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GUIDE TO CUSTOM FARMWORK AND SHORT-TERM EQUIPMENT RENTAL

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(Replaces OMAFRA Factsheet, *Guide to Custom Farmwork and Short-Term Equipment Rental*, Order No. 05-071)

INTRODUCTION

This Factsheet provides the following decision-making tools for farm managers and custom farmwork operators to manage the use of equipment and work time to meet production and profit goals:

- Survey of Custom Farmwork and Short-term Equipment Rental Rates charged in 2006
- Guide to Calculating Custom Farmwork Rates and Short-Term Equipment Rental Rates
- Factors to Consider in a Custom Farmwork Agreement
- Sample Custom Farmwork Agreement

Hiring custom farmwork provides an option for farm managers to purchase fieldwork and other services instead of owning the equipment and doing the work. In this Factsheet, a multi-year equipment lease is considered to give the farm manager the same day-to-day control as ownership. For more information on multi-year lease agreements, see the OMAFRA Factsheet *Leasing Farm Equipment*, Order No. 01-003.

For equipment owners, providing custom farmwork services can be the focus of a business, a sideline farming enterprise that spreads equipment ownership costs over more acres, or a marketing tool to complement the sale of other farm inputs.

Table 1. Equipment use options

Option	Advantages	Disadvantages
Farm with owned equipment or multi-year equipment lease	<ul style="list-style-type: none"> • Equipment and operator are ready and available when needed, especially for weather-sensitive operations such as planting, spraying and harvesting. Timeliness of operation impacts directly on yield, product quality and farm revenue. • Farm manager has direct control of operating decisions. • Farm manager develops and maintains hands-on knowledge of operation. • Limited risk of weed transfer or biosecurity concerns. 	<ul style="list-style-type: none"> • Farm business may not be large enough to cover the equipment's ownership and operating costs. • Equipment replacement rate may not keep pace with new technology. • The farm may not be able to supply the labour at the time the operation is required. • Farmer is required to master an additional management skill set. • Farmer is responsible for repairs beyond warranty when owned or as per lease agreement.

Hire custom farmwork	<ul style="list-style-type: none"> • Farm manager gains use of newer and more efficient equipment without full cost of ownership/operating expenses. • Custom operator provides expertise gained from a wider experience. • Custom operator maintains required regulatory certification. • Farmer can be busy elsewhere while custom operator provides service. • No direct repairs and maintenance costs. 	<ul style="list-style-type: none"> • Custom operator may not be available at the most optimum time, resulting in reduced yield, product quality and revenue. • Farm manager loses direct control of operation. • Farm manager is dependent on the availability of custom operators. • Increased risk of weed transfer and other biosecurity concerns.
Short-term equipment rental	<ul style="list-style-type: none"> • If equipment is available, farm manager controls the operation and the timeliness of the work. • Farm manager gains the use of equipment without the full cost of ownership and operating expenses. • Repairs and maintenance are made as per agreement. 	<ul style="list-style-type: none"> • Availability of equipment affects timeliness of operation. • Rental equipment may not be available due to lack of year-round demand or over demand during a short season of use.

SURVEY OF CUSTOM FARMWORK AND SHORT-TERM EQUIPMENT RENTAL RATES CHARGED IN 2006

Table 8, *Survey of Custom Farmwork Rates Charged in 2006*, see page 12-17, reports on a survey of the rates charged in 2006 by 300 Ontario custom farmwork operators. The survey included:

- full-time custom operators
- farmers who provided custom farmwork as a significant sideline business
- farmers who provided limited custom farmwork to neighbours
- farm input suppliers who provided custom application as a service

The custom rate charged included the equipment, fuel and operator cost but excluded the cost of material applied.

The survey shows what rates were charged in 2006 across Ontario. The rates shown should be used as a guide in making management decisions. There is no assurance that using the "average" rates reported here will cover the cost of providing the service. Custom operators should carefully calculate all costs and returns before setting prices. See the section *Guide to Calculate Custom Farmwork and Short-Term Equipment Rental Rate Charges* on page 3.

Ranges are given for the rates, as there are many factors that can cause variations in the rates charged. Rates are influenced by:

- the type, size, age of equipment
- the amount of use (number of acres covered or hours used)
- availability of the equipment in the local area
- field shape, size and topography
- soil conditions
- local tradition

Table 9, *Survey of Short-Term Equipment Rental Rates Charged in 2006*, on page 18, summarizes two sources of short-term tractor rental rates. The first source is

17 reports from custom operators. The second source, used with permission, is taken from Iron Solutions' *Eastern Canada Winter 2006 Official Guide*. These rates are from a survey of tractor rental rates charged by Eastern Canadian machinery dealers in 2006.

SURVEY DETAILS

Results are summarized on a provincial basis and also by six smaller regional areas. Where available, the provincial average 2003 rates are also listed. The 2003 survey is the previous survey to the 2006 survey.

Average rates

An average rate is given when there are at least three reports. The greater the number of reports, the more the summary reflects the market rates.

What are percentiles and how can you use them?

Percentiles help show the range of the rates that were charged. For example, in the Provincial Summary, the 15th percentile for corn combining (with grain buggy, no GPS) is \$35/acre, and the 85th percentile is \$40/acre. This means that 15% of those surveyed charged \$35/acre or less and 15% charged more than \$40. Seventy percent (85th-15th percentile) of all those reporting charged between \$35/acre and \$40/acre. The average rate charged was \$37/acre.

SURVEY AREAS

Area 1	Chatham-Kent, Elgin, Essex, Lambton, Middlesex
Area 2	Brant, Haldimand, Hamilton, Niagara, Norfolk, Oxford
Area 3	Bruce, Dufferin, Grey, Halton, Huron, Peel, Perth, Simcoe, Waterloo, Wellington
Area 4	Durham, Haliburton, Hastings, Kawartha Lakes, Muskoka, Northumberland, Parry Sound, Peterborough, Prince Edward, York
Area 5	Frontenac, Lanark, Leeds-Grenville, Lennox-Addington, Ottawa, Prescott-Russell, Renfrew, Stormont-Dundas-Glengary
Area 6	Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Rainy River, Sudbury, Thunder Bay, Timiskaming

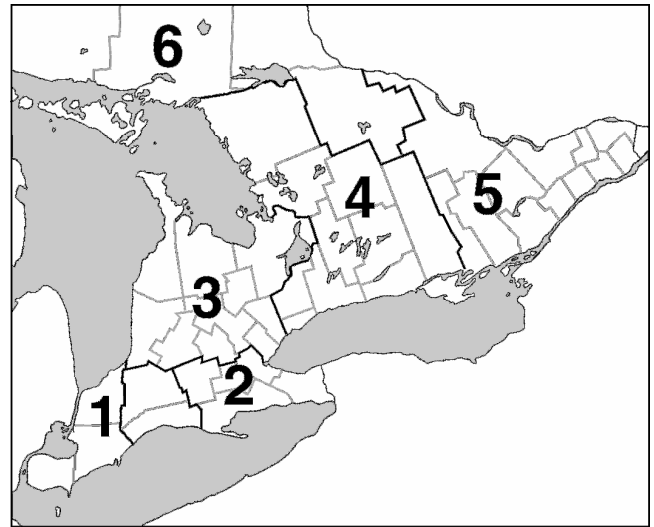


Figure 1. Survey areas.

