

Farm Custom Rate Guide for 1960

by Ray E. Armstrong

FARM CUSTOM work, as we've pointed out in the past, offers you two possibilities for reducing machinery costs in any given year. This is particularly true (1) when you have *excess* farm machinery and labor capacity or (2) when you're *short* on the farm machinery and labor capacity to get the job done at the right time and in the right way.

In the first case, your opportunity lies in *doing* custom work for others. This "spreads" the cost of your machinery and also permits you to earn a return on its use and your labor. In the second case, your opportunity lies in *hiring* the services of a neighbor who offers to do custom work with his machinery. And an additional possibility is a combination of these two methods—the mutual *exchange* of services and equipment.

Whether you can or should take advantage of any one or more of these possibilities always depends to some extent on the size of your farm, the machinery you have and the labor or time you have available. Generally, the possible benefits of any of these combinations decrease the more closely your farm operations mesh with your machinery and labor capacity.

Hiring custom work does offer one other possible benefit—that of postponing or avoiding a *substantial* machinery investment for any given year. If, for example,

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you don't have the particular machinery to do certain jobs most efficiently, you still may not want to invest substantial funds "now" in new equipment for these particular jobs—perhaps "never" if the equipment wouldn't be used very much. The opportunity here is the hiring of custom services either to postpone or avoid a more substantial machinery investment.

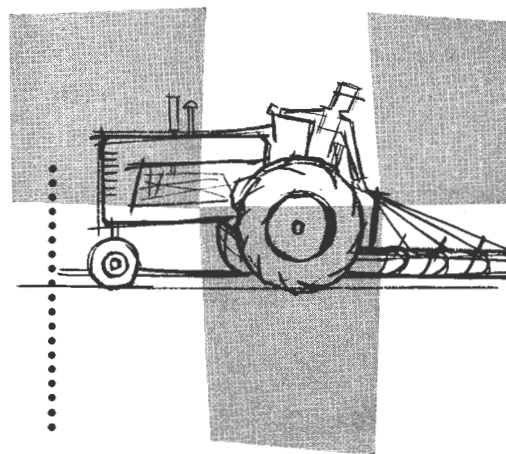
The Iowa Farm Custom Rate Guide is published annually for use by Iowa farm operators in "getting together" on the offering, hiring or mutual exchanges of various custom services; it is *not* based on or applicable to commercial custom service operations.

Custom Work . . .

Supply and demand for custom services and machinery set the effective going rate—the combination of the number of operators willing to do custom work and the number of operators seeking custom services. The information in this article is intended only as a guide in determining the rates to charge or the rates you can expect to pay for custom services.

Some types of equipment aren't used enough in certain areas for a "going rate" to be set by supply and demand. And, often, a transaction is between parties not wishing to bargain for "all they can get." Or, an exchange of services between the parties may be involved. Individual and local conditions must be considered in using and adjusting the rates given in the 1960 custom rate guide.

The Iowa State University Farm Services Department has the responsibility for a considerable amount of farm operations and the services of field tillage and crop harvesting for other agricultural departments. This provides the opportunity to study the costs of certain farm operations. It's from this experience and background, plus the



cooperation of farm management experts, and costs supplied to us from colleges and universities in adjoining states, that we develop the suggested custom charges and rates. Most of the services of the Farm Services Department are actually handled on a custom basis, with the costs charged back to the departments for which the work is done.

At the beginning of each year, we prepare an adjusted schedule of service rates. Each charge is determined by anticipating increases or decreases based on several years' records. *Labor* costs are carried as a separate item in our rates and thus are *not* included in the custom rate guide.

The guide rates are based on the approximate unit cost of work done under normal conditions and are generally applicable to most Iowa situations. For highly favorable conditions—large fields, long rows, etc.—the rate should be less than suggested in the guide. For unfavorable conditions—small or irregular fields, poor soil conditions, etc.—the rates should be adjusted upward. Labor charges have been omitted because these vary with local conditions and in different parts of the state.

How To Use Guide . . .

Suggested charges and rates in the guide apply to normal working conditions. Remember that it is only a guide and that the actual "going rate" locally may be above or below that listed.

The cost of owning and operating farm power units and machinery may be divided into two separate cost items—cost of ownership and cost of operation. Both are taken into consideration in the rates suggested in the guide.

Cost of ownership represents a fixed cost, including costs of (1) depreciation, (2) interest and investment, (3) taxes and insurance and (4) housing.

Cost of operation or the actual out-of-pocket cost for operating a tractor or machine is a variable cost and is directly dependent on the amount of use, including (1) fuel or power cost, (2) repair, (3) lubrication, etc.

IOWA FARM CUSTOM RATE GUIDE—1960

Farm operation	Suggested charges under normal conditions (labor NOT included)	
	Per hour	Per acre
TILLAGE:		
Plowing, 2-bottom	\$2.50	\$2.75
Plowing, 3-bottom	3.00	2.50
Disk harrow, 15-foot single	2.00	0.50
Disk harrow, 10-foot tandem	2.50	0.80
Disk harrow, 14-foot tandem	3.00	0.70
Spike-tooth harrow, 22-foot	1.80	0.25
Spring-tooth harrow, 17-foot	2.00	0.65
Packing, double-gang corrugated roller	2.00	0.65
PLANTING:		
Drill, small-grain, 11-foot	3.00	0.80
Drill, small-grain, 11-foot, with fertilizer attachment and grass seeder	4.25	1.10
Endgate seeder	1.25	0.30
Packer seeder, 10-foot	2.50	0.65
Plant corn, drill, 2-row	1.50	1.00
Plant corn, drill, 4-row	3.00	0.90
Plant corn, check, with fertilizer, 2-row	1.75	1.20
Plant corn, check, with fertilizer, 4-row	4.00	1.00
Plant corn, check, with fertilizer, 6-row	5.00	1.00
CULTIVATION:		
Rotary hoe or weeder, 2-row	1.80	0.50
Rotary hoe or weeder, 4-row	2.50	0.40
Cultivate, 2-row	1.75	0.85
Cultivate, 4-row	3.00	0.70
Cultivate, 6-row	4.00	0.70
Cultivate and fertilize, 2-row	2.00	1.05
Cultivate and fertilize, 4-row	3.25	0.90
HARVESTING:		
Corn picking, 2-row	6.50	3.25
Combining, direct or pickup	7.00	3.50
Corn combining	8.00	4.00
Windrowing	2.50	0.85
Forage harvesting, corn and sorghum	6.00	6.00
Forage harvesting, grass and legume	5.00	5.00
HAYING:		
Mowing or pasture clipping	2.25	0.75
Raking, side delivery	2.50	0.80
Baling, field pickup	0.11 per bale	.....
Field chopping	6.00	.....
FERTILIZING:		
Spread commercial fertilizer, broadcast	2.25	0.70
Tractor and manure loader	2.00	.....
SPRAYING:		
Sprayer, tractor with attached or trailer-type boom	2.00	.....
MISCELLANEOUS:		
Mowing roadsides	2.50	.....
Cut cornstalks, 2-row, rotary-type	2.50	1.20
Bore post holes	2.00	.....
Saw wood, chain saw	2.50	.....
Tractor only, 2-plow*	1.25	.....
Tractor only, 3-plow*	1.50	.....
Tractor only, 4-plow*	1.75	.....
Tractor only, 5-plow*	2.00	.....
Shell corn	2 1/2c per bushel	.....
Dry shelled corn or small grain	5c per bu. minimum charge; 1c per bu. per percent of moisture up to 5%, 1/2c per percent of moisture above 5%.	.....

*Fuel not furnished.