Factsheet

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replaces OMAFA Factsheet #23-045 of the same name

Guide to Custom Farmwork and Short-Term Equipment Rental

J. Molenhuis

INTRODUCTION

This factsheet provides several decision-making tools for farm managers and custom farmwork operators managing the use of equipment and work time to meet production and profit goals. Table 1 outlines advantages and disadvantages of three options. Custom farmwork and rental values in this factsheet are in imperial measurements, reflecting common usage in the industry.

Table 1. Equipment Use Options

Option	Advantages	Disadvantages
Own or lease (long-term) equipment	• 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. • Risk of weed transfer or biosecurity concerns is reduced.	• 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	• 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.	• 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. • Risk of weed transfer and other biosecurity concerns is increased.
Rent equipment, short-term	• 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.	• 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.

Hiring custom farmwork allows farm managers to purchase fieldwork and other services instead of owning the equipment and doing the work. This factsheet provides a framework for equipment owners to calculate and understand the cost considerations when setting custom farmwork rates.

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.

SURVEY OF CUSTOM FARMWORK AND SHORT-TERM EQUIPMENT RENTAL RATES CHARGED IN 2024

Appendix A, *Survey of Custom Farmwork Rates Charged in 2024* (pages 11–15), shows the results of a survey of the rates charged in 2024 by 210 Ontario custom farmwork operators. The survey included:

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

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

Use these rates 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 *Guide to Calculating Custom Farmwork and Short-Term Equipment Rental Rate Charges*, on page 3.

The appendices show ranges for the rates, as many factors can cause variations in the rates charged, including:

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

Appendix B, *Survey of Short-Term Equipment Rental Rates Charged in 2024*, on page 15, summarizes 14 reports of short-term tractor rental rates from custom operators.

Survey Details

Results are summarized by province and by five smaller regional areas, shown in Figure 1. The survey received insufficient responses for Area 6. Where available, the 2021 provincial average rates from the previous survey are also listed.

Average Rates

An average rate is given when there are at least three reports. The # column in the tables is the number of reports received for the field operation. The greater the number of reports, the more the summary reflects the market rates.

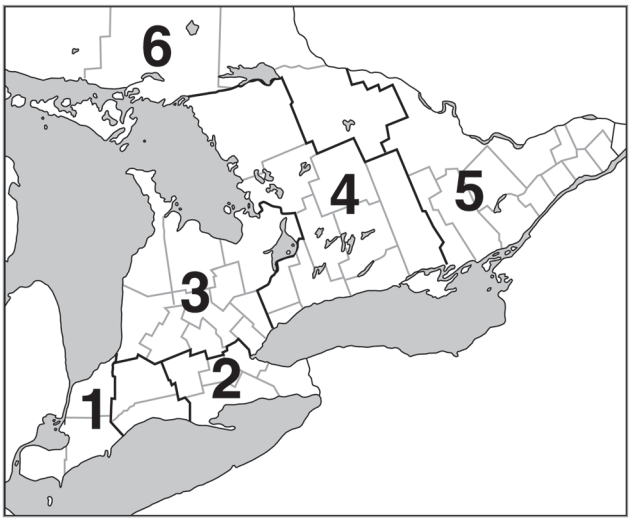

Figure 1. Map of Ontario divided into survey areas.

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-Glengarry
Area 6	Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Rainy River, Sudbury, Thunder Bay, Timiskaming

Percentiles

Percentiles have been used to help show the range of the rates that were charged. For example, in the Provincial Summary, the 15th percentile for corn combining is $54/acre and the 85th percentile is $75/acre. This means that 15% of those surveyed charged $54/acre or less and 15% charged more than $75. Seventy percent (85th–15th percentile) of all those reporting charged between $54 and $75/acre. The average rate charged was $65/acre.

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

The *Custom Farmwork Rate Calculator* and the *Short-Term Equipment Rental Rate Calculator* are reproduced here. Downloadable spreadsheet versions are available online at ontario.ca/agbusiness. Search for "Farm Business Decision Calculators."

Example calculations are based on market prices and Tables 3, 4 and 5 of this factsheet. See the OMAFA Factsheet, *Budgeting Farm Machinery Costs*, for additional machinery cost information.

Farm managers who use the equipment in their own operations as well as providing custom farmwork to others should calculate costs using the total of own farm and custom acreage and operation hours.

