



# Machinery and Labor Sharing Arrangements

<http://www.machinerysharing.info>

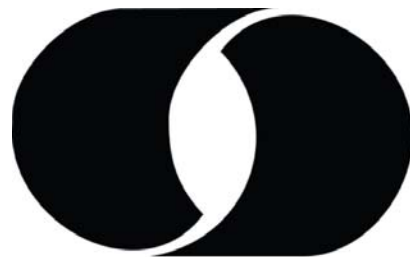
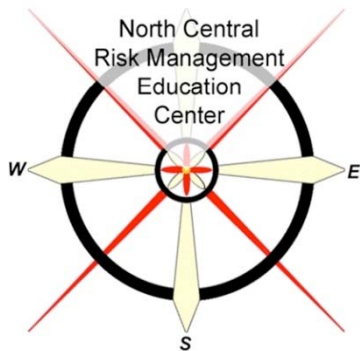
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# Collaborators

Grundy National Bank

Iowa Farm Bureau Federation



# Introductions

Name

Why you came.

What you would like to take home from today.

# History of Equipment Sharing

- Corn husking bees
- Threshing crews in the early 1900s
- Hay crews
- Joint harvesting
- Hutterites and other communal groups



# Advantages of Sharing

- Greater annual use of large machines
- Access to improved technology
- May be able to spread peak workload
- More efficient use of labor during peak seasons
- More dependable than hired labor

# Advantages of Sharing

- Specialization of labor
- More efficient use of repair skills, tools and facilities
- Volume discounts on input purchases
- Opportunity to do custom work
- Two (or more) heads are better than one!

# Profiles of Sharing

10 'case studies' of real-life sharing arrangements

- Johnson & Olson
- Stevens & Smiths
- Fergusons & Duncans
- Erikson & Zimmerman
- Parker & Anderson
- Bennett, Taylor & Nelson
- Spauldings
- Progressive Farmers
- Panhandle Farms
- Lakeside Machinery Cooperative

# Case Study Exercise

- Divide into groups
- Assign a case study
- Appoint a spokesperson
- Take twenty minutes to review the case
- Report back

# Case Study Exercise Reports

- Briefly describe the situation.
- What did the producers gain from the arrangement?
- What were potential obstacles?
- What were the “Keys to Success” or how did they overcome potential obstacles?

# Case Study Exercise

## assign groups

- Johnson & Olson
- Erickson & Zimmerman
- Parker & Anderson
- Bennett, Nelson & Taylor
- Duncans & Fergusons
- Stevens & Smith

# Johnson & Olson

- Two neighboring farms – 800 acres each
- Shortage of labor, out-dated combines
- Jointly purchased a combine
  - Technology, machine reliability, skilled labor
- Potential obstacles
  - Harvest schedule, financing, fuel, labor
- “Key” – view as ‘one farm’, flexibility

# Erickson & Zimmerman

- Two neighbors, 20 years, both expanded
- Own 4 pieces together
- Potential obstacles – Joint decision making. How did they work it out?
- “Key” – “rough parity”, no records, one cropping operation, different strengths

# Parker & Anderson

- 4,600 acres plus custom, livestock
- Needed labor, better equipment, joint inputs
- Potential obstacles
  - Uneven machinery ownership, distance, financial stress, loss of acres
- “Key” – allowed expansion, saved on inputs, renting land together(?), share ideas, daily communication

# Bennett, Nelson & Taylor

- 3 friends, planter, combine, 3,100 acres
- Sharing labor, lower machinery costs
- Potential obstacles
  - Work times, off-farm employment, trucking, scheduling, repairs
- “Key” – failed – how to farm, work habits, group focus, financial soundness, landlords preceptions

# Duncans & Fergusons

- Farming in two states
- 2<sup>nd</sup> combine for Fergusons
- Established an LLP
- Potential obstacles
  - Harvest schedule, distance, financial stress, loss of acres
- “Key” – work schedules, savings, mechanical skills

# Stevens & Smith

- Three farmers added a fourth - 3,100 acres
- Shortage of **labor**, machinery costs
- Jointly purchase a combine
- Pederson starts without any equipment \$
- Potential obstacles
  - Harvest schedule, livestock, fuel, labor
- “Key” – work schedules, savings, mechanical skills, fun

# Conclusions

- Identify the benefits
- Understanding of how things will operate
- Understanding of financial position
- Keep communication channels open and working
- Agreement on how to deal with disagreements
- Have a group focus