



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

**Department of Agricultural and Applied Economics  
Clemson University  
Clemson, SC**

**Extension Economics Report  
EER 174**

**September 1999**

**1998 Farm Machinery  
Custom Rates**

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

Hopefully, this information can be used by South Carolina farmers in providing some guidelines on normal custom charges for different machinery operations.

Johnny W. Jordan, Extension Ag. Economist  
864-656-3474

**FARM MACHINERY CUSTOM RATES  
IN GEORGIA, 1998**

Table of Contents

	<b><u>Page</u></b>
Custom Rate/Changes are Higher	1
Custom Rates vs. Operating Costs	3
Custom Farm Machinery Rates, 1998	
Tillage Operations	4
Planting Operations	4
Apply Chemicals	5
Harvest Operations	6
Hauling Crops and Livestock	9
Other Operations	10
Aerial Applications	11
Rental Rates for Machinery	12

## CUSTOM FARM MACHINERY RATES<sup>1</sup> IN GEORGIA, 1998

This publication reports a summary of custom farm machinery rates that custom operators in Georgia indicate they plan to charge in 1998.

These rates were obtained from a survey of over 300 operators who perform custom operations, and whom were identified by County Extension Agents. They were contacted by mail and requested to provide the rates they plan to charge for any machinery operation in 1998. Approximately 130 operators responded to the survey.

Rates Reported Are  
Higher Than in 1996

The last survey of this type was conducted in 1996. While we cannot identify all respondents to provide an individual comparison of rates in the two years, the overall level of intended rates in 1998 is 12% above the 1996 level.

The changes in rates are:

<u>Type Operation</u>	<u>Percent Increase</u> <u>1996 to 1998</u>
<i>Harvest Hay</i>	+27
<i>Tillage Operations</i>	+21
<i>Applying Chemicals</i>	+17
<i>Aerial Applications</i>	+ 9
<i>Planting</i>	+ 8
<i>Harvest Grains, Cotton, Peanuts</i>	+ 8
<i>Hauling Commodities</i>	+ 3
<i>Miscellaneous</i>	+ 2

---

But the following should be considered when making this comparison.

1. We do not know if those responding to the survey were those who replied in 1996. 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 specific jobs show little or no change. For example, rates charged for disking and chisel plow were virtually unchanged -- yet the overall rates for tillage showed a marked increase.

3. Why have rates increased? Two explanations are possible. Custom operators have generally remarked that the rates don't cover total operating costs. Given that machinery list prices and repairs have continued an upward trend, it is likely these operators have increase rates to cover total costs. And second, farm income for many operators has trended upward, making them more able to pay higher costs.

#### 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 work. Or the work may be done for a friend. Often, the rate is not indicative of costs incurred.

---Some work may be done by operators 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 misunderstanding 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 11.

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, 1998**

<b>Operation</b>	<b>Unit</b>	<b>Number of Responses</b>	<b>Average</b>	<b>Most Frequent</b>	<b>Range</b>
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>
<b>TILLAGE OPERATIONS</b>					
Plow	Acre	17	14.05	15.00	8.00 - 20.00
Plow	Hour	7	40.93	--	15.00 - 54.00
Disk	Acre	27	9.12	--	5.00 - 22.00
Disk	Hour	8	54.25	60.00	30.00 - 84.00
Subsoil	Acre	14	11.43	10.00	7.50 - 20.00
Subsoil	Hour	4	43.75	40.00	40.00 - 50.00
Subsoil and Bed	Acre	15	12.89	10.00	7.50 - 25.00
Sweep Cultivator	Acre	15	6.97	5.00	4.00 - 15.00
Rotary Hoe	Acre	5	5.40	--	3.50 - 10.00
Drag Harrow	Acre	5	7.50	--	5.00 - 12.50
Chisel Plow	Acre	14	11.10	15.00	7.50 - 16.50
Chisel Plow	Hour	2	52.50	--	--
<b>PLANTING OPERATIONS</b>					
Drill Small Grain	Acre	17	8.68	--	4.00 - 20.00
Drill Small Grain	Hour	2	42.50	--	--
No-Till Drill	Acre	11	14.68	15.00	12.00 - 20.00