GUIDE TO CALCULATING CUSTOM FARMWORK AND SHORT-TERM EQUIPMENT RENTAL RATE CHARGES

Where a farm manager uses the equipment in his or her own operation as well as providing custom farmwork to others, the costs should be calculated using the total of own farm and custom acreage and operation hours.

Example calculations are based on market prices and Tables 5, 6 and 7 found in this Factsheet. The OMAFRA Factsheet *Budgeting Farm Machinery Costs*, Order No. 01-075, provides additional machinery cost information. Downloadable spreadsheet versions of the *Custom Farmwork Rate Calculator* and the *Short-Term Equipment Rental Rate Calculator* are available as part of the Computer Management Tools section of the Agricultural Business Management Section of the OMAFRA website: www.ontario.ca/omafra.

Table 2. Custom farmwork rate calculator

POWER UNIT (TRACTOR OR SELF-PROPELLED MACHINE)			
Annual Fixed Cost			
Depreciation =	$\frac{\text{purchase price} - \text{trade-in value}}{\text{life of machine (years)}}$		
Interest* =	$\frac{(\text{purchase price} + \text{trade-in}) \times \text{annual interest rate}}{2}$		
Insurance & housing =	$\text{purchase price} \times 1\frac{1}{2}\%$		
Total		(A)	
Annual Operating Cost			
Fuel & lubricants = (from Table 7)	$(\text{L/hr} \times \text{hr/yr} \times \text{fuel cost/L} \times 1.15)$		
Repairs =	estimate using Table 6		
Total		(B)	
+ MACHINE (TILLAGE IMPLEMENT, PTO MACHINE, OTHER)			
Annual Fixed Cost			
Depreciation =	$\frac{\text{purchase price} - \text{trade-in value}}{\text{life of machine (years)}}$		
Interest* =	$\frac{(\text{purchase price} + \text{trade-in}) \times \text{annual interest rate}}{2}$		
Insurance & housing =	$\text{purchase price} \times 1\frac{1}{2}\%$		
Total		(C)	
Annual Operating Cost			
Repairs =	estimate using Table 6		
Total		(D)	
= Annual Machinery Costs (A+B+C+D)		(E)	
+ Profit Margin (return to management, admin. costs) (suggest 15% of machinery costs (E × 0.15)		(F)	
+ Operator Labour (self or hired) – (suggest 15% over machine hr for travel, downtime) # of machinery hr × 1.15 × wage/hr		(G)	
= Total Costs (E+F+G)		(H)	
= Custom Rate	$\frac{\text{H}}{\text{Total annual acres}}$	or	$\frac{\text{H}}{\text{Total annual hours}}$
		(I)	per acre or per hour
* Interest — Interest calculation is the average annual interest cost of the investment (yours and/or the lender's) that is tied up in the machine			

TABLE 3. Short-Term Equipment Rental Rate Calculator

+ Machinery Costs (from Table 2, <i>Custom Rate Calculator</i> above)(E)	(E)	
- Total Fuel and Lubricant cost (if any) (see <i>Custom Rate Calculator</i> above)	(J)	
+ Profit Margin (return to management, admin. costs) suggest 15% of Machinery Costs (E – J) × 0.15	(K)	
= Total Costs (E – J+K)	(L)	

= Rental Rate	L	or	L	(M)	per acre or per hour
	Total annual acres		Total annual hours		

Note: Rental Rates may have minimum daily or weekly rates

EXAMPLE 1. CUSTOM FARMWORK RATE CALCULATION

The following example calculates a custom farmwork rate for a combine with corn and soybean heads expected to be traded in 5 years.

Life (years) =	5	Purchase Price =	\$240,000	Trade in value =	\$105,000	Interest rate =	5.0 %
Acres/year =	1,600	Hours per year =	200	Fuel Cost/L =	\$ 0.60		
Corn/soy aver. acres/hr =	8	Average fuel used (L/hr) =	40				

EXAMPLE 1. Custom farmwork rate calculator

POWER UNIT (TRACTOR OR SELF-PROPELLED MACHINE)			
Annual fixed cost			
Depreciation =	$\frac{\text{purchase price} - \text{trade-in value}}{\text{life of machine (years)}}$		\$ 27,000
Interest =	$\frac{(\text{purchase price} + \text{trade-in}) \times \text{annual interest rate}}{2}$		8.625
Insurance & housing =	purchase price \times 1½%		<u>3,600</u>
Total fixed costs/yr		(A)	\$ 39,225
Annual operating cost			
Fuel & lubricants =	$(\text{L/hr} \times \text{hr/yr} \times \text{fuel cost/L} \times 1.15)$		\$ 5,520
Repairs =	estimate using Table 6		<u>2,000</u>
Total operating costs/yr		(B)	\$ 7,520
+ MACHINE (TILLAGE IMPLEMENT, PTO MACHINE, OTHER)			
1. Annual fixed costs		(C)	0
2. Annual operating costs		(D)	<u>0</u>
= Annual machinery costs (A+B+C+D)		(E)	\$ 46,745
+ Profit margin (return to management, admin. costs) (suggest 15% of machinery costs (E \times 0.15)		(F)	\$ 7,012
+ Operator labour (self or hired) – (suggest 15% over machine hr for travel, downtime) # of machinery hr \times 1.15 \times wage/hr		(G)	<u>3,910</u>
= Total costs (E+F+G)		(H)	\$ 57,667
= Custom rate	$\frac{\text{H}}{\text{Total annual acres}}$	or	$\frac{\text{H}}{\text{Total annual hours}}$
		(I)	\$36.04/acre or \$288.32/hr

In this example, if the operator combines 1,600 acres at \$36/acre, the return to management is \$7,000 (\$4.38/acre or \$35/machine hr.), and the return to labour is \$3,910 (\$2.44/acre or \$19.55/machine hr). The custom farmwork operator also earns a return of 5% interest on the owner's equity in the machinery.

CASH FLOW CONSIDERATIONS

The above example calculates machinery costs and returns to management, labour and investment. The estimated annual depreciation and interest costs total \$35,625. From a cash flow point of view, the depreciation is not a draw on the bank line. However, in the case of financing, loan payments are a cashflow requirement.

Actual loan principal and interest

payments will depend on the amount financed and will be different from the figures in the example. It is possible to cash flow actual expenses at a lesser rate than the example but this would come at the cost of lower returns: to management, operator labour and to the owner's equity tied up in the machine.

The capital cost of the equipment (purchase-trade in values) and the number of acres worked are the two largest factors affecting price rate, and therefore have the biggest impact on profitability.

Table 4 shows how volume of acres affects the per acre costs in order to receive total returns equal to the 1,600 acres used in the previous example.

Table 4. Cost per acre comparison

	1,200 acres	1,600 acres	2,000 acres
Machinery fixed costs	\$ 32.70	\$ 24.50	\$ 19.60
Machine operating costs	\$ 5.00	\$ 4.60	\$ 4.40

Return to management	\$ 5.80	\$ 4.40	\$ 3.50
Return to labour	\$ 2.50	\$ 2.50	\$ 2.50
Total rate	\$ 46.00	\$ 36.00	\$ 30.00

EXAMPLE 2. SHORT-TERM EQUIPMENT RENTAL RATE CALCULATION

The following example calculates a short-term rental rate for the same combine with corn and soybean heads used in Example 1.

