

## Higher Fuel Prices Boost Custom Farming Costs

Adjusting custom machinery rates for increasing fuel prices has been a difficult problem this year. In the 2008 Iowa Farm Custom Rate Survey, Iowa State University Extension Economists suggested that respondents assume that diesel fuel would cost an average of \$2.75 per gallon delivered to the farm. However, fuel prices have increased considerably since then.

If diesel fuel is assumed to cost \$4.00 per gallon today instead of \$2.75, the total cost of performing tillage operations will increase by 10 to 15 percent, depending on the depth at which soil is tilled. Costs for less power intensive operations such as planting, spraying and harvesting will increase by 7 to 10 percent.

Another way to adjust custom rates is to use ISU Extension publication Pm-709, "Fuel Required for Field Operations," which contains estimated fuel consumption values per acre for many common operations. Multiplying the fuel used per acre by the change in the price of fuel since the survey was conducted can provide an estimate of the most recent cost increases per acre.

This publication, as well as the 2008 Iowa Farm Custom Rate Survey, is available at county Extension offices, from the ISU Publications Store at 515-294-5247 or [pubdist@iastate.edu](mailto:pubdist@iastate.edu), or as an information file on the Ag Decision Maker website ([www.extension.iastate.edu/agdm/](http://www.extension.iastate.edu/agdm/)).

Alternatively, custom operators can keep a record of the actual fuel they use for specific operations, or the person hiring the work done can provide the necessary fuel.

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Written by

William Edwards  
Extension Economist  
515.294.6161  
[wedwards@iastate.edu](mailto:wedwards@iastate.edu)

Tim Eggers  
Field Agricultural Economist  
Iowa State University Extension - Page County  
311 East Washington  
Clarinda, Iowa 51632  
[www.extension.iastate.edu/feci](http://www.extension.iastate.edu/feci)  
712 542 5171 phone  
712 542 5936 fax