Custom Farmwork Rate Calculator

POWER UNIT (TRACTOR OR SELF-PROPELLED MACHINE)			
Annual fixed costs			
Capital recovery*			
	= (purchase price – trade-in value**) x capital recovery factor	=	
	+ trade-in value x interest rate***	=	
Insurance & housing	= purchase price x 1.0%	=	
TOTAL fixed costs/year		**=**	**(A)**
Annual operating costs			
Fuel [Table 5]	= (litre/hour x hour/year x fuel cost/litre x 1.10)	=	
Repairs	= [estimate using Table 3]	=	
TOTAL operating costs/year		**=**	**(B)**
+ MACHINE (TILLAGE IMPLEMENT, POWER TAKEOFF (PTO) MACHINE, OTHER)			
Annual fixed costs			
Capital recovery*			
	= (purchase price – trade-in value**) x capital recovery factor	=	
	+ trade-in value x interest rate***	=	
Insurance & housing	= purchase price x 1.0%	=	
TOTAL fixed costs/year		**=**	**(C)**
Annual operating costs			
Repairs	= [estimate using Table 3]	=	
TOTAL operating costs/year		**=**	**(D)**
= ANNUAL MACHINERY COSTS (A+B+C+D)		**=**	**(E)**
+ profit margin (return to management, admin. costs): suggest 15% of machinery costs (E x 0.15)		=	(F)
+ operator labour (self or hired) # of machinery hours (suggest 15% over machine-hour for travel, downtime) x 1.15 x wage/hour		=	(G)
= TOTAL costs (E+F+G)		**=**	**(H)**
= CUSTOM RATE		**=** **=**	**(I) per acre** **or per hour**

* The capital recovery method estimates the annual depreciation and interest costs. It combines depreciation and interest costs in one calculation. To calculate the capital recovery costs, the capital recovery factor is multiplied by total depreciation and adds the result of the trade-in value multiplied by the interest rate. Table 5 provides the capital recovery factors for selected combinations of years and interest rates.

** Trade-in value = purchase price – (purchase price x annual depreciation rate (from Table 3) x number of years owned).

*** 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.

EXAMPLE 1. Custom farmwork rate calculation

The following example calculates a custom farmwork rate for a combine with a corn header.

Life (years) =	12	Purchase price =	$740,000	Trade-in value =	$242,720	Interest rate =	5.0%
Acres/year =	2,550	Hours per year =	250	Fuel cost/L =	$1.35		
Corn average acres/hour =	10.2	Average fuel used (L/hr) =	81.6				

POWER UNIT (TRACTOR OR SELF-PROPELLED MACHINE): COMBINE				
Annual fixed costs				
Capital recovery				
= (purchase price – trade-in value) x capital recovery factor		=	$56,106	
= trade-in value x interest rate		=	$12,136	
Insurance & housing	= purchase price x 1%	=	$7,400	
TOTAL fixed costs/year		**=**	**$75,642**	**(A)**
Annual operating costs				
Fuel	= (litre/hour x hour/year x fuel cost/litre)	=	$24,300	
Repairs and maintenance	= [estimate using Table 3]	=	$19,462	
TOTAL operating costs/year		**=**	**$43,762**	**(B)**
+ MACHINE (TILLAGE IMPLEMENT, POWER TAKEOFF (PTO) MACHINE, OTHER): CORN HEADER				
Life (years) = 15	Purchase price =$170,000	Trade-in value = $57,800	Interest rate = 5.0%	
1. Annual fixed costs		=	$15,400	(C)
2. Annual operating costs		=	$4,998	(D)
= ANNUAL MACHINERY COSTS (A+B+C+D)		**=**	**$139,801**	**(E)**
+ profit margin (return to management, admin. costs): suggest 15% of machinery costs (E x 0.15)		=	$20,970	(F)
+ operator labour (self or hired) # of machinery hours (suggest 15% over machine-hour for travel, downtime) x 1.15 x wage/hour		=	$7,763	(G)
= Total costs (E+F+G)		**=**	**$168,534**	**(H)**
= CUSTOM RATE		**=**	**$78/acre or $797/hour**	**(I)**

In this example, if the operator combines 2,550 acres at $78/acre, the return to management is $20,970 ($8.22/acre or $83.88/machine-hour), and the return to labour is $7,763 ($3.04/acre or $31.05/machine-hour). The custom farmwork operator also earns a return of 5% interest on the owner's equity in the machinery.

Cash Flow Considerations

The example above calculates machinery costs and returns to management, labour and investment. The estimated annual capital recovery costs (depreciation and interest) total $81,941. 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 cash flow 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 the owner's equity tied up in the machine.

Table 2. Cost Per Acre Comparison

	2,000 acres	**3,000 acres**	**4,000 acres**
Machinery fixed costs	$57.07	$38.05	$28.54
Machinery operating costs	$25.51	$20.18	$17.52
Return to management	$10.09	$7.20	$5.76
Return to labour	$3.04	$3.04	$3.04
Total rate	**$95.71**	**$68.48**	**$54.86**

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 2 shows how volume of acres affects the per acre costs.