EXAMPLE 2. Short-Term Equipment Rental Rate Calculator

+	Machinery costs (from Example 1, <i>Custom Farmwork Rate Calculator</i>)	(E)	\$46,745
-	Total fuel and lubricant cost (if any) (see Example 1, <i>Custom Farmwork Rate Calculator</i>)	(J)	- \$ 5,520
+	Profit margin (return to management, admin. costs) suggest 15 % of Machinery costs less fuel and lubricants (E – J) X 0.15	(K)	+\$ 6,184
=	Total costs (E – J+K) L	(L)	\$47,409

= Rental rate	L Total annual acres	or	L Total annual hours	(I)	\$29.63/acre or \$237.05/hr
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Note: Rental rates may have minimum daily or weekly rates

Table 5, *Trade-In Values as a Percent of Purchase Cost*, and Table 6, *Accumulated Repair Costs as a Percent of Purchase Price*, provide information used in the example calculations.

Table 5. Trade-in values as a percent of new cost

End of year	Tractors			Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
	<80 hp	80–149 hp	150+ hp							
1	60	68	67	74	49	56	65	47	61	69
2	54	61	59	62	44	50	60	44	54	62
3	50	57	54	54	40	46	56	42	49	56
4	46	53	49	48	37	42	53	40	45	52
5	43	49	45	43	35	39	50	39	42	48
6	41	46	42	38	32	37	48	38	39	45
7	38	44	39	34	30	34	46	36	36	42
8	36	41	36	31	28	32	44	35	34	40
9	34	39	34	28	27	30	42	34	31	37
10	33	37	32	25	25	28	40	33	30	35
11	31	35	30	23	24	27	39	32	28	33
12	29	33	28	20	23	25	38	32	26	31
13	28	32	26	18	21	24	36	31	24	29
14	27	30	24	17	20	22	35	30	23	28
15	25	29	23	15	19	21	34	29	22	26
16	24	28	21	13	18	20	33	29	20	25
17	23	26	20	12	17	19	32	28	19	24
18	22	25	19	10	16	18	30	27	18	22
19	21	24	18	9	16	17	29	27	17	21
20	20	23	17	8	15	16	29	26	16	20

Source: *American Society of Agricultural Engineers Standards*, American Society of Agricultural Engineers, 1999

Group 1: Combines, self-propelled forage harvesters.

Group 2: Swathers, mower-conditioners, rotary hay mowers, rotary mower-conditioners.

Group 3: Forage harvesters, balers, bale elevators, tub grinders, augers, grinder-mixers, forage boxes, roller mills.

Group 4: Planters, drills, sprayers.

Group 5: Moldboard plows, chisel plows, cultivators, v-rippers.

Group 6: Disks, harrows, hoes.

Group 7: Manure spreaders, miscellaneous equipment.

Table 6. Accumulated repair costs as a percent of purchase price

Machine	¼% LIFE Accumulated Hours – Costs	½% LIFE Accumulated Hours – Costs	¾% LIFE Accumulated Hours – Costs	FULL LIFE Accumulated Hours – Costs
2-wheel tractors	3,000 – 6.2%	6,000 – 25.0%	9,000 – 56.2%	12,000 – 100%
4 WD and MFWD tractors	4,000 – 4.8%	8,000 – 19.2%	12,000 – 43.2%	16,000 – 80%
Self-propelled combines	750 – 2.2%	1,500 – 9.3%	2,250 – 21.9%	3,000 – 40%
Planters, drills	375 – 4.1%	750 – 17.5%	1,125 – 41.0%	1,500 – 75%
Moldboard plows	500 – 8.3%	1,000 – 28.7%	1,500 – 59.6%	2,000 – 100%
Disk, disk harrows	500 – 5.5%	1,000 – 18.0%	1,500 – 35.9%	2,000 – 60%
Chisel plows	500 – 10.1%	1,000 – 26.5%	1,500 – 46.8%	2,000 – 75%
Cultivators	500 – 10.2%	1,000 – 27.0%	1,500 – 47.6%	2,000 – 70%
Mowers	500 – 14.2%	1,000 – 46.2%	1,500 – 92.0%	2,000 – 150%
Square balers, small	500 – 6.6%	1,000 – 23.0%	1,500 – 47.7%	2,000 – 80%
Square balers, large	750 – 6.0%	1,500 – 20.7%	2,250 – 43.0%	3,000 – 75%
Large round balers	375 – 7.4%	750 – 25.9%	1,125 – 53.6%	1,500 – 90%
SP forage harvesters	1,000 – 3.1%	2,000 – 12.5%	3,000 – 28.1%	4,000 – 50%
Rakes	625 – 8.6%	1,250 – 22.7%	1,875 – 40.1%	2,500 – 60%

Source: *American Society of Agricultural Engineers Standards*, American Society of Agricultural Engineers, 1999

EXAMPLE 3. ACCUMULATED REPAIR COST CALCULATION

New combine cost	\$240,000
Projected use	8,000 acres or 200 hours per year over 5 years
Estimated accumulated repair costs at 1,000 hours	4.2% of purchase cost (estimated using Table 6)
Repair costs	Approx. \$10,000 ($\$240,000 \times 4.2\%$) over 5 yr for an average of \$2,000/yr
Used machinery	When calculating the depreciation on used machinery, use the actual price paid for the machine minus its expected trade-in or salvage value, divided by the expected life of the machine on your farm. Increase repair rates to levels appropriate for the age or number of hours on the machine. Expect to have higher than normal repair expenses in the first year of ownership of a used machine as you bring it back into top operating shape.

Table 7. Performance, horsepower and fuel requirements of selected farm equipment.

	HP required	acres/hr	L/acre	L/hr
4–18-in. furrow plow	75	2.8	4.5	12.5
6–18-in. furrow plow	130 MFWD	4.2	5.1	21.6
8–18-in. furrow plow	160	5.6	4.7	26.5
12.5-ft field cultivator	75	9.0	1.4	12.5
18-ft field cultivator	105 MFWD	13.0	1.3	17.4
37-ft field cultivator	225	26.7	1.4	37.5
11-ft chisel plow	75	5.9	2.1	12.5
15-ft chisel plow	130 MFWD	8.0	2.7	21.6
11-ft tandem disk	60	6.4	1.5	9.9
15-ft tandem disk	105 MFWD	8.7	2.0	17.4
4r–36-in. row crop planter	40	5.6	1.2	6.8
6r–30-in. row crop planter	60	7.0	1.4	9.9
12r–30-in. row crop planter	105 MFWD	14.0	1.2	17.4
4r–36-in. minimum-till planter	60	5.1	1.9	9.9
6r–30-in. minimum-till planter	75	6.4	2.0	12.5
8r–30-in. minimum-till planter	105 MFWD	8.5	2.1	17.4
25-ft grain drill	130 MFWD	4.7	4.6	21.6
35-ft grain drill	160 MFWD	14.9	1.8	26.5
12-ft presswheel drill	75	5.1	2.5	12.5
20-ft presswheel drill	130 MFWD	8.5	2.5	21.6
15-ft no-till drill	130 MFWD	6.4	3.4	21.6
20-ft no-till drill	160 MFWD	8.5	3.1	26.5
30-ft sprayer	40	15.4	0.4	6.8
50-ft sprayer	60	25.6	0.4	9.9
9-ft mower conditioner	40	4.4	1.6	6.8
9-ft rotary mower/conditioner	75	6.6	1.9	12.5
Square baler	40	4.4	1.6	6.8
Round baler 1,000 lb	60	3.0	3.3	9.9
Round baler 1,500 lb	60	4.0	2.5	9.9
Large size square baler	130 MFWD	16.3	1.3	21.6
Round baler 1,000 lb/wrapper	60	3.0	3.3	9.9
2–row forage harvester	105 MFWD	1.4	12.5	17.4
Large forage blower	60			9.9
Combine 4r–30 in. corn hd	190	2.8	11.4	31.8
Combine 12r–30 in. corn hd	275	7.6	6.0	45.9
Combine grain head 20 ft	220	6.8	5.4	36.8
Combine grain head 30 ft	275	10.2	4.5	45.9
Combine soybean head 15 ft	220	4.5	8.2	36.8
Combine soybean head 25 ft	275	7.4	6.2	45.9

Source: *American Society of Agricultural Engineers Standards*, American Society of Agricultural Engineers, 1999.

