

Custom Machinery Rates Applicable to Kentucky (2008)

Revised for \$4.00 Fuel

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Custom Machinery Rates Applicable to Kentucky (Revised 2008 for \$4.00 Fuel)

By Greg Halich, Assistant Extension Professor University of Kentucky
June 2008

These custom rates are based on reported surveys in Ohio, Indiana, Missouri, Iowa, and Kansas. The rates calculated here are averages for these states and are adjusted to account for changes in fuel price, machinery costs¹, and wages² from the time of the reported surveys. The adjusted rates are based on a \$4.00 on-farm diesel fuel price. The "Average Final Rates" presented in this report represent these adjusted averages and are rounded (generally to the nearest \$.50) to avoid appearing definitive.

To account for differences in efficiency and market conditions two additional rates are presented:

- 1) A rate of 15% below the "Average Final Rate".
- 2) A rate of 30% above the "Average Final Rate".

These two rates are presented to provide a range of rates that are likely to occur. This distribution is used based on the assumption that the more efficient operators were likely to have responded to the surveys. There is a practical limit on how much these rates can move below the mean but less so moving in the other direction. Extending the distribution further above the mean should capture more of the custom operators working with less-efficient equipment and/or working near urban areas with higher cost structures.

An important note is that a majority of the original survey respondents in these five states are likely large operators in the grain belt. Thus, the "Average Final Rate" presented here for grain-related activities are most suitable for western Kentucky. The user may want to adjust rates for grain-related activities upward in central Kentucky, and particularly eastern Kentucky.

There are cases where adjusted rates could not be computed because estimates did not exist for fuel use, labor hours, etc. Consequently, unadjusted rates are provided in these cases. However, users are advised to use caution in using the unadjusted rates in these situations as conditions, particularly fuel costs, may have changed considerably since the time of these surveys. The average fuel price at the time of the individual surveys is reported in these cases so that the user has some idea of how accurate these unadjusted rates may be.

Not all states reported rates for each activity listed. Consequently, an additional category lists the number of states used for each calculation. The larger the number of states used in each category, the more robust the final estimates presented here will be. The user should exercise caution in using rates where only 1-2 states were included in the calculation.

As a final note, these rates are published to provide a baseline for estimating reasonable custom machinery rates in Kentucky (as well as estimating production costs). Actual custom rates will be determined through the supply and demand for services within localized markets and can vary substantially. This is the main reason that a range of rates are presented here rather than a single dollar estimate. Users of this publication should be careful that these estimates, particularly the averages, are not used to set rates in an area.

¹ Based on CPI Index for construction machinery (closest index available for farm machinery).

² Based on CPI Index for natural resource wages (closest index available for farm wages).

