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Louis Schwing: Interview Transcript, Part 1

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Recommended Citation

Halpern, Ben, "Louis Schwing: Interview Transcript, Part 1" (2016). *Oral History Interviews & Transcripts*. 3.
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Benjamin Halpern questions and comments in italics.

Interview With: Louis Schwing
Date of Interview: 4/12/2016
Location of Interview: Dewey, IL
Transcribed by: Jessica Craig
Date(s) of Transcription: 9/1/2016
Length of Interview: 01:30:22

BH: Louis was, at one time, the general manger of the Fisher Farmers Grain and Coal Company's facility here in Dewey. I met him for the first time in 1990, at that time he was the outside superintendent of the Dewey facility of Fisher Farmers Grain and Coal. In 2009 Fisher Farmers Grain and Coal consolidated with Grand Prairie Cooperative to form the Premier Cooperative Grain Company. Premier Cooperative is a very large farmer owned cooperative in east central Illinois. On that consolidation, Louis became the assistant general manager of Premier Cooperative until he retired in 2013. Louis grew up on a farm in rural Ford County Illinois, just north of where we are now. Today I will be conducting an interview with Louis where we will be focusing on his memories growing up on a farm, accepting work at a local cooperative upon graduating from high school in 1965. Outside of his military service with the United States Airforce (1966-1969) Louis worked his entire adult life in farmer owned cooperative system in east central Illinois. Today we will be talking to Louis about his experiences both growing up on the farm and working in the farmer owned system. I will be conducting an interview that was assembled by Dr. Debra Reid of Eastern Illinois University. The interview was composed by Dr. Reid, but I will be making a few modifications in this that pertain more to Mr. Schwing's background, but the basic questions and composition was put together by Dr. Reid. I will then be turning the interview over to Dr. Reid who will be using this material for her research. She will be turning the interview over the Eastern Illinois Booth Library and the material will be made available to the public through The Keep, the digital archives of Eastern Illinois University Library. Mr. Schwing, are you in agreement that I can conduct this interview, turn the material over to Dr. Reid, and put the material in the public domain through The Keep at Eastern Illinois University?

LS: Yes sir, that's fine.

BH: Okay then, thank you very much. Louis, lets talk about your early memories growing up on the farm. Tell me a little about what the farm was like where you grew up, and what your childhood was like growing up on that farm.

LS: I grew up on a small farm in comparison to today's standards. In Ford County our farm was about 200 acres and my earlier memories of that farm would be that back during that time we had dairy cattle, hogs, chicken, and sheep. We had all of the livestock, where in today's world they don't have it, they are mostly grain farms. I remember riding the school bus and all of the things you do being a rural person. I also remember that we didn't got to town every day, we only went to town once a week or once every two weeks. You were truly a rural person.

BH: Where was town?

LS: Town was Paxton, Illinois.

BH: How far out of Paxton were you?

LS: We lived about seven miles from Paxton.

BH: So even with seven miles, going to town was still a big deal?

LS: Yes. As far as the earlier memories, when you go back that far I was born in a hospital in Paxton that is no longer there. I went to school there through the high school in Paxton.

BH: What year were you born?

LS: I was born in 1947.

BH: So your childhood memories go back to the mid 1950s, is that a fair statement?

LS: Yes, I am what is referred to as one of those war babies. I was born after my father came home from military service during World War II in Europe.

BH: In your farm, what role did the older people play?

LS: On our farm we worked outside by having cattle. We would have to milk the cows every morning before we got on the school bus. We had chores to do every day, all of us did. My mother was instrumental in helping out on the farm, where my sister was more in charge of taking care of the meals, stuff like that. So as a family farm, we all pitched in and worked together.

BH: So each person had a different role, how did those roles change as you grew up?

LS: Well some of those roles changed due to the activities we had to do. At a certain point we no longer had those milk cows to take care of and then with bigger machinery there wasn't as much labor involved with doing things out in the field. When you got rid of livestock you didn't raise oats anymore, you had only corn and beans.

BH: When did you get rid of the livestock?

LS: We probably got rid of the livestock in 1961, somewhere around there. It was gone by the time I graduated from high school.

BH: So by the time you had graduated from high school you were on a farm where the entire focus was cash grain, is that correct?

LS: Yes, and my father ran a repair shop out on the farm too. He did mechanical work for some of the local farmers.

BH: Were there other activities that he or your mom did to make ends meet?

LS: My mother did work later on then after the children, I have three siblings, after we got old enough to really be on our own my mother worked as a waitress at a local café in Paxton.

BH: And your father stayed on the farm?

LS: Yes, my father stayed on the farm.

BH: Describe some of the seasonal things you did on the farm. What I am interested in here is if you could describe some of the routines from when you still had livestock, and then some of the routines when it became a grain farm.

LS: We had the livestock first, so a routine would be that you would get up at 5:00 in the morning and go out and do the chores. At that time we still milked cows by hand, then in a few years my dad did purchase a milking machine. Our day would start early and we would do the chores. Then we would come in and get cleaned up, my sister would have breakfast ready so we would eat that, and then we would get on the school bus. We had a real good time on the school bus because we were all rural kids. To be very honest about it, you could kind of tell when the kids got on the bus what type of livestock they had on the farm. You could still smell the pigs or the cattle because the odor would get in your hair. You didn't always take a shower before you went to school, so that was part of it. When you got home from school at night, the homework was there maybe, but you had to put that on the dining room table and go help with chores and get things done before you had time for homework. At that time, a lot of us did the labor by manual work on the farm, and mom and dad needed your help. During the livestock era too, we picked corn back then, not so much what we do today, but we picked it in the ear and put it into a corn crib. So dad would be picking the corn, and I would be carrying it to the crib, and during that time my mom took over milking the cows. I do remember at that time, we get up even earlier. We tried to have several loads of corn picked before the school bus got there. Because of the child labor, dad would get more done when the kids were there to help out and less done when we went to school. Then we would work picking corn when we got home from the bus.

