, Farm mergers - a novel idea with big potential

By JERRY WEBB

NEWARK, Del. — If multimillion dollar corporations can merge and find some mutual advantage in that arrangement, why can't farmers do the same thing?_You read in the business press quite often about corporate mergers, but whoever heard of farm mergers? That's because it seldom ever happens. Oh sure, some farmers buy out other farmers as they retire. or perhaps father and son or two brothers decide to join their operations for mutual benefit, but the standard business merger seems almost unthinkable to the fiercely independent American farmer.

At least that's the way things used to be. Times are changing, even in rural America. Farmers are seeking other kinds of business organization besides the traditional oneman family farm. More and more conversation these days centers on the largerthan-family / farm organizations that seem to be gaining strength. These units are using a variety of business techniques to gain need to be profitable. So why can't some of these largerthan-family farm units be made up through mergers?

A story in a recent issue of Progressive Farmer magazine tells about two North Carolina farmers who did just that. They took two smaller units and legally merged them into what quickly became a big time operation. Ronald Hawkins and Bill Toney were neighboring farmers who traded work and shared equipment now and then and finally realized that their philosophies, goals and inthe economic leverage they terests were quite similar. So they sat down and plotted

a formal merger that would take advantage of the strengths of both farming units for the mutual good of the overall operation.

Both of these men started farming on a part-time basis in the early 1970's without inherited land or equipment and without the advantage of working into existing farms. Both were expanding their farming operations and know-how gradually, but neither felt they were making progress rapidly enough.

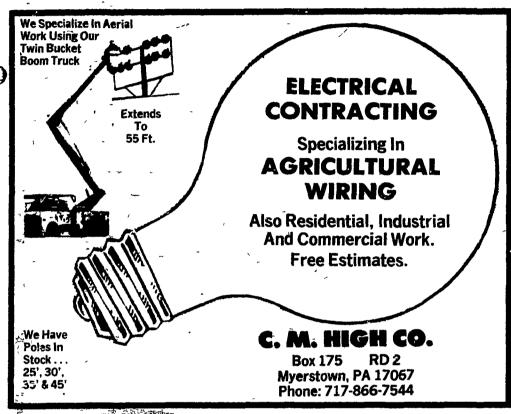
Before the merger, each was farming about 300 acres of corn, soybeans and wheat.

But after throwing their equipment inventories together and purchasing a couple of additional items, they were able to expand to a total of 1400 acres. Not only did they gain the economic advantage of more equipment without more investment, but they gained the moral support of each other. That allowed them to make some rather bold business decisions that might have otherwise been almost totally overwhelming. Maybe it's as simple as having someone there everyday whose judgment you trust — a

counselor, a listener, another expert to react to your ideas.

However you categorize that moral support, it allowed Hawkins and Toney to take some big steps. In addition to renting another 1000 acres of cropland, they bought a new 125 horsepower tractor and several other pieces of equipment. They purchased a 217-acre farm and are currently developing 100-sow feeder pig operation. They also leased a 22,000 bushel grain storage complex and a local repair

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xen team raised

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eat. pasture in Summer, with an occasional scoop of molasses feed. Under working conditions, Paul fuels them with extra rations.

"They know the white bucket that delivers extra feed," he laughs. "As soon as they see that bucket, they hurry for feeding."

Tracking down oxen lore and background information on their training has led the Hoover family to some interesting facts.

For instance, did you know that the term "oxen" applies to a pulling team of "any split-hoofed animal?" Therefore, you could hook up a pair of pigs, or goats, and label them "oxen." Pioneers, heading West, add the

have occasionally caught and trained young buffalo as an oxen team to pull their prarie schooners.

As a sideline to the team, Paul has been bitten by the antique equipment bug and is accumulating an inventory of old wagons and similar pieces. One unique item is an old hillside sulky plow, in need of repairs. Hunting parts has sent him, unsuccessfully so far, scrambling to find a source of replacement pieces.

He plans to eventually adapt each item for use by the team, expanding his current oxen equipment of wagons, a bobsled and an occasional hookup to the garden plow and mower.

A June graduated from the

Hoovers, are reported to county's vocational-technical school, Paul was a member of the wrestling team and studied diesel mechanics. He recently began work in that field with H.R. Treffinger, Etters R1. Someday Paul expects to return fulltime to the family's custom slaughter and direct meat sales business, operated by his dad and mother, Donette. The family also feeds out steers and farms 250 acres of corn, small garin and hay.

Paul, Bill and Buck have been invited to participate in the August 3 and 4 York 4-H Fair. They'll be giving rides in a wagon behind the glossy. black-and-white beauties, with Paul donating the proceeds to the county's 4-H program.

