

A HAY-PRODUCER, CUSTOM-CUBER'S EXPERIENCE WITH FIELD CUBING

Stan Neves
Manager of Neves Hay Harvesting & Sales
Hanford, California

I operate 300 acres of alfalfa hay in partnership with my brother, Carl Neves, Jr. My father, Carl Neves, Sr., and I own three John Deere Model 400 field cubers, stacking equipment, skip loader and water truck. We also own two hay balers, two swathers and two rakes. My father does most of the swathing and baling. It is my job to manage the cubers, repair them, procure green stock, sell the cubers and do the bookkeeping.

I became interested in cubing about four years ago. Andy Bronson, a former John Deere dealer of Visalia sold me on cubers after his efforts to make sales had interested several of the growers that I had been baling for. I felt that venturing into this new haying system could be challenging and hopefully profitable. So, I began my cubing plunge in 1968 with help from Andy who served as my buyer for green stock and my salesman for cubers.

At the end of the first season I could muster only a few dollars profit. I was faced with a large repair bill on the cubers which meant going further into debt or doing the repairs myself. I have always liked machinery and decided to make the repairs and save the big labor costs.

During my second year I had a successful operation. I was aided by two large outlets that nearly took my entire stock. I had no trouble with green hay stocks since my procurer knew the growers well and located sufficient fields to keep the machines rolling. This man also knew the machines and helped me with repairs and maintenance.

At the end of my second year had cubed 12,000 tons of hay.

My third year was more troublesome. Competition from other cuber operators became keen. I lost my largest outlet for cubers to a competitor and I had made contracts for harvesting that I had to fill or else close my business. I decided that storage of cubers would be necessary so I rented space on a nearby cotton gin yard and stored about 1400 tons. I sold the cubers on the yard late in the season for what seemed like a fair price. However, the dock strike prevented shipment and I was stuck with storage costs and insurance until February of the following year. To make matters worse the price of cubers went higher but I could not reap any of the profits since my cubers had been sold earlier.

By the time the third season had rolled around my machines were worn badly. I had overhauled them each season but breakdowns occurred frequently. Such things as drums had to be replaced and two of my engines conked out. My costs for repair were high and these breakdowns occurred at a time when they hurt me most. My mechanical ability came in handy since I completed my repair at minimum costs.

For my third season I cubed 10,000 tons. I also learned a lesson--that winter repairs should be made as complete as possible.

During the winter of 1971 and early 1972 I thoroughly overhauled my machines. The over-haul job was still underway even when the first cutting was coming off. During the 1972 season my thorough overhauling paid off because my cubing costs per ton were less than in any of the previous years.

Sale of cubers early in 1972 were easy since demand was high. I had trouble in procuring green stocks because hay producers were receiving a good price for hay and weren't interested in selling their standing stocks for cubers. By mid-summer, hay prices dropped and offerings of green stock were abundant. Sales for cubers were not very strong. I decided to keep my machines busy by continuing to cube and store my stock. I purchased a small piece of ground near Armona, prepared a slab and stored about 6,000 tons of cubers.

During the season I have again made approximately 10,000 tons of cubers. While 6,000 tons of my 1972 stocks are in storage, orders for delivery are numerous and I have no fear of future sales.

Storage

In my area storage of cubes for sale or delivery at a later date is necessary. Kings County has about 1/5 the number of dairies it had 25 years ago, but the cow numbers are up by about 20%. Dairies tend to become larger and better managed. Many dairy managers are beginning to understand the economics of cubes. I think that my future as a cuber will depend on further use of cubes by dairies. Most dairies don't have handling facilities for green cubes but prefer cured ones. About 75% of my sales in 1972 will be as cured cubes.

Storage requires a certain amount of extra risk and expense. There is insurance, shrinkage, interest and extra handling costs. I don't prefer to store cubes but my markets demand it so I must continue it.

Problems With Field Cubing

The greatest problem with field cubing is down time. Here I refer to equipment breakdowns, weather and lost time that comes when equipment is moved from field to field. During my first year of cubing, my fields were within a radius of 50 miles of my home. I soon learned that down time losses were eating my profit as I traveled along the highways. I have sought out green stock growers near home and my radius of travel seldom exceeds 10 miles.

Coordination of equipment so that all pieces are in the field at the same time is important. One breakdown can tie up labor and a truck as well as a cuber. The alfalfa grower wants to get his water back on the field so he can grow more hay. The trucker wants to get his truck filled so he can make a profit. Managing such an operation so that all units are functioning is a big problem and a headache at times.

Another very important problem is labor. Labor has to put in long hours when weather is favorable. This places a strain on labor. The reverse situation develops when weather is unfavorable and labor sits around waiting for it to break. To help overcome such problems our firm has leased several hundred acres for the growth of crops other than alfalfa. By using our labor on the cultivator, planter or various other jobs I am able to hold much of my labor through the season.

In my situation, however, my success has depended largely on my mechanical ability to make repairs. I would urge anyone going into the field cubing business to consider this point.

Future

With dairies becoming larger in the area where I operate I feel that the cubing business can expand. There is an abundance of hay near the dairies and transportation to most of the dairies is not a big item. I must compete with the baled hay salesman, not only for green stocks but sale of product. It strikes me that a supply of cured cubes must be available for the dairyman if he is to continue to use them.

I am considering the installation of a stationary cuber along with my field cubing business. Green stocks are available near my proposed stationary site. Growers of green stocks would welcome the sale of such stocks since the hay will be removed from the field much sooner than with a field cuber. A stationary cuber would provide a means to lower the cost of the product since weather isn't much of a hindrance in its operation. I would hope that cubes produced from a stationary cuber would permit me to compete better with baled hay. With 75% of my present demand being filled with cured cubes the future will likely require even a greater share to be cured. Stationary equipment will be necessary if I am to fill the demand and provide a means for greater expansion.