



Intervale Farmer Equipment Company

FACT SHEET

History

- Before 2005, the Intervale Center owned and managed all equipment for farmers to use.
- In January 2005, The Intervale Center received funding to support deciding which assets were appropriately owned and operated, either jointly or individually by the farmers, and which ones should remain under the Center's control.
- The shared goals for the process were to remove the management responsibility from the Intervale Center and transfer it to the users themselves, therefore reducing cost, and to provide farmers with equity interests in the businesses they are trying to develop. It is important to recognize how helpful it was to have an institutional investor, the Intervale Center, with a strong interest in making this type of arrangement work.
- Farmer member contributions were about 10% and the Intervale Centers contribution was about 35%.
- All tractors, implements, and greenhouses were sold to the company for 80% of street value.

Overview

- IFEC's sole purpose is to give its members access to farm equipment and two greenhouses.
- IFEC owns
 - 2 tractors
 - Array of implements
 - 2 heated greenhouses with benches for propagation and curing
- From the Intervale Center, IFEC leases
 - 1 barn which houses the shop
 - Pole Barn
 - Driveway
 - 4.35 acres for equipment storage

Membership

- The main users of IFEC are member owners who are comprised of mentor farmers at the Intervale and the Intervale Center.



“This has been a success in the sense that it was a necessary transition to be a truly viable farm business, and it didn't make sense for IC to stay in the equipment rental business. We want to be *interdependent*, not *dependent* on outside funding. So as much as possible, the goal has been to generate self-reliance— creating IFEC has been a good step in that direction.” ~ Hilary Martin, Digger's Mirth Collective Farm



- The Intervale Center owns the largest portion of the company, about 35%. Incubators, New Farms for New Americans, and the Conservation Nursery can use equipment under that membership.
- Members pay per hour for equipment use and per bench for greenhouse use.
- Members pay a shop access fee to IFEC and a portion of the buildings utilities
- Member farms are required to contribute work hours, time spent maintaining and repairing equipment, relative to their farms use of equipment.
- If they exceed those work hours, the cost of their time is credited towards their bill.
- Non-members can have access to the equipment but pay an additional 20%.
- All members accept the collective risk of equipment failure and understand that as a member of the LLC they may be required to provide time or money to ensure the continued use of the shared resources.

Management

- The LLC is managed by an elected board of managers who make decisions. The board may elect officers and designate committees in order to perform its duties.
- The board chooses managers of the shared resources who are responsible for day to day operations of the different aspects of the LLC such as the greenhouses, equipment, and tractors.
- Those managers may be compensated for their efforts through reduced cost use of the resources or by monetary payment as decided by the board.
- Subcommittees of the Board and their responsibilities
 - Equipment committee
 - Equipment safety and maintenance
 - Determining and amending procedures of equipment use
 - Tracking and coordinating repairs of damage to equipment
 - Determining billing amounts for equipment users
 - Greenhouse committee and/or manager
 - Greenhouse opening date
 - Determination of use of space within the greenhouse
 - Greenhouse temperatures
 - Finance committee
 - Creates the annual budget for member approval
 - Oversees the bookkeeping
 - Is in charge of making sure the taxes and insurance are filed and in good standing



Becky Maden, Intervale Community Farm farmer



Equipment Use

- Operators of IFEC equipment are trained every spring by a qualified IFEC member or IFEC approved individual.
- There are basic safety and maintenance procedures that all operators are given and must follow.
- If there is a problem with a piece of equipment, the user must contact the responsible farm and they are in charge of planning a course of action.
- Any maintenance work that exceeds \$250 must be reviewed by the IFEC equipment committee before work is done.
- Use of equipment outside of the Intervale is prohibited unless approved by the IFEC board on a case by case basis.
- Fuel is purchased by IFEC and the cost is included in the hourly rate. Farms still need to record fuel used in fuel log.

Greenhouse Use

- All greenhouse users are responsible for a certain number of hours of work to maintain and repair the greenhouses. These hours are determined by percentage of use. These hours are recorded by the greenhouse manager.
- The greenhouses are rented per bench and use is recorded and billed weekly according to the total cost of running the greenhouse that month divided by the number of users.
- The cost per bench range from approximately \$100/month/table in April when the greenhouse is heated to \$30/month/table in June or July.

The primary purpose of the greenhouses is for starting plants but they can also be leased for storage, summer in ground and table production, winter in ground and table production, curing, etc.



Billing

- Farmers pay per hour to use a tractor. Each tractor has a different cost and for a farm to have access to implements, they are charged a flat fee based on acreage.
- Equipment users are billed on a monthly basis by IFEC's accountant based on the recorded hours on a clipboard in the shop. Either a representative from the equipment committee or the bookkeeper gathers this information.
- The greenhouse manager must record table use each week and determining percentage use and billing amounts. The bookkeeper then receives these numbers from the manager and generates and sends invoices.
- Payment must be received by IFEC within 14 days of billing.
- Greenhouse bills may be pushed off until later months when there is more cash available while still avoiding one lump sum at the end of the year.