

LINCOLN COLLEGE

DEPARTMENT OF FARM MANAGEMENT AND RURAL VALUATION

FARM CONTRACTING RATES

CANTERBURY 1964/65

(Compiled by Meat & Wool Boards Economic Service)

All farm work or services performed by labour not fully employed on a farm has been classified as farm contracting for the purpose of this report. Therefore, within this definition are shearers, shed hands and fencers, all regarded as employees for tax purposes; and the asset backed self-employed contractors operating trucks, tractors, headers and balers. This large diversified labour force consists of two classes of contractors:

- (1) the full-time contractors, and
- (2) those farmers doing part-time contracting or doing full-time in season contracting with supplementary income from a conveniently worked farm.

The farm contracting industry is expanding and farmers in Canterbury today can call on a wide range of contractors skilled in nearly all types of farm work and prepared for all types of farm servicing. Competition for business is keen and rates have changed very little in the past two years.

In the field of cartage and specialised farm maintenance (e.g. operations requiring heavy or single purpose machinery) contractors are relied on to a very large extent. Here competition is most brisk and tendering for work is not uncommon. Since the lifting of road transport operating distance restrictions, cartage contractors have made the most of their limitless territory. This is enabling more farmers to buy stock from a very wide area and cart them home at railway cost and under, in half the time and with minimum damage to stock.

Harvesting contractors engaged in windrowing, heading and baling make up the largest group of similar-type contractors. This is due to the great number of part-time contractors operating in this type of work. Here rates have remained very stable over recent years at a level just below that at which the average size sheep farmer would move towards owning his own machine. With the increase in cropping on sheep farms today, a reliable contractor can build up a good contract harvesting business in the sheep farming districts at the current rates. In mixed cropping districts the harvest is of major size and importance and therefore most farmers own their own machines.

For a more detailed description of the types of work performed by contractors in Canterbury, and of their distribution by districts, refer to N.Z. Meat & Wool Boards' Economic Service Publication No. S.1203, Farm Contractors and the Farmer.

Below is listed the rates currently being charged to farmers for all types of work commonly performed by contractors on Canterbury farms. Where

a change in the rate charged by a particular type of contractor is shown, whether up or down on last year, this indicates the movement of the majority only. For most types of contracting work, methods and terms of contract are continuously changing. This makes it difficult to measure precisely a genuine movement in the rates charged.

Rates and Changes 1964/65

Shearing: (a) Machines

(1) Main shearing of ewes and lambs -

Range: £7. 0. 0. to £8. 0. 0. per 100 shorn

Majority: £7. 0. 0. to £7.10. 0. " " "

Change: Up 10/-

(2) Lamb shearing only -

A minority of gangs have different rates for ewes and lambs, lambs being 10/- per 100 below the ewe shearing rate.

(b) Blades

(1) Contract gangs -

Ranges from £10.10.0 to £15.0.0 per 100 depending on size of gang, whether a classer included or not and whether all rations in or various items supplied by the farmer.

(2) Shearers only -

Range: £7.10.0 to £8.15.0 per 100

Change: Up 5/- per 100

Full Crutch: Machines

Range: 40/- to 55/- per 100

Majority: 50/-

Change: Up 5/-

Light Crutch:

Range: 30/- to 45/- per 100

Majority: 35/- to 40/-

Change: Up 5/-

Full Lamb Crutch:

Range: 35/- to 45/- per 100

Change: Up 5/-

Woolshed Hands:

(1) Fleecies

Range: 8/- to 10/- per hour

Change: No change to up 2/6 per hour.

(2) Classers

"Ringers" rate

e.g. At 200 sheep per day at £7.5.0 per 100, Classer paid £14.10.0 per day.

Cartage Contractors(1) Lime Sowing

Almost all farmers rely on cartage contractors for carting and sowing of lime. In some districts lime works also mix manures and cart and sow their own product, but in most cases the lime works rely on independent cartage contractors to bring in the orders and then complete the contract by carting and sowing.

Of most concern to the farmer is the cost of the lime sown. In Mid and North Canterbury where many farmers have a choice of near-situated lime works, competition is keen and prices vary for lime, carting and sowing.

- (a) Lime: Crushed, on lorry at works
 Range: 17/6 to 21/- per ton
 Majority: 21/- per ton

To compete for business from distant and coastal farmers one North Canterbury works charges 15/- per ton on rail and another 18/-; the lime company paying transport to rail.

- (b) Cartage: Works to farm by road
 Range: 10d to 1/3d per ton per mile depending on distance, rate falling as distance increases.

- (c) Sowing: (i) On lea
 Range: 4/- to 6/- per ton per acre
 Majority: 5/6 per ton per acre

- (ii) On cultivated ground
 Range: 4/6 to 7/- per ton per acre
 Majority: 6/6 per ton per acre

Higher rates are charged for sowing on undulating country or at more than 1 ton per acre.

1. Summary

A fair average cost for buying, carting by road and sowing one ton of lime on pasture 20 miles from a lime works is 46/6 per ton per acre or approximately 2/4 per ton mile.

At 15/- per ton of lime on rail and at minimum rail rates a farmer 75 miles from the lime works (60 miles of rail at 19/6 per ton and 15 miles road transport at 1/2 per ton per mile) can sow 1 ton per acre on grass for 57/6 or approximately 9¹/₄ per ton mile

i.e. Lime	15/- per ton
Rail	19/6
Cartage	17/6
Sowing	5/6
	<hr/>
	57/6 per ton
	<hr/>

2. Super: Road cartage and sowing
 (a) Cartage: 8d to 1/- per ton per mile

Cartage Contractors

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5.

