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2000 Custom Farm Machinery Rates



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FORWARD

This publication was reprinted with the permission of the authors and the University of Georgia Cooperative Extension Service. It is believed this data is relevant to South Carolina farmers due to the similarities of farming conditions in the two states.

Hopefully, this information can be used by S.C. farmers in providing some guideline on normal custom charges for different machinery operations.

If you have any questions concerning the data contained in this publication, contact Dr. Johnny W. Jordan in the department of Agricultural & Applied Economics at Clemson University (864-656-6756). Thanks to Richard O. Pitts for developing the cover and publishing the work.

FARM MACHINERY CUSTOOM RATES IN GEORGIA, 2000

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CUSTOM FARM MACHINERY RATES¹ IN GEORGIA, 2000

This publication reports a summary of custom farm machinery rates that custom operators in Georgia indicate they plan to charge in the year 2000.

These rates were obtained from a survey of over 300 operators identified by County Extension Agents who perform custom operations. They were contacted by mail and requested to provide the rates they plan to charge for any machinery operation in 2000.

Rate Increases Are Mixed

The last survey of this type was conducted two years ago. While we cannot identify all respondents to provide an individual comparison of rates in the two years, many of the rates reported are near the level charged in 1998. This is in contrast to the 1998 survey that showed most all-custom rates markedly higher than those of the previous survey in 1996.

Rate increases were more common for planting jobs, for jobs using large equipment such as earthmovers and bulldozers, and for hauling crops and livestock.

Why did they not all increase?

This may best be answered by the comments penned by several respondents to the effect of *"I'm not covering (or barely covering) all my costs with these rates but farmers can't afford to pay more"*. Obviously they are referring to low commodity prices and the drought that is beginning its third year.

Considerations when reviewing these rates.

1. We do not know if those responding to the survey were those who replied in 1998. While we would expect the rates to be generally the same in a given locality, we are not assured of this.
2. Rates charged for some jobs show little or no change. A few rates were reported higher, and some rates were reported lower than two years earlier. So overall, custom rates are relatively unchanged.

Other Observations About These Rates

To insure confidentiality--rates are not shown for jobs when only one individual responded. Also, the range is not given when only two individuals responded. Here, only the average is given.

Fairness of these rates is not considered. Rates are often set by:

- Charging the prevailing rate in a locality, which may have little basis for being set. But charging more than this rate will result in little demand for one's work.
- Work may be done in partial exchange for some other type of work. Or the work may be done for a friend. Often, the rate is not indicative of costs incurred.
- Operators may do some work after they have completed operations on their farm. These rates may be set to cover fuel and repair costs, and then to provide some return to labor and partial payment for machinery overhead costs.

As an interview with the respondents is not possible, we cannot determine how different individuals may interpret the questions. But a large number of respondents can help overcome any misunderstandings by the reporting of other observations. Hence, the rates are reported statewide rather than by districts, or by counties.

Rental Rates for Machinery

This survey obtained only data on custom rates. But as requests are often received for information on equipment rental rates, a summary of these rental rates from a commercial vendor are included on page 6.

No reference is given for fairness of these rates, but are provided to give a starting point for determining equipment rental rates.

**Custom Farm Machinery Rates
Georgia, 2000**

Tillage Operations

Operation	Unit	Responses	Average Dollar	Frequent Dollar	Range Dollar
Plow	Acre	9	13.22	15.00	7.00-16.00
Plow	Hour	3	30.00	0.00	25.00-35.00
Disk	Acre	17	8.68	10.00	4.00-15.00
Disk	Hour	7	40.00	30.00	20.00-80.00
Subsoil	Acre	12	13.29	10.00	8.00-25.00
Subsoil	Hour	4	38.75	30.00	30.00-60.00
Subsoil & Bed	Acre	8	10.62	10.00	10.00-12.00
Sweep Cultivator	Acre	5	6.60	0.00	5.00-8.00
Rotary Hoe	Acre	3	5.83	0.00	3.50-10.00
Drag Harrow	Acre	4	9.75	0.00	8.00-12.00
Chisel Plow	Acre	9	11.61	12.00	8.00-17.50
Chisel Plow	Hour	3	40.00	30.00	30.00-60.00

