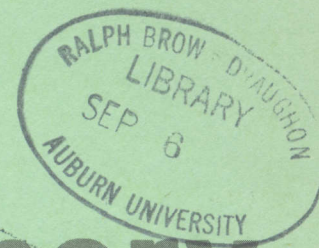


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AGRICULTURAL ECONOMICS
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Farm Machinery

CUSTOM RATES

in Alabama

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FARM MACHINERY CUSTOM RATES IN ALABAMA - 1963

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FARM MACHINERY CUSTOM RATES IN ALABAMA, 1963*

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Custom work may be defined as the hiring of men with machines for performance of a specified machine task. The custom rate must cover the machinery cost, labor furnished, and materials that may be supplied by the custom operator. The cost of materials such as dusts or seed generally is not included.

Custom work is normally provided by those who own and operate specialized machines or equipment as a business, or by farmers who have excess machine capacity and labor on their own farms.

Custom operations are performed on Alabama farms for a variety of reasons. Machine ownership costs are eliminated by the one who hires the custom operator. Capital can be invested in other enterprises. Skilled labor can be hired along with the use of the machine. Individual operators who hire custom work may avoid the risks of obsolescence of equipment as a result of new engineering developments and market conditions.

There are often certain advantages to the custom operator. Custom work may provide an additional source of income. It may help to lower

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per unit machinery costs for the custom operator by providing more acres or units of machine use.

Hiring custom work may have some disadvantages. Service may not be available when the job should be performed. The quality and quantity of the custom work available may be low. In some cases, annual costs of hiring custom work may be higher than ownership costs for the machine. Noxious plants and diseases may be spread. Also, in some cases, the farmer hiring custom work may not have alternative uses or he may have limited uses for labor that may be released.

During the fall of 1963, a survey was conducted to determine the custom rates being paid or charged for major farm operations in Alabama. Results of this survey provided information on rates that were paid or charged in 1963.

Questionnaires were mailed to 10 farmers in each county in the State who hired or performed the largest volume and variety of custom work. Names of these farmers were supplied by county agents. A total of 374 usable questionnaires were returned.

Within an area, size of equipment used in most cases did not appear to influence custom rates. However, between areas there were differences in custom rates according to size of equipment used. These differences can be explained by differences in soil types, type and size of machinery required to do the job, and size of fields.

Typical custom rates paid or charged for major farm operations in Alabama in 1963 are given in Table 1. Also given are the ranges in rates charged for these operations. The most common rate was the one reported most often. The usual range was based on lowest and highest

rate reported provided more than one farmer or custom operator reported this rate. In some cases, custom rates are given in the State table but not in the area tables. In these cases, there were insufficient data to determine differences between geographic areas.

Variations existed in custom rates between geographic areas of the State. The State was divided into seven areas in order to detect differences. Figure 1 indicates area boundaries and names assigned to the seven areas. Custom rate data, as reported for these areas, are given by major farm operations for 1963 in Tables 2 through 33. The number of returned questionnaires used in this report is also shown by counties in Figure 1.

Since 1951, custom rates have not shown substantial changes. There has been a tendency for the traditional charge to prevail. However, certain rates have shown evidence of change since the first custom rate data were assembled for Alabama in 1951 as shown below:

Custom operation	Unit	1951	1958	1963
		<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>
Breaking land-----	Per acre	4.00	3.00	4.00
Planting row crops-----	Per acre	2.50	2.00	2.00
Cultivating row crops-----	Per acre	2.00	1.50	2.00
Baling hay-----	Per bale	.15	.20	.15
Combining small grains-----	Per acre	10.00	6.00	6.00
Combining legume seed-----	Per acre	10.00	6.00	8.00
Corn picking-----	Per acre	5.00	6.00	6.00

Farm operators included in the 1963 survey were asked to indicate the expected change in custom rates paid or charged for 1964. Replies were in the following terms: "expected increase," "expected decrease," or "no change in rates." A summary of these replies by major geographic areas of the State is shown in Table 34.

