Air seeder without fertilizer	\$/acre	8	12.13	10.00	13.00	5	12.00	10.00	13.00	3	12.33	12.00	13.00				
Drill small grains, conventional	\$/acre	31	8.55	4.40	15.00	11	9.86	6.00	14.00	12	7.95	4.40	15.00	5	7.00	5.00	8.00
Drill small grains, no-till	\$/acre	20	11.11	5.70	15.00	7	10.79	6.00	14.00	10	11.27	5.70	15.00	3	11.33	10.00	12.00
Sod drill small grains into bermuda	\$/acre	3	10.33	8.00	15.00					3	10.33	8.00	15.00				
Drill alfalfa and other legumes	\$/acre	11	10.14	8.00	14.00	3	11.33	10.00	14.00	8	9.69	8.00	12.00				
Seeding forages	\$/acre	2	7.00	6.00	8.00					2	7.00	6.00	8.00				
Drill canola	\$/acre	3	14.33	14.00	15.00	2	14.00	14.00	14.00								
Planting cotton	\$/acre	4	10.63	6.50	12.00	2	9.25	6.50	12.00	2	12.00	12.00	12.00				
Plant corn, conventional	\$/acre	4	9.50	6.00	12.00					4	9.50	6.00	12.00				
Plant corn, no-till	\$/acre	3	13.33	10.00	15.00					2	12.50	10.00	15.00				
Plant grain sorghum, conventional	\$/acre	3	10.00	8.00	12.00					2	11.00	10.00	12.00				
Plant grain sorghum, no-till	\$/acre	3	13.67	10.00	18.00					3	13.67	10.00	18.00				
Plant soybeans, conventional	\$/acre	6	9.00	6.00	12.00					4	9.50	6.00	12.00	2	8.00	8.00	8.00
Plant soybeans, no-till	\$/acre	4	11.50	10.00	14.00					3	11.33	10.00	14.00				
HAYING																	
Mowing hay	\$/acre	30	10.61	3.00	13.00	10	12.30	11.00	13.00	13	9.44	3.00	13.00	5	9.70	5.00	12.50
Raking hay	\$/acre	35	3.63	1.00	12.50	12	2.79	1.00	5.00	17	3.48	2.00	7.00	4	7.38	3.00	12.50
Swathing	\$/acre	63	11.34	4.40	18.00	32	11.73	7.50	18.00	26	10.89	4.40	13.00	2	10.00	10.00	10.00
Cutting to stacking for one ton	\$/ton	9	23.25	7.00	33.87					7	20.93	7.00	30.00	2	31.39	28.90	33.87
Small square bales																	
Baling small square bales	\$/bale	32	1.20	0.50	4.00	6	0.82	0.50	1.75	16	1.32	0.50	4.00	9	1.28	0.85	2.00
Cutting to stacking for a small square bale	\$/bale	9	2.83	1.70	5.00					5	3.20	2.25	5.00	2	2.79	1.70	3.87
Base rate for hauling small square bale	\$/bale	6	0.79	0.50	1.10	2	0.65	0.65	0.65	4	0.86	0.50	1.10				
extra charge per bale	\$/bale	6	0.64	0.05	2.00	2	0.55	0.10	1.00	4	0.69	0.05	2.00				
for a distance over XX miles	miles	6	7.17	2.00	15.00	2	7.50	5.00	10.00	4	7.00	2.00	15.00				
Large square bales (4'X4'X8')																	
Baling a large square bale (4'X4'X8')	\$/bale	18	14.22	12.00	17.00	9	14.17	12.00	16.00	7	14.50	12.00	17.00				
Base rate for hauling large square bale	\$/bale	4	5.45	3.00	8.80					3	5.60	3.00	8.80				
extra charge per bale	\$/bale	4	2.25	1.00	5.00					3	2.67	1.00	5.00				
for a distance over XX miles	miles	4	9.00	5.00	20.00					3	10.33	5.00	20.00				
Large round bales (800 to 1500 lb.)																	
Baling a large round bale (800-1500 lb.)	\$/bale	111	12.14	4.00	29.00	35	12.92	8.00	20.00	47	11.50	5.00	20.00	27	12.28	4.00	18.00
Cutting, raking, baling large round bales	\$/bale	59	17.51	12.00	23.00	4	15.75	12.00	18.00	31	18.55	12.00	23.00	24	16.46	13.00	19.00
Base rate for hauling a large round bale	\$/bale	3	3.00	1.00	5.00					3	3.00	1.00	5.00				
extra charge per bale	\$/bale	3	1.67	1.00	3.00					3	1.67	1.00	3.00				
for a distance over XX miles	miles	3	7.33	1.00	15.00					3	7.33	1.00	15.00				
Giant round bales (1500 to 3000 lb.)																	
Baling a giant round bale (1500-3000 lb.)	\$/bale	18	14.17	10.00	20.00	7	12.29	11.00	15.00	5	14.40	10.00	20.00	3	18.00	17.00	19.00