BH: So I assume you had a tractor powered picker?

LS: Yes, we didn't have to pick the corn by hand. That was the generation ahead of us I guess.

BH: There were multiple types of mechanization available during the time you referred to, so I wanted to distinguish what you were using, as opposed to a self-propelled picker

LS: We pulled in with a tractor; they called it a pull type corn picker. We would pick two rows at a time. It would elevate those ears into the wagon. We would take the wagons back to the house and dump them into an elevator that would take them up and dump them into the corncrib. Our farm was owned by someone else, we were sharecroppers. When you filled the crib up there were two sides, one side was the landowners and one side was the tenants. You tried to count the number of loads going into each side so that they got a fair share. We, as tenants, would use some of the corn to feed the livestock. Where as the landowners would shell out their corn during the wintertime and it would be taken to the local grain co-op.

BH: Did you have a sheller at the farm?

LS: No, there was a person who did custom shelling. So we would come and load it on a truck to haul it to the elevator. Back then, they even hauled the corn cobs to Paxton and they would do whatever they did, and they would ship them out on rail cars. They even took the corn cob, now we didn't get any money for that, but they would take the byproduct to the cob processing plant.

BH: Did you grind your own feed on the farm or did you purchase it at a feed mill?

LS: We ground the corn on the farm. They had a brew mill. You put you it on your tractor with a belt and it would scoop the corn up. It would then grind it up, ears and all. Dad would go to the local cooperative and buy supplement that would have all the minerals and the vitamins livestock would need. We would blend that in to make a complete feed.

BH: So I'm assuming you also raised hay?

LS: Yes, probably one-fourth of the crop production was either in pasture or hay. You would have to have some place for the cattle to graze during the summertime. Some people would have kept them in the lots year round. When we talk about cattle we talk about 12-15 head that you milked by hand. It wasn't these big operations that you run today. We were on grade B milk at the time, which was not grade A, not pasteurized, it was put in cans and kept cool. For the first part of it we would run it through a cream separator and separate the cream from the milk. Then we would sell the cream. Later dad went to selling grade B and a truck would come to pick up the cans in the morning. You kept those cans in a milk cooler until the truck came to pick them up.

BH: What kind of milk cooler did you have?

LS: I can't remember the name on it. The front doors would open up, and you would set those big heavy cans there. It could hold about 6 or 8 of those. We would fill up one everyday. He would come every third or fourth day to pick up.

BH: Who did you sell to?

LS: It went to Champaign, I think it was Marigold Farms. That truck would pick up grade B which was still in cans. The reason my dad didn't go to grade A is there was too much expense. They were going to the big bulk tanks where they were cooled, it was a cleaner process. To be grade A over grade B there were stringent requirements all the way down to the barn- the whole process.

BH: So what was grade B milk used for?

LS: I don't know where that went or what they used it for.

BH: Describe how things changed from one season to the next. When you had livestock how did things change from the winter, to spring, to summer- you mentioned the cows grazed in the summer. You mentioned that you raised hay as well as corn, so there must have been a harvest time. So talk if you will about the seasonal cycle.

LS: Okay, so lets start in the spring, in the beginning of the cycle. In the spring, during February and March you would sow oats, alfalfa, cloverseed . The oats could be sowed first because they are kind of a grassy plant that don't freeze out or frost. So you get those out maybe when the ground was froze, and when it would thaw you would get sprouts. Just a little later, when you didn't have any issues with frost you would sow your alfalfa clover mixture. That is the beginning of the cycle there. Then later on you would plant your corn and beans too, but this was for the dairy cattle. You would be planting that crop of oats, in July you would harvest those oats and sell those. Then you have that new crop of legumes, the alfalfa and clover, and those you would use next year. Lets say you had 20 acres that you planted with oats, then you would have 20 acres that would be pasture for the cattle, and then 20 acres that would be the hay field. So you would plant all that during the spring, harvest the oats during the summer, and then spring-early summer you would be cutting and baling the hay and put it in the barn. There were usually three different cuttings of the hay. There would be three different rows, and then you would load it and bale it about three different times as a rule. Then fall would come and you would shift into harvesting the corn and the beans as bringing that stuff. During that time frame the cattle was out on pasture. You would turn them out in the mornings after milking. They were pretty much trainable they would come in at a certain time to get water, and drink. Then you milk them again in the evening. Then after the fall, when the harvest is done, you get into the winter cycle. That's when you would be bring the hay out of the hay mound and start feeding the cattle hay. You would supplement their hay with the ration grain with nutrient in it to have better butterfat content in your milk and a better healthy cow.

BH: What breed were you raising?

LS: Holsteins. Then during the winter cycle you are bringing the hay down. One thing you want to remember is when the cattle are in the barn and you are feeding them hay, that produces manure. We would get to take the manure out on a pitch fork and pitch it out back to clean out the barn for the cattle. Also during the winter time you would shell the corn cribs out. You would usually shell the corn cribs out, then the custom sheller

would come out. Back then, we shared with the neighbors. My dad and myself would shell at the house one day and we would all help, two or three neighbors would come over and help scoop the corn out of the cribs and do all of the work to get it shelled. Then whenever people had a sheller day, we would go to that farm and help them out. There were about 5 of us that would share those duties, because you couldn't do by yourself So we shared a round during that cycle, through the winter time. As a boy, the summer months, I would also make money by helping to bale hay. That was a rather labor intensive job, baling it and getting in the barn. So as a boy you would plant in the spring, but in the summer you could get jobs walking beans to cut the weeds out, they didn't use the chemicals and the weed killers that we use today. You could walk beans, and get paid for that, or you could bale hay. Sometimes people would have me take care of their chickens and eggs while they were on vacation, or sometimes I would go milk neighbors cows while they were on vacation. So the neighbors traded a lot more with help, it was more of a neighborhood back then than things today. So that kind of gets you through the winter and you start all over again.

BH: So there was a real community spirit?

LS: Yes

BH: Now I assume that the pile of manure eventually become fertilizer?

LS: Yes, we had a manure spreader. The next spring when it would thaw out, because that pile would freeze during the winter, so you got to use your pitchforks in the winter to take it out of the barn and into the pile. Then the next spring you would take the pitchforks and put it into the manure spreader. Then you would take it back out, you would usually be spreading that in the oat field where you put your oats down. You would be doing that when the ground is firm. Unlike today, where they might knife that product in the ground, you just spread it on the ground. The manure spreader would just flailed it out all over the place

BH: At that time, did you supplement the manure with other fertilizers?

LS: I'm sure dad did. I do remember him coming and spreading a limestone and pot ash. It was a few years later, I think our livestock was gone, when dad started using the anhydrous ammonia nitrogen and the fertilizer companies would come and knife that into the ground. Pretty much the nitrogen would come from the manure base early on, you would do like a 20 acre field each year with that manure.

BH: Now a couple of questions in regard to yield. How much milk was the Holstein producing?

LS: Probably 10-12 lbs a day.

BH: So that's a whole different ballpark. I've met dairy farmers who are pushing 100 lbs a day.

LS: I'm probably off then.

BH: Not necessarily, I've talked to people who were your age and older and that was in the same ballpark.

LS: I remember when you milked it by hand, you would have a stool and a bucket it was probably 2.5-3 gallon pail. You probably wouldn't fill it up with one cow, so they were probably giving you, including the morning and evening milkings, 4-5 gallons per day.

BH: So that would be more. That would be more like 40lbs.

LS: That sounds about right including the morning and evening milkings.

BH: So I bet the animal looks a lot different than it does now.

LS: I haven't been around the livestock industry for several years. I do know that we have a large area, close to us now, and they have about 5,000 cows. From what I've seen cattle are bigger. Our Holsteins weren't nearly as large as the cattle you see today.

BH: Did you use a bull, or did you use AI for breeding?

LS: We used both ways, we did the AI for a while. Then once and a while dad would have a bull. Most of the time we didn't have a big enough herd to have a bull. We had some trouble a couple of times when we would get a bull and he would get a little on the ornery side. We had a couple of close calls where someone almost got hurt with the bull. Then dad went completely to AI because it was safer. You actually had better genetics then, you had a chance to change some things.

BH: Did he work with the Illinois extension at all?

LS: No, my dad didn't. The person who did the AI at that time was just a local veterinarian. He would come out with that big semen cooler. He would have dry ice or something to keep it cold and he would artificially inseminate the cattle.

BH: So your dad would make the decision about what line to breed with, what traits he was looking for.

LS: That's right.

BH: Any assistance from the cooperative extension? Any interaction?

LS: Not with my dad, not that I'm aware of. Probably as much as anything, he would have relied on the veterinarian. That would have been his source of information.

BH: Now moving over to the crop side, when you were dealing with the livestock, did you also practice crop rotation?

LS: Yes, you would have a have a field for your hay, a field for the pasture that the cows are also fertilizing, and then you would rotate your corn and beans. If you take a 200 acre farm and try to raise, corn, beans, hay, pasture, and have a field with legumes in it, they aren't very big fields. As a matter of fact, I remember times that if during the summer there wasn't a lot of rain and the alfalfa wasn't producing much, dad would have me walk the cattle alongside the road and fences. We would let the cattle eat in the road ditches. So then you would walk them one way, and then get in front of them to turn them around. You would kind of pasture them along the road ditches by your farm.

BH: So how many acres was he farming?

LS: My dad only had 200 total.

BH: So it sounds like the livestock themselves played an important role in the raising of the crops themselves.

LS: Well everything did center around that livestock's needs. That livestock needed to be taken care of. That was the main source of income, everything else was supplemental.

BH: What about the soy? You mentioned you had soy during the years you were growing up- What did you use soy for?

LS: We just took that to the cooperative. In the corn cribs, the structures were designed to have ear corn on the sides and they had a driveway, where you could park machinery, and then overhead we had 4 separate bins. That's where you would put oats and soybeans.

BH: How were the oats and soybeans harvested?

LS: We had a combine, it was a pull-type combine. It had a ten foot platform deck that would harvest the grain. There again, you didn't have big fields, but ten foot- now you probably have lawnmowers almost that big. It took a while to harvest it, but that's what you did.

BH: What were some of the yields people got in those days, during the late 50s, early 60s when you were active on that farm?

LS: 35 bushel was pretty good for beans back then. On the corn- if you could get 100-110 bushels per acre you were doing pretty good.

BH: How did things change on your farm after your dad sold the cows and became focused strictly on the grain? It was cash grain, right?

LS: Yes, it was cash grain. We had a little more corn and beans because we didn't have the oats and the pasture. So we went to a 50-50 rotation. The local fertilizer company

would do the soil testing and bring out the proper nutrients, the limestone pot ash, phosphates, that you would need to build that up. So our yields started coming up higher on the grain side, and you also had better hybrids. You were getting different seed qualities and all of that. During that time frame, because you don't have all that labor intensive work with the livestock, I started working with another farmer, I didn't have to stay at home all the time. The last three years of high school I worked for a neighboring farmer who still had livestock, it was a larger farm. Dad started working construction off the farm at that time

BH: Did he always plants hybrids during your lifetime?

LS: Yes, I can remember that my great grandfather lived on the same farm, and I remember them talking about taking the corn out of the crib and shell it by hand, then they would plant that. I think they called it open pollinated, but they just planted that. Back then I think their yields were more like 40-60 bushels per acre, so they weren't very good at all. My dad always planted hybrids.

BH: And you said that the technology was always improving when you were growing up.

LS: Yes, I think you can look at the numbers from the university. You'll see the yields changing every year. To better yielding grain.

BH: Did he eventually ever get a combining head for the corn?

LS: No he never did. When dad decided to retire from the farming side of it, I had a younger brother who was still at home and I was in the service, I got a letter asking if I wanted him to farm it till I got back. I was the oldest, and I always thought I would want to go back to the farm. When I got into the military I realized there was more to the world than Ford County Illinois. I got exposed to other things, and so I said No, let my younger farm if he wants to. He's still at the old place today. When dad decided to get off of the farm, my younger brother took over.

BH: So during your time there, the corn was always harvested the same way?

LS: Yea, and my brother bought a combine with a corn head on it, so you could harvest both corn and beans. Back when my dad was farming, the custom corn sheller would go in the field, and they would bring wagons full of ear corn and they would shell it in the field and take it to the elevator. I'm not sure when John Deere International designed that first corn head, but it was probably in the middle to late 1950s if I had to guess. I remember them shelling ear corn out of a wagon into that custom sheller long before they started using a combine with a corn head.

BH: So by the time you took that grain over to the elevator it was already in the form of grain, not ears?

LS: The elevators at that time would do both. The local cooperative that I started to work for when I got out of high school as well as most of them did, had corncribs at the

cooperative. So you could deliver ear corn, but the bulk of it was shelled corn. Early on it was the corncribs getting shelled. That guy with the custom corn sheller would either shell in the field, if you could keep him busy with enough pickers bringing him corn or he might come to your house and shell out a portion of your crib, and then you would refill it with ear corn. Most of the cooperative did have ear cribs too. When the cribs got full that guy with the custom sheller would come out. There were more than just one of those guys around, they would have to go out to the elevator to shell that corn and put them in the grain bins.

BH: So between the expenses of running the farm and the income derived from that small farm, your dad had to go to work in construction for part of the year?

LS: Yea, he went to work in construction when interstate 57 was being built. He worked on the bridges and the overpasses as one of the neighboring crews of that time. He had to supplement the income. He was also very mechanical. So he ran a mechanical and a welding shop on the farm to supplement the income. Farming on 200 acres, its not enough to survive on.

BH: And you took a job off of the farm as well.

LS: Yes.

BH: Now what I'd like to do is ask what happened after you graduated high school. You mentioned then that things changed for you. If you would like to take a quick break we can, or we can keep going to.

LS: I'm okay for now, I think.

BH: So tell me about the first job you took after high school and how that led you to a career path.

LS: When I graduated from high school, I had been helping this one farmer. But just like anything else, you had to try and do better for yourself. So the local cooperative approached me to see if I would help them. It was close to harvest time of that year, and they needed extra help. During this time frame, the Vietnam war was going on and they had the draft. So every man when they turned 18 had to register for the draft. I had done that, and my number was coming closer, to where I would have to be drafted. So the local farmer I worked for knew that I would have to leave him anyway. So he went and got some other help and I went to work at the local cooperative, where I really got introduced to the commercial side of agribusiness- from the home side to that. So as I worked there I learned how to run corn dryers and load box cars, it was very labor intensive, hard, dirty work. I worked outside with another gentleman. The bottom line is that I got through that harvest. By January my number was coming up so I enlisted in the air force. I only worked one harvest at that particular co-op.

BH: So that was Fall of 1965. Then in January of 1966 you went into the air force?

LS: Yes. I worked through the harvest. When I worked at that first cooperative in 1965 they delivered coal to the farmers, because a lot of farmers had coal furnaces in their houses. I remember unloading coal cars at the local elevator. We would also get cars of feed, it would pelletized or meal type feed in bags. It would be from different , bigger feed companies like Mormon's or Faultless Feed or Purina. We would get those on box cars and unload them and put them in our feed house. That was the supplements. Quite a few farmers were still grinding their own feed out on the farm. We had a service truck there, we could deliver pellets or meal in a truck with this auger on it or we would deliver coal to the farmers. So we did more than just take in corn and beans. There was still enough livestock, individually, in the community and that was a big part of the co-op's service, taking care of the livestock's needs as well as the grain.

BH: So it sounds to me like the co-op provided a range of services for the farmer and the farm family. You worked for the Perdueville Cooperative which was in a single location when you first went to work there?

LS: Yes it was a single location, one company.

BH: What does a cooperative entail? What is the difference between an elevator location and a farmer- owned cooperative? What is the business entity?

LS: A grain cooperative is an elevator. There is a difference between a private elevator and a cooperative's elevator. They are both elevators in the sense that they elevate grain into the bins and then up into the train cars or whatever. A privately owned elevator is owned by an individual or a family, he determines his business profiles and the margins that he sets. I went to work for a cooperative. The difference is in one you have a private individual making up the rules and in the cooperative you have a manager who runs the day to day operations but its governed by a board of directors who is made up of patrons that do business with that elevator. They set policy and the manager carries out day to day duties and see that policy is adhered to. The private owner sets his own rates for drying and for storage. In the cooperative, the general manager may make some direction to the board of directors on the cost of doing drying and the insurance, but the board ultimately sets the rates. There is more farmer involvement and farmer direction in the co-op.

BH: You mentioned that it was farmer owned. Are these farmers also the patrons of that business?

LS: Preferably. Back in the early 1960s the mode of transportation was a tractor and a wagon. There were a few single axle grain trucks around. When you have a tractor and a wagon and you just moved from a horse and a wagon to a tractor and a wagon, you wanted to have an elevator every 5-6 miles because your horse or your tractor only goes so far to deliver that grain. During that timeframe, yes, most of the

elevators member participants would be owners in that. The way most cooperatives were built was by going out and selling shares of stock to build the elevator. If you had bought shares with that elevator, you were probably going to want to do business with that elevator, you have a vested interest there.

BH: Now I want to ask a couple of questions about the bank. First, what was the role of the bank and the banker with your dad's farm?

LS: Well I assume that he would have to go in during the spring and get a line of credit, he needed an operating loan to buy his seed. He probably had to come in with a business plan showing how he was planning to pay it all back. The local banker, at least with my dad, was a very good partner. Back then, I would say that the banker on a small farm was more of an advisor. He was probably more in tune to what the market was doing, things like that. He was very closely involved with the operating loan for my father on the farm.

BH: What about the Department of Agriculture, either state or federal, was there any involvement there, directly?

LS: Yes. During the time frame that we are talking about now, they had government programs. You could seal your corn, and get a loan too, and that would probably be at a lower interest rate than you would get at your local bank. A lot of the farmers, including my father would seal their grain, and that's where you would work with ASCS guy. I remember my dad did that program as a form of financing, and a lot of them did at least a portion of it. I remember a government person coming out and nailing a tag on the side of a corn crib that told the custom operator that the government has a lean on this grain. When you would deliver that grain to the elevator you would have to get permission to move it from its site, you had to always ask permission to shell it. Then the local ASCS guy would know that this grain is moving from the farm to where, you would have to tell them where the grain was going to go. That was different form of financing, and as a rule it was a cheaper form. There were some different rules that you had to adhere from, different than your local banker.

BH: Let's fast forward to the small elevator, what was the role of the bank and the banker with the operator of that small elevator or small cooperative?

LS: What the banker would do was the same thing. The general manager with the approval of the board would present a budget to the banker that was going to lend this entity the money. Some of these co-ops worked with private bankers. Owners of small elevators would be working with local bankers in local communities. They would have to present a business plan and a statement with how much grain they had on hand. There would need to be accountability for what they are lending them and when the grain is going out. You are financial partners, so you have to stay pretty close.

BH: So at that time it would have been a local co-op working with a local bank, that's a fair statement?

LS: Yes

BH: What was the USDA or the State Agriculture's involvement with that local elevator?

LS: I wasn't in management at this time, but I know how it was later on, and I'm sure it would have been the same. The local department of ag would assume the role of making sure that the grain was taken care of properly, not being spoiled. They also had corn in crib that you could get a loan on. Then they would put a placard on that crib. The farmer could take his grain to the elevator and get a warehouse receipt from the elevator. Then he, the farmer, would take that to SCS office and you would get a loan. The elevator is the middle main. He has this grain in his elevator, but it belongs to the government because of the loan. There would be federal warehouse inspectors that would come around to inventory your grain and check the quality. To protect the private individual that is just doing business there, the Illinois department of ag would check scales to make sure that they are within a certain tolerance. That could be the smaller gram scales in the office, the platform scales that weigh the trucks that go out, or the scales that weigh the grain that goes into the boxcar. They also, the Illinois department of ag, give you an annual, kind of like the bank inspector, they just show up, and inventory all of the grain, check the quality, check the financial status, and do an audit to make sure that your elevator or cooperative is in compliance with the regulations set forth to protect the individuals who are doing business with you.

BH: Did you rely on any outside sources for information, such as farm publications or publications about the grain industry? There again I'm referring to both during your father's time and later with the cooperative.

LS: On the farm, dad got some farm publications: *Prairie Farm* or *Farm Journal* some of those. They would have pretty good articles about a couple of different things such as livestock or nutrient in the soil. Then at the local elevator, if we go clear back to 1965 when I started it was way different than it was today. I don't know where those managers got information at that time because I was an outside employee. I know that there were a few entities that they sold grain to that they would talk about the markets and what is going on. There were probably some publications that they would have mailed to them. There wasn't any of the electronic stuff that you think about today, nowhere near that. As a matter of fact, we would get the markets that we used to bid to the farmers off of a broadcast on the radio. We had a clock that had some pins in it, it was a timer, and when the radio came on at 9:30 or 9:40 in the morning you would hear the pins click, and you would go over to the log book, it was a futures marketing book. You would write the markets down in that book, because it was a broadcast. You would then establish the basis for how much you are going to pay the farmer for his grain. I remember that during this era corn was \$0.90- \$1.00, somewhere in that range. A farmer would come in and tell you, "If you can get me the cost of trucking, if you can get me this I will sell my corn." We are talking maybe 2-3 cents, maybe 2

cents for trucking and maybe a cent for shelling it out of the crib. A lot of times it might take 2-3 weeks before you get that 2-3 cents for that farmer. Markets weren't as volatile as they are today. I'm sure there just wasn't as much, for a couple of reasons, the yields aren't what they are today and a lot of it was being walked off the farm as livestock. There were several individual farms raising cows, sheep, hogs, and chickens, and a lot of the grain walked off the farm, it went in to the livestock sectors.

BH: You came back from the service in 1969, and you told me some things had changed when you went back to work at the elevator later that year.

LS: One of the things that started happening at that time, that I wasn't aware of, was that elevators were starting to financially struggle, due to their volume or their ability to cope with the new environment they are having. The local cooperative, some local farmers and the directors of that elevator came and asked me if I would come back to work at the elevator and I had to tell them that I had to think about it. I wasn't sure if I wanted to do that for the rest of my life, this was in the summer of '69. My wife and I both agreed that I would start back in the grain business at that time, and I did. One of the interesting things was when I went back to work for this one entity, the paycheck was from another entity. I went back to work for the elevator that I had worked at in high school, Purdue elevator, and the paycheck from Ludlow Cooperative. I thought "What is this?" and I went to the manager and they had leased the cooperative to another cooperative. They were trying, Perdueville was, to keep afloat. They were being managed by another cooperative that had a different rail outlet. At the end of their arrangement, Perdueville merged with Ludlow Cooperative. So I went back to work for Ludlow Cooperative, without knowing it.

BH: Could you see things change at that time, or were the changes more in the office?

LS: I'm sure there were changes in the office, because the manager didn't have the authority he would have had during Perdueville because he had another manager over him saying the prices he would pay, things like that. From my perspective, as an outside individual, during the time I was in the service there was less livestock on the farm. The Perdueville entity wasn't doing as much bagged or pelletized feed. With the merge, they actually had an onsite feed mill where they would grind feed and deliver it to the farmer. They had a fertilizer department, where they were applying the fertilizer and adding the phosphate. It was a bigger entity. There was a growth spurt that caused it to be more competitive in the community. From my perspective as an outsider, I was utilized more at Ludlow because I would go help them grind and deliver feed or I would do whatever the seasonal things are happening. If you are just a grain elevator, during harvest is such a restrictive time, after that is just shipping it out. You have time for your labor to do other things. So I would go to Ludlow a lot and work out of the Ludlow location.

BH: When did you become involved with Fisher Farmers?

LS: I was still working at Perdueville and just like anything, there was another elevator just west of Ludlow on the Norfolk and Southern Railway line. It was the Elliot Cooperative. You have farmers that are your friends and neighbors that deliver grain to your elevator, and they also deliver to the competition. So there were some real nice farmers that came up to me while I was working outside and said, "We don't want you to leave- but the manager at the Elliot location got a job down in Fisher." Sometimes when managers change, they need some new personnel. So these farmers advised me to talk to the manager down at the Elliot elevator to let him know that I was available if he ever needed help. So I made that appointment, and actually went over to his house and ate apple pie with him that night. We talked and he said, "I don't know if I have a need at this time, but I will keep you in mind." Having shared customers, he already knew how I was, my values, it wasn't like he had never seen this person before. So I went back to Perdueville for work, and it was almost a year later, I was loading train cars, and the man came to my house and wanted to know if I was still interested in a job. So my wife and I discussed it and I ended up taking a job working for Fisher Farmers.

BH: Was Elliot owned by Fisher Farms?

LS: No, it was a separate elevator. The manager at the Elliot elevator was changing jobs. He was going to work at Fisher Farms.

BH: So by the time he hired you, even though he met you at Elliot, he working at Fisher.

LS: Yes, and it was about a year later after the job interview. That would have been in the Spring of 1973. I remember that when I went down there I didn't know if I wanted to do this or not, and it turned out to be one of the best career moves I'd make. At the Perdueville location I was working outside, had less responsibility and a lesser paycheck. I got offered a better job, I had a wife, a baby, and one of the way, so it was a career move I needed to make financially to take care of my family.

BH: What were your job duties at Fisher?

LS: When I first came in to Fisher Farmers, he hired me as an outside superintendent. At that time, at Fisher and Dewey, they had a feed mill at the Fisher location. So it was a bigger area of operation, not bigger than Ludlow, but bigger for me because I was put into a position of responsibility over other people and maintenance. So it was an enhancement for my career and financially for me to take that position. So I was overseeing the outside. In general, everything outside the mill was my responsibility and I would report that to the manager and let him know what was going on.

BH: Was the Fisher facility a cooperative at that time?

LS: Yes, that's all I've ever worked for- cooperatives. It was Fisher Farm Grain and Coal, but it was a farmer's cooperative. It was a private entity, owned by just a few

individuals, and then in the early to mid sixties that it became a cooperative. They went and got a charter and did whatever they had to do to become a cooperative.

BH: At that time the name was Fisher Farmers Grain and Coal, and they were literally selling coal to those people burning coal?

LS: I'm sure that they did. When I got there in the seventies they were not selling coal. They did at Perdueville in the sixties. When I got to Fishers in 1973 there was a small pile of coal that we would give to people who needed it. But at that time they were not selling and delivering coal. It was just part of the legal name.

BH: Did you sell heating oil or fuel?

LS: No not at Fisher Farms. They had a grain mill, so we would grind and deliver feed. We loaded grain cars, that's basically all they did.

BH: So you stayed as an outdoor supervisor for some time?

LS: Beginning in 1973, at Fisher Farms I began as an outside superintendent. At that time we had two location, Fisher and Dewey locations, and I would work at those two locations. I can't remember the exact date Ben, but we changed the main office from Fisher to the Dewey location. They had a bigger building, and it just happened, I wasn't a part of those decisions. When that happened, the general manager moved to the Dewey location, where we are today, and I stayed at Fisher and managed that as a branch, as well as did the outside. At that time it was only Fisher and Dewey as Fisher farmers.

BH: Can you tell me an example of how you would solve a major challenge when you were in this supervisory role.

LS: In general, if it was just day to day operations, we would just get together with the people and come up with a plan of how we are going to fix this. I was also into maintenance, so we would just get whatever we needed to fix it and fix it. If you get into the bigger areas and there was a need to replace equipment, I would have to meet with the general manager and bring those needs up with him, so that he could bring it up to the board of directors. So there is a chain of command there, you would have so much that you were authorized to do. I don't remember specifically, but I'm sure I could spend up to a certain amount- and pass that I would have to talk to the general manager about it. There was an accountability to it.

BH: How were those challenges, or routines change over the course of your career?

LS: In the very beginning of my career with Fisher Farms, we had two locations, and we were handling quite a bit of grain, but we still weren't as big as we are now. Back then, we would load train cars in Dewey, cause the track belonged to Central Gulf in the '70s. We actually loaded some of the first hundred cars of grain out of the Dewey location in the 70s.

BH: And by this time it was Hopper cars?

LS: Yes, it was hopper cars, no longer box cars. What actually happened with the manager of Fisher farms at the time, he got it worked out with the railroad that we could load hundred car trains, but we had to use the main line, our side track could only hold twelve cars. So at that time we started building our Dewey facility larger capacity. A hundred car train could hold maybe 350-360,000 bushels of corn. So we would haul grain from the Fisher location by truck to the Dewey location, and all the while we are loading grain onto these hundred car trains. You just didn't have enough grain in one spot to get that done. So our local farmers would haul grain with their straight trucks from the Fisher facility. Really, you got rid of alot grain for that time period in the '70s. By the time you had loaded a hundred cars, it was a lot of hard work because you loaded up so much grain, you still didn't have that equipment. We pulled cars by the elevator spout, and loaded them up using tractors and chains. We didn't have power units moving them.

BH: Were you aware at the time, as to how the cooperative sold that hundred cars of grain versus how it sold portions of grain at previous jobs, or in years past?

LS: Yes, in years past, the elevator would sell locally to a facility and truck that grain to those locations. They may have sold to some feeders, or something. In the early '70s and '60s there were smaller units being put together and taken down south. We used to sell a lot of grain early on by truck, driving down into the poultry markets of Alabama and Mississippi a load at a time. With the advent of the hundred car train, basically the cooperatives, instead of buying so much back to back. If you were selling to Gibson City you would subtract your trucking and your margins and give the farmer a bid. They call that back to back marking. When you handle smaller units and grain that could work. As you got larger and had to deal with larger amounts of grain, or you had to accumulate 350,000 bushels of grain, you started into more of the hedging programs. The hedging programs are you buy grain from the farmer and then you sell it on the board. So you are buying grain in one hand, and selling it on the board of trade in the other hand, and that is called hedging. You do that until you have accumulated say the 350,000 bushels. Now you have the ownership, cause you can't just ship out farmer's grain, the elevator has to own that grain that they are shipping out. You are hedging this grain, and accumulating to a certain amount, then when the general manger feels the markets are correct or needs space or he gets a better bid, he sells that 350,000 bushels to a buyer. He would then have to go to the board of market that he shorted, and buy that back. So that all happens at the same time, so you aren't exposed. The bank and the state of Illinois would only allow you to own so much grain at a time, after that you had to hedge it or put it on the board of trade. So it was an immediate thing where you would buy the futures back and sell on the board of trade. So that the elevator isn't at risk, and you are in the legal limits of what the State of Illinois requires as far as ownership of grain. It used to be like 50,000 bushels of corn and 25,000 bushels of beans is all that the elevator could own unprotected. After that, it had to be hedged.

BH: So when you would sell a huge amount, like the 350,000 bushels, where did it go to?

LS: For the most part, in Dewey we are connected to the Illinois Central, or Canadian National today. Most of that grain was going south into the export markets. Some of it could get into the poultry markets, but the main portion would be going down to the gulf to be loaded on for export. Some of it could be going to Present Island, which is a processing plant down in Memphis, Tennessee. The unit trains, as a rule, would just go to the gulf and come back.

BH: Did the buyer who bought the grain from you, was he representing a client or did he buy the grain and take bids on it? How did it work?

LS: We would be selling to the grain broker, they would be selling to the foreign entity. We didn't have that connection, that is one of the bigger grain buyers, the Cargill, the ADM. Xenograin is the Japanese entity, they have a port down in the gulf. We would be selling to those guys. I'm sure if we were selling one or two trains, they would have a package deal, because they would be filling a ship. So they would need several trains getting down there at a certain time to load these ships. It was just another step in the worldwide agriculture of grain and how it was shipped.

BH: And who picked up the ship's cost?

LS: We would be involved with getting it down to the gulf. That's all we would do. When you are shipping the long haul freight, with a hundred cars at a time, you get a better bid than hauling it by truckload down to Mississippi. That was beneficial for the local producer, because it would come back to the man who was growing the grain, because you got him a better bid. In the 1970s, we were the first few that could load a hundred car full of grain. So we had an advantage, and I guess that is what the business is all about. The technology, or the advantage over others in some area. During that time Fisher Farms Grain had an advantage due to the hundred car unit. They were relatively new at the time, at least to the rural cooperatives. They weren't new to the Cargills or the ADMs, they were already doing that. But the local cooperatives didn't have the capacity or the track to store the cars on. By us having an old, semi-used, track out here we got to be one of the first ones to do the hundred car units.

BH: One of the things that we talked about a little earlier was how the cooperative expanded, they purchased another cooperative which gave you some advantages. Can you talk a little about that?

LS: Sure, as far as Fisher Farms history goes, when I became a part of it, it only had two locations. Then in the early 80's we bought the Elliot Farmers Grain Company, so that gave us another location, and increased our volume.

BH: That also gave you another railroad location?

LS: It was Norfolk and Southern. Keep in mind the hundred car train market was a better bid than the trucking market or a small shipper. The Elliot facility was on a different line, but you could only load a few cars. It didn't have the capacity to load the hundred car

trains. What we did get from the purchase, it was a purchase not a merger, was fuel. They had fuel, we did not, so we got a fuel division. That was an improvement there and an increase in our services. In 1985, we bought out another company at several locations. They had 6-7 locations, east of our location. They had some in Vermillion County. At that point, we had another facility on the Union Pacific, so that gave us another outlet. That was a good opportunity at the time because you were still shipping smaller units out to the small feeds in the south. They had their feed mills but they didn't have any of the hundred cars, they would take 15-20 cars. So that helped with our growth plus when you get more volume from these other elevators you can bring that to the location here that can load the hundred car trains, and capitalize on that hundred car train bid. And we purchased those in 1985.

BH: Which cooperative was that?

LS: It was EIC, Eastern Illinois Cooperatives

BH: So just for historical purposes.

LS: I think it was Eastern Illinois Cooperatives.

BH: In 1992 you became the general manger of Fisher Farms Grain and Coal. We talked about how at that time, it was no longer two elevators. You had several locations and was shipping large amounts of grain. How did your role change when you became general manager?

LS: Well, it changed a bunch because of the responsibility. On a personal level, I did not have a college education, I went to high school and was in the United States Air Force, and then I came back. During that era you could get into the office of general manager because people knew who you were. I had worked as an operations manager for Fischer Farms for 18 years. The board of directors knew me, they knew Louis Schwing, for 18 years. It came to a time when the general manager was going to retire and he asked me if I wanted to apply for his job, and I told him that I didn't know if I was qualified, or if I could do it. He suggested that I probably could do it, I had operations experience, loading the grain, taking care of the grain, managing the help, taking care of the operations, that's what I did. I understood for 18 years that I could do that. Other than filling in for him a little on vacation or sickness, I had never hedged grain or done things like that. His advice to was that I hire a merchandiser. As companies get bigger you can't do it all and do it well. So there is a need for operations people and for people to merchandise the grain. During the 18 years with Fisher Farmer's with the general manager, he was a grain merchant, I was the operations. So it was a good team, it worked really well. When he retired, the board did interview and hire me. After they hired me, I went out and interviewed grain merchants, merchandizers that piece would be taken care of. All I had to do was oversee the operations of that. We would talk about what we wanted to do, and he would explain that it might be better to do this or that. At that time Fisher Farmers was a larger entity, 18-20 million bushels a year, we were working with a bank of cooperatives, they are your financial partners. So before the board of Fisher's Farmers

could actually hire me they sent their agent to meet me. The bank of cooperatives wanted to talk to me and meet me before they would give the board of directors their blessing. I'm sure if the bank didn't approve of the management, they would have recommended not to hire this individual, because they are backing several millions in loans to this company. So thankfully for me, the bank felt comfortable enough to give me a shot at trying then I worked for almost 30 years in that capacity.

BH: So did you hire other people to work with you in finance?

LS: No, we had someone doing that already with the previous manager, so we had that department. The previous manager before me was basically the grain merchant, he liked that and was good at it, I did operations, and someone else did financial stuff. So it all flew through his desk, under his supervision but he wasn't really involved with a lot of other stuff besides merchandizing the grain.

BH: So it sounds like you are interested in history, am I right? Especially the history of your company.

LS: Yes

BH: How then, as a manager, how have past traditions, decisions, and experience affected your decision making?

LS: Well some of it goes by trial and error. You learn from the past, or you should. So you can take some experiences in the past that worked out quite well and expand on those or you can take some experiences that didn't turn out well and try to analyze those and try and figure out why that wasn't the best so you don't do that again in the future. So somewhat it is a trial and error sort of thing. With the management of the company, I sought out other people who had been managers, went to conferences, Grow Mark had some good conferences, so it was ongoing schooling. You would get with the no right companies because as the business is growing you are listening to a lot of people and you are trying to evaluate what the needs are. As a manager, your job is to evaluate what the needs are of the owners of the company, your farmer patrons, they own the company. As they come in and tell you that the trades and the grain is doing this or the machinery is doing that, you start making decisions about the futures, what's going to change, and what is going to happen. Some of those decisions was that we needed more dryers to dry the grain because their harvesting more bushels per acre because of genetic traits. They're harvesting faster because they are going from 4 to 16 row combines, from tractors and wagons, to semis. So as you start to evaluate the needs of the company, and the needs of the patrons, what do they need to stay productive, to stay in business? They can kind of tell you that "I need this and I need that" so that helps you in your decision making. Some of the things that I've seen change is the volume of grain coming to your door at the elevator keeps jumping bigger and bigger every day. So part of it is the machinery, what part of the staffing, what are their needs. So you still have to make the right decisions and put them in the right locations.

BH: Can you give an example of how your experiences helped you make an informed decision? Is there any specific example you would like to refer to?

LS: Maybe one, if you go back to loading a hundred car train, and you started off with tractors or log chains pulling cars through the load out spout, and the number of hours it took you to load that, you pretty quickly decide that we need to become more efficient at this somehow. We've got to improve the efficiencies, because we can't continue to do this. So we start investigating what different ways there are to do this. So in the Dewey location we upgraded to what is called a car puller, it's a cable driven wench, and you took the cables on and it would pull 8 cars at a time through. The man up there loading it would be pushing a button and controlling the speed of the car and what he needs to load it. The next evolution was that we decided to look into a switch engine, a locomotive, because now you have a power plant that can go out away from the facility and bring those cars in or shove those cars away from the facility safely. So you entered into a different