Grain/Crop Operations	15% Below Avg.	Avg. Final Rate	30% Above Avg.	# of Surveys Used
<i>Per Acre Basis Unless Specified Otherwise</i>				
Soil Preparation:				
Moldboard Plow	\$16.00	\$19.00	\$24.50	4
Chisel Plow	\$12.50	\$15.00	\$19.50	5
Disk	\$9.50	\$11.00	\$14.50	3
Tandem	\$10.00	\$11.50	\$15.00	2
Offset	\$10.00	\$12.00	\$15.50	2
Disk/Chiseling	\$14.00	\$16.50	\$21.50	3
Drag	\$9.00	\$10.50	\$14.00	1
Field Cultivation	\$9.00	\$10.50	\$13.50	5
Harrowing	\$7.00	\$8.00	\$10.50	3
Subsoiling	\$16.50	\$19.50	\$25.50	2
V-Rip	\$17.00	\$20.00	\$26.00	3
Chopping Cornstalks	\$8.50	\$10.00	\$13.50	3
Planting (Conventional):				
Corn	\$11.50	\$13.50	\$18.00	5
Corn + Fertilizer	\$15.00	\$17.50	\$22.50	1
Corn + Fertilizer/Chemicals	\$16.00	\$18.50	\$24.00	1
Soybeans - 15" rows	\$12.50	\$15.00	\$19.00	3
Soybeans - 30" rows	\$12.50	\$14.50	\$19.00	3
Soybeans Drilled	\$13.00	\$15.00	\$20.00	4
Small Grains Drilled	\$11.50	\$13.50	\$17.50	5
Planting (No-Till):				
Corn	\$13.00	\$15.00	\$19.50	5
Corn + Fertilizer	\$16.00	\$19.00	\$25.00	2
Soybeans	\$11.50	\$13.50	\$17.50	1
Soybeans - 15" rows	\$13.50	\$16.00	\$21.00	3
Soybeans - 30" rows	\$13.50	\$16.00	\$20.50	3
Soybeans Drilled	\$13.50	\$15.50	\$20.50	4
Small Grains Drilled	\$13.00	\$15.00	\$20.00	4
Planting Hayfield or Pasture:				
Drill (General)	\$13.00	\$15.00	\$20.00	2
Grass	\$11.00	\$13.00	\$17.00	1
Alfalfa/Legume	\$10.50	\$12.00	\$16.00	1
No-Till	\$14.00	\$16.50	\$21.00	1
Broadcast Grass/Legume (tractor)	\$7.00	\$8.50	\$11.00	1
Broadcast Grass/Legume (ATV)	\$6.00	\$7.00	\$9.00	2

Grain/Crop Operations	15% Below Avg.	Avg. Final Rate	30% Above Avg.	# of Surveys Used
<i>Per Acre Basis Unless Specified Otherwise</i>				
Harvesting³:				
Combine Corn (General)	\$25.00	\$29.50	\$38.00	4
Combine Corn				
Base Charge (per acre)	\$21.50	\$25.50	\$33.00	1
Extra charge above 75 bushels (per bushel)	\$0.15	\$0.17	\$0.23	1
Ear Corn - Pick	\$23.00	\$27.50	\$35.50	3
Ear Corn - Pick for Seed	\$31.00	\$36.50	\$47.50	1
Combine Soybeans (General)	\$24.00	\$28.00	\$36.50	4
Combine Soybeans				
Base Charge (per acre)	\$21.50	\$25.00	\$32.50	1
Extra charge above 26 bushels (per bushel)	\$0.17	\$0.20	\$0.25	1
Combine Small Grains (per acre)	\$22.50	\$26.50	\$34.50	4
Combine Small Grains				
Base Charge (per acre)	\$15.50	\$18.50	\$24.00	1
Extra charge above 21 bushels (per bushel)	\$0.15	\$0.17	\$0.22	1
Fertilizer Application:				
Dry Fertilizer	\$4.00	\$4.50	\$6.00	4
Side-dress	\$6.50	\$7.50	\$9.50	1
Liquid Knife	\$8.50	\$10.00	\$13.00	3
Liquid Spray	\$5.00	\$5.50	\$7.50	5
Anhydrous	\$8.50	\$10.00	\$13.00	5
Lime Application (ton)	\$5.50	\$6.50	\$8.50	2
Lime, Deliver and Spread (ton)	\$13.50	\$16.00	\$21.00	1
Chemical Weed Control:				
Spraying (self-propelled)	\$5.00	\$6.00	\$7.50	4
Spraying (pull-type)	\$5.00	\$6.00	\$7.50	4
Highboy Spraying	\$5.50	\$6.50	\$8.50	2
Mechanical Weed Control:				
Rotary Hoeing	\$5.50	\$6.50	\$8.00	2
Conventional Cultivation	\$7.50	\$8.50	\$11.50	4
Complete Custom Operation⁴:				
Corn	\$72.00	\$85.00	\$110.50	3
Soybeans	\$62.50	\$74.00	\$96.00	3
Small Grains	\$56.50	\$66.00	\$86.00	2

³ Rates for harvesting operations in surveys did not specify if grain cart and/or trucking was included. It is likely that in most cases, grain carts would be included and that trucking would not be included.