Short-Term Equipment Rental Rate Calculator

+ machinery costs (from *Custom Farmwork Rate Calculator,* above)	=	(E)
– total fuel cost (if any) (from *Custom Farmwork Rate Calculator,* above)	=	(J)
+ profit margin (return to management, admin. costs): suggest 15% of machinery costs less fuel: (E – J) x 0.15	=	(K)
= Total costs (E – J + K)	**=**	**(L)**
= RENTAL RATE	**=**	**(M) per acre or per hour**

Note: Rental rates may have minimum daily or weekly rates.

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.

+ machinery costs (from Example 1, *Custom farmwork rate calculation*)	= $139,801	(E)
– total fuel cost (if any) (from Example 1, *Custom farmwork rate calculation*)	– $24,300	(J)
+ profit margin (return to management, admin. costs): suggest 15 % of machinery costs less fuel: (E – J) x 0.15	+$17,325	(K)
= Total costs (E – J + K)	**= $132,827**	**(L)**
= RENTAL RATE	**= $65.89/acre or $672.05/hour**	**(M)**

Note: Rental rates may have minimum daily or weekly rates.

Table 3, *Annual Hours of Use, Optimal Life, Depreciation and Repair Rates,* provides information used in the example calculations.

Table 3. Annual Hours Of Use, Optimal Life, Depreciation and Repair Rates

Machine	Annual Use (hours)	Optimal Life (years)	Annual Depreciation Rate (% of purchase price)	Annual Repair Rate (% of purchase price)
2WD tractors	300	20	3.3	2.31
FWA tractors	450	15	4.4	2.73
4WD tractors	450	15	4.4	2.63
SP combines	250	12	5.6	2.63
Headers, grain	250	15	4.4	2.63
Headers, corn	100	15	4.4	2.94
Grain carts	250	20	3.3	2.10
Plows, discs	100	20	3.3	3.68
Vertical tillage	100	20	3.3	3.68
Cultivators, hoes	200	20	3.3	1.58
Harrows	200	25	2.7	1.26
Drills	200	15	4.4	3.15
Row crop planters	100	10	6.7	4.20
SP high clearance sprayers	200	8	8.3	3.68
Mower/conditioner	150	15	4.4	2.63
Balers, round	100	15	4.4	1.58
Balers, large square	150	15	4.4	1.79
Balers, small square	100	20	3.3	1.05
SP forage harvesters	400	10	6.7	8.40
Manure spreaders	100	10	6.7	4.62

Source: Farm Machinery Custom and Rental Rate Guide, Saskatchewan Ministry of Agriculture, 2024–25.

EXAMPLE 3. ANNUAL REPAIR COST CALCULATION

New 375 HP combine cost	$910,000 = $740,000 (combine) + $ 170,000 (corn head)
Estimated annual repair rates*	2.63% combine 2.94% corn head
Annual repair costs	Combine: $740,000 x 2.63% for an average of $19,462/year Corn head: $170,000 x 2.94% for an average of $4,998/year Total annual repair costs = $19,462 + $4,998 = $24,460 per year
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.

* From Table 3.

Table 4. Performance, Horsepower and Fuel Requirements of Selected Farm Equipment

	Rated Engine HP[1,2]	Acres/hour[2]	Litres/acre	Litres/hour[3]
4–18-in. furrow plow	85	2.8	5.8	16.3
6–18-in. furrow plow	160	3.0	10.2	30.7
8–18-in. furrow plow	285	5.6	9.8	54.7
24-ft field cultivator	160	9.0	3.4	30.7
31-ft field cultivator	255	20.6	2.4	49.0
44-ft field cultivator	305	29.1	2.0	58.6
16-ft chisel plow	175	9.0	3.7	33.6
21-ft chisel plow	275	12.6	4.2	52.8
24-ft tandem disk	170	15.1	2.2	32.6
30-ft tandem disk	255	15.3	3.2	49.0
10-ft offset disk	125	6.0	4.0	24.0
16-ft offset disk	175	9.6	3.5	33.6
21-ft vertical tillage	215	19.6	2.1	41.3
30-ft vertical tillage	305	27.2	2.2	58.6
43-ft vertical tillage	420	39.2	2.1	80.6
12-row strip tillage	330	17.5	3.6	63.4
6R – 30-in. row crop planter	110	7.6	2.8	21.1
12R – 30-in. row crop planter	160	15.3	2.0	30.7
16R – 30-in. row crop planter	175	20.4	1.6	33.6
6R – 30-in. minimum-till planter	85	6.4	2.6	16.3
12R – 30-in. minimum-till planter	175	15.3	2.2	33.6
16R – 30-in. minimum-till planter	255	20.4	2.4	49.0
25-ft grain drill	160	11.7	2.6	30.7
35-ft grain drill	255	16.3	3.0	49.0
12-ft presswheel drill	85	5.1	3.2	16.3
20-ft presswheel drill	160	8.5	3.6	30.7
15-ft no-till drill	160	7.0	4.4	30.7
20-ft no-till drill	200	9.3	4.1	38.4
90-ft sprayer, pull type	110	49.6	0.4	21.1
90-ft sprayer, self propelled	85	72.5	0.2	16.3
9-ft mower conditioner	45	4.4	2.0	8.6
13-ft rotary mower/conditioner	85	9.7	1.7	16.3
Square baler	45	4.4	2.0	8.6
Round baler 1,000 lb	70	3.0	4.5	13.4
Round baler 1,500 lb	70	4.0	3.4	13.4
Large size square baler	160	16.3	1.9	30.7
Round baler 1,000 lb/wrapper	70	3.0	4.5	13.4
2-row forage harvester	160	1.4	21.9	30.7
Self-propelled forage harvester, 6 row, 15 ft	625	5.1	23.5	120.0
Large forage blower	70	—	—	13.4
Combine 6R – 30-in. corn hd	275	5.1	10.4	52.8
Combine 12R – 30-in. corn hd	375	10.2	7.1	72.0
Combine grain head 25 ft	375	7.4	9.7	72.0
Combine grain head 35 ft	375	10.4	6.9	72.0