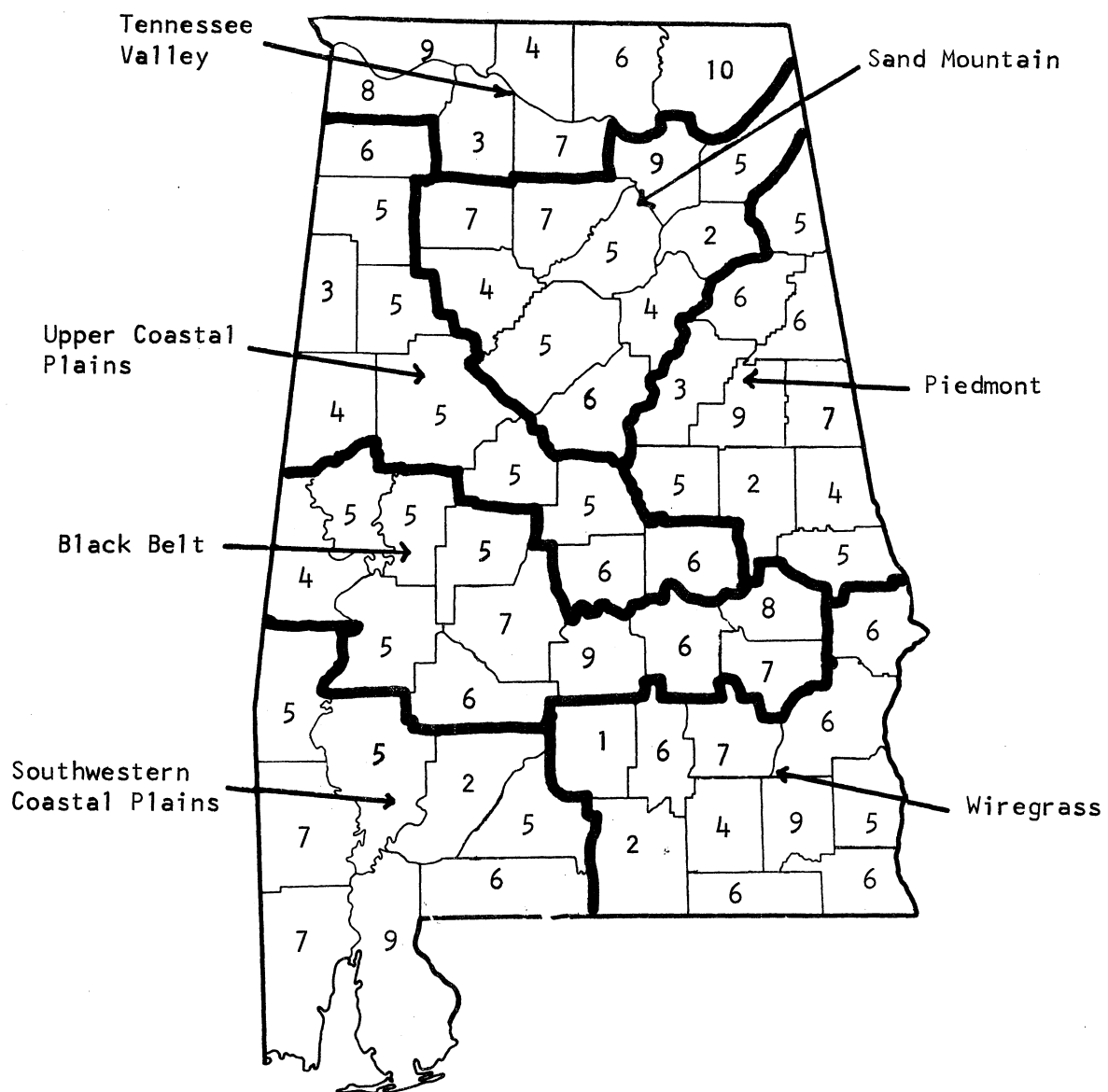


Figure 1. Number of Custom Rate Questionnaires Returned and Used, by Counties and Geographic Areas, 1963

Table 1. Typical Custom Rates Paid or Charged, for Major Farm Operations, Alabama, 1963 ^{1/}

Operation	Unit	Rate	
		Most common rate	Usual range in rates
		Dollars	Dollars
Breaking land-----	Per acre	4.00	2.00 - 6.00
Breaking land-----	Per hour	4.00	2.00 - 6.00
Harrowing land:			
Disk harrow-----	Per acre	2.00	1.00 - 4.00
Disk harrow-----	Per hour	4.00	2.00 - 6.00
Spike-tooth harrow-----	Per acre	1.00	1.00 - 1.50
Spreading lime or basic slag:			
Tractor spreader-----	Per acre	2.00	.50 - 2.00
Truck spreader-----	Per ton	3.00	1.50 - 4.50
Spreading fertilizer:			
Tractor spreader-----	Per acre	1.00	.50 - 2.00
		or 2.00	
Truck spreader-----	Per ton	3.00	1.50 - 5.00
Applying liquid nitrogen-----	Per acre	1.00	.50 - 4.00
Applying anhydrous ammonia-----	Per pound	.04	.03 - .04
Applying anhydrous ammonia-----	Per acre	1.00	1.00 - 3.00
Planting row crops:			
Two-row equipment-----	Per acre	2.00	1.50 - 3.50
Two-row equipment-----	Per hour	4.00	3.00 - 6.00
Four-row equipment-----	Per acre	2.00	1.50 - 3.00
Rotary hoeing row crops-----	Per acre	1.00	.50 - 2.00
Cultivating, or cultivating and fertilizing row crops-----	Per acre	2.00	1.00 - 3.00
Cultivating, or cultivating and fertilizing row crops -----	Per hour	4.00	3.00 - 6.00
Planting small grain-----	Per acre	2.00	1.00 - 3.00
Planting legumes:			
Cultipacker seeder-----	Per acre	2.00	1.00 - 3.00

(Continued on next page)

Table 1. (Continued) Typical Custom Rates Paid or Charged, for Major Farm Operations, Alabama, 1963 1/

Operation	Unit	Rate	
		Most common rate	Usual range in rates
		Dollars	Dollars
Mowing hay-----	Per acre	2.00	1.00 - 4.00
Mowing hay-----	Per hour	4.00	2.50 - 6.00
Raking hay-----	Per acre	1.00	1.00 - 2.00
Raking hay-----	Per bale	.05	.02 - .10
Baling hay-----	Per bale	.15	.10 - .25
Baling hay-----	Per ton	6.00	5.00 - 8.00
Raking and baling hay-----	Per bale	.20	.15 - .30
Mowing, raking, and baling hay---	Per bale	.25	.20 - .40
Silage cutting (without hauling)-	Per acre	10.00	5.00 - 12.00
Silage cutting (without hauling)-	Per hour	10.00	5.00 - 10.00
Corn picking-----	Per acre	6.00	5.00 - 10.00
Corn picking-----	Per bushel	.15	.10 - .25
Corn picking and shelling-----	Per acre	10.00	6.00 - 10.00
Corn picking and shelling-----	Per bushel	.20	.15 - .25
Combining small grain-----	Per acre	6.00	2.00 - 10.00
Combining small grain-----	Share	1/4	1/6 - 1/2
Combining legume seed-----	Per acre	8.00	2.00 - 10.00
Combining legume seed-----	Share	1/2	1/6 - 1/2
Digging and shaking peanuts-----	Per acre	3.00	2.00 - 5.00
Digging peanuts-----	Per acre	2.00	1.50 - 2.00

