



A farmer-owned investment group kept the doors open at Rosholt's only implement dealership, now managed by Frank Beal, above.

Photo by Burl Cook, The Rosholt Review

WHEN THEIR DEALER WENT BROKE, THEY BOUGHT HIM OUT

By Gene Schnaser

Farmer-Investors Save Small Town Implement Dealership

Three years ago when hard times threatened to close the doors on the only implement dealership in Rosholt, So. Dak., a group of area farmers took matters into their own hands. Today they still have a dealership, not only saving up to a 60-mile round-trip to get parts but also helping keep tiny Rosholt, population 450, alive by saving five jobs.

When the original Allis-Chalmers dealership went under, farmers here in north-eastern South Dakota first thought they were going to have to do without. "The owner was up against the wall financially and it looked like he was going to have to lock it up," explains Rodney Westby, who farms 1,100 acres from his home place a half mile out of town.

"Then seven other Rosholt farmers and I put together an investment group and began negotiating with the attorneys. By the time the dust settled, we had formed a corporation and had bought the facilities." Westby is now the president of the farmer-owned corporation, called Rosholt Farm Power Inc., which bought the dealership's building, some of the inventory and tools.

The group looked into acquiring an implement franchise, but decided they could accomplish their objective by offering the facilities to an existing dealer. After some scouting they found Gary Hoffman, owner of Hoffman Implement in Graceville, Minn., 37 miles southeast of Rosholt. He was willing to lease the facilities and operate it as a satellite to his main dealership.

"With inventory, a full dealership franchise could have amounted to over \$250,000," Westby explains. "By leasing to an existing dealer to operate as a satellite we kept the doors open for less than half that." Though the satellite dealership in Rosholt handles Case-IH, it also offers a couple of brands of short-line equipment, plus used equipment and mechanical work on machinery of all colors.

"Our corporation just had its third annual meeting," says Westby, "and all the investors are tickled pink with how it's turned out. We're getting a return on our money, as well as covering expenses like taxes, repairs, insurance and upkeep. It's definitely been worthwhile as a matter of convenience to farmers around Rosholt. But the main benefit is that we've kept it open to help keep our town alive. The dealership employs a full-time manager, a partsman, two mechanics and a part-time bookkeeper."

The first lease between the dealer and investment group was for two years, and in-

cluded an option to buy. It's been renewed and business has picked up since the satellite dealership began operating. "A good volume of machinery has been sold out of here," says Westby, "and the parts business is growing every year. We feel it has been an unqualified success. Without getting involved, we would have had a building with the doors locked and growing to weeds."

Sometimes local businesses aren't appreciated until they shut the doors, notes Frank Beal, manager of the satellite dealership. Then it's too late to get them back. He suggests that other rural communities faced with losing an only dealership could try the same approach. "It's worked out real well. It took awhile at first to get the dealership up and running again. But we've made good progress; we plan to add another mechanic within the next month."

"The enthusiasm for saving the dealership was tremendous," Westby adds. "We originally had 38 people interested in investing. But on the advice of our lawyer we formed the private corporation and kept the number of investors to a minimum. If an only implement dealership or other business in town is having serious financial problems, the first step in helping is talking with the current owner. Work through him, his lawyers and creditors. If you can interest an existing dealership in setting up a satellite, the investment required can be manageable."

Rosholt has been singled out as an example of what small towns can do to survive hard times by the Heartland Center for Leadership Development, a nonprofit organization headquartered in Lincoln, Nebraska. The Center, partially sponsored by Pioneer Hi-Bred International, is devoted to helping struggling rural communities and has developed a number of helpful publications. Among them are "Clues to Rural Community Survival" (\$12.50) which profiles small towns that have taken unique approaches to survive, and "Seven Secrets to Coping With Change In Small Towns" (\$2.50) which offers more ideas for small communities facing tough challenges.

