

Estimating Machinery Rental Rate from Custom Rates*

Example: Field Cultivator

1. Custom charge (includes labor, fuel, tractor) \$_____/acre
\$11.10
 2. Percent of custom charge which is for interest, insurance
_____% 70% depreciation, and repairs (exclud ing fuel and
labor)
(use 70% for tillage. 80% for planting and harvesting)
 3. Rental value, including tractor (1 x 2)\$_____/acre \$7.77
 4. Tractor rental value if tractor is not provided:
_____ HP x \$ _____ per hp-hour rental rat
(see above)/ _____ acres/hour = \$_____/acre
\$ 2.13
- Ex: 260 HP x .27 (per hp-hour rental rate)/33 acres/hr = \$2.13
5. Implement rental value without tractor (3 minus 4)
\$_____/acre
\$ 5.64

*Source: 2010 Iowa Farm Custom Rate Survey