Planting Operations

Operation	Unit	Responses	Average Dollar	Frequent Dollar	Range Dollar
Drill Small Grain	Acre	12	9.25	0.00	4.00-17.00
No-Till Drill	Acre	12	15.54	15.00	9.00-25.00
Plant Corn	Acre	12	14.12	15.00	5.00-25.00
Plant Soybeans	Acre	9	11.50	0.00	5.00-17.50
Plant Cotton	Acre	13	13.87	0.00	5.00-25.00
No-Till, Plant	Acre	7	14.29	0.00	9.00-25.00
Strip-Till, Plant	Acre	14	16.93	0.00	8.00-25.00
Sprig Bermuda -incl. Sprigs	Acre	2	87.50	0.00	0.00
Plant Pine Trees	Acre	8	39.12	35.00	28.00-50.00

Apply Chemicals

Operation	Unit	Responses	Average Dollar	Frequent Dollar	Range Dollar
Spreading Fertilizer:					
Bulk Dry	Acre	13	3.92	3.50	3.25-5.00
Bulk Dry	Ton	4	22.37	0.00	15.00-30.00
Liquid	Acre	8	4.91	4.50	3.50-10.00
Spread Lime	Acre	10	4.80	4.00	3.50-10.00
Spread Lime	Ton	4	6.50	0.00	3.50-10.00
Apply Herbicides:					
Direct	Acre	12	5.96	0.00	3.00-15.00
Cut-In	Acre	4	7.50	0.00	4.00-10.00
Apply Insecticides & Fungicides	Acre	7	4.21	0.00	3.00-6.50

Custom Farm Machinery Rates Georgia, 2000

Harvest Operations

Operation	Unit	Responses	Average Dollar	Frequent Dollar	Range Dollar
Pick Cotton:					
Hauling Not Included	Acre	12	56.17	0.00	50.00-65.00
Charge Per Pound	Pound	16	0.08	0.09	.07-.09
Minimum Charge	Acre	8	53.50	50.00	50.00-65.00
Build Module	Pound	7	0.01	0.01	.005-.01
Build Module	Bale	2	5.00	0.00	0.00
Shake Pecan Trees	Tree	2	4.50	0.00	0.00
Combining: Hauling Not Included					
Corn Dryland	Acre	15	24.53	25.00	15.00-35.00
Corn Irrigated	Acre	16	27.37	25.00	22.00-35.00
Soybeans	Acre	12	25.58	25.00	22.00-30.00
Combining: Hauling Included					
Corn Dryland	Acre	2	32.50	0.00	0.00
Soybeans	Acre	4	30.00	0.00	20.00-40.00
Dig Peanuts	Acre	11	17.50	15.00	12.50-25.00
Combine Peanuts	Acre	12	39.37	30.00	30.00-65.00
Combine Peanuts	Ton	2	30.00	0.00	0.00
Dig & Combine Peanuts	Acre	8	52.50	50.00	40.00-65.00
Dig-Combine & Haul Peanuts	Acre	5	62.00	60.00	55.00-70.00
Mow Hay	Acre	3	9.67	0.00	5.00-15.00
Mow Hay	Hour	3	40.00	35.00	35.00-50.00
Rake Hay	Acre	2	4.25	0.00	0.00
Bale Hay	Sq. Bale	9	0.74	0.00	.45-1.00
Mow, Rake, Bale	Sq. Bale	11	1.04	1.00	.75-1.50
Mow, Rake, Bale, Haul Hay	Sq. Bale	6	1.29	0.00	.35-1.75
Mow Hay	Rnd. Bale	7	4.86	4.00	4.00-7.00
Rake Hay	Rnd. Bale	8	2.63	0.00	1.00-5.00
1,000 lb. Bales:					
Bale	Rnd. Bale	10	6.58	6.00	4.00-8.00
Mow, Rake, Bale	Rnd. Bale	13	11.88	10.00	9.00-15.00
Mow, Rake, Bale, Haul	Rnd. Bale	8	15.75	18.00	15.00-18.00
1,200 lb. Bales:					
Bale	Rnd. Bale	5	10.40	0.00	9.00-12.00
Mow, Rake, Bale	Rnd. Bale	7	14.71	15.00	12.00-18.00

