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Custom Rates in Southern Minnesota, 1974

Custom work serves a valuable function in spreading the cost of expensive machines over many farms. For farmers whose annual use of a machine is low, hiring custom work can result in lower costs. For farmers who have extra machine capacity and time to do custom work for others, hiring out will help spread the overhead cost of a specialized machine and bring in added earnings for the operator.

If you hire or do custom work and are faced with the problem of determining a charge for services performed, this fact sheet can help you. It summarizes custom rates in common use in southern Minnesota during 1974.

The data in tables 1-3 show custom rates in 1974 as reported in a questionnaire study. In total, 316 reports were received through the cooperation of county agricultural agents and vocational-agriculture instructors in the southern half of the state.

The data reported are the most common rate and the second and third most common rates for various custom operations in southeastern and southwestern Minnesota. Variation

between the two areas was relatively small. The rates reported are not those that should be charged to cover all costs, but rather those rates that were in use during 1974. Variations may exist in an area because of differences in the size and type of equipment used, crop yield and condition, field shape and size, and services performed. Also, some operators probably had not adjusted their rates to the higher machine and fuel prices of 1974 while others had.

Rates include charges for the use of the machine, for the time and service of the operators, and for mechanical power. Other supplies such as twine for a baler, gasoline, oil, and grease also are commonly furnished by the custom operator. In the cases reported here, fuel was furnished by the custom operator when tractor power or self-propelled units were used.

Because of inflation, custom operators need to periodically recheck their costs to determine what they should be charging. For help in making these cost estimates, obtain a copy of FM-604, "Custom Rates: How to Calculate," from your county agent.

Table 1. Custom rates charged in southeastern Minnesota, 1974

Operation	Basis of charge	Total no. reporting this operation	Most common rate		Second most common rate		Third most common rate	
			No. reporting	Rate	No. reporting	Rate	No. reporting	Rate
Plowing, spring	acre	24	6	\$ 6.00	5	\$ 5.00	4	\$ 6.50
Plowing, fall	acre	22	5	8.00	4	7.50	*	
					4	7.00		
Plowing, chisel	acre	14	5	4.00	*		*	
Discing, tandem	acre	20	7	2.00	6	2.50	4	3.00
Field cultivating	acre	13	5	2.50	*		*	
Planting corn, with fertilizer attachment	acre	15	6	3.00	*		*	
Cultivating corn or beans	acre	24	13	2.00	4	2.50	*	
Applying anhydrous ammonia	acre	37	14	2.50	9	2.00	6	3.00
Applying fertilizer broadcast by truck	acre	22	9	.50	5	1.00	*	
Spraying weeds, ground, no materials	acre	41	20	2.00	8	2.25	5	1.50
Swathing small grain	acre	49	17	3.00	8	5.00	7	3.50
							7	4.00
Combining small grain	acre	52	14	8.00	10	10.00	8	9.00
Combining soybeans	acre	57	19	10.00	10	8.00	7	12.00
Harvesting corn with a combine	acre	56	14	12.00	8	15.00	7	13.00
					8	14.00	6	10.00
Baling, pull wagon	bale	24	8	.15	5	.20	4	.25
Filling silo, corn silage, field chopper	hour	29	7	30.00	6	20.00	*	
Corn shelling	bushel	19	5	.07	4	.05	*	
					4	.08		
Corn hauling: less than 5 miles	bushel	29	10	.05	8	.04	4	.06
5 to 9 miles	bushel	34	10	.06	9	.05	7	.04
10 miles or more	bushel	14	6	.06	*		*	

*Fewer than four reports.

Table 2. Custom rates for farm operations in southwestern Minnesota, 1974

Operation	Basis of charge	Total no. reporting this operation	Most common rate		Second most common rate		Third most common rate	
			No. reporting	Rate	No. reporting	Rate	No. reporting	Rate
Plowing, spring	acre	22	7	\$ 6.00	4	\$ 7.00	*	
Plowing, fall	acre	55	16	7.00	15	6.00	10	\$ 6.50
Chisel plowing	acre	18	6	5.00	4	6.25	*	
Discing, tandem	acre	21	5	2.50	4	3.50	*	
			5	3.00				
Field cultivating	acre	18	7	2.00	4	3.00	*	
					4	3.50		
Corn stalk chopping	acre	23	6	2.00	*		*	
			6	3.00				
Cultivating corn or beans	acre	27	12	2.00	6	3.00	*	
Applying anhydrous ammonia	acre	51	15	2.00	11	2.50	6	1.50
Applying fertilizer broadcast by truck	acre	46	16	1.00	11	1.50	6	.75
Weed spraying, ground, no materials	acre	63	21	2.00	14	1.50	10	1.75
Swathing small grain	acre	89	25	3.00	18	2.50	13	2.00
Combining small grain	acre	97	21	7.00	9	6.50	8	5.00
			21	8.00				
			21	6.00				
Combining soybeans	acre	93	27	8.00	24	10.00	14	7.00
Picking corn	acre	16	5	6.00	*		*	
Harvesting corn with combine	acre	88	27	10.00	23	12.00	9	9.00
Baling, pull wagon	bale	40	19	.20	6	.15	*	
					6	.25		
Filling silo, corn silage, field chopper	hour	34	11	25.00	5	15.00	4	20.00
Corn shelling	bushel	33	8	.05	6	.04	4	.07
Corn hauling: less than 5 miles	bushel	27	11	.03	8	.04	5	.05
5 to 9 miles	bushel	28	6	.03	*		*	
			6	.04				
			6	.05				
10 miles or more	bushel	27	8	.04	*		*	
			8	.05				

*Fewer than four reports.

Table 3. Custom rates charged in southern Minnesota, 1974†

Operation	Basis of charge	Total no. reporting this operation	Most common rate		Second most common rate		Third most common rate	
			No. reporting	Rate	No. reporting	Rate	No. reporting	Rate
Harrowing, springtooth	acre	18	5	\$ 2.00	4	\$ 1.00	*	
			5	4.00				
Drilling grain, no fertilizer attachment	acre	25	6	2.00	5	3.00	4	\$ 2.50
			6	2.50				
Planting corn, no attachments	acre	20	5	3.00	4	2.00	*	
			5	2.50				
Planting corn with fertilizer, herbicide, and insecticide attachments	acre	24	7	4.00	*		*	
Planting beans, no attachments	acre	24	7	3.00	5	2.00	4	2.50
Planting beans, with herbicide attachment	acre	18	6	3.00	5	4.00	*	
Rotary hoeing	acre	15	6	2.00	5	1.00	*	
Applying liquid fertilizer by truck	acre	20	5	2.00	4	1.00	*	
Weed spraying by airplane	acre	23	9	2.00	5	2.50	*	
Harvesting corn, picker sheller	acre	16	7	12.00	5	10.00	*	
Mowing hay with conditioner	acre	32	12	4.00	5	3.50	*	
					5	4.50		
Mowing hay with windrower	acre	30	6	5.00	5	3.00	*	
					5	4.00		
Harvesting cornstalks with stack forming wagons	3-ton stack	41	8	15.00	6	20.00	*	
					6	18.00		
Moving stacks, hydraulic stack movers (less than 2 miles)	stack	8	5	2.00	*		*	
Field chopping, hay	hour	20	5	35.00	*		*	
			5	20.00				
Loading manure	hour	24	5	10.00	4	15.00	*	
Bulldozing	hour	50	12	25.00	8	30.00	7	35.00

†Too few cases for distribution by area.

*Fewer than four reports.

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