FACTORS TO CONSIDER IN A CUSTOM FARMWORK AGREEMENT

Custom hiring is a business arrangement. Write the terms of the arrangement in a formal agreement. If unwritten, the terms are more likely to be misunderstood in the case of a dispute. While written custom hiring agreements have not been common in the past, increased demands for nutrient management plans, quality assurance programs and environmental stewardship records give added incentive beyond the business benefits of written agreements. Consider the following in a custom hiring agreement.

TIMELINESS

Significant losses can occur if an operation is not started or completed on time. To facilitate planning, a custom hiring agreement should include a schedule of operations for both parties. Such a schedule would be subject to weather conditions and crop maturity.

OPERATIONS

Write into the agreement the exact operations to be performed by each party and the machine, materials and labour to be supplied by each.

RATE SCHEDULE

Stipulate the rate for each operation to be performed on the basis of acreage, time (hour, day, week) or total operation performed.

MANAGEMENT

State that both the custom operator and the owner will adhere to appropriate and accepted farming practices in his or her respective part of the farming operations. The contract provides an opportunity to clarify management roles and responsibilities, create mutual understanding and provide a dispute resolution mechanism.

ENVIRONMENT MATTERS

While the owner is ultimately responsible for activities occurring on the property, regulatory

authorities can charge any one of the owner, the tenant farmer or the contract operator for causing environmental damage. It is the responsibility of each party to understand his or her environmental responsibilities. Where the custom farmwork operation carries the risk of an environmental spill, such as in manure or pesticide application, it is important that a contingency plan exists that identifies the containment and clean-up process, which party has the authority to initiate the contingency plan and to which party the clean-up costs are assigned.

TERMS OF PAYMENT

Stipulate terms of payment for custom operations. Bill the client upon the completion of each custom operation, indicating actual units (hours, acres, etc.) completed, the rate charged per unit, the total charge and the date payment is due.

TERMINATION

Include a minimum period for notice of termination in a custom hiring agreement. State penalties, if any, for termination or for failure to give appropriate notice of termination.

OTHER CONSIDERATIONS

Insurance

A custom operator may be considered differently than a farmer when insuring equipment. It is advised that this point be clarified with the insurance company if one considers doing custom work or renting out equipment.

Workplace Safety and Insurance Board (WSIB)

Custom operators are responsible for carrying appropriate WSIB coverage for their employees. The WSIB issues Clearance Certificates to employers to document this WSIB employee coverage.

WSIB coverage is optional for sole proprietors, partners, independent operators and executive officers of a corporation.

A WSIB Independent Operator Ruling documents that the custom operator is not considered to be an employee of the farmer by the WSIB.

The WSIB deems the operator of the equipment to be an employee of the farmer during the custom farmwork **unless** the custom equipment operator has either a WSIB Clearance Certificate or a WSIB Independent Operator Ruling.

Farmers should ask the custom operator to see a copy of a WSIB Clearance Certificate or WSIB

Independent Operator Ruling prior to the work. If there is no Clearance Certificate or Independent Operator Ruling, custom operators should itemize the labour component of the custom rate charge on the bill so that the farmer can pay the required WSIB premiums on the equipment operator's labour.

For further information regarding WSIB responsibilities, contact the WSIB at 1-888-259-4228.

Licences and Certifications

The custom operator should maintain, as required, any regulated certifications or licences for the equipment and equipment operators involved in the custom work.

SUMMARY

Contracting custom farmwork will continue to provide farm managers with an option to manage machinery costs and technical skills. Developing clear custom farmwork contracts is a benefit to both the farm manager and the custom operator.

REFERENCES

The author would like to gratefully acknowledge the permission given by the authors of the following publications from which portions of this paper were developed:

Farm Machinery Custom and Rental Rate Guide 2000. Economics and Farm Management Section, Sustainable Production Branch, Saskatchewan Agriculture and Food.

1999 Minnesota Farm Custom Rate Survey. Bill Lazarus, Extension Economist, Department of Applied Economics, University of Minnesota Extension Service.

Acquiring Farm Machinery Services: Ownership, Custom Hire, Rental, Leasing, 2001. William Edwards, extension economist, and Vernon M. Meyer, retired extension agricultural engineer, Iowa State

University Extension.

the survey of rates charged in 2006.

*Iron Solutions™ Eastern Canada
Region Winter 2006 Official Guide.
Dealer edition.*

This Factsheet was written by Carl Fletcher, Strategic Business Planning Lead, Economic Development Division, OMAFRA, Guelph.

The author also wishes to thank the custom farm operators who completed

This publication is intended as general information and not as specific advice concerning individual situations. Although it outlines factors to consider in a custom farmwork agreement, all individual custom farmwork agreements should be discussed with your lawyer. The Government of Ontario assumes no responsibility for persons using this publication as a custom farmwork agreement.

SAMPLE CUSTOM FARMWORK AGREEMENT

This form can provide the custom operator and the farm manager with a guide for developing an agreement to fit their individual situation. This form is not intended to take the place of legal advice pertaining to contractual relationships between the two parties.

Date contract signed _____

Name of Custom Operator of **address**, hereinafter referred to as the "custom operator," agrees to conduct the following types of machine operations on the described farm land of **name of Farmer** of **address**, hereinafter referred to as the "owner."*

**Note: If the farm manager is a tenant farmer and not the owner of the land where the custom work will occur, it may be preferable to replace "owner" with "farmer."*

CUSTOM OPERATOR'S RESPONSIBILITIES

Description of machine operation

	Legal location	# acres	Fee per unit
<i>e.g. Corn Combining</i>	<i>L5 C 10 Township</i>	<i>75</i>	<i>\$36.00 per acre</i>
<i>Trucking to local elevator</i>	<i>L5 C 10 Township</i>	<i>75</i>	<i>\$ 8.00 per tonne</i>

Note: Be specific about what each machine operation includes (i.e., combining — does it include grain cart, G.P.S. services, trucking to on-farm storage or elevator?)

The custom operator agrees to provide the following materials at the stated prices:

Materials provided	Rate	Fee per unit
<i>e.g., herbicide</i>	<i># L of product per acre, post emerge</i>	<i>\$ per acre</i>

Other services/conditions if any: (e.g., Environmental Spill Contingency responsibilities.)

Management

The custom operator will:

- adhere to appropriate and acceptable farm management practices and legislation
- maintain, as required, any regulated certifications or licences
- carry appropriate and adequate insurance.