[1] Multiply rated engine horsepower by 0.88 to arrive at power takeoff horsepower.
[2] *Source: Illinois Machinery Cost Estimates for 2023*, University of Illinois, Department of Agricultural and Consumer Economics, 2023.
[3] *Source:* Nebraska Tractor Test Laboratory, 2018–2024. Tractor fuel consumption results.

Table 5. Capital Recovery Factors

	Interest rate													
Year	**2%**	**3%**	**4%**	**5%**	**6%**	**7%**	**8%**	**9%**	**10%**	**11%**	**12%**	**13%**	**14%**	**15%**
1	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15
2	0.515	0.523	0.530	0.538	0.545	0.553	0.561	0.568	0.576	0.584	0.592	0.599	0.607	0.615
3	0.347	0.354	0.360	0.367	0.374	0.381	0.388	0.395	0.402	0.409	0.416	0.424	0.431	0.438
4	0.263	0.269	0.275	0.282	0.289	0.295	0.302	0.309	0.315	0.322	0.329	0.336	0.343	0.350
5	0.212	0.218	0.225	0.231	0.237	0.244	0.250	0.257	0.264	0.271	0.277	0.284	0.291	0.298
6	0.179	0.185	0.191	0.197	0.203	0.210	0.216	0.223	0.230	0.236	0.243	0.250	0.257	0.264
7	0.155	0.161	0.167	0.173	0.179	0.186	0.192	0.199	0.205	0.212	0.219	0.226	0.233	0.240
8	0.137	0.142	0.149	0.155	0.161	0.167	0.174	0.181	0.187	0.194	0.201	0.208	0.216	0.223
9	0.123	0.128	0.134	0.141	0.147	0.153	0.160	0.167	0.174	0.181	0.188	0.195	0.202	0.210
10	0.111	0.117	0.123	0.130	0.136	0.142	0.149	0.156	0.163	0.170	0.177	0.184	0.192	0.199
11	0.102	0.108	0.114	0.120	0.127	0.133	0.140	0.147	0.154	0.161	0.168	0.176	0.183	0.191
12	0.095	0.100	0.107	0.113	0.119	0.126	0.133	0.140	0.147	0.154	0.161	0.169	0.177	0.184
13	0.088	0.094	0.100	0.106	0.113	0.120	0.127	0.134	0.141	0.148	0.156	0.163	0.171	0.179
14	0.083	0.089	0.095	0.101	0.108	0.114	0.121	0.128	0.136	0.143	0.151	0.159	0.167	0.175
15	0.078	0.084	0.090	0.096	0.103	0.110	0.117	0.124	0.131	0.139	0.147	0.155	0.163	0.171
16	0.074	0.080	0.086	0.092	0.099	0.106	0.113	0.120	0.128	0.136	0.143	0.151	0.160	0.168
17	0.070	0.076	0.082	0.089	0.095	0.102	0.110	0.117	0.125	0.132	0.140	0.149	0.157	0.165
18	0.067	0.073	0.079	0.086	0.092	0.099	0.107	0.114	0.122	0.130	0.138	0.146	0.155	0.163
19	0.064	0.070	0.076	0.083	0.090	0.097	0.104	0.112	0.120	0.128	0.136	0.144	0.153	0.161
20	0.061	0.067	0.074	0.080	0.087	0.094	0.102	0.110	0.117	0.126	0.134	0.142	0.151	0.160

Source: Commodity Costs and Returns Estimation Handbook, Agricultural and Applied Economics Association, 2000.

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, include a schedule of operations for both parties in the custom hiring agreement. 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.