⁴ Rates for "Complete Custom Operation" include all machinery operations necessary to grow crops including soil preparation, planting, fertilizer application, weed/insect control, and harvest. These rates do not include input costs such as seed, fertilizer, herbicides, and insecticides. Surveys did not specify if trucking grain was included.

Hay Operations	15% Below Avg.	Avg. Final Rate	30% Above Avg.	# of Surveys Used
<u>Mowing and Raking (per acre):</u>				
Mowing	\$10.00	\$12.00	\$15.50	5
Mowing/Conditioning	\$11.00	\$12.50	\$16.50	5
Raking - no specification	\$5.50	\$6.50	\$8.00	4
Raking - Side Delivery	\$3.50	\$4.00	\$5.50	2
Tedding	\$5.50	\$6.00	\$8.00	3
<u>Small Square Bales (per bale):</u>				
Baling (general)	\$0.50	\$0.60	\$0.80	4
Baling - wire (general)	\$0.65	\$0.75	\$1.00	1
Bale and Drop in Field	\$0.40	\$0.50	\$0.65	1
Bale and Load in Wagon	\$0.50	\$0.60	\$0.75	1
Haul and Store (baling not included)	\$0.45	\$0.50	\$0.65	3
Haul Over 20 miles (load per loaded mile)	\$2.40	\$2.85	\$3.70	1
<u>Complete Harvest (Actual)⁵:</u>				
Cut, Rake, Bale	\$1.00	\$1.20	\$1.55	1
Cut, Rake, Bale, Haul, and Store	\$1.45	\$1.75	\$2.25	2
<u>Complete Hay Harvest (Computed)⁶:</u>				
<i>Cut, Rake, Bale</i>	\$0.80	\$0.95	\$1.25	-
<i>Cut, Rake, Bale, Haul, and Store</i>	\$1.25	\$1.45	\$1.90	-
<u>Large Square Bale (per bale)⁷:</u>				
Baling - Large Square (no weight specified)	\$7.50	\$9.00	\$12.00	1
Baling - 600-800 lbs	\$7.50	\$8.50	\$11.50	1
Baling - Over 1000 lbs	\$9.50	\$11.00	\$14.50	1
Baling - 2000 lbs	\$12.00	\$14.00	\$18.50	1

⁵ Rates for "Complete Harvest (Actual)" include all machinery operations necessary to convert standing hay to bales including mowing, raking, and baling. This category represents the actual custom rate for operators who offered this complete service. However, there were few states that reported this category and thus these rates should be used with caution.

⁶ "Complete Hay Harvest (Computed)" adds individual custom rates for mowing/conditioning, raking, baling, and moving/storing (where applicable) to estimate a custom rate for these combined operations. Assumptions for the computed harvest include 1.3 tons of hay per cutting and 55 small square bales per cutting. "Complete Harvest (Actual)" may be different from "Complete Hay Harvest (Computed)" due to the limited number of state responses in the former category but may also be due to other factors such as the assumptions for hay yield per cutting.

⁷ Data originally had numerous weight classifications. Operations were combined into three weight classes that were closest to their actual weight.