Schedule

The custom operator agrees to complete the said machine operations according to the following schedule, weather and crop maturity permitting:

Machine operations	Commencement date	Completion date
e.g. Corn combining	Nov. 1, 2005	Nov. 30, 2005
Trucking	Nov. 1, 2005	Nov. 30, 2005

OWNER'S RESPONSIBILITIES

The owner agrees to supply the following at the same location and during the time stated in this agreement:

Description of Machine Operation (e.g., tractor, grain cart and operator)

Materials

Other (e.g., Environmental Spill Contingency responsibilities)

MANAGEMENT

The owner agrees to provide to the custom operator timely and reasonable access to the properties listed. The owner agrees to adhere to appropriate and acceptable farm practices and legislation in the management of the crop or land prior to the operation contracted with the custom operator.

TERMS OF PAYMENT

The custom operator will supply an itemized invoice upon completion of said machine operations. Payment is due by the owner upon receipt of the invoice. Overdue accounts past **30 days are subject to a 2% per month interest charge.**

TERMINATION

Grounds for Termination of Agreement – If either party fails to carry out substantially the terms of this agreement in due and proper time, the agreement may be terminated by the other party by serving a written notice citing the instance(s) of default and specifying a termination date of **number of days** from the date of such notice. The penalty for default will be **name the penalty** unless otherwise mutually agreed upon.

DISPUTE MECHANISM — OPTIONAL

Arbitration of differences

Disagreements will be submitted to an arbitrator (s) – Any differences between the parties as to their several rights or obligations under this agreement that are not settled by mutual agreement after thorough discussion, shall be referred to the arbitration of a single arbitrator, if the parties hereto agree upon one; otherwise, to three arbitrators, one to be appointed by each party and a third to be chosen by the first two named before they enter upon the business of arbitration. The award and determination of such arbitrator or arbitrators, or any two of such three arbitrators, shall be binding upon the parties hereto and their respective heirs, executors, administrators and assigns.

Cost of the arbitration will be charged at a rate of 50% to the owner and 50%

to the operator.

The terms "owner" and "custom operator" shall include the trustees, administrators and assigns of the owner and custom operator, respectively.

Witness _____ Custom Operator _____

Witness _____ Owner _____

Table 8. Survey of Custom Farmwork Charged in 2006

CUSTOM OPERATION		Provincial					Area 1	Area 2	Area 3	Area 4	Area 5	Area 6						
Unit	#	2006	2006 Percentile		2003	#	2006	#	2006	#	2006	#	2006	#	2006			
		ave.	15th	85th	ave.		ave.		ave.		ave.							
TILLAGE																		
Moldboard plow	ac.	117	\$ 22	\$ 18	\$ 25	\$ 19	30	\$ 21	17	\$ 21	46	\$ 20	7	\$ 31	13	\$ 22	4	\$ 33
	hr.	71	\$ 88	\$ 54	\$ 80	\$ 90	19	\$ 90	8	\$ 77	22	\$ 90	6	\$ 78	12	\$ 93	4	\$ 91
Chisel plow/Soil saver	ac.	79	\$ 18	\$ 15	\$ 22	\$ 17	23	\$ 19	17	\$ 20	31	\$ 17			6	\$ 22		
	hr.	50	\$ 129	\$ 73	\$ 190	\$ 114	16	\$ 135	7	\$ 119	17	\$ 132			7	\$ 116		
Disc — Primary tillage	ac.	61	\$ 14	\$ 10	\$ 18	\$ 12	19	\$ 12	13	\$ 15	19	\$ 15	5	\$ 15	5	\$ 13		
	hr.	29	\$ 168	\$ 70	\$ 242	\$ 112	11	\$ 139	4	\$ 297	6	\$ 143	4	\$ 123	4	\$ 198		
Disc — Secondary tillage	ac.	52	\$ 13	\$ 10	\$ 17	\$ 11	13	\$ 11	14	\$ 15	16	\$ 13	3	\$ 14	6	\$ 13		
	hr.	29	\$ 148	\$ 88	\$ 200	\$ 116	7	\$ 124	7	\$ 167	7	\$ 164			6	\$ 151		
Field cultivate	ac.	122	\$ 11	\$ 8	\$ 15	\$ 10	31	\$ 10	20	\$ 13	45	\$ 10	7	\$ 13	12	\$ 10	7	\$ 20
	hr.	79	\$ 160	\$ 90	\$ 234	\$ 141	21	\$ 160	13	\$ 165								
Harrowing	ac.	9	\$ 6	\$ 4	\$ 7	\$ 7					5	\$ 5						
Deep tillage/Subsoiling	ac.	26	\$ 24	\$ 20	\$ 26	\$ 20	10	\$ 21	3	\$ 27	5	\$ 23			7	\$ 28		
	hr.	19	\$ 152	\$ 124	\$ 191	\$ 132	7	\$ 133			4	\$ 139			6	\$ 185		
Packer/Rolling	ac.	43	\$ 6	\$ 3	\$ 7	\$ 5	11	\$ 5	5	\$ 8	23	\$ 5	4	\$ 6				
	hr.	16	\$ 101	\$ 66	\$ 136	\$ 111	5	\$ 123			8	\$ 95						
Stalk chopping	ac.	13	\$ 13	\$ 10	\$ 15	\$ 11	5	\$ 10			3	\$ 14			4	\$ 15		
	hr.	7	\$ 109	\$ 60	\$ 124	\$ 81	3	\$ 113							3	\$ 104		
PLANTING																		
SOYBEANS																		
Conventional row planter																		
Row width 23 in. or less	ac.	67	\$ 19	\$ 15	\$ 22	\$ 15	26	\$ 22	8	\$ 19	20	\$ 17	7	\$ 19	6	\$ 18		
	hr.	46	\$ 197	\$ 89	\$ 315	\$ 152	20	\$ 237	3	\$ 262	12	\$ 181	4	\$ 155	6	\$ 123		
Row width 24 in. or more	ac.	7	\$ 19	\$ 15	\$ 21	\$ 16	3	\$ 20										
	hr.	5	\$ 213			\$ 188	3	\$ 285										
Minimum/no-till planter																		
Row width 23 in. or less	ac.	51	\$ 20	\$ 18	\$ 22	\$ 19	16	\$ 18	9	\$ 20	20	\$ 20			3	\$ 22		
	hr.	27	\$ 230	\$ 119	\$ 400	\$ 183	9	\$ 232	3	\$ 244	12	\$ 189						
Row width 24 in. or more	ac.					\$ 20												
Conventional drill	ac.	27	\$ 15	\$ 12	\$ 18	\$ 14	4	\$ 15			17	\$ 15			3	\$ 14		
	hr.	15	\$ 121	\$ 70	\$ 149	\$ 127					9	\$ 143				\$ 99		
No-till drill	ac.	95	\$ 21	\$ 19	\$ 23	\$ 20	28	\$ 20	16	\$ 20	37	\$ 20	8	\$ 21	6	\$ 25		
	hr.	63	\$ 185	\$ 126	\$ 243	\$ 159	23	\$ 154	9	\$ 162	22	\$ 198	4	\$ 185	5	\$ 313		
Air seeder without fertilizer	ac.	19	\$ 20	\$ 19	\$ 21	\$ 19	5	\$ 20	3	\$ 20	10	\$ 19						
	hr.	13	\$ 301	\$ 196	\$ 420	\$ 284	3	\$ 353			7	\$ 253						
Air seeder with fertilizer	ac.	22	\$ 21	\$ 19	\$ 23	\$ 20	3	\$ 23			13	\$ 20						
	hr.	11	\$ 386	\$ 263	\$ 483	\$ 360					6	\$ 320						