**Custom Farm Machinery Rates  
Georgia, 1998**

<b>Operation</b>	<b>Unit</b>	<b>Number of Responses</b>	<b>Average</b>	<b>Most Frequent</b>	<b>Range</b>
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>
<b>PLANTING OPERATION (continued)</b>					
Plant Corn	Acre	22	10.67	10.00	5.00 - 20.00
Plant Soybeans	Acre	17	10.41	10.00	4.50 - 25.00
Plant Cotton	Acre	14	10.54	11.00	5.00 - 20.00
No-Till, Plant	Acre	4	12.88	--	12.00 - 15.00
Strip-Till, Plant	Acre	5	18.75	--	12.00 - 28.00
Sprig Bermuda -incl. sprigs	Acre	7	83.57	--	50.00 -130.00
Plant Pine Trees	Acre	11	35.27	--	25.00 - 50.00
<b>APPLY CHEMICALS</b>					
Spreading Fertilizer:					
Bulk Dry	Acre	14	4.37	4.00	3.50 - 10.00
Bulk Dry	Ton	5	20.80	--	15.00 - 25.00
Liquid	Acre	13	4.67	--	3.00 - 10.00
Liquid	Ton	5	46.75	--	22.00 - 60.00
Spread Lime	Acre	13	5.02	5.00	4.00 - 10.00
Spread Lime	Ton	7	5.20	--	4.00 - 8.00

**Custom Farm Machinery Rates  
Georgia, 1998**

Operation	Unit	Number of Responses	Average	Most Frequent	Range
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>

**APPLY CHEMICALS (continued)**

Apply Herbicides:

Direct	Acre	11	6.45	--	3.50 - 15.00
Cut - In	Acre	6	8.58	--	3.50 - 15.00
Apply Insecticides & Fungicides	Acre	5	4.00	4.00	3.00 - 5.00

**HARVEST OPERATIONS**

Pick Cotton:

Hauling Not Included	Acre	20	60.25	65.00	40.00 - 90.00
Charge Per Pound	Pound	23	.09	.09	.08 - .10
Minimum Charge	Acre	19	49.26	45.00	40.00 - 65.00
Build Module	Pound	5	.01	.01	.005 - .01
Build Module	Bale	6	4.00	--	3.00 - 5.00
Shake Pecan Trees	Tree	4	4.38	4.00	4.00 - 5.00
Shake, Sweep, Harvest Pecans	Pound	2	.19	--	--



**Custom Farm Machinery Rates  
Georgia, 1998**

Operation	Unit	Number of Responses	Average	Most Frequent	Range
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>
<b>HARVEST OPERATIONS (continued)</b>					
Combing: Hauling Not Included					
Corn Dryland	Acre	28	26.44	25.00	22.00 - 35.00
Corn Irrigated	Acre	22	28.81	25.00	23.00 - 35.00
Soybeans	Acre	28	26.09	30.00	18.00 - 30.00
Combing: Hauling Included					
Corn, Dryland	Acre	9	27.10	25.00	25.00 - 35.00
Corn, Irrigated	Acre	4	30.12	--	27.50 - 35.00
Soybeans	Acre	7	26.28	--	22.00 - 35.00
Dig Peanuts	Acre	14	15.71	15.00	5.00 - 20.00
Combine Peanuts	Acre	18	44.94	50.00	18.00 - 66.00
Combine Peanuts	Ton	3	23.33	--	20.00 - 25.00
Dig & Combine Peanuts	Acre	11	61.10	--	25.00 - 80.00
Dig-Combine & Haul Peanuts	Acre	5	77.00	--	55.00 - 400.00

**Custom Farm Machinery Rates  
Georgia, 1998**

Operation	Unit	Number of Responses	Average	Most Frequent	Range
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>
<b>HARVEST OPERATIONS (continued)</b>					
Mow Hay	Acre	6	10.17	10.00	8.00 - 15.00
Mow Hay	Hour	5	40.00	--	35.00 - 50.00
Rake Hay	Acre	7	7.64	3.00	2.00 - 15.00
Bale Hay	Sq. Bale	6	.69	--	.45 - 1.10
Mow, Rake, Bale	Sq. Bale	11	.94	1.00	.45 - 1.75
Mow, Rake, Bale, Haul Hay	Sq. Bale	5	1.43	--	1.00 - 2.00
Mow Hay	Rnd. Bale	3	5.67	--	4.00 - 7.00
Rake Hay	Rnd. Bale	6	2.08	2.00	1.00 - 4.00
<u>1,000 Lb. Bales:</u>					
Bale	Rnd. Bale	9	7.00	--	6.00 - 11.00
Mow, Rake, Bale	Rnd. Bale	18	13.67	14.00	8.00 - 19.00
Mow, Rake, Bale, Haul	Rnd. Bale	3	17.16	--	15.50 - 18.00
<u>1,200 Lb. Bales:</u>					
Bale	Rnd. Bale	7	7.93	--	6.50 - 12.00
Mow, Rake, Bale	Rnd. Bale	3	15.25	15.00	15.00 - 15.75
Mow, Rake, Bale, Haul	Rnd. Bale	3	17.91	--	14.00 - 22.00