OPERATION	OKLAHOMA*				WEST				CENTRAL				EAST				
	No.	Avg.	Low	High	No.	Avg.	Low	High	No.	Avg.	Low	High	No.	Avg.	Low	High	
SMALL GRAIN AND SOYBEAN HARVEST																	
Combining wheat & small grains (flat rate)	\$/acre	61	15.96	10.00	25.00	32	15.48	11.00	25.00	20	16.65	13.00	20.00	6	16.17	10.00	20.00
Swathing small grains	\$/acre	9	11.61	10.00	14.00	5	12.10	11.00	14.00	2	10.00	10.00	10.00				
Base rate for combining small grain	\$/acre	30	15.93	13.00	19.00	18	15.83	14.00	17.00	11	16.18	13.00	19.00				
extra charge per bushel	\$/bu.	30	0.16	0.13	0.20	18	0.16	0.14	0.20	11	0.16	0.13	0.19				
for excess over XX bushels/acre	bu./acre	30	20.43	12.00	30.00	18	20.89	16.00	30.00	11	19.73	12.00	30.00				
Small grains (fieldwork through harvesting)	\$/acre	5	102.00	40.00	150.00	2	95.00	40.00	150.00	2	100.00	60.00	140.00				
Combining soybeans (flat rate)	\$/acre	9	22.11	20.00	25.00					5	22.00	20.00	25.00	4	22.25	20.00	24.00
Base rate for hauling small																	
grains, soybeans	\$/bu.	16	0.16	0.14	0.20	10	0.17	0.14	0.20	5	0.17	0.15	0.19				
extra charge per bushel	\$/bu.	16	0.12	0.01	0.19	10	0.11	0.01	0.17	5	0.15	0.05	0.19				
for excess over XX miles	miles	16	14.69	5.00	30.00	10	14.50	5.00	30.00	5	16.00	5.00	25.00				
Soybeans (fieldwork through harvesting)																	
CORN, GRAIN SORGHUM HARVEST																	
Combining corn (flat rate)	\$/acre	4	19.50	16.00	22.00					3	19.33	16.00	22.00				
Combining grain sorghum (flat rate)	\$/acre	2	15.00	15.00	15.00												
Base rate for combining grain sorghum	\$/acre	2	16.00	16.00	16.00	2	16.00	16.00	16.00								
extra charge per bushel	\$/bu.	2	0.16	0.16	0.16	2	0.16	0.16	0.16								
for excess over XX bushels/acre	bu./acre	2	40.00	30.00	50.00	2	40.00	30.00	50.00								
COTTON HARVEST																	
Stripping cotton (flat rate)	\$/acre	2	11.75	9.50	14.00												
Stripping cotton (flat rate)	\$/lb.	2	0.09	0.08	0.09	2	0.09	0.08	0.09								
LIVESTOCK OPERATIONS																	
Spraying	\$/head	11	2.20	0.75	5.00	2	0.88	0.75	1.00	6	2.25	1.00	5.00	3	3.00	1.00	5.00
Dehorning	\$/head	20	2.73	1.00	6.00	6	2.69	1.00	5.00	8	2.75	1.00	6.00	4	3.38	2.00	5.50
Branding	\$/head	23	2.38	0.50	6.22	9	2.47	1.00	6.22	9	2.17	0.50	5.00	3	3.67	2.00	5.00
Castrating	\$/head	22	2.82	0.50	5.00	8	2.75	1.00	5.00	9	2.89	0.50	5.00	3	3.67	1.00	5.00
Worming	\$/head	27	3.43	0.90	6.00	9	2.53	0.90	6.00	10	3.14	1.50	5.40	7	5.21	3.00	6.00
Artificial insemination	\$/head	5	16.80	7.00	30.00	2	22.50	15.00	30.00					2	7.00	7.00	7.00
MISCELLANEOUS																	
Combining alfalfa seed	\$/acre	3	21.67	20.00	25.00					2	22.50	20.00	25.00				
Picking up pecans (% for owner)	%	6	48.33	40.00	60.00					5	48.00	40.00	60.00				
Building new fence with materials (5-wire,steel posts)	\$/mile	14	4864	1600	7450	5	4800	3500	6000	3	4433	1600	7450	5	4960	2200	7000
Building new fence w/o materials (5-wire,steel posts)	\$/mile	10	1912	500	5280	2	670	540	800	5	2596	700	5280	2	1400	500	2300
Digging line fence post holes	\$/hole	4	5.00	1.00	10.00	2	5.50	1.00	10.00	2	4.50	4.00	5.00				
Brush hogging	\$/hour	21	30.67	6.00	67.00	2	8.50	7.00	10.00	12	32.25	6.00	60.00	7	34.29	8.00	67.00
Dozing (D6 or smaller)	\$/hour	25	80.00	50.00	110.00	5	79.00	55.00	100.00	12	80.83	65.00	110.00	5	76.00	50.00	90.00
Dozing (D7 or larger)	\$/hour	11	90.91	65.00	125.00	4	82.50	65.00	110.00	6	90.83	70.00	110.00				
Clearing cedar trees	\$/hour	7	47.57	25.00	66.00	5	49.60	25.00	66.00	2	42.50	40.00	45.00				
Sawing wood, chainsaw	\$/hour	4	15.75	8.00	25.00					3	17.67	8.00	25.00				
Hauling cattle flat truck, capacity	lb.	4	50000	30000	80000					2	65000	50000	80000				
Per mile (one-way load)	\$/mile	4	3.44	2.00	6.00					2	4.63	3.25	6.00				
Hauling cattle belly semi-truck, capacity	lb.	13	51154	50000	60000	3	50000	50000	50000	6	52500	50000	60000	3	50000	50000	50000
Per mile (one-way load)	\$/mile	13	3.23	2.00	4.00	3	2.77	2.00	4.00	6	3.52	3.30	4.00	3	3.12	2.95	3.25
Gooseneck trailer, length	feet	14	27.43	24.00	30.00	3	27.33	24.00	30.00	6	26.67	24.00	30.00	4	29.50	28.00	30.00
capacity	lb.	14	13529	10400	15000	3	12300	10400	14000	6	13667	12000	15000	4	14625	14000	15000
rate per mile	\$/mile	14	2.56	1.50	4.00	3	2.25	1.75	3.00	6	2.75	2.00	4.00	4	2.78	2.10	3.00
TRACTOR RENTAL																	
2 wheel drive-less than 100 hp	\$/hour	3	30.00	10.00	40.00												
2 wheel drive-between 100 and 150 hp	\$/hour	7	35.36	22.50	60.00	4	37.50	25.00	60.00	3	32.50	22.50	50.00				
MACHINERY RENTAL																	
No-till drill	\$/acre	10	7.65	5.00	11.00	3	7.00	5.00	10.00	5	9.10	7.00	11.00	2	5.00	5.00	5.00