Table 8. Survey of Custom Farmwork Charged in 2006 (cont'd)

CUSTOM OPERATION		Provincial					Area 1	Area 2	Area 3	Area 4	Area 5	Area 6				
		Unit	#	2006	2006 Percentile		2003	#	2006	#	2006	#	2006	#	2006	#
ave.	15th			85th	ave.	ave.	ave.		ave.							
PLANTING																
CORN																
Conventional row planter																
Row width 23 in. or less																
<i>with starter fertilizer</i>	ac.	34	\$ 17	\$ 14	\$ 20	\$ 16	12	\$ 18	5	\$ 19	14	\$ 15				
	hr.	19	\$ 202	\$ 105	\$ 306	\$ 210	9	\$ 235			8	\$ 183				
<i>without starter fertilizer</i>	ac.	3	\$ 16			\$ 15										
	hr.					\$ 130										
Row width 24 in. or more																
<i>with starter fertilizer</i>	ac.	81	\$ 17	\$ 14	\$ 20	\$ 15	23	\$ 17	18	\$ 18	27	\$ 17	5	\$ 18	8	\$ 16
	hr.	60	\$ 172	\$ 90	\$ 276	\$ 137	18	\$ 171	11	\$ 168	21	\$ 183	3	\$ 176	7	\$ 148
<i>without starter fertilizer</i>	ac.	7	\$ 15	\$ 13	\$ 18	\$ 15					3	\$ 15				
	hr.	6	\$ 187			\$ 159	3	\$ 281								
Minimum/no-till																
Row width 23 in. or less																
<i>with starter fertilizer</i>	ac.	14	\$ 21	\$ 18	\$ 24	\$ 20	6	\$ 23			5	\$ 21				
	hr.	9	\$ 255	\$ 113	\$ 408	\$ 148	3	\$ 288			4	\$ 280				
<i>without starter fertilizer</i>	ac.					\$ 19										
Row width 24 in. or more																
<i>with starter fertilizer</i>	ac.	27	\$ 22	\$ 19	\$ 25	\$ 21	8	\$ 22	5	\$ 20	11	\$ 23				
	hr.	18	\$ 195	\$ 111	\$ 317	\$ 155	4	\$ 193	4	\$ 178	8	\$ 190				
<i>without starter fertilizer</i>	ac.					\$ 21										
CEREALS (OATS, BARLEY, WHEAT)																
Conventional drill																
<i>with starter fertilizer</i>	ac.	17	\$ 15	\$ 12	\$ 17	\$ 15					7	\$ 16			4	\$ 13
	hr.	11	\$ 140	\$ 55	\$ 210	\$ 140					5	\$ 192			3	\$ 89
<i>without starter fertilizer</i>	ac.	14	\$ 16	\$ 12	\$ 20	\$ 14			3	\$ 17	5	\$ 15				
	hr.	5	\$ 73			\$ 113										
No-till drill																
<i>with starter fertilizer</i>	ac.	51	\$ 21	\$ 19	\$ 22	\$ 19	9	\$ 22	12	\$ 20	22	\$ 20	5	\$ 20		
	hr.	33	\$ 203	\$ 114	\$ 280	\$ 170	8	\$ 185	7	\$ 198	15	\$ 228				
<i>without starter fertilizer</i>	ac.	28	\$ 20	\$ 18	\$ 22	\$ 20	10	\$ 21			12	\$ 19			4	\$ 23
	hr.	14	\$ 189	\$ 140	\$ 194	\$ 170	7	\$ 211			6	\$ 150				
Air seeder without fertilizer	ac.	5	\$ 18			\$ 19					4	\$ 18				
	hr.					\$ 271										
Air seeder with fertilizer	ac.	20	\$ 20	\$ 16	\$ 22	\$ 20	5	\$ 22			9	\$ 19				3 \$ 20
	hr.	10	\$ 334	\$ 240	\$ 426	\$ 257					5	\$ 350				3 \$ 339
FORAGES																
Drill	ac.	19	\$ 18	\$ 13	\$ 21	\$ 16	4	\$ 18	5	\$ 19	6	\$ 17				
	hr.	13	\$ 193	\$ 76	\$ 346	\$ 115			3	\$ 140	4	\$ 210				
Brillion type	ac.					\$ 13										
	hr.															
Broadcast/ATV spreading	ac.	35	\$ 5	\$ 3	\$ 6	\$ 4	7	\$ 3	12	\$ 4	12	\$ 4	3	\$ 13		
	hr.	16	\$ 82	\$ 25	\$ 161	\$ 65	6	\$ 113	3	\$ 43	4	\$ 68				

Table 8. Survey of Custom Farmwork Charged in 2006 (cont'd)

CUSTOM OPERATION		Provincial					Area 1	Area 2	Area 3	Area 4	Area 5	Area 6					
Unit	#	2006	2006 Percentile		2003	#	2006	#	2006	#	2006	#	2006	#	2006		
		ave.	15th	85th	ave.		ave.		ave.		ave.		ave.				
WEED CONTROL																	
HERBICIDE (excluding herbicide cost)																	
Pull-type sprayer	ac.	53	\$ 8	\$ 7	\$ 9	\$ 7	16	\$ 8	12	\$ 8	18	\$ 10			4	\$ 8	
	hr.	31	\$ 265	\$ 140	\$ 378	\$ 198	12	\$ 217	3	\$ 205	12	\$ 326					
Self-propelled high-clearance sprayer	ac.	40	\$ 8	\$ 7	\$ 9	\$ 8	4	\$ 8	3	\$ 8	25	\$ 8	3	\$ 10		3	\$ 7
	hr.	14	\$ 355	\$ 235	\$ 465	\$ 290	3	\$ 373			7	\$ 346					
With GPS	ac.	32	\$ 8	\$ 8	\$ 9	\$ 8	8	\$ 8	10	\$ 9	6	\$ 8			4	\$ 9	
	hr.	20	\$ 376	\$ 222	\$ 485		6	\$ 380	5	\$ 424	3	\$ 268			3	\$ 376	
Rope wick	ac.	6	\$ 7			\$ 4	3	\$ 5			3	\$ 9					
	hr.	4	\$ 224														
MECHANICAL																	
Inter-row cultivation	ac.	7	\$ 8	\$ 6	\$ 10	\$ 9					5	\$ 8					
	hr.	5	\$ 71			\$ 51					3	\$ 49					
Rotary hoe	ac.	10	\$ 6	\$ 5	\$ 7	\$ 6	5	\$ 6			5	\$ 6					
	hr.	4	\$ 128			\$ 101											
FERTILIZER APPLICATION																	
Spread dry fertilizer	ac.	41	\$ 7	\$ 6	\$ 8	\$ 7	7	\$ 6	7	\$ 7	20	\$ 7	3	\$ 6			
	hr.	17	\$ 173	\$ 72	\$ 299	\$ 192	5	\$ 149			6	\$ 195					
With GPS	ac.	6	\$ 7			\$ 7											
	hr.	5	\$ 227			\$ 253											
Rental of dry bulk applicator	ac.					\$ 7											
	hr.	18	\$ 12	\$ 10	\$ 14	\$ 11			3	\$ 14	10	\$ 11				3	\$ 11
Side-dress dry fertilizer	ac.	3	\$ 14														
Anhydrous	ac.	10	\$ 14	\$ 8	\$ 18	\$ 13	7	\$ 14									
	hr.	6	\$ 235			\$ 146	5	\$ 226									
Liquid — ground	ac.	6	\$ 8			\$ 8	3	\$ 8									
	hr.	4	\$ 245			\$ 383	3	\$ 202									
Liquid — side-dress	ac.	8	\$ 8	\$ 5	\$ 10	\$ 8	3	\$ 9			4	\$ 8					
	hr.	4	\$ 87			\$ 88					3	\$ 99					
INSECTICIDE/FUNGICIDE																	
Boom sprayer	ac.	6	\$ 8			9	\$ 5	\$ 8									
	hr.	5	\$ 307			435	\$ 4	\$ 283									

