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2017 Farm Custom Rates Hold Steady

Due to the high cost of investment in farm machinery, an increasing number of producers are hiring other farmers to provide some or all of their machinery resources for their operation.

This is especially true with newer and younger farmers and with children who decide to start farming with their parents. Also, some land investors are choosing to operate a farm themselves, rather than cash-renting the land to another farmer. In that case, the landowner is generally hiring a farm operator to provide necessary tillage, planting, and harvesting under a custom farming agreement. Some farm operators also hire out specific operations through a custom arrangement with another farm operator, such as combining or hay baling. Many farm operators negotiate these types of custom rate and custom farming arrangements in the Spring of the year.

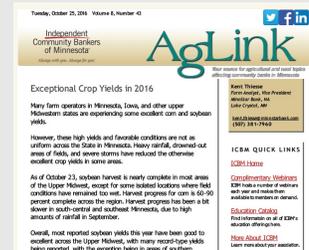
Fairly stable fuel prices during the past year, along with moderate demand for custom work services, have resulted in average 2017 custom rates for farm work remaining mainly steady, compared to 2016 rates, with only a few farm operations showing a slight increase in custom rates. Most custom rates for tillage, planting, and harvest operations in 2017 have remained pretty much the same, compared to the rates for similar operations in 2016. The 2017 custom farming rates for corn and soybean production remained virtually the same as a year earlier. The cost for new and used machinery in 2016 has also remained fairly stable.

These results are based on the annual Iowa Farm Custom Rate Survey that is coordinated and analyzed by Iowa State University. The survey sampled 152 custom operators and farm managers on what they expected 2017 custom farm rates to be for various farm operations. The survey summary lists the average custom rate and the range for various tillage, planting, fertilizer, chemical applications, grain harvesting, and forage harvesting functions on a farm. The survey also includes many miscellaneous farming practices, lists average machine rental rates for some equipment, and a formula for estimating average machinery rental rates. The survey also lists average custom farming rates for corn, soybeans, and wheat.

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Over the years, the average custom rates for farm operations in southern and western Minnesota have tended to be very close to the average Iowa custom rates.

Average 2017 farm custom rates for some typical tillage, planting, and harvesting practices, as well as custom farming rates, are listed [here](#). The complete 2017 Iowa Farm Custom Rate Survey for all farming practices is available [here](#).

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