Environmental 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 classified differently from a farmer when insuring equipment. Be clear with the insurance company about which role you are playing if considering 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, who are responsible for their own insurance coverage.

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 on WSIB responsibilities visit www.wsib.ca or contact the WSIB at 1-800-387-0750.

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 allow farm managers to manage machinery costs and technical skills. Developing clear custom farmwork contracts is a benefit to both the farm manager and the custom operator.

This factsheet is intended as general information, not specific advice concerning individual situations. The annual hours of use, optimal life, depreciation and repair rates presented are intended as a guideline for cost recovery of equipment from farmer to farmer and not intended for commercial custom operators. Commercial custom operations typically have increased hours of annual use impacting optimal life, depreciation and repair rates and additional business costs such as liability insurance, overhead and skilled labour. Discuss individual custom farmwork agreements with your lawyer. The Government of Ontario assumes no responsibility for persons using this publication as a basis to draft a custom farmwork agreement or to set custom farmwork and short-term equipment rental rates.

Averages shown in the tables are a simple average of the rates charged in 2024 across Ontario as reported in a survey of Ontario custom farmwork operators. Percentiles show the range of the rates that were charged. There is no assurance that using the average rates reported here will cover the cost of providing the service. Before setting prices, carefully calculate all costs and returns.

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:

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The author also wishes to thank the custom farm operators who completed the survey of rates charged in 2024.

This factsheet was written and updated by John Molenhuis, Business Analysis and Cost of Production Specialist, Policy Division, OMAFA.

Appendix A. Survey of Custom Farmwork Rates Charged in 2024

Custom operation	Unit	Provincial #	Provincial 2024 avg.	Provincial 2024 Percentile 15th	Provincial 2024 Percentile 85th	Provincial 2021 avg.	Area 1 #	Area 1 2024 avg.	Area 2 #	Area 2 2024 avg.	Area 3 #	Area 3 2024 avg.	Area 4 #	Area 4 2024 avg.	Area 5 #	Area 5 2024 avg.
Tillage																
Moldboard plow – fixed furrow	acre	14	$38	$30	$44	$37	5	$40	—	—	7	$33	—	—	—	—
Moldboard plow – rollover	acre	4	$40	—	—	$38	—	—	—	—	—	—	—	—	—	—
	hour	4	$136	—	—	—	—	—	—	—	3	$123	—	—	—	—
Moldboard plow – variable width	acre	7	$40	—	—	$34	—	—	—	—	5	$41	—	—	—	—
	hour	3	$203	—	—	$92	—	—	—	—	3	$203	—	—	—	—
Chisel plow/soil saver	acre	48	$34	$25	$42	$29	10	$39	12	$34	19	$30	—	—	7	$36
	hour	4	$225	—	—	$231	—	—	—	—	3	$233	—	—	—	—
Disc – primary tillage	acre	40	$28	$23	$35	$24	10	$25	7	$28	14	$28	—	—	7	$30
Disc – secondary tillage	acre	25	$27	$19	$35	$23	4	$24	6	$25	8	$28	—	—	5	$29
	hour	4	$194	—	—	$167	—	—	—	—	3	$208	—	—	—	—
Disc – high speed	acre	54	$30	$25	$35	$24	13	$28	8	$31	22	$30	3	$30	7	$33
Vertical tillage	acre	47	$28	$24	$35	$24	15	$26	9	$28	15	$28	3	$33	5	$30
Strip tillage	acre	9	$39	$30	$44	$29	—	—	—	—	6	$34	—	—	—	—
V-ripping	acre	10	$37	$30	$43	$38	6	$37	—	—	—	—	—	—	—	—
Field cultivate	acre	86	$23	$17	$30	$18	18	$24	21	$23	33	$21	3	$25	11	$30
	hour	5	$182	—	—	$266	—	—	—	—	4	$190	—	—	—	—
Harrowing	acre	5	$17	—	—	$13	—	—	—	—	4	$15	—	—	—	—
Deep tillage/subsoiling	acre	18	$40	$35	$50	$30	8	$41	—	—	6	$35	—	—	3	$48
Soil finisher	acre	3	$29	—	—	$21	3	$29	—	—	—	—	—	—	—	—
Packer/rolling	acre	56	$11	$6	$14	$9	6	$11	10	$11	29	$10	3	$12	8	$12
	hour	3	$150	—	—	$193	—	—	—	—	—	—	—	—	—	—
Stalk chopping	acre	3	$25	—	—	$27	3	$25	—	—	—	—	—	—	—	—
Planting																
Soybeans																
Conventional row planter – 15/20 in.	acre	47	$32	$28	$37	$27	19	$31	14	$32	12	$34	—	—	—	—
Conventional row planter – 30 in.	acre	25	$33	$28	$40	$26	6	$30	—	—	10	$32	—	—	6	$36
Minimum/no-till planter – 15/20 in.	acre	54	$32	$27	$37	$28	15	$31	12	$31	21	$32	—	—	6	$36
Minimum/no-till planter – 30 in.	acre	10	$35	$32	$37	$28	—	—	—	—	6	$34	3	$37	3	$35
Strip tillage planter – 30 in.	acre	3	$35	—	—	—	—	—	—	—	—	—	—	—	—	—
Conventional drill	acre	14	$31	$25	$37	$23	—	—	3	$28	9	$31	—	—	—	—
No-till drill	acre	54	$33	$28	$36	$28	9	$30	9	$33	22	$32	—	—	—	—
Air seeder	acre	56	$33	$28	$37	$26	6	$31	11	$33	28	$32	9	$36	5	$35
Corn																
Conventional row planter – 15/20 in.	acre	6	$34	—	—	$30	—	—	—	—	—	—	—	—	—	—
Conventional row planter – 30 in.	acre	92	$33	$28	$39	$27	18	$32	19	$32	39	$32	5	$41	11	$34
Minimum/no-till – 15/20 in.	acre	4	$33	—	—	$29	—	—	—	—	—	—	—	—	—	—
Minimum/no-till – 30 in.	acre	50	$34	$28	$40	$28	8	$30	9	$34	22	$33	6	$41	4	$41
Strip tillage – 30 in.	acre	7	$42	—	—	$27	3	$46	—	—	—	—	—	—	—	—
No-till drill	acre	4	$33	—	—	$33	—	—	—	—	—	—	—	—	—	—
Air seeder	acre	4	$33	—	—	—	—	—	—	—	—	—	—	—	—	—

