CORNHUSKER ECONOMICS

University of Nebraska–Lincoln Extension

University of Nebraska Lincoln

June 20, 2012

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
http://agecon.unl.edu/cornhuskereconomics

2012 Nebraska Farm Custom Rates

Market Report	Yr Ago	4 Wks Ag	6/15/12
Livestock and Products, Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	$110.53	$124.17	$119.05
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	146.62	175.28	176.20
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	136.39	*	155.19
Choice Boxed Beef, 600-750 lb. Carcass	172.57	191.45	197.82
Western Corn Belt Base Hog Price Carcass, Negotiated	94.66	84.63	96.10
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	93.03	82.06	90.12
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct	207.62	*	146.50
National Carcass Lamb Cutout, FOB	405.72	357.08	340.49
Crops, Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	6.99	6.25	5.79
Corn, No. 2, Yellow Nebraska City, bu.	6.90	6.56	6.21
Soybeans, No. 1, Yellow Nebraska City, bu.	13.33	13.79	13.55
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	11.07	10.64	9.88
Oats, No. 2, Heavy Minneapolis, MN , bu.	3.58	3.63	3.30
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton	140.00	200.00	207.50
Alfalfa, Large Rounds, Good Platte Valley, ton	87.50	145.00	140.00
Grass Hay, Large Rounds, Good Nebraska, ton	72.50	97.50	97.50
Dried Distillers Grains, 10% Moisture, Nebraska Average	202.50	220.00	211.50
Wet Distillers Grains, 65-70% Moisture, Nebraska Average	67.50	79.00	70.38

*No Market

The 2012 Nebraska Farm Custom Rates are now available. These publications are the result of surveys that have been repeated on even numbered years for some time. Those who are familiar with the past publications will find that the current ones are very similar. The following description is for those who may not be aware of these publications.

The surveys and publications are done in two parts. Part I contains the rates for the spring and summer custom operations. These include tillage, planting, haying, fertilizer application and spraying operations, as well as small grain harvest. Part II contains rates that generally relate to fall operations, grain harvesting, making and hauling silage, hauling hay, cattle and other commodities and harvesting other crops.

The surveys are not based on a random sample of custom operators, but rather the information from operators who chose to share. Tabulated results include the number of operators reporting (results are not reported unless at least three operators have replied), the average of the reported rates, their range and the most common rate if there is one.

Survey results are tabulated on a state-wide basis and by eight geographic areas called crop reporting districts, established by the Agricultural Statistics Service. A map of Nebraska is included in the publication showing the boundaries of these districts.

The number of responses vary considerably for the different operations. Only three people in the entire state reported planting row crops using a lister with a band applicator. This contrasts to 149 operators who reported a rate for combining soybeans.

IANR

Extension is a Division of the Institute of Agriculture and Natural Resources at the University of Nebraska–Lincoln cooperating with the Counties and the U.S. Department of Agriculture.

University of Nebraska Extension educational programs abide with the non-discrimination policies of the University of Nebraska–Lincoln and the United States Department of Agriculture.

There were more total responses for combining corn, but they were distributed among different pricing schemes. Some operators reported a flat charge per acre for combining irrigated and dryland corn. Others reported charging on the basis of the number of acres and the bushels of corn harvested. Still others reported a flat charge per acre, but with an additional charge if the yield exceeded a given number of bushels per acre. The average yield before the extra bushel charge kicked in was 142 bushels per acre for irrigated corn and 116 bushels per acre for dryland corn.

Other harvested grain crops included in the survey were wheat and other small grains, grain sorghum, millet, dry beans and sunflowers.

The range of reported rates can be substantial. The reported rate for combining irrigated corn goes from $12 to $50 per acre. It is possible that some custom providers are charging only enough to cover the direct costs, resulting in a very low rate. Field conditions such as size and terrain vary throughout the state, which could affect maximum rates.

While most rates are reported on a per acre basis, some are reported on a per hour basis. The variation in rates per hour appears to be greater than the rates per acre. As an example, the cost for chopping, hauling, filling and packing corn silage varies from $75 to $800 per hour. Part of the reason for this variation no doubt, is the quantity of silage that can be harvested per hour.

Custom operators varied considerably, which is another reason for rate variations. One reported doing custom work on 30 acres during the year, while another reported doing custom work on 9,000 acres. One respondent reported doing custom work for eight hours during the year, while another reported 4,000 hours spent doing custom work.

While most of the survey consists of rates for field operations such as tillage, planting and harvesting, it includes a number of operations that some may not be aware of. Drying grain, cleaning and treating various kinds of seed, elevating grain and checking pivots are some examples. In addition, the publications include rates for some livestock operations such as checking cattle, grinding feed and hauling livestock. Rates for some other related operations include waste handling, mowing pasture, digging post holes, driving posts and trenching. There are also rates for renting various sized tractors, hiring labor, and additional charges for employing an auto steer system.

The information contained in these publications should be used only as a guide. There are often good reasons for the variability in rates, and those mentioned are not intended to be inclusive, but illustrative of the differences that exist among custom operators, prevalent conditions and specific field situations. These differences need to be accounted for if an equitable rate is to be determined. Because of the diversity inherent in agriculture, equal is not necessarily equitable.

These publications are available online at http://go.unl.edu/customrates. Printed copies may be obtained from the University of Nebraska-Lincoln Publications Warehouse, P.O. Box 830918, Lincoln, NE 68583-0918. The cost for printed copies is $1.25 each.

Roger Wilson, (402) 472-1771
Farm Management/Enterprise Budget Analyst
Department of Agricultural Economics
University of Nebraska-Lincoln
rwilson6@unl

Subscription Renewal Time!!!

It is time to renew your ***Cornhusker Economics Newsletter*** for the coming year July 2012 - June 2013. Due to rising costs, the subscription rate has increased to $30.00 per year. Attached is a renewal form to fill out and return with your check. Please make your check payable to the **University of Nebraska**. If you have any questions, call Nancy Pritchett at (402) 472-1789.

Cornhusker Economics

Subscription Rates Prorated by Month
(Subscriptions run from July 1 -- June 30)
2012 - 2013

Full Subscription Fee (July 1 - June 30)	**$30.00**
Subscription as of July 1	30.00
Subscription as of August 1	28.40
Subscription as of September 1	26.80
Subscription as of October 1	25.20
Subscription as of November 1	23.60
Subscription as of December 1	22.00
Subscription as of January 1	20.40
Subscription as of February 1	18.80
Subscription as of March 1	17.20
Subscription as of April 1	15.60
Subscription as of May 1	14.00
Subscription as of June 1	12.40

Enclosed is my check for $_____ made payable to the **University of Nebraska**. Please begin my subscription to *Cornhusker Economics* for _____ months through June 30, 2013.

Name _____

Address _____

_____

Mail with your payment to:
Nancy Pritchett, 307 Filley Hall, University of Nebraska, Lincoln, NE 68583-0922.
Phone: (402) 472-1789