Table 8. Survey of Custom Farmwork Charged in 2006 (cont'd)

CUSTOM OPERATION		Provincial					Area 1	Area 2	Area 3	Area 4	Area 5	Area 6				
Unit	#	2006	2006 Percentile		2003	#	2006	#	2006	#	2006	#	2006	#	2006	
		ave.	15th	85th	ave.		ave.		ave.		ave.		ave.			
COMBINING — NO GPS																
CORN																
with grain buggy	ac.	60	\$ 37	\$ 35	\$ 40	\$ 35	16	\$ 35	9	\$ 39	27	\$ 37	3	\$ 34	5	\$ 39
	hr.	44	\$ 256	\$ 175	\$ 350	\$ 225	16	\$ 227	3	\$ 299	17	\$ 273	3	\$ 307	5	\$ 237
without grain buggy	ac.	92	\$ 38	\$ 32	\$ 40	\$ 34	22	\$ 34	17	\$ 38	36	\$ 36	7	\$ 35	8	\$ 41
	hr.	43	\$ 223	\$ 141	\$ 320	\$ 192	14	\$ 225	4	\$ 154	14	\$ 254			8	\$ 202
SOYBEANS																
with grain buggy	ac.	62	\$ 36	\$ 33	\$ 39	\$ 33	20	\$ 34	7	\$ 38	25	\$ 36	3	\$ 34	7	\$ 38
	hr.	44	\$ 339	\$ 197	\$ 525	\$ 316	17	\$ 309	3	\$ 452	15	\$ 373	3	\$ 307	6	\$ 295
without grain buggy	ac.	94	\$ 37	\$ 32	\$ 40	\$ 33	21	\$ 34	16	\$ 38	42	\$ 35	6	\$ 35	6	\$ 41
	hr.	41	\$ 301	\$ 155	\$ 440	\$ 241	11	\$ 335	4	\$ 274	16	\$ 327			5	\$ 232
CEREALS																
with grain buggy	ac.	49	\$ 43	\$ 31	\$ 38	\$ 32	17	\$ 33	3	\$ 34	21	\$ 54	3	\$ 34	5	\$ 37
	hr.	35	\$ 271	\$ 150	\$ 405	\$ 256	14	\$ 257			13	\$ 283	3	\$ 284	4	\$ 281
without grain buggy	ac.	90	\$ 36	\$ 30	\$ 39	\$ 31	18	\$ 33	17	\$ 35	38	\$ 39	7	\$ 34	6	\$ 42
	hr.	40	\$ 238	\$ 128	\$ 380	\$ 175	11	\$ 263	6	\$ 226	11	\$ 261			4	\$ 220
CANOLA																
with grain buggy	ac.	6	\$ 36			\$ 31	3	\$ 33			3	\$ 38				
	hr.	5	\$ 294				3	\$ 220								
without grain buggy	ac.	3	\$ 34			\$ 31					3	\$ 34				
	hr.					\$ 159										
GRAIN BUGGY ALONE																
	ac.	12	\$ 5	\$ 4	\$ 7	\$ 5					7	\$ 5				
	hr.	10	\$ 63	\$ 37	\$ 80	\$ 57					6	\$ 61				
COMBINING — with GPS																
CORN																
with grain buggy	ac.	21	\$ 37	\$ 35	\$ 40	\$ 35	6	\$ 37	3	\$ 42	10	\$ 36				
	hr.	14	\$ 308	\$ 195	\$ 382	\$ 239	4	\$ 388			8	\$ 268				
without grain buggy	ac.	13	\$ 35	\$ 30	\$ 40	\$ 35	4	\$ 34	4	\$ 38						
	hr.	9	\$ 220	\$ 151	\$ 307	\$ 224	3	\$ 210	3	\$ 236						
SOYBEANS																
with grain buggy	ac.	21	\$ 36	\$ 33	\$ 39	\$ 34	6	\$ 35	4	\$ 40	9	\$ 35				
	hr.	13	\$ 369	\$ 219	\$ 520	\$ 270	3	\$ 441			8	\$ 345				
without grain buggy	ac.	12	\$ 35	\$ 30	\$ 40	\$ 34	3	\$ 34	4	\$ 37						
	hr.	8	\$ 368	\$ 152	\$ 590	\$ 273			3	\$ 298						
CEREALS																
with grain buggy	ac.	18	\$ 35	\$ 32	\$ 38	\$ 33	5	\$ 34	3	\$ 37	9	\$ 34				
	hr.	9	\$ 286	\$ 185	\$ 406	\$ 228					8	\$ 281				
without grain buggy	ac.	12	\$ 35	\$ 30	\$ 39	\$ 32	3	\$ 32	4	\$ 37						
	hr.	8	\$ 297	\$ 152	\$ 379	\$ 212			3	\$ 229						
CANOLA																
with grain buggy	ac.	3	\$ 34													
without grain buggy	ac.	3	\$ 34			\$ 34										
GRAIN BUGGY ALONE																
	ac.	3	\$ 6			\$ 5										

Table 8. Survey of Custom Farmwork Charged in 2006 (cont'd)