Appendix A. Survey of Custom Farmwork Rates Charged in 2024

		Provincial					Area 1		Area 2		Area 3		Area 4		Area 5	
			2024	2024 Percentile		2021		2024		2024		2024		2024		2024
Custom operation	**Unit**	**#**	**avg.**	**15th**	**85th**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**
Planting (continued)																
Cereals (oats, barley, wheat)																
Conventional drill	acre	23	$32	$25	$37	$22	4	$31	7	$32	10	$31	—	—	—	—
No-till drill	acre	44	$32	$26	$37	$27	9	$29	6	$30	20	$32	7	$38	—	—
Air seeder	acre	54	$33	$30	$36	$26	7	$32	12	$34	26	$33	—	—	6	$34
Forages																
Drill – single tank	acre	11	$30	$24	$35	$24	—	—	4	$31	3	$28	—	—	—	—
Drill – multiple products	acre	10	$35	$30	$38	$28	—	—	3	$34	4	$34	—	—	—	—
Broadcast/ATV spreading	acre	10	$10	$6	$10	$6	—	—	3	$8	5	$11	—	—	—	—
Frost seeding	acre	4	$13	—	—	—	—	—	—	—	3	$13	—	—	—	—
Cover crop planting	acre	21	$31	$20	$40	$23	3	$30	5	$32	7	$28	3	$28	3	$36
Weed control																
Herbicide (excluding herbicide cost)																
Pull-type sprayer	acre	17	$13	$10	$15	$11	3	$14	3	$13	6	$12	—	—	—	—
Self-propelled	acre	70	$14	$12	$15	$11	16	$14	16	$13	24	$13	4	$16	9	$14
Self-propelled high-clearance sprayer	acre	58	$14	$12	$16	$11	16	$13	10	$17	26	$14	3	$15	—	—
Spray tasselled corn (high water volume)	acre	32	$16	$14	$19	$14	8	$16	5	$17	15	$16	—	—	—	—
Fertilizer application																
Spread dry fertilizer	acre	44	$13	$11	$15	$10	10	$13	10	$14	15	$14	4	$13	4	$12
Spread dry fertilizer – in crop high clearance	acre	8	$15	$12	$17	$11	—	—	—	—	4	$16	—	—	—	—
Rental of dry bulk applicator	mt.	8	$18	$15	$21	$14	4	$16	—	—	4	$20	—	—	—	—
Side-dress dry fertilizer	acre	4	$22	—	—	$14	—	—	—	—	—	—	—	—	—	—
Anhydrous	acre	4	$13	—	—	$20	—	—	—	—	—	—	—	—	—	—
Liquid – ground/top dress	acre	16	$16	$13	$20	$11	6	$16	3	$15	3	$17	—	—	4	$14
Liquid side-dress	acre	25	$17	$14	$22	$15	13	$18	5	$19	4	$17	—	—	3	$14
Liquid drop hose, high clearance/late application	acre	14	$18	$15	$18	$15	—	—	—	—	8	$18	—	—	—	—
Soil and mapping																
Prescription map service	acre	3	$5	—	—	$4	—	—	—	—	—	—	—	—	—	—
Elevation mapping	acre	3	$11	—	—	—	—	—	—	—	—	—	—	—	—	—
Grid sampling	acre	4	$9	—	—	$5	—	—	—	—	—	—	—	—	—	—