Hay Operations	15% Below Avg.	Avg. Final Rate	30% Above Avg.	# of Surveys Used
Large Round Bale (per bale)⁸:				
Baling - 875 lbs	\$8.00	\$9.00	\$12.00	2
Baling - 875 lbs w/net wrap	\$8.00	\$9.50	\$12.00	1
Baling - 1200 lbs	\$8.50	\$10.00	\$12.50	3
Baling - 1200 lbs w/net wrap	\$9.50	\$11.00	\$14.00	3
Baling - 1500 lbs and Up	\$9.00	\$10.50	\$13.50	2
Baling - 1500 lbs and Up (w/net wrap)	\$9.50	\$11.50	\$15.00	2
Baling - Straw or Corn Stalks (no weight spec.)	\$9.50	\$11.50	\$15.00	1
Moving Round Bales:				
Moving Round Bales to Storage (bale)	\$3.50	\$4.00	\$5.00	3
Hauling Round Bales (bale per loaded mile)	\$0.13	\$0.15	\$0.19	1
Hauling Round Bales>20 miles (per loaded mile)	\$2.50	\$3.00	\$4.00	1
Move Bales w/truck or wagon 1 mile (bale)	\$2.00	\$2.50	\$3.50	1
Move Bales w/truck or wagon 2-20 miles (bale)	\$4.00	\$5.00	\$6.50	1
Complete Hay Harvest - Round (Actual)⁹:				
Cut, Rake, Bale				
875 lbs	\$12.50	\$15.00	\$19.50	1
1200 lbs	\$13.50	\$16.00	\$21.00	1
1500 lbs and Up	\$14.50	\$17.00	\$22.50	1
Cut, Rake, Bale w/net wrap				
875 lbs	\$14.00	\$16.50	\$21.00	1
1200 lbs	\$15.00	\$17.50	\$23.00	1
1500 lbs and Up	\$16.00	\$18.50	\$24.00	1
Complete Hay Harvest - Round (Computed)¹⁰:				
Cut, Rake, Bale				
875 lbs	\$13.00	\$15.50	\$20.50	-
1200 lbs	\$15.50	\$18.50	\$24.00	-
1500 lbs and Up	\$19.00	\$22.50	\$29.00	-
Cut, Rake, Bale w/wrap				
875 lbs	\$13.50	\$15.50	\$20.50	-
1200 lbs	\$16.50	\$19.50	\$25.50	-
1500 lbs and Up	\$19.50	\$23.00	\$30.00	-

⁸ Data originally had numerous weight classifications. Operations were combined into three weight classes that were closest to their actual weight.

⁹ Rates for "Complete Harvest (Actual)" include all machinery operations necessary to convert standing hay to bales including mowing, raking, and baling. This category represents the actual custom rate for operators who offered this complete service. Since few states reported this category rates should be used with caution.

¹⁰ "Complete Hay Harvest (Computed)" adds individual custom rates for mowing/conditioning, raking, baling, and moving/storing (where applicable) to estimate a custom rate for these combined operations. Assumptions for the computed harvest include 1.3 tons of hay per cutting. "Complete Harvest (Actual)" may be different from "Complete Hay Harvest (Computed)" due to the limited number of state responses in the former category but may also be due to other factors such as the assumptions for hay yield per cutting.

Miscellaneous	15% Below Avg.	Avg. Final Rate	30% Above Avg.	# of Surveys Used	Avg. Un- adjusted Rate	Avg. Survey Fuel Price
Grain Storage (per bushel):						
Storage (month)				2	\$0.03	\$2.35
Storage (year)				2	\$0.13	\$2.35
Unload + 4 months storage				1	\$0.14	\$2.20
Unload				1	\$0.14	\$2.20
Handling by Auger				1	\$0.05	\$2.50
Grain Drying (per bushel):						
Moisture Removed per Point ¹¹						
Corn		\$0.08		1	-	-
Soybeans		\$0.05		1	-	-
Grain Hauling (per bushel)¹²:						
Farm to Market (30 miles)				1	\$0.13	\$2.20
Storage to Market (wagon)				1	\$0.08	\$2.50
To Market (truck 5 miles)				1	\$0.08	\$2.50
To Market (truck 25 miles)				1	\$0.13	\$2.50
To Market (truck 100 miles)				1	\$0.25	\$2.50
Field to Farm (11 miles)				1	\$0.09	\$2.20
Field to Farm (5 miles)				1	\$0.11	\$2.57
Field to Market				1	\$0.16	\$2.57
To Storage (wagon)				1	\$0.06	\$2.50
In Field Corn (acre)						
Base Charge (per bushel)				1	\$0.14	\$2.57
Extra charge above 15 miles				1	\$0.01	\$2.57
In Field Soybeans (acre)						
Base Charge (per bushel)				1	\$0.14	\$2.57
Extra charge above 16 miles				1	\$0.01	\$2.57
In Field Wheat (acre)						
Base Charge (per bushel)				1	\$0.15	\$2.57
Extra charge above 14 miles				1	\$0.01	\$2.57
Bin to Market 18-wheeler (loaded mile)				1	\$3.19	\$2.57
Labor (hour):						
Machinery Operator	\$9.50	\$11.00	\$14.50	2	-	-
General Farm Labor	\$8.00	\$9.50	\$12.00	1	-	-