**Custom Farm Machinery Rates  
Georgia, 1998**

<b>Operation</b>	<b>Unit</b>	<b>Number of Responses</b>	<b>Average</b>	<b>Most Frequent</b>	<b>Range</b>
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>
<b>HAULING CROPS AND LIVESTOCK</b>					
Haul Grains & Oilseeds less than 20 miles	Bu.	7	.12	.10	.10 - .15
Haul Grains & Soybeans more than 20 miles	Bu.	6	.15	--	.10 - .20
Haul Grains Loaded & Soybeans	Mile	3	1.67	--	1.50 - 2.00
Haul Loaded Livestock	Mile	8	1.41	1.50	1.00 - 1.90
Haul Hay	Rnd. Bale	7	4.50	--	3.00 - 7.00

**Custom Farm Machinery Rates  
Georgia, 1998**

Operation	Unit	Number of Responses	Average	Most Frequent	Range
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>
<b>OTHER OPERATIONS</b>					
Bush Hog	Acre	7	11.28	10.00	7.00 - 15.00
Bush Hog	Hour	9	33.89	35.00	20.00 - 45.00
Chop Stalks	Acre	2	7.00	--	--
Bulldozing - All	Hour	18	63.68	50.00	40.00 - 105.00
D6	Hour	3	58.33	--	50.00 - 65.00
D7	Hour	3	86.67	--	75.00 - 100.00
450 JD	Hour	8	50.00	50.00	45.00 - 55.00
Land Grading	Hour	4	55.00	50.00	45.00 - 75.00
Building Ponds	Hour	3	90.00	--	85.00 - 115.00
Remove, Haul, Spread Poultry Litter	Ton	5	11.60	--	5.00 - 20.00
Building Fence Includes Materials:					
Barbed Wire; 5-Strands	Linear Foot	3	1.12	--	1.00 - 1.25
Electric; 4-Strands Foot	Linear	2	1.10	--	--
Woven Wire	Linear Foot	3	1.73	--	1.60 - 2.29

**Custom Farm Machinery Rates  
Georgia, 1998**

<b>Operation</b>	<b>Unit</b>	<b>Number of Responses</b>	<b>Average</b>	<b>Most Frequent</b>	<b>Range</b>
			<i>Dollar</i>	<i>Dollar</i>	<i>Dollar</i>
<b>AERIAL APPLICATIONS</b>					
Insecticide Applications					
1 Gallon	Acre	9	3.33	3.00	2.75 - 4.00
3 Gallons	Acre	19	3.74	4.00	3.00 - 4.50
5 Gallons	Acre	5	4.10	4.00	3.50 - 5.00
Fungicide Applications					
3 Gallons	Acre	13	3.79	4.00	3.00 - 4.50
5 Gallons	Acre	14	4.18	4.00	3.50 - 5.00
Defoliation	Acre	17	4.34	--	3.00 - 5.50
Seeding	Pound	4	.08	--	.06 - .10
Seeding	Acre	10	7.42	--	4.00 - 12.00
Appl. Fertilizer	Pound	8	.06	.07	.05 - .08
Apply Herbicides	Acre	4	4.56	--	4.25 - 5.00

**Rental Rates for Machinery  
in Southern U.S., 1997 -- (No Labor or Fuel)**

Item	Unit	Rental Rate
Tractors:		
160 h.p.	Hour	\$34.00
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	1.50
Anhydrous Ammonia Applicator	Acre	1.80
Self Propelled Combine w/:		
Platform Head	Acre	20.00
Corn Head	Acre	20.00
Trailer Sprayer	Acre	3.00
Stalk Shredder, pto	Acre	5.00
High - Boy Sprayer	Acre	5.00
No - Till Grain Drill	Hour	10.00
No - Till Planter	Hour	10.00

Source: Doane Agricultural Report, May 9, 1997