(Continued on next page)

Table 1. (Continued) Typical Custom Rates Paid or Charged, for Major Farm Operations, Alabama, 1963 ^{1/}

Operation	Unit	Rate	
		Most common rate	Usual range in rates
		Dollars	Dollars
Shaking peanuts-----	Per acre	2.00	1.00 - 2.00
Combining or picking peanuts-----	Per ton	20.00	20.00 - 25.00
Combining or picking peanuts-----	Per acre	15.00	10.00 - 15.00
Mechanical picking of cotton-----	Per lb., lint	.06	.06 - .07
Cutting or shredding stalks-----	Per acre	2.00	1.00 - 3.00
Cutting or shredding stalks-----	Per hour	4.00	3.00 - 5.00
Clipping or mowing pastures-----	Per acre	2.00	.50 - 4.00
Clipping or mowing pastures-----	Per hour	4.00	2.50 - 7.00
Dusting for insect and disease control:			
Tractor duster-----	Per acre	1.00	.50 - 2.00
Airplane-----	Per pound	.05	.05 - .05
Spraying for insect and disease control-----	Per acre	1.00	.50 - 2.00
Spraying pecans for insect and disease control (includes materials)-----	Per tree	1.00	1.00 - 1.00
Spraying pastures for weed control-----	Per acre	1.00	.50 - 2.50
Digging post holes-----	Per hole	.10	.05 - .15
Bulldozing:			
D-6 or TD 14-----	Per hour	12.50	10.00 - 15.00
D-7 or TD 18A-----	Per hour	12.50	10.00 - 20.00
		or 15.00	

^{1/} Tables 2 through 33 present custom rates and explanations that pertain to custom operations for geographic areas of the State.

Table 2. Breaking Land (Bottom or Disk Plow): Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per hour	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	4.00	3.00 - 4.50	<u>3/</u>	<u>3/</u>
Sand Mountain-----	4.00	3.00 - 5.00	3.50	3.00 - 5.00
Piedmont-----	4.00	3.00 - 6.00	4.00	3.00 - 6.00
Upper Coastal Plains--	4.00	3.00 - 4.00	4.00	2.00 - 4.00
Black Belt-----	4.00	2.00 - 6.00	3.00	3.00 - 4.00
Southwestern Coastal Plains-----	3.00	3.00 - 4.00	3.00	3.00 - 4.00
Wiregrass-----	3.00	2.00 - 4.00	<u>3/</u>	<u>3/</u>
STATE	4.00	2.00 - 6.00	4.00	2.00 - 6.00

^{1/} Items furnished by the custom operator included power, plow, and operator.

^{2/} Within areas, it did not appear that size of equipment influenced the custom rate per acre.

^{3/} No report or inadequate sample.

Table 3. Harrowing Land (Disk Harrow): Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per hour	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	Dollars	Dollars	Dollars	Dollars
Tennessee Valley-----	2.00	1.00 - 2.00	<u>3/</u>	<u>3/</u>
Sand Mountain-----	3.00 ^{4/}	1.50 - 3.00	3.50 ^{5/}	3.00 - 5.00
Piedmont-----	2.00	2.00 - 3.00	4.00	3.00 - 6.00
Upper Coastal Plains--	2.00	1.50 - 3.00	3.00	3.00 - 5.00
Black Belt-----	3.00	1.50 - 4.00	3.50	2.00 - 4.50
Southwestern Coastal Plains-----	2.00	1.50 - 3.00	3.00	3.00 - 4.00
Wiregrass-----	1.50	1.00 - 2.00	<u>3/</u>	<u>3/</u>
STATE-----	2.00	1.00 - 4.00	4.00	2.00 - 6.00

^{1/} Items furnished by the custom operator included power, harrow, and operator.

^{2/} Within areas, it did not appear that size of equipment influenced custom rate per acre.

^{3/} No report or inadequate sample.

^{4/} An equal number reported \$2 per acre.

^{5/} An equal number reported \$5 per hour.

Table 4. Harrowing Land (Spike Tooth Harrow): Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per acre ^{3/}	
	Most common rate	Usual range in rates
	Dollars	Dollars
Tennessee Valley-----	1.50	1.50 - 1.50
Black Belt-----	1.00	1.00 - 1.00
Wiregrass-----	1.50	1.00 - 1.50
STATE-----	1.00	1.00 - 1.50

^{1/} Items furnished by the custom operator included power, harrow, and operator.

^{2/} For geographic areas not shown, there were no reports or sample was inadequate.

^{3/} Within areas, it did not appear that size of equipment influenced the custom rate per acre.

Table 5. Custom Application of Liquid Nitrogen: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per acre ^{3/}	
	Most common rate	Usual range in rates
	Dollars	Dollars
Black Belt-----	1.00	1.00 - 1.00
Southwestern Coastal Plains-----	1.00	1.00 - 1.00
Wiregrass-----	1.00	1.00 - 1.00
STATE-----	1.00	0.50 - 4.00

^{1/} Items furnished by the person doing the operation included power, applicator, and operator. Materials were furnished by the person hiring the operation performed.

^{2/} For geographic areas not shown, sample was inadequate.

^{3/} This range includes data for all areas of the State although responses in four areas were inadequate to report area figures.