- Earthmoving:
- (a) Track laying machines
 - (1) 30 to 40 draw-bar H.P. (D2 equivalent)
£2.5.0 to £3.0.0 per hour
 - (2) 50 to 60 draw-bar H.P. (D4 equivalent)
£3.0.0 to £4.0.0 per hour
 - (3) 70 to 90 draw-bar H.P. (D6 equivalent)
£4.0.0 to £5.0.0 per hour
 - (b) Dragline machines
Digging, pits and ditches
£3.0.0 to £5.0.0 per hour depending on size
of machine
 - (c) Graders
 - (1) Removing gorse hedges and levelling fence
lines: £3.0.0 per hour
 - (2) Levelling paddocks: £4 to £5 per hour
depending on condition of paddock and
degree of work required.

Cultivation:

- (1) Track laying machines
 - (a) D2 equivalent £2.5.0 to £2.10.0 per hour
 - (b) D4 equivalent £3.0.0 to £3.5.0 " "
- | | | | |
|----------------|------------------|--------------|----------|
| Average costs: | Ploughing | 35/- to 40/- | per acre |
| | Giant discing | 40/- " 45/- | " " |
| | Chisel ploughing | 40/- " 45/- | " " |
| | Discing | 17/6 " 20/- | " " |
| | Rolling | 30/- " 40/- | " " |
| | Drilling | 17/6 " 20/- | " " |
- (2) Wheel tractors
30 to 40 H.P. 25/- to 30/- per hour

Ditch cleaning:

- (1) Snow plough type machines pulled by a tractor straddling the
ditch: 30/- to 35/- per hour
- (2) Dragline or hydraulic machines with side mounted gear:
40/- to 55/- per hour

Windrowing:

- 20/- per acre windrowing only
- 25/- per acre including conditioning

Heading:

- (1) Grain and peas -
Big variation in rates between contractors of this class. Rates
may be based on a per bushel, per bag or per hour basis. The
highest rate is charged for peas.

6.

Range:	(a) per bushel	(b) per bag
	1/- to 2/3	2/6 to 6/-
Majority:	1/- to 1/6	3/- to 4/-
Minimum Rate:	£3.0.0 to £5.0.0 per hour	

Pick up heading is usually at a per hour rate while direct heading is normally at per bushel or per bag rates unless the bushel yield is low when minimum per hour rates will take effect.

There is a variation in rate between headers with an 8ft or less cut and the larger predominantly auto headers with 10ft cut and over. For most autos the minimum rate is £5.0.0 per hour. The lower rates are usually offered by farmers doing part-time contracting for neighbours or a limited number of nearby farmers.

Overall there has been no increase in heading rates above last season.

(2) Small seeds

Tractor drawn combines	£3.0.0 to £4.0.0 per hour
Self-propelled combines	£4.10.0 to £5.0.0 " "

Baling:

Range: 1/- to 1/2 per bale

Raking prior to baling: Some contractors charge no extra above the baling rate but the majority charge an additional 1d to 2d per bale.

Change: Contractors charging 1/2 have increased their rate by 1d per bale over last year.

Hormone Weed Spraying

(1) Aerial application

(a) Fixed wing planes - pasture and crop spraying

Application rate approximately 20/- per acre

Materials (for weedkillers or insecticides) 12/6 to 22/6 per acre

Total cost 32/6 to 42/6 per acre

Varies depending on area to be covered and amount of water in the mixture.

(b) Helicopters - gorse and broom spraying

Costs approximately £10 per load which is enough for approximately one acre of gorse and broom bushes.

Flying time £5 to £6 per acre

Material cost (245T at 1 gallon per acre) £4.10.0 per acre

(2) Ground Application

Application rate 10/- to 15/- per acre

Materials 12/6 to 25/- per acre

Total cost varies from 22/6 to 40/- per acre depending on contractor, area to be covered, type of weedkiller or insecticide and amount of water in the mixture.

CANTERBURY DAIRY FARMERS LIMITED

<u>Month</u>	<u>Full Price Paid For</u>	<u>Quota Milk</u>			<u>PRICES 1964/65</u> <u>Surplus Milk</u>		
		<u>Finest</u>	<u>First</u>	<u>Second</u>	<u>Finest</u>	<u>First</u>	<u>Second</u>
September, 1964	Quota milk only	39.0	37.0	29.0	15.0	13.0	9.0
October	" " "	24.0	22.0	18.0	"	"	"
November	" " "	"	"	"	"	"	"
December	" " "	"	"	"	"	"	"
January 1965	" " "	"	"	"	"	"	"
February	All milk supplied	28.0	26.0	22.0	"	"	"
March	* " " "	28.0	26.0	22.0	"	"	"
April	*Quota + 20% of quota	39.0	37.0	29.0	"	"	"
May	* " + 20% "	"	"	"	"	"	"
June	* " + 25% "	"	"	"	"	"	"
July	* " + 25% "	"	"	"	"	"	"
August	* " + 20% "	"	"	"	"	"	"

* = Estimated basis of payment;
to be decided when **supply**
position can be more closely
estimated.

Less levy of 0.25d

NOTE:

- (a) Finest grade is milk which passes a 6-hour reductase test and contains **not less** than 3.5% butterfat.
- (b) First grade is milk which passes a 4-hour reductase test but fails to pass the 6 hour test and/or contains not less than 3.25% butterfat but less than 3.5%.
- (c) Second grade is milk which fails to pass a 4-hour reductase test or contains less than 3.25% butterfat.
- (d) A special penalty of 12d per gallon applies in respect of any deficiency in supply for February and March below 70% of the quota.