For more information, contact: FARM SHOW Followup, Rodney Westby, RR #1, Box 42, Rosholt, So. Dak. 57260 (ph 605 537-4395). To order the Heartland Center publications (\$1 S&H each) contact: FARM SHOW Followup, Heartland Center, 941 O Street, Suite 920, Lincoln, Nebr. 68508 (ph 402 474-7667).

HOME "FUELING STATION" CONVERTS CARS, PICKUPS, TRACTORS TO LOWER-COST FUEL

Fueling Up On Natural Gas

By Bill Gergen, Associate Editor

It's possible to save up to 50% on fuel costs by converting to natural gas and refueling at home with a first-of-its-kind "refueling station" that hooks up directly to natural gas pipelines, according to the manufacturer.

The "FuelMaker" is the first personal use natural gas refueling system. It compresses natural gas so it can be stored and carried on a vehicle that's been modified to burn natural gas (without impairing its ability to still burn regular gas). The appliance looks like a picnic cooler and connects directly to an existing residential or commercial natural gas supply. All you do is connect the refueling hose to your vehicle. After several hours when the fuel tank is full, the appliance automatically shuts itself off.

"Natural gas is the fuel of the future," says Henry Tomlinson, chairman of the Federation of Alberta Gas Co-ops. He says on an amount of natural gas equivalent to a gallon of gasoline sells for just 50 to 70 cents. Many large organizations with fleets of trucks have already converted to natural gas, fueling up at large industrial-size refueling stations. Many farm cooperatives are also looking at setting up these types of fueling stations.

According to Tomlinson, both gas and diesel engines can be converted to run on natural gas. On gas engines, natural gas either flows through the carburetor or into the fuel injection system. A regulator kit that mounts on the engine allows compressed natural gas to be injected into the air intake. On diesel engines, natural gas is introduced into the air intake manifold. Diesel engines can be converted to run on up to 75% natural gas. It's necessary to continue to use 25% diesel fuel in order to provide a source of ignition as well as lubrication for the fuel pump.

In order to use natural gas as a motor vehicle fuel, it must be compressed so it can be stored on board a vehicle in a relatively small tank. The FuelMaker pressurizes natural gas to 3,000 psi and delivers about 1 gal. of compressed natural gas per hour. A special fuel storage tank, which is built heavy to withstand the high gas pressure,

mounts under a pickup bed, on top of a tractor cab, or in the trunk of a car. A typical tank holds the energy equivalent of about 5 gal. of gas so it takes about five hours to fill. For faster fillup, two separate refueling tanks can be installed on the vehicle. A dual hose option lets you simultaneously refuel both tanks or a second vehicle.

There are two major obstacles facing farmers who want to convert to natural gas. First, most farmers don't have access to natural gas pipelines. Secondly, even where rural gas pipelines are common, such as in the Canadian provinces of Alberta and Saskatchewan, farmers may need either several FuelMaker appliances or a bigger and faster refueling station because of the number of vehicles and equipment they own and their high fuel requirements. The FuelMaker compresses gas at a relatively slow rate in order to prevent draw down on other natural gas appliances. However, Tomlinson says manufacturers are working on higher capacity refueling equipment. "It's only a matter of time before larger refueling stations become available," he says.

At 30 miles per gal., a vehicle would have a daily range of up to 150 miles with one 5-gal. tank. In almost all cases, the vehicle's gasoline system is left intact so that the driver can easily change from gasoline to natural gas and back again on-the-go by flipping a switch.

Questar Corp. of Salt Lake City, Utah, BC Gas of Vancouver, British Columbia, and Sulzer Bros. Ltd. of Switzerland, have formed the FuelMaker Corporation which manufactures the FuelMaker appliance.

The FuelMaker sells for about \$3,000, the storage tank for about \$500, and a regulator that mounts on the engine and further reduces gas pressure costs about \$900.

For more information, contact: FARM SHOW Followup, FuelMaker Corporation, Box 12503, 1066 West Hastings St., Vancouver, British Columbia Canada V6E 3G3 (ph 604 684-4269) or FuelMaker Corporation, 141 East First South St., Salt Lake City, Utah 84111 (ph 801 530-2417).