Table 6. Spreading Fertilizer: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged			
	Per acre, tractor spreader ^{2/}		Per ton, truck spreader	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	Dollars	Dollars	Dollars	Dollars
Tennessee Valley-----	2.00	1.00 - 2.00	2.50	1.50 - 2.50
Sand Mountain-----	<u>3/</u>	<u>3/</u>	<u>4/</u>	1.50 - 4.00
Piedmont-----	<u>3/</u>	<u>3/</u>	<u>4/</u>	2.00 - 4.00
Upper Coastal Plains--	1.50	1.00 - 1.50	4.00	2.00 - 4.00
Black Belt-----	1.50	1.50 - 1.50	3.50	3.00 - 5.00
Southwestern Coastal Plains-----	1.00	1.00 - 2.00	4.00	4.00 - 4.00
Wiregrass-----	1.00	.50 - 2.00	3.00	3.00 - 5.00
STATE-----	<u>5/</u>	0.50 - 2.00	3.00	1.50 - 5.00

^{1/} Items furnished by the custom operator included power, spreader, and operator. Materials were furnished by the person hiring the operation performed.

^{2/} For tractor spreaders, the most common rate per hour was as follows: \$4 in the Sand Mountain Area; \$4 in the Piedmont; \$3 in the Upper Coastal Plains; \$3 in the Southwestern Coastal Plains. For truck spreaders, the most common rate per acre was \$2 in the Southwestern Coastal Plains.

^{3/} No report or inadequate sample.

^{4/} No rate most common.

^{5/} An equal number reported \$1 and \$2 per acre.

Table 7. Spreading Lime or Basic Slag: Custom Rates Paid or Charged,
by Geographic Areas, Alabama, 1963 1/

Geographic area	Custom rates paid or charged <u>2/</u>			
	Per acre, tractor spreader		Per ton, truck spreader	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	2.00	2.00 - 2.00	2.00	1.50 - 2.50
Sand Mountain-----	<u>3/</u>	<u>3/</u>	3.00 <u>4/</u>	2.00 - 4.00
Piedmont-----	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>
Upper Coastal Plains--	<u>3/</u>	<u>3/</u>	4.00	2.00 - 4.00
Black Belt-----	<u>5/</u>	.50 - 2.00	3.00	2.00 - 3.50
Southwestern Coastal Plains-----	1.00	1.00 - 2.00	<u>5/</u>	2.00 - 4.50
Wiregrass-----	1.00	1.00 - 2.00	3.00	1.50 - 4.50
STATE-----	2.00	0.50 - 2.00	3.00	1.50 - 4.50

1/ Items furnished by the custom operator included power, spreader, and operator. Material was furnished by the person hiring the operation performed.

2/ For truck spreaders, the most common rate per acre was \$2 in the Southwestern Coastal Plains. For tractor spreaders, the most common rate was \$2 per ton in the Tennessee Valley; in the Piedmont Area it was \$4 per hour.

3/ No report or inadequate sample.

4/ An equal number reported \$3.50 per ton.

5/ No rate most common.

Table 8. Planting Row Crops (Two-Row Equipment): Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

	Custom rates paid or charged			
	Per acre		Per hour	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	2.00	2.00 - 3.00	<u>2/</u>	<u>2/</u>
Sand Mountain-----	2.00	2.00 - 3.00	3.50	3.50 - 5.00
Piedmont-----	<u>2/</u>	<u>2/</u>	4.00	3.50 - 6.00
Upper Coastal Plains--	2.00	2.00 - 2.00	3.50	3.00 - 3.50
Black Belt-----	3.00	1.50 - 3.00	4.00	4.00 - 4.00
Southwestern Coastal Plains-----	2.00	2.00 - 2.00	3.00	3.00 - 3.00
Wiregrass-----	2.00	1.50 - 3.50	<u>2/</u>	<u>2/</u>
STATE-----	2.00	1.50 - 3.50	4.00	3.00 - 6.00

^{1/} Items furnished by the custom operator included power, planters, and operator.

^{2/} No report or inadequate sample.

Table 9. Planting Row Crops (Four-Row Equipment): Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per acre	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	2.00	1.50 - 2.00
Black Belt-----	3.00	3.00 - 3.00
Southwestern Coastal Plains-----	2.00	1.50 - 2.00
STATE-----	2.00	1.50 - 3.00

^{1/} Items furnished by custom operator included power, planters, and operator.

^{2/} For geographic areas not shown there was no report or sample was inadequate for four-row equipment.

Table 10. Rotary Hoeing Row Crops: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per acre ^{3/}	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	1.50	1.00 - 2.00
Sand Mountain-----	2.00	1.50 - 2.00
Southwestern Coastal Plains-----	1.00	.75 - 1.50
Wiregrass-----	1.00	.50 - 1.50
STATE-----	1.00	0.50 - 2.00

^{1/} Items furnished by the custom operator included power, rotary hoe, and operator.

^{2/} For geographic areas not shown, there was no report or sample was inadequate.

^{3/} Within areas, it did not appear that size of equipment influenced the custom rate per acre.

Table 11. Cultivating or Cultivating and Fertilizing Row Crops: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per hour	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	Dollars	Dollars	Dollars	Dollars
Tennessee Valley-----	2.00	1.00 - 2.00	<u>3/</u>	<u>3/</u>
Sand Mountain-----	2.00	2.00 - 2.50	4.00	3.50 - 5.00
Piedmont-----	<u>3/</u>	<u>3/</u>	4.00	3.00 - 6.00
Upper Coastal Plains--	2.00 <u>4/</u>	1.00 - 2.00	4.00	3.00 - 4.00
Black Belt-----	2.00	1.00 - 3.00	<u>3/</u>	<u>3/</u>
Southwestern Coastal Plains-----	2.00 <u>5/</u>	1.00 - 2.00	<u>3/</u>	<u>3/</u>
Wiregrass-----	1.50	1.00 - 2.00	<u>3/</u>	<u>3/</u>
STATE-----	2.00	1.00 - 3.00	4.00	3.00 - 6.00

^{1/} Items furnished by the custom operator included power, cultivators, fertilizer attachment, and operator.

^{2/} Within areas, it did not appear that size of equipment influenced the custom rate per acre.