¹¹ These are actual rates in February 2008 from a large grain elevator in Kentucky.

¹² Grain hauling operation definitions were extremely varied and could not be combined. Users should use information in this section with care.

Miscellaneous	15% Below Avg.	Avg. Final Rate	30% Above Avg.	# of Surveys Used	Avg. Un- adjusted Rate	Avg. Survey Fuel Price
Machinery Rental:						
Tractor per Horsepower (hour)	\$0.20	\$0.23	\$0.30	3	-	-
No-Till Corn Planter (acre)	\$14.00	\$16.50	\$21.50	1	-	-
No-Till Soybean Drill (acre)	\$7.50	\$9.00	\$11.50	1	-	-
No-Till Grain Drill (acre)	\$10.00	\$12.00	\$15.50	1	-	-
Grain Drill (acre)	\$6.50	\$7.50	\$9.50	1	-	-
Combine - Separator (hour)	\$100.00	\$118.00	\$153.00	2	-	-
Corn Head for Combine (acre)	\$5.50	\$7.00	\$9.00	1	-	-
Soybean Head for Combine (acre)	\$5.50	\$6.50	\$8.50	1	-	-
Grain Cart with Auger (hour)	\$31.50	\$37.00	\$48.50	1	-	-
Corn (acre)	\$3.50	\$4.50	\$5.50	1	-	-
Soybeans (acre)	\$3.00	\$3.50	\$5.00	1	-	-
Grain Wagon (bushel)	\$0.05	\$0.06	\$0.08	1	-	-
Skidsteer Loader (day)	\$76.50	\$90.00	\$117.00	2	-	-
Dry Bulk Fertilizer Applicator (hr)	\$1.50	\$2.00	\$2.50	1	-	-
Liquid Fertilizer Applicator (hr)	\$3.50	\$4.00	\$5.00	1	-	-
Anhydrous Fertilizer Applicator (hr)	\$3.00	\$3.50	\$4.50	1	-	-
Brush Hog/Rotary Mow (per acre):¹³						
Brush Hog - General	\$12.00	\$14.00	\$18.00	5	-	-
Pasture	\$11.50	\$13.00	\$17.00	2	-	-
CRP Land	\$11.00	\$13.00	\$17.00	3	-	-
Brush	\$15.50	\$18.00	\$23.50	1	-	-
Cornstalks	\$8.50	\$10.00	\$13.00	3	-	-
Brush Hog (per hour)	\$47.50	\$56.00	\$72.50	2	-	-
Fence Rows and Ditches (per hour)	\$39.00	\$46.00	\$59.50	1	-	-
Silage-Harvest-Store:						
Chopping (acre)	\$71.50	\$84.00	\$109.00	1	-	-
Chopping (per ton)	\$4.00	\$4.50	\$6.00	3	-	-
Chopping (per hour per row)	\$28.50	\$34.00	\$44.00	1	-	-
Chop, Haul, Fill Silo (per hour per row)	\$45.00	\$53.00	\$69.00	1	-	-
Chop, Haul, Fill Silo (per ton)	\$6.00	\$7.50	\$9.50	4	-	-
Chop, Haul, Fill Bunk (per ton)	\$8.00	\$9.00	\$12.00	1	-	-
Chop and Haul (per ton)	\$5.50	\$6.50	\$8.50	1	-	-
Drainage and Tile (mat'l extra):						
Ditching Machine:						
4" Plastic/ft				1	\$0.23	\$2.20
6" Plastic/ft				2	\$0.41	\$2.35
8" Plastic/ft				1	\$0.30	\$2.20
Drain Plow:						
4" Plastic/ft				1	\$0.15	\$2.20

