

# Hamilton Equipment Celebrates 50th Year of Service In Wholesaling

EPHRATA — When Bob Hamilton, Sr., rented an old tobacco storage in Ephrata in 1938 and started Hamilton Equipment, Inc., odds were stacked against him ever making it as a wholesale distributor.

Rent was cheap enough. Just \$35 a month. But young Hamilton was a city kid from Pittsburgh. His only farm experience was summer jobs on Allegheny county farms. His only engineering experience was civil. He earned that degree working his way through University of Pittsburgh during the great depression.

"Fortunately no one told me my ideas wouldn't work," Bob said recently.

It wasn't easy. The business almost "bellied up" the first year. But succeed it did.

On Sunday, with Bob Hamilton, Jr. presiding at the Pennsylvania Farm Show exhibit, Hamilton Equipment, Inc. will celebrate its 50th anniversary with a five-tier cake, and the good wishes of state dignitaries and farmers alike.

It also will be Hamilton Equipment's 50th year at Farm Show. Bob, Sr., first showed in 1939.

Hamilton Equipment doesn't sell directly to farmers or industrial customers. But the company serves them in many ways.

"Today we're the show people



**Bob Hamilton, Jr. plans to celebrate the firm's 50th anniversary at 1988 Farm Show.**

for 40 manufacturers and hundreds of dealers," says Bob Hamilton, Jr. who now heads a firm that serves dealers in New Jersey, Delaware, Maryland, Virginia and West Virginia as well as Pennsylvania.

"We're big on shows. It's our way of keeping farmers posted on new equipment and new practices," the young Hamilton explains.

Hamilton Equipment introduced the first front end loader and first backhoe in the East. And, in 1946, it showed the first elevator that could handle both grain and



**Ephrata headquarters of Hamilton Equipment today include offices and parts department plus 49,000 square feet of equipment warehousing. A branch warehouse at Raphine, Va., has another 33,000 square**

baled hay.

The wholesale firm has been showing Danuser posthole diggers since 1949.

A no-till drill that plants in stubble and sod has been a big hit in the 1980s.

Looking back, Bob Hamilton, Sr. credits the good advice of dealers and manufacturers in getting him through 1938 in one piece. That and an unanswering belief in service... to dealers and their farm customers.

Bob Hamilton learned as he traveled.

"In 1939 and 1940 you could leave Monday morning with \$25, call on dealers all week and return home Friday with \$5 and change," Bob Hamilton, Sr. recalls now. Some years he drove 60,000 miles.

First dealer was L.H. Brubaker at Strasburg, Pa. First manufacturer, Champion Irrigation. Today, Danuser Machine Company has the longest continuous record with Hamilton Equipment... almost 39

years.

When dealers told him all equipment had to be shipped from the factory, Bob cut freight costs for dealers and farmers alike by picking up equipment by the truckload and delivering direct to dealers. The Firm now keeps seven trucks on the road fulltime.

"I also learned that when a dealer or farmer wanted a part or piece of equipment, he wanted it yesterday," Hamilton grins.

To speed deliveries, Hamilton Equipment expanded warehousing and stocked full lines of equipment and parts near the dealers.

Warehousing has grown from the original 4,000 square feet of 1938 to almost two acres (82,000 square feet) today at Ephrata, Pa. and Raphine, Va. And everything is stored under roof.

That includes 17,134 parts and \$2,500,000 in new equipment on any given day. Inventory is automatically updated by modern computers. Parts ordered one day usu-

ally are delivered the next.

"Parts are an important consideration when we take on a new manufacturer," says Bob Hamilton, Jr. "In case of foreign firms, we insist they open a U.S. warehouse."

When dealers were flooded with new equipment after World War II, the big wholesaler trained a team of repair specialists to help dealers put equipment back in the field quickly. The service is still offered for all Hamilton lines.

Shop schools also are held for service people, and demonstration shows for farmers.

Where will Hamilton Equipment go from here?

Bob Hamilton, Jr. looks ahead to more warehousing, bigger inventories and new high tech equipment.

Says Bob, Jr., "New technology and practices will bring new innovations in equipment, and new profits for growers. We're prepared to meet that challenge."



**Bob Hamilton, Sr. decided to become a wholesale farm equipment distributor in 1938. "Fortunately no one told me my ideas wouldn't work," Bob grins.**



**Hamilton Equipment's first office and warehouse was this old tobacco storage in Ephrata. Rent in 1938 was \$35 a month.**

## Dairy Management

**DR. GEORGE F.W. HAENLEIN**  
Extension Dairy Specialist  
University of Delaware  
**What Makes Some Dairy Farms More Profitable?**

The dairy business in this region has undergone drastic changes during this past decade, and not all by the choice of the dairy farmer. Political decisions made in Washington, on the World market and by labor unions have also influenced these changes.

For example, dairy farm profits have been affected seriously by milk surpluses in the marketplace. Yet, can you find a beverage-dispensing machine anywhere anymore that sells milk as well as soft drinks?

Because many of these machines are serviced at best only once a week, and since milk often turned sour, they've stopped dispensing it in recent years. But why not use UHT milk which stays fresh for 3 months without refrigeration? Apparently, dispensing-machine owners make more money on soft drinks than on any kind of milk.

For this as well as other reasons, the surplus continues, supported by the convenient but false claim that UHT milk has a cooked taste. People in Europe have been drinking UHT milk for years and it con-

tinues to be very popular there.

Many fast food restaurants in this country have finally switched from non-dairy creamers to the REAL half-and-half-- either pasteurized, or ultra-high-pasteurized for easier handling-- or they provide milk.

Yet, most of our airlines still fail to provide the REAL thing in coffee on flights, and you can't even get milk, while soft drinks and juice are routinely served, along with beer, wine and other alcoholic beverages.

Thus the surplus continues, and would be worse, if it weren't for the deduction of 15 cents per hundred pounds of milk-- from farmers, not dealers-- for milk and milk product advertising and research.

And thus, no matter how efficient a dairy farmer you are, your income to a large extent is determined by forces not under your control, including vending machines and airlines.

But what about the factors you can control as a producer?

A recent study of 1,477 Pennsylvania dairy farms found that one in four of these farms had a zero or negative cash flow compared to 5 years earlier when this was the case for only one in 10 dairy farms. To compensate for

declining profits, during the last 5 years of this study, the dairy farmers expanded their operations, which resulted in greater surpluses and lower milk prices. At the same time, these producers tried to become technically more-efficient.

However, when these Pennsylvania dairy farms were ranked by size into four groups, large and small farms in the study were found to be less efficient than medium-size farms in terms of the cost of producing milk. That was so 5 years ago and still is true.

The dairy farms that increased in size usually did not become more efficient. Indeed, greater efficiency in the purchase of feeds and animals and improved forage production, not size, were the most effective factors in increasing profits.

In terms of dairy farm survival, in this study, the debt load per cow and falling asset values were also more important than actual production levels or size of farm. This finding supports the logic of our own continued efforts in Delaware DHIA not to push for high production of each cow per se, but for improved efficiency indexes-- especially net returns over feed cost, genetic indexes, calving intervals, and the like-- as these will improve dairy farm profitability more than anything else.