^{3/} No report or inadequate sample.

^{4/} An equal number reported \$1.

^{5/} An equal number reported \$1.50.

Table 12. Planting Small Grain: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged per acre ^{2/}	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	2.00	1.50 - 3.00
Sand Mountain-----	2.00	1.50 - 2.50
Piedmont-----	<u>3/</u>	<u>3/</u>
Upper Coastal Plains-----	1.50	1.50 - 1.50
Black Belt-----	1.50	1.50 - 2.00
Southwestern Coastal Plains-----	2.00	1.00 - 2.50
Wiregrass-----	2.00 ^{4/}	1.00 - 3.00
STATE-----	2.00	1.00 - 3.00

^{1/} Items furnished by the custom operator included power, grain drill, and operator.

^{2/} Within areas, it did not appear that size of equipment influenced the custom rate per acre. The most common rate per hour was as follows: \$5 in the Piedmont, and \$3 in the Upper Coastal Plains.

^{3/} No report or inadequate sample.

^{4/} An equal number reported \$1.

Table 13. Mowing Hay: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per hour	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	2.00	1.00 - 3.00	<u>3/</u>	<u>3/</u>
Sand Mountain-----	2.00	1.50 - 3.00	4.00	3.00 - 6.00
Piedmont-----	2.00	2.00 - 3.00	4.00	3.00 - 6.00
Upper Coastal Plains--	2.00	2.00 - 4.00	<u>3/</u>	<u>3/</u>
Black Belt-----	1.50	1.00 - 1.50	<u>3/</u>	<u>3/</u>
Southwestern Coastal Plains-----	2.00	2.00 - 3.00	4.00	2.50 - 5.00
Wiregrass-----	2.00	1.50 - 2.00	<u>3/</u>	<u>3/</u>
STATE-----	2.00	1.00 - 4.00	4.00	2.50 - 6.00

^{1/} Items furnished by the custom operator included power, cycle mower, and operator.

^{2/} Within areas, it did not appear that size of equipment influenced the custom rate per acre. In some areas, custom rates were reported on a per bale basis. On this basis, the most common rate for the State was 5 cents per bale.

^{3/} No report or inadequate sample.

Table 14. Raking Hay: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per bale	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	1.50	1.00 - 2.00	0.05	0.02 - 0.05
Sand Mountain-----	1.00	1.00 - 1.00	.05	.02 - .05
Piedmont-----	<u>3/</u>	<u>3/</u>	.05	.05 - .10
Upper Coastal Plains--	1.00	1.00 - 1.00	.05	.05 - .05
Black Belt-----	<u>4/</u>	1.00 - 1.50	.05	.02 - .05
Southwestern Coastal Plains-----	1.00	1.00 - 1.50	.05	.05 - .10
Wiregrass-----	1.50	1.00 - 2.00	<u>3/</u>	<u>3/</u>
STATE-----	1.00	1.00 - 2.00	0.05	0.02 - 0.10

^{1/} Items furnished by the custom operator included power, equipment, and labor.

^{2/} Within areas, it did not appear that size of equipment influenced custom rate. In some areas, custom rates were reported on a per-hour basis. On this basis the most common rate for the State was \$3 per hour.

^{3/} No report or inadequate sample.

^{4/} No rate most common.

Table 15. Baling Hay: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged			
	Per bale		Per ton	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	Dollars	Dollars	Dollars	Dollars
Tennessee Valley-----	0.15	0.15 - 0.20	<u>2/</u>	<u>2/</u>
Sand Mountain-----	.20	.15 - .25	<u>2/</u>	<u>2/</u>
Piedmont-----	.20	.15 - .25	<u>2/</u>	<u>2/</u>
Upper Coastal Plains--	.15	.15 - .25	6.00	6.00 - 6.00
Black Belt-----	.15	.10 - .16	6.00	5.00 - 8.00
Southwestern Coastal Plains-----	.15	.15 - .25	<u>2/</u>	<u>2/</u>
Wiregrass-----	.15	.10 - .20	<u>2/</u>	<u>2/</u>
STATE-----	0.15	0.10 - 0.25	6.00	5.00 - 8.00

^{1/} Items furnished by the custom operator included power, equipment, twine or wire, and labor. Hauling was done by the person hiring the operation performed.

^{2/} No report or inadequate sample.

Table 16. Raking and Baling Hay: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged per bale ^{2/}	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	0.20	0.15 - 0.25
Sand Mountain-----	.25	.20 - .30
Piedmont-----	.25	.20 - .30
Upper Coastal Plains-----	.25	.20 - .25
Black Belt-----	.20	.15 - .20
Southwestern Coastal Plains-----	.25	.18 - .25
Wiregrass-----	.20	.15 - .25
STATE-----	0.20	0.15 - 0.30

^{1/} Items furnished by the custom operator included power, equipment, wire or twine, and labor. Hauling was done by the person hiring the operation performed.

^{2/} In some areas, rates were reported on a per-ton basis. On this basis, the usual range in rates for the State was \$6 to \$10 per ton.

Table 17. Mowing, Raking, and Baling Hay: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged per bale ^{2/}	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	0.25	0.25 - 0.35
Sand Mountain-----	.30	.25 - .35
Piedmont-----	.30	.25 - .40
Upper Coastal Plains-----	.30	.25 - .35
Black Belt-----	.25	.20 - .30
Southwestern Coastal Plains-----	.25	.25 - .30
Wiregrass-----	.25 ^{3/}	.20 - .30
STATE-----	0.25	0.20 - 0.40

^{1/} Items furnished by the custom operator included power, equipment, wire or twine, and labor. Hauling was done by the person hiring the operation performed.

^{2/} In some areas, rates were reported on a per-ton basis. The most common rate per ton was as follows: \$10 in the Upper Coastal Plains, \$10 in the Black Belt, and \$8 in the Wiregrass.