Hauling Crops & Livestock

Operation	Unit	Responses	Average Dollar	Frequent Dollar	Range Dollar
Haul Grains & Oilseeds less than 20 miles	Bushel	6	0.13	0.10	.10-.15
Haul Grains & Soybeans more than 20 miles	Bushel	3	0.25	0.00	.20-.30
Haul Grains & Soybeans	Loaded Mile	2	1.25	0.00	0.00
Haul Livestock	Loaded Mile	5	1.70	1.50	1.5-2.00
Haul Hay	Loaded Mile	2	1.50	0.00	0.00

**Custom Farm Machinery Rates
Georgia, 2000**

Other Operations

Operation	Unit	Responses	Average Dollar	Frequent Dollar	Range Dollar
Bush Hog	Acre	7	12.14	0.00	5.00-16.00
Bush Hog	Hour	9	32.22	30.00	15.00-65.00
Chop Stalks	Acre	3	9.17	0.00	5.00-15.00
Bulldozing-All	Hour	18	62.50	65.00	35.00-90.00
D6	Hour	3	65.00	0.00	60.00-70.00
D7	Hour	2	90.00	0.00	0.00
450 JD	Hour	9	61.25	65.00	50.00-80.00
Land Grading	Hour	5	65.00	50.00	50.00-90.00
Building Ponds	Hour	4	72.50	0.00	50.00-95.00
Remove, Haul, Spread, Poultry Litter	Ton	2	6.00	0.00	0.00
Building Fence Includes Materials:					
Barbed Wire; 5-Strands	Linear Foot	3	1.50	0.00	1.10-7.75
Woven Wire	Linear Foot	2	2.50	0.00	0.00

Aerial Applications

Operation	Unit	Responses	Average Dollar	Frequent Dollar	Range Dollar
Insecticide Applications:					
1 Gallon	Acre	8	3.12	3.00	2.45-4.00
3 Gallons	Acre	14	3.62	4.00	3.00-4.50
5 Gallons	Acre	4	4.37	5.00	4.00-5.00
3 Gallons	Acre	8	3.81	4.00	3.25-4.50
5 Gallons	Acre	13	4.31	4.00	3.50-5.25
Defoliation	Acre	14	4.14	4.00	3.25-5.50
Seeding	Pound	5	0.06	0.05	.05-.07
Apply Fertilizer	Pound	6	0.06	0.05	.05-.07

**Rental Rates for Machinery
in Southern U.S., 1999 -- (No Labor or Fuel)**

Item	Unit	Rental Rate
Tractors:		
160 h.p.	Hour	\$35.00
130-159 h.p.	Hour	\$30.00
90-129 h.p.	Hour	\$25.00
60-89 h.p.	Hour	\$20.00
Dry Fertilizer Spreader	Acre	\$4.00
Tractor Loader	Hour	\$25.00
Hay Conditioner	Acre	\$7.00
Self Propelled Combine w/:		
Platform Head	Acre	\$25.00
Corn Head	Acre	\$25.00
Trailer Sprayer	Acre	\$5.00
Stalk Shredder, pto	Acre	\$6.50
High-Boy Sprayer	Acre	\$5.00
No-Till Grain Drill	Hour	\$9.50
No-Till Planter	Hour	\$10.00
*Source: Doane's Agricultural Report , May 19, 2000.		