CUSTOM OPERATION		Provincial					Area 1	Area 2	Area 3	Area 4	Area 5	Area 6						
Unit	#	2006	2006 Percentile		2003	#	2006	#	2006	#	2006	#	2006	#	2006			
		ave.	15th	85th	ave.		ave.		ave.		ave.		ave.					
OTHER CROP HARVESTING																		
Grain swathing	ac.	18	\$ 13	\$ 10	\$ 16	\$ 13	3	\$ 15		9	\$ 13				4	\$ 10		
	hr.	7	\$ 98	\$ 59	\$ 153													
HIGH MOISTURE CORN																		
Combine	ac.	9	\$ 45	\$ 35	\$ 60	\$ 36				5	\$ 42							
	hr.	4	\$ 336							4	\$ 40							
Combined and hauled to silo	ac.	7	\$ 41	\$ 38	\$ 45	\$ 41				4	\$ 40							
	hr.	4	\$ 306			\$ 297				3	\$ 357							
EDIBLE BEANS																		
Bean pulling + windrowing	ac.	4	\$ 29			\$ 26	3	\$ 23										
	hr.					\$ 204												
Combining — Conventional grain type	ac.	25	\$ 39	\$ 35	\$ 40	\$ 37	7	\$ 40		17	\$ 38							
	hr.	15	\$ 267	\$ 162	\$ 320	\$ 266	4	\$ 255		10	\$ 284							
Combining — Specialty — Bob/Lilliston	ac.	6	\$ 56			\$ 45	3	\$ 47	3	\$ 65								
	hr.					\$ 243												
TRUCKING																		
Grains and oilseeds	bu.	8	\$0.15	\$0.12	\$0.16	\$0.15	7	\$ 0.14										
	mt.	44	\$ 7	\$ 5	\$ 9	\$ 6	8	\$ 5	9	\$ 7	21	\$ 7	5	\$ 10				
	ton	25	\$ 7	\$ 5	\$ 10	\$ 7	4	\$ 6	3	\$ 7	11	\$ 7	3	\$ 10	3	\$ 11		
FORAGE HARVESTING																		
HAY																		
Swathing/conditioning	ac.	57	\$ 15	\$ 13	\$ 17	\$ 14	11	\$ 16	8	\$ 19	24	\$ 14	4	\$ 17	7	\$ 14	3	\$ 13
	hr.	40	\$ 96	\$ 59	\$ 128	\$ 92	9	\$ 99	3	\$ 83	14	\$ 110	4	\$ 73	7	\$ 85	3	\$ 95
Raking	ac.	31	\$ 6	\$ 5	\$ 9	\$ 6	7	\$ 6	6	\$ 8	12	\$ 6			3	\$ 7		
Raking	hr.	23	\$ 52	\$ 26	\$ 60	\$ 52	5	\$ 53	3	\$ 31	9	\$ 62			4	\$ 53		
Bale – sm. square (ground)	bale	7	\$0.45	\$0.30	\$0.51	\$0.52					3	\$0.35						
Bale – sm. square (loaded)	bale	26	\$0.73	\$0.50	\$1.00	\$0.55	5	\$ 0.55	5	\$0.64	11	\$0.76	3	\$1.12				
Bale – lg. square	ft.	23	\$1.12	\$ 1.00	\$1.25	\$ 1			4	\$1.23	12	\$1.07			5	\$1.20	2	\$1.03
Bale – lg. round under 1,000 lb	bale	54	\$ 7	\$ 6	\$ 7	\$ 6	7	\$ 7	8	\$ 8	19	\$ 6	9	\$ 7	11	\$ 6	1	\$ 7
Bale – lg. round over 1,000 lb	bale	18	\$ 7	\$ 6	\$ 9	\$ 7	5	\$ 8	3	\$ 8	6	\$ 5						
Entire operation (mowing to baling) lg. bale						\$ 10												
BALE WRAPPING																		
Individual – with plastic	bale	5	\$ 8			\$ 5												
Tube – without plastic	bale	6	\$ 3															
Tube – with plastic	bale	4	\$ 7			\$ 4												
STRAW																		
Bale – sm. square (loaded)	bale					\$0.49												
Bale – lg. square	ft	5	\$1.09			\$ 1				3	\$1.03							
Bale – lg. square	bale	11	\$ 7	\$ 6	\$ 8	\$ 6			4	\$ 7	4	\$ 6						
Bale – lg. round with netting	bale	4	\$ 8			\$ 8												

Table 8. Survey of Custom Farmwork Charged in 2006 (cont'd)

CUSTOM OPERATION		Provincial				Area 1	Area 2	Area 3	Area 4	Area 5	Area 6				
Unit	#	2006	2006 Percentile		2003	#	2006	#	2006	#	2006	#	2006	#	2006
		ave.	15th	85th	ave.		ave.		ave.		ave.		ave.		
HAYLAGE															
PT0 Harvester															
Field chopping only	ac.				\$ 63										
	hr.	9	\$ 165	\$ 131	\$ 204	\$ 183	3	\$ 170		4	\$ 158				
Chop, haul, pack, blow	ac.	5	\$ 73		\$ 60	3	\$ 97								
	hr.	8	\$ 208	\$ 136	\$ 344	\$ 180	3	\$ 183		3	\$ 198				
Self-Prop Harvester															
Field chopping only	ac.	4	\$ 42		\$ 109										
	hr.	8	\$ 235	\$ 104	\$ 294	\$ 211				4	\$ 238				
Chop, haul, pack, blow	ac.				\$ 173										
	hr.	3	\$ 320		\$ 301										
Silo bag — 8-ft. diameter by 150 ft.															
					\$ 930										
CORN SILAGE															
PT0 Harvester															
Field chopping only	ac.				\$ 81										
	hr.	12	\$ 172	\$ 120	\$ 217	\$ 139	4	\$ 155		4	\$ 149				
Chop, haul, pack, blow	ac.	6	\$ 88		\$ 83					2	\$ 86				
	hr.	11	\$ 209	\$ 148	\$ 275	\$ 195	3	\$ 195		4	\$ 204				
Self Prop Harvester															
Field chopping only	ac.	3	\$ 72												
	hr.	3	\$ 343		\$ 183										
Chop, haul, pack, blow	ac.	3	\$ 70		\$ 97										
	hr.	3	\$ 175		\$ 215										
Self Prop Harvester with kernel processor															
Field chopping only	ac.	3	\$ 64		\$ 70										
	hr.				\$ 294										
Chop, haul, pack, blow	ac.	3	\$ 100	\$ 83	\$ 118	\$ 91									
	hr.				\$ 384										
MANURE HANDLING															
SOLID															
Loader only	hr.	12	\$ 70	\$ 50	\$ 91	\$ 50			4	\$ 74	5	\$ 51			
Spreader only	hr.	8	\$ 93	\$ 66	\$ 138	\$ 53				4	\$ 87				
Loader and spreader	hr.	12	\$ 108	\$ 58	\$ 162	\$ 95			4	\$ 96	6	\$ 115			
LIQUID															
Drag hose boom applicator /1,000 gal		4	\$ 9	\$ 8	\$ 10	\$ 10									
Drag hose injection /1,000 gal					\$ 12										
Tanker (surface applied only)/1,000 gal					\$ 9										
	hr.	11	\$ 114	\$ 65	\$ 153	\$ 123				6	\$ 130				
Tanker applied (knife injection)/1,000 gal					\$ 13										
	hr.				\$ 151										
Truck transfer	hr.				\$ 101										
MISCELLANEOUS															
Snow removal — blade					\$ 62										
Snow blowing		17	\$ 79	\$ 51	\$ 119	\$ 73	4	\$ 87	6	\$ 67	4	\$ 78	3	\$ 97	

Table 9. Survey of Short-Term Rental Rates charged in 2006

CUSTOM OPERATION		Provincial				Area 1	Area 2	Area 3	Area 4	Area 5	Area 6				
Unit	#	2006	2006 Percentile		2003	#	2006	#	2006	#	2006	#	2006	#	2006
		ave.	15th	85th	ave.		ave.		ave.		ave.				
TRACTOR RENTALS															
Custom operator	hr.	12	\$ 56	\$ 33	\$ 80	32		4	\$ 64	4	\$ 56				
	hp.hr					\$0.20									

Iron Solutions' Eastern Canada Winter Guide Suggested Rates			
	Unit	2006	2003
Utility under 100 Hp without Cab	hp/hr.	\$ 0.24	\$0.24
Utility with Cab and 2WD	hp/hr.	\$ 0.26	\$0.26
Utility with Cab and MFWD	hp/hr.	\$ 0.29	\$0.29
Rowcrop with Cab and 2WD	hp/hr.	\$ 0.29	\$0.29
Rowcrop with Cab and MFWD	hp/hr.	\$ 0.32	\$0.32
4-wheel Drive with Duals	hp/hr.	\$ 0.32	\$0.32
Tractor Option Charges:			
Duals	hp/hr.	\$0.03	\$0.03
Loader	hp/hr.	\$ 0.07	\$0.07

FOR YOUR NOTES

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