^{3/} An equal number reported 20 cents.

Table 18. Corn Picking: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per bushel	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	6.00	5.00 - 8.00	0.15	0.10 - 0.15
Sand Mountain-----	6.00	6.00 - 7.00	.15	.15 - .20
Piedmont-----	6.00	6.00 - 7.00	.15	.10 - .25
Upper Coastal Plains--	5.00	5.00 -10.00	.15	.15 - .25
Black Belt-----	8.00	5.00 - 9.00	<u>3/</u>	<u>3/</u>
Southwestern Coastal Plains-----	6.00 <u>4/</u>	5.00 - 8.00	<u>3/</u>	<u>3/</u>
Wiregrass-----	5.00	5.00 - 7.00	<u>3/</u>	<u>3/</u>
STATE-----	6.00	5.00 -10.00	0.15	0.10 - 0.25

^{1/} Items furnished by the custom operator included power, picking equipment, and operator. Hauling was done by the person hiring the operation performed.

^{2/} Within areas, it did not appear that size of equipment influenced the custom rate per acre.

^{3/} No report or inadequate sample.

^{4/} An equal number reported \$7.

Table 19. Corn Picking and Shelling: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per bushel	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	8.00	6.00 -10.00	0.20	0.15 - 0.25
Sand Mountain-----	<u>3/</u>	<u>3/</u>	.25	.15 - .25
Upper Coastal Plains--	<u>3/</u>	<u>3/</u>	.20	.20 - .25
Southwestern Coastal Plains-----	10.00	7.00 -10.00	<u>3/</u>	<u>3/</u>
Wiregrass-----	10.00	7.00 -10.00	<u>3/</u>	<u>3/</u>
STATE-----	10.00	6.00 -10.00	0.20	0.15 - 0.25

^{1/} Items furnished by the custom operator included power, picker-sheller, or combine, and labor. Hauling in some instances was done by the custom operator.

^{2/} In the Wiregrass area, custom rates paid or charged for corn picking and shelling were also reported on a per-ton basis. On this basis, the most common rate was \$10 per ton.

^{3/} No report or inadequate sample.

Table 20. Combining Small Grains: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Share basis	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	Dollars	Dollars	Dollars	Dollars
Tennessee Valley-----	6.00	2.00 - 8.00	1/4	1/6 - 1/3
Sand Mountain-----	<u>3/</u>	5.00 -10.00	1/4	1/4 - 1/4
Piedmont-----	6.00 <u>4/</u>	3.50 -10.00	1/4	1/4 - 1/4
Upper Coastal Plains--	6.00	6.00 -10.00	1/2	1/4 - 1/2
Black Belt-----	8.00	6.00 -10.00	1/2	1/4 - 1/2
Southwestern Coastal Plains-----	6.00	6.00 - 7.00	<u>5/</u>	<u>5/</u>
Wiregrass-----	6.00 <u>6/</u>	5.00 -10.00	<u>5/</u>	<u>5/</u>
STATE-----	6.00	2.00 -10.00	1/4	1/6 - 1/2

^{1/} Items furnished by the custom operator included power, combining equipment, and combining labor. Hauling was furnished by the person hiring the operation performed.

^{2/} Within areas, it did not appear that size of equipment influenced the custom rate per acre or per hour.

^{3/} No rate most common.

^{4/} An equal number reported \$5.

^{5/} No report or inadequate sample.

^{6/} An equal number reported \$10.

Table 21. Combining Legume Seed: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Share basis	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	8.00 ^{3/}	2.00 -10.00	1/4	1/6 - 1/2
Sand Mountain-----	8.00 ^{3/}	8.00 -10.00	1/2	1/4 - 1/2
Piedmont-----	^{4/}	^{4/}	1/2	1/2 - 1/2
Upper Coastal Plains--	^{4/}	^{4/}	1/2	1/4 - 1/2
Black Belt-----	8.00	8.00 -10.00	1/2	1/2 - 1/2
Southwestern Coastal Plains-----	7.00	6.00 - 8.00	1/2	1/2 - 1/2
Wiregrass-----	6.00 ^{5/}	5.00 -10.00	1/2	1/2 - 1/2
STATE-----	8.00	2.00 -10.00	1/2	1/6 - 1/2

^{1/} Items furnished by the custom operator included power, combining equipment, and combining labor. Hauling was done by the person hiring the combining performed.

^{2/} Within areas, it did not appear that size of equipment influenced the custom rate per acre or per hour.

^{3/} An equal number reported \$10.

^{4/} No report or inadequate sample.

^{5/} An equal number reported \$5.

Table 22. Digging Peanuts: Custom Rates Paid or Charged, Wiregrass Area, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per acre	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Wiregrass-----	2.00	1.50 - 2.00

^{1/} Items furnished by the person doing the operation included power, equipment, and operator.

^{2/} For geographic areas not shown, there was no report or sample was inadequate.

Table 23. Shaking Peanuts: Custom Rates Paid or Charged, Wiregrass Area, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per acre	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Wiregrass-----	2.00	1.00 - 2.00

^{1/} Items furnished by the person doing the operation included power, equipment, and operator.

^{2/} For geographic areas not shown, there was no report or sample was inadequate.

Table 24. Digging and Shaking Peanuts: Custom Rates Paid or Charged, Wiregrass Area, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per acre	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Wiregrass-----	3.00	2.00 - 5.00

^{1/} Items furnished by the person doing the operation included power, digger-shaker, and operator.

^{2/} For geographic areas not shown, there was no report or sample was inadequate.