¹³ Also known as "Bush Hog", especially in southwest Kentucky.

Miscellaneous	15% Below Avg.	Avg. Final Rate	30% Above Avg.	# of Surveys Used	Avg. Un- adjusted Rate	Avg. Survey Fuel Price
Building Fence (no mat'l costs):						
Woven + Barbed Wire						
Easy Terrain/ft (includes set posts)				1	\$0.95	\$2.57
Easy Terrain/hr (includes set posts)				1	\$19.50	\$2.57
Rough Terrain/ft (includes set posts)				1	\$1.00	\$2.57
Rough Terrain/hr (includes set posts)				1	\$21.50	\$2.57
Barbed Wire						
Easy Terrain/ft (includes set posts)				1	\$0.75	\$2.57
Easy Terrain/hr (includes set posts)				1	\$17.50	\$2.57
Rough Terrain/ft (includes set posts)				1	\$0.80	\$2.57
Rough Terrain/hr (includes set posts)				1	\$20.50	\$2.57
Barbed / hr (post setting not specified)				1	\$13.50	\$2.50
Barbed / ft (post setting not specified)				1	\$0.50	\$2.50
Woven / hr (post setting not specified)				1	\$13.00	\$2.50
Woven / ft (post setting not specified)				1	\$0.50	\$2.50
Post Hole Digging (hole)				1	\$3.05	\$2.50
Non-Rocky Soil (hole)				1	\$5.85	\$2.57
Non-Rocky Soil (hour)				1	\$32.00	\$2.57
Rocky Soil (hole)				1	\$10.50	\$2.57
Rocky Soil (hour)				1	\$32.50	\$2.57
Post Hole Driving (post)				1	\$2.55	\$2.50
Post Hole Driving (hour)				1	\$19.00	\$2.57
Fence Removal (hour)				1	\$28.00	\$2.57
Fence Removal (ft)				1	\$0.35	\$2.57
Miscellaneous :						
Shearing Sheep / head				1	\$2.75	\$2.50
Hauling Livestock-trailer/mile				2	\$2.20	\$2.54
Hauling Livestock-truck/mile				2	\$2.60	\$2.54
Bulldozer (feet of blade/hr)				2	\$8.80	\$2.35
Bulldozer Work <= 9' blade				1	\$75.00	\$2.50
Bulldozer Work > 9' blade				1	\$84.50	\$2.50
Bulldozer Work (hr)				1	\$100.00	\$2.57
Bulldozer <100 HP (hr)				1	\$77.50	\$2.57
Bulldozer 100-150 HP (hr)				1	\$97.50	\$2.57
Bulldozer >150 HP (hr)				1	\$108.50	\$2.57
Building Ponds (hr)				2	\$94.00	\$2.54
Building Ponds / cubic yard				1	\$2.00	\$2.57
Backhoe (hr)				2	\$64.00	\$2.54
Track Hoe (hr)				2	\$99.50	\$2.39
Snow Removal-loader (hr)				2	\$55.50	\$2.35
Snow Removal-blade (hr)				2	\$56.00	\$2.35
Snow Removal-blower (hr)				2	\$68.00	\$2.35
Pump and Inject Manure (1000 gallons)				1	\$9.50	\$2.50
Load Solid Manure (hr)				1	\$53.50	\$2.50
Load and Spread Solid Manure (hr)				1	\$67.50	\$2.50