* The number of regional reports may not equal corresponding statewide totals due to survey respondent's failure to specify a region. In addition, single reports for a region are not disseminated.

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. Depreciation = $\frac{\text{Annual Original cost} - \text{Trade-in value}}{\text{Number of years owned}}$ = (\$ _____ - \$ _____) ÷ _____ years = \$ _____
- D. Interest = Average Investment x Interest rate = \$ _____ x _____% = \$ _____
- E. Taxes = Average Investment x Personal Tax rate (1) = \$ _____ x _____% = \$ _____
- F. Insurance = Average Investment x Insurance rate (2) = \$ _____ x _____% = \$ _____
- G. Total Annual Ownership Costs (Sum of C through F) = \$ _____
-
- H. Costs per acre = $\frac{\text{Ownership Annual Costs}}{\text{Acres Per Year}}$ = \$ _____ ÷ _____ acres/year = \$ _____
- I. Per acre = $\frac{\text{Repairs (3) Acres}}{\text{Per Year}}$ = \$ _____ ÷ _____ acres/year = \$ _____
- J. Per acre = $\frac{\text{Fuel Cost Fuel Gallons Acres}}{\text{Price x Per Hour ÷ Per Hour}}$ = (\$ _____/gal. x _____ gal./hour) ÷ _____ acres/hour = \$ _____
- K. Per acre = $\frac{\text{Labor costs Daily Acres}}{\text{Wage ÷ Per day}}$ = \$ _____/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.

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

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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.