



A Kansas wheat farmer starts a producer-focused online resource to help farmers reduce equipment costs. Two farmers tell you what they think of the program.

From Wheat to the Web: Virtual Neighbors Share Machinery to Cut Real Costs

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Innovation From the Farm

In 1992, David Govert, a wheat farmer near Cunningham, Kansas, began to price harvesting equipment, and found that a new combine was running between \$150,000 and \$200,000. He thought the equipment was too expensive, and began to consider other options. He finally settled on a plan to purchase the equipment in partnership with one or more other farmers.

He found a corn farmer in Nebraska who was in the same boat, and the two finalized an agreement to purchase a combine as a partnership. The Nebraska farmer used the combine during corn harvest, and then shipped the equipment to David's farm in Kansas in time for David to use it on his wheat harvest.

David's experience, with all its problems and benefits, led him to begin MachineryLink.com, an online resource to help farmers reduce equipment costs. David used his own practical, on-the-ground knowledge to shape this innovative new company.

A Good Experience

Brian Hess, of Perley, Minnesota, ran into MachineryLink.com when he started looking for a new combine. "Most producers can't afford to buy a combine, especially a new one," says Brian. "It'd be fun to own my own combine, but it's not cost-effective." A good alternative for Brian was to sign a three-year lease agreement, starting in 2001, to share a combine with a farmer in Kansas and one in Nebraska.

The combine, new in 2001, is

rarely idle. It starts the season in Kansas, goes to Brian's farm for the August wheat harvest, then travels to Nebraska for the corn and soybean harvest in September. MachineryLink arranges for maintenance and delivery, and takes care of any repairs. "My only real concern about the lease agreement is the reliability of the machine in years two and three. It takes a lot of abuse from normal usage."

MachineryLink does guarantee that you'll have the machine when you need it.

Each farmer still owns his own combine head, but eliminating the upfront investment in a new combine cut Brian's cost per acre to less than seven dollars.

He gives the company a thumbs-up, and would recommend it to anyone.

Fewer Headaches, More Profit

In Bradshaw, Nebraska, Joe Winter and three of his neighbors also decided that a lease agreement to share a combine would be worth a try. The combine is used for the wheat harvest in Oklahoma, then goes to North Dakota for the small-grain harvest. Joe and his neighbors had the combine by Labor Day for the corn and soybean harvest, and kept the equipment until the end of the harvest in the middle of October.

After his first year with the lease arrangement, he says, "It works real well. We saved a lot of money, and I got along real well with the MachineryLink staff." Joe figures his cost per acre was about eight dollars for the combine and fuel.

He especially appreciated using a new piece of equipment that was well maintained at the nearby John Deere dealership—fewer headaches for Joe and his neighbors. MachineryLink takes care of maintenance, repair and transportation of the combine, freeing the producer to make the best use of time and machinery.

"It was a positive experience," says Joe.

The Bottom Line

Agricultural producers in the U.S. should look closely at the bottom line when replacing or adding farming or ranching equipment. The high cost of most modern machinery makes it essential that producers do what they can to minimize their investment in this capital expense. Programs like MachineryLink have the potential to significantly cut costs for producers.

In addition to its Innovation Managed Lease Program, which sets up equipment-share lease agreements, the MachineryLink.com website provides other tools for farmers: a searchable database of used equipment for sale; a listing of tools and resources, including a used tractor price guide, a farm equipment cost calculator, a listing of research and publications; and a farm auction guide.