Table 25. Combining or Picking Peanuts: Custom Rates Paid or Charged, Wiregrass Area, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged ^{3/}			
	Per ton		Per acre	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Wiregrass-----	20.00	20.00-25.00	15.00	10.00-15.00

^{1/} Items furnished by the custom operator included power, equipment, labor and in most cases, hauling peanuts to market.

^{2/} For geographic areas not shown, there was no report or sample was inadequate.

^{3/} In most cases rates were based on use of peanut combines; however, in some cases they included rates for pull-type pickers.

Table 26. Cutting or Shredding Stalks: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per hour	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	2.00	1.00 - 2.00	4.00	4.00 - 4.00
Sand Mountain-----	2.00	2.00 - 3.00	4.00	3.00 - 5.00
Piedmont-----	<u>3/</u>	<u>3/</u>	3.00	3.00 - 3.00
Upper Coastal Plains--	2.00	2.00 - 2.00	3.50	3.00 - 4.00
Black Belt-----	1.50	1.00 - 3.00	<u>3/</u>	<u>3/</u>
Southwestern Coastal Plains-----	2.00	2.00 - 2.50	<u>3/</u>	<u>3/</u>
Wiregrass-----	2.00	1.00 - 2.00	<u>3/</u>	<u>3/</u>
STATE-----	2.00	1.00 - 3.00	4.00	3.00 - 5.00

^{1/} Items furnished by the custom operator included power, equipment, and operator.

^{2/} Within areas, it did not appear that size of equipment had any influence on the custom rate.

^{3/} No report or inadequate sample.

Table 27. Clipping or Mowing Pastures (Cycle or Rotary Mower): Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per acre		Per hour	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	2.00	2.00 - 3.00	4.00	4.00 - 5.00
Sand Mountain-----	<u>3/</u>	<u>3/</u>	5.00	3.00 - 5.00
Piedmont-----	2.00	2.00 - 2.00	4.00	3.00 - 7.00
Upper Coastal Plains--	2.00	1.00 - 4.00	4.00	3.00 - 4.00
Black Belt-----	1.50	1.00 - 3.50	2.50 ^{4/}	2.50 - 4.00
Southwestern Coastal Plains-----	2.00	.50 - 2.50	3.00	2.50 - 5.00
Wiregrass-----	2.00	1.00 - 3.00	<u>3/</u>	<u>3/</u>
STATE-----	2.00	0.50 - 4.00	4.00	2.50 - 7.00

^{1/} Items furnished by the custom operator included power, mower, and operator.

^{2/} Within areas, it did not appear that size or type of equipment influenced the custom rate per acre.

^{3/} No report or inadequate sample.

^{4/} An equal number reported \$3.50.

Table 28. Dusting For Insect and Disease Control: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged			
	Per acre with tractor duster		Per pound with airplane	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	Dollars	Dollars	Dollars	Dollars
Tennessee Valley-----	0.75	0.50 - 1.50	0.05	0.05 - 0.05
Sand Mountain-----	.75	.50 - 2.00	<u>2/</u>	<u>2/</u>
Piedmont-----	1.00 <u>3/</u>	.50 - 1.00	<u>2/</u>	<u>2/</u>
Upper Coastal Plains--	.75	.50 - 1.00	.05	.05 - .05
Black Belt-----	1.00	.50 - 1.50	<u>2/</u>	<u>2/</u>
Southwestern Coastal Plains-----	1.00	.50 - 1.00	<u>2/</u>	<u>2/</u>
Wiregrass-----	.50	.50 - 1.00	.05	.05 - .05
STATE-----	1.00	0.50 - 2.00	0.05	0.05 - 0.05

^{1/} Items furnished by the custom operator included power, duster, and operator for tractor duster operation; and airplane, duster, and operator for aerial application. Materials were furnished by the person hiring the operation performed.

^{2/} No report or inadequate sample.

^{3/} An equal number reported 50 cents.

Table 29. Spraying for Insect and Disease Control: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged per acre ^{2/}	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	0.75	0.75 - 1.50
Sand Mountain-----	1.00	.75 - 1.50
Piedmont-----	1.00	.50 - 2.00
Upper Coastal Plains-----	.75	.50 - 1.00
Black Belt-----	1.00	.75 - 1.50
Southwestern Coastal Plains-----	1.00	1.00 - 1.00
Wiregrass-----	1.00	.50 - 1.00
STATE-----	1.00	0.50 - 2.00

^{1/} Items furnished by the custom operator included power, sprayer, and operator. Materials were furnished by the person hiring the operation performed.

^{2/} Within areas, it did not appear that size or type of sprayer influenced the custom rate per acre.

Table 30. Spraying Pecans for Insects and Diseases Control: Custom Rates Paid or Charged, Wiregrass Area, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per tree	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Wiregrass-----	1.00	1.00 - 1.00

^{1/} Items furnished by the custom operator included power, sprayer, materials, and operator.

^{2/} For geographic areas not shown, there was no report or sample was inadequate.

Table 31. Spraying Pastures for Weed Control: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged per acre	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	<u>2/</u>	1.50 - 2.50
Sand Mountain-----	1.00	1.00 - 1.00
Piedmont-----	<u>2/</u>	1.00 - 1.50
Upper Coastal Plains-----	<u>2/</u>	.50 - 1.50
Black Belt-----	1.00	.50 - 1.50
Southwestern Coastal Plains-----	1.00	.50 - 2.00
Wiregrass-----	1.00	.50 - 1.00
STATE-----	1.00	0.50 - 2.50

^{1/} Items furnished by the custom operator included power, applicator and operator. Materials were furnished by the person hiring the operation performed.

^{2/} No rate most common.

Table 32. Digging Post Holes: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area ^{2/}	Custom rates paid or charged per hole ^{3/}	
	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	0.10	0.05 - 0.15
Sand Mountain-----	.10	.10 - .10
Piedmont-----	.10	.10 - .10
Black Belt-----	.10	.06 - .10
STATE	0.10	0.05 - 0.15

^{1/} Items furnished by the custom operator included power, digger and operator.

^{2/} For geographic areas not known, there was no report or sample was inadequate.

^{3/} In some areas the custom rate paid or charged for digging post holes was reported on a per-hour basis. On this basis, the most common rate was as follows: \$5 in the Sand Mountain Area, and \$3.50 in the Piedmont Area.

Table 33. Bulldozing: Custom Rates Paid or Charged, by Geographic Areas, Alabama, 1963 ^{1/}

Geographic area	Custom rates paid or charged ^{2/}			
	Per hour with D-6 or TD-14		Per hour with D-7 or TD-18A	
	Most common rate	Usual range in rates	Most common rate	Usual range in rates
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Tennessee Valley-----	12.50	12.00-15.00	12.50	12.50-15.00
Sand Mountain-----	12.50	12.00-12.50	12.50	10.00-20.00
Piedmont-----	^{3/}	10.00-15.00	15.00	12.00-15.00
Upper Coastal Plains--	12.50	12.00-13.00	12.00	12.00-15.00
Black Belt-----	12.50	10.00-12.50	12.00	10.00-15.00
Southwestern Coastal Plains-----	12.50 ^{4/}	12.00-12.50	12.00	10.00-12.50
Wiregrass-----	12.00	10.00-12.00	12.50	12.00-14.00
STATE-----	12.50	10.00-15.00	12.50 ^{5/}	10.00-20.00

^{1/} Items furnished by the custom operator included power-dozer and operator.

^{2/} Bulldozing with a D-8 was reported in some areas. The most common rate for the State was \$15 per hour.

^{3/} No one rate most common.

^{4/} An equal number reported \$12.

^{5/} An equal number reported \$15.

Table 34. Anticipated Changes in Custom Rates in 1964 Compared to 1963 as Reported by a Sample of Alabama Farmers

Geographic areas	Anticipated change in custom rates in 1964 as compared to 1963		
	Increase	No change	Decrease
	Per cent	Per cent	Per cent
Tennessee Valley-----	18	82	0
Sand Mountain-----	12	88	0
Piedmont-----	28	72	0
Upper Coastal Plains-----	21	79	0
Black Belt-----	23	77	0
Southwestern Coastal Plains-----	21	77	2
Wiregrass-----	16	84	0
STATE-----	20	79.8	0.2

APPENDIX

CUSTOM HIRING VS. MACHINE OWNERSHIP

Possible Advantages

1. Costs of ownership are eliminated.
2. Capital required to own equipment can be invested in other enterprises.
3. Some labor is furnished with hired equipment.
4. Less power and associated equipment must be obtained by the farm operator.
5. Farmers may benefit from newer machinery, techniques, and skilled operation.
6. Repairs and maintenance are the custom operator's responsibility.
7. The farm operator with smaller jobs can gain benefits of large machines.
8. Risk of premature equipment obsolescence is eliminated.

Possible Disadvantages

1. Service may not be available when job is ready.
2. Irresponsible custom operators may do poor work and lose quantity and quality of products.
3. Greater risk of crop loss and/or quality because of time delays.
4. Risk of carrying noxious weeds and diseases from farm to farm.
5. For large jobs total cost may be higher than owning equipment.
6. Custom operators prefer large jobs, may refuse or postpone small jobs.
7. Farmers may not be able to realize return on labor released by hiring custom work done.

COSTS OF MACHINE OWNERSHIP COMPARED WITH CUSTOM RATES

Decisions about ownership and use of farm machines are an important part of management. Farmers who have limited use of an expensive machine may find it cheaper to hire custom work rather than own the machine. The following is a budget for comparing the cost of machine ownership with custom hire.

Example: Assume the custom rate for picking cotton is \$30 per acre (500 lbs. of lint @ \$.06 per pound). The following procedure may be used to determine the annual operating and variable costs of owning a two-row, self-propelled high drum cotton picker with an initial cost of \$17,000, and with a life of eight years (or 2,000 hours) and with a salvage value of \$1,700.

HOW TO CALCULATE COSTS (APPLICABLE FOR ANY MACHINE)

	<u>Example</u>	<u>Any machine</u>
A. Annual "Fixed Costs"		
1. Depreciation = $\frac{\text{cost less salvage}}{\text{life (years)}} \text{ or}$		
$\frac{\$17,000 - 1,700}{8}$ -----	\$1,912.50	_____
2. Interest = $\frac{\text{cost plus salvage}}{2} \times \text{interest rate}$		
or $\frac{(\$17,000 + \$1,700)}{2} \times 6\%$ -----	561.00	_____
3. Shelter = (new cost X 1%) or \$17,000 X 1% -----	170.00	_____
4. Insurance = (Av. value X .6%) or \$9,350 X .6% -----	56.10	_____
5. Taxes (estimate) -----	61.20	_____
Total Annual Ownership Cost -----	\$2,760.80	_____

B. "Variable or Operating Costs" per acre:

	<u>Example</u>	<u>Any machine</u>
1. Fuel, lubricants, and repairs (estimate) -----	\$ 5.60	_____
2. Labor (estimate) -----	\$ 1.25	_____

Total Variable Cost -----	\$ 6.85	_____

To determine in acres the "break even point" between owning a machine and hiring the operation performed on a custom basis, the following formula may be used:

$$\frac{\text{Annual Ownership Costs}}{\text{Custom Rate Less Variable Costs}} = \text{Acres needed to break even}$$

Example

$$\frac{\$2,760.80}{\$30.00 - \$6.85} = 119 \text{ Acres needed to own the two-row, self-propelled cotton picker compared with prevailing custom rates.}$$