

Producer Machinery and Labor Sharing Arrangements Workshops

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Topics For Session

- Project team and partners
- Previous work and current objectives
- Intergenerational transfer issues
- Case study overviews

Project Team

- Roger Ginder, Economics
- Darren Jarboe, CCUR
- Jeni Maiers, CCUR
- William Edwards, Economics
- David Baker, Beginning Farmer Center
- Extension Farm Management Field Specialists

Project Partners

- Grundy National Bank
- Iowa Farm Bureau Federation
- Iowa State University Agriculture and Natural Resources Extension
- Iowa State University Beginning Farmer Center

Previous Work

- Developed 10 case studies
- Four workshops in each 2007 and 2008
- Workshop participants indicated an interest in using resource sharing to transfer assets to the next generation
- MWPS Extension publication
- Ag Decision Maker Extension publication

Objectives

- Identify and develop two new case studies on intergenerational transfer
- Provide three workshops on producer machinery and labor sharing arrangements

Intergenerational Transfer Issues

- Structure of agreements
- Governance and dispute resolution provisions
- Daily operations
- Planning techniques and record keeping
- Perceived benefits and disadvantages of the arrangement

Intergenerational Transfer Issues

- Transfer of Assts Vs. Transfer of Decision making
- Transfer of Assets When Non-Farming Siblings Who Have an Interest Exist
- Generating Sufficient Income to Support Two Families During Transfer

The Spauldings

- Initially father and two sons, then two brothers (20+ years)
- Each has added a son to the cooperative
- Father-in-law and younger brother contribute labor and land
- Produce corn and soybeans
- Group leases a planter, two combines, and a sprayer jointly

The Spauldings

- Trade every year
- Use balance sheet to track individual investments and determine “fair” payments
- Do not track hours
- Farm all land as a group
- Purchase inputs jointly

Conrad Farms

- Diversified Northern Iowa
- Cattle feeding, farrow-to-finish hogs
- Corn and soybean production
- Three families: Jim Conrad, his son Todd, and his brother Ben.
- Formal partnership between Jim and Ben for cattle feedlot

Conrad Farms

- Crop acres farmed as a single unit
- Crop inputs ordered as a group
- No formal records for grain production
- Jointly owned machinery
- Current individual machine ownership closely balanced with acres farmed

Conrad Farms

- Family corporation created by Jim and Ben's father to transfer farm land
- Informal partnership between Jim and Todd for their shared farrow-to-finish hog and crop enterprises

Conrad Farms

- Records for hogs and cattle very detailed
- Management decisions shared by Jim, Todd, and Ben
- Planning transition to next generation

Martin Family Farm

- Father-son corn and soybean farm
- Added custom farming enterprise
- 2500 acres, 800 are custom organic
- Father owns/rents most of land, owns most of the machinery

Martin Family Farm

- Job specialization in farming operation
- Jointly order crop inputs
- Father and son share decision making
- Creating separate entity to transfer machinery

Martin Family Farm

- Father and friend jointly own farm and industrial equipment
- Informal relationship with no written agreement or structured record keeping
- Shared account used to pay repairs and maintenance

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