Appendix A. Survey of Custom Farmwork Rates Charged in 2024

		Provincial					Area 1		Area 2		Area 3		Area 4		Area 5	
			2024	2024 Percentile		2021		2024		2024		2024		2024		2024
Custom operation	**Unit**	**#**	**avg.**	**15th**	**85th**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**
Combining																
Corn	acre	87	$65	$54	$75	$51	21	$63	12	$67	35	$66	6	$57	12	$68
Corn with chopping corn head	acre	49	$73	$60	$85	$55	5	$64	15	$72	17	$77	—	—	10	$71
Soybeans	acre	133	$64	$52	$75	$50	33	$58	24	$67	50	$66	7	$64	18	$70
Cereals with chopper	acre	30	$66	$53	$83	$51	8	$58	6	$71	12	$70	—	—	—	—
Cereals without chopper	acre	93	$65	$54	$75	$50	22	$58	21	$68	34	$66	5	$69	11	$67
Canola	acre	10	$68	$50	$92	$51	4	$58	—	—	4	$86	—	—	—	—
Grain buggy alone	acre	8	$7	$5	$8	$8	—	—	—	—	4	$6	—	—	—	—
	hour	7	$131	—	—	$120	—	—	—	—	3	$140	—	—	3	$133
Hauling from the field to elevator	mt	33	$9	$7	$10	$8	5	$8	8	$8	13	$9	3	$13	3	$10
	ton	33	$8	$6	$9	$8	5	$7	8	$8	13	$8	3	$12	3	$9
	hour	8	$152	$86	$247	$105	—	—	3	$120	3	$212	—	—	—	—
Other crop harvesting																
Grain swathing	acre	3	$22	—	—	$22	—	—	—	—	—	—	—	—	—	—
High moisture corn																
Combined and hauled to silo	acre	11	$67	$55	$79	$50	3	$54	3	$71	—	—	—	—	—	—
Edible beans																
Bean pulling + windrowing	acre	3	$49	—	—	$48	—	—	—	—	—	—	—	—	—	—
Combining – conventional grain type	acre	48	$68	$55	$80	$55	8	$59	10	$72	24	$70	4	$63	—	—
Combining – specialty – Bob/Lilliston	acre	4	$86	—	—	$68	—	—	—	—	—	—	—	—	—	—
Trucking																
Grains and oilseeds – local	bu	4	$0.26	—	—	$0.14	4	$0.26	—	—	—	—	—	—	—	—
	mt	60	$11	$8	$13	$10	9	$9	10	$10	26	$10	6	$15	8	$14
	ton	60	$10	$7	$12	$9	9	$8	10	$9	26	$9	6	$13	8	$12
Forage harvesting																
Hay																
Mowing	acre	8	$22	$20	$25	$19	—	—	—	—	3	$22	—	—	—	—
Disc bine	acre	10	$23	$19	$30	$20	—	—	—	—	5	$20	3	$26	—	—
Disc bine with conditioner	acre	16	$23	$20	$26	$20	3	$27	—	—	10	$23	—	—	—	—
	hour	6	$178	—	—	$146	—	—	—	—	—	—	—	—	—	—
Raking	acre	21	$14	$10	$18	$12	4	$15	—	—	10	$14	3	$14	—	—
	hour	3	$128	—	—	$95	—	—	—	—	3	$128	—	—	—	—
Tedding	acre	10	$15	$12	$22	$12	—	—	—	—	5	$16	—	—	—	—
Windrow merging	acre	10	$20	$16	$24	$16	—	—	—	—	4	$19	—	—	3	$20
Bale – small square (loaded)	bale	6	$1.52	—	—	$1.02	—	—	—	—	—	—	—	—	—	—
Bale – large square	ft	17	$1.82	$1.38	$2.15	$1.56	—	—	4	$2.00	7	$1.68	—	—	4	$2.05
Bale – lg. round under 1,000 lb	bale	11	$10	$9	$11	$10	—	—	—	—	4	$10	—	—	—	—
Bale – lg. round over 1,000 lb	bale	14	$11	$10	$14	$10	—	—	—	—	6	$11	—	—	—	—
Baling corn stalks	bale	6	$16	—	—	$12	—	—	—	—	5	$15	—	—	—	—

Appendix A. Survey of Custom Farmwork Rates Charged in 2024

Custom operation	Unit	Provincial #	Provincial 2024 avg.	Provincial 2024 Percentile 15th	Provincial 2024 Percentile 85th	Provincial 2021 avg.	Area 1 #	Area 1 2024 avg.	Area 2 #	Area 2 2024 avg.	Area 3 #	Area 3 2024 avg.	Area 4 #	Area 4 2024 avg.	Area 5 #	Area 5 2024 avg.
Forage harvesting (continued)																
Bale wrapping																
Individual – with plastic	bale	5	$14	—	—	$7	—	—	—	—	—	—	—	—	—	—
Tube	bale	11	$9	$6	$11	$8	—	—	—	—	6	$9	4	$9	—	—
Straw																
Bale – lg. square	ft	9	$2.12	$1.83	$2.47	—	—	—	—	—	4	$2.04	—	—	—	—
Bale – lg. round	bale	9	$11	$8	$13	$10	—	—	—	—	6	$10	—	—	—	—
Haylage																
Self-propelled harvester/ hauling/blow or pack	hour	8	$804	$556	$999	$607	—	—	—	—	—	—	—	—	—	—
Self-propelled harvester only	hour	9	$655	$510	$700	$456	—	—	3	$615	3	$617	—	—	—	—
Hauling only – trucks	hour	4	$126	—	—	$142	—	—	—	—	—	—	—	—	—	—
Hauling only – wagons	hour	7	$139	—	—	$149	—	—	—	—	—	—	—	—	3	$138
Packing only	hour	6	$163	—	—	$155	—	—	—	—	3	$180	—	—	—	—
Blowing only	hour	3	$82	—	—	$75	—	—	—	—	—	—	—	—	—	—
Corn silage																
Self-propelled harvester/ hauling/blow or pack	hour	4	$996	—	—	$670	—	—	—	—	—	—	—	—	—	—
Self-propelled harvester only	hour	6	$686	—	—	$529	—	—	—	—	—	—	—	—	—	—
Self-propelled harvester with kernel processor only	hour	8	$634	$500	$769	$477	—	—	—	—	—	—	—	—	—	—
Hauling only – trucks	hour	4	$141	—	—	—	—	—	—	—	—	—	—	—	—	—
Hauling only – wagons	hour	6	$134	—	—	$156	—	—	—	—	—	—	—	—	3	$138
Packing only	hour	6	$163	—	—	$155	—	—	—	—	3	$180	—	—	—	—
Blowing only	hour	3	$82	—	—	$75	—	—	—	—	—	—	—	—	—	—
Manure handling																
Solid																
Loader only	hour	12	$113	$75	$159	$113	—	—	—	—	7	$119	—	—	—	—
Spreader only	hour	13	$136	$62	$221	$139	—	—	4	$174	5	$142	—	—	—	—
Loader and spreader	hour	10	$238	$157	$304	$220	—	—	—	—	6	$239	—	—	—	—
Liquid																
Drag hose boom applicator per 1,000 imp gal	—	12	$15	$14	$17	$13	—	—	—	—	5	$15	—	—	3	$14
Tanker – surface applied only per 1,000 imp gal	—	5	$13	—	—	$12	—	—	—	—	—	—	—	—	—	—
Tanker – surface applied only per hour	—	11	$311	$238	$400	$243	—	—	—	—	7	$329	—	—	—	—
Truck transfer	hour	5	$213	—	—	$160	—	—	—	—	3	$208	—	—	—	—
Sand surcharge per 1,000 imp gal	—	7	$2	—	—	$3	—	—	—	—	4	$2	—	—	—	—
Pit pump agitation	hour	9	$178	$146	$196	$73	—	—	—	—	6	$192	—	—	—	—
Manure boat	day	4	$300	—	—	—	—	—	—	—	—	—	—	—	—	—
	hour	5	$401	—	—	$357	—	—	—	—	3	$418	—	—	—	—

Appendix A. Survey of Custom Farmwork Rates Charged in 2024

		Provincial					Area 1		Area 2		Area 3		Area 4		Area 5	
			2024	2024 Percentile		2021		2024		2024		2024		2024		2024
Custom operation	**Unit**	**#**	**avg.**	**15th**	**85th**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**
Miscellaneous																
Snow removal – blade	hour	12	$190	$141	$277	$142	—	—	—	—	9	$207	—	—	—	—
Snow blowing	hour	16	$157	$90	$231	$140	3	$125	—	—	8	$191	—	—	—	—

Appendix B. Survey of Short-Term Equipment Rental Rates Charged in 2024

		Provincial					Area 1		Area 2		Area 3		Area 4		Area 5	
			2024	2024 Percentile		2021		2024		2024		2024		2024		2024
Custom Operation	**Unit**	**#**	**avg.**	**15th**	**85th**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**	**#**	**avg.**
Tractor Rentals																
Tractor	hour	10	$99	$51	$141	$116	—	—	—	—	6	$83	—	—	—	—
	HP/hr	5	$0.42	—	—	$0.40	—	—	—	—	3	$0.43	—	—	—	—

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Agricultural Information Contact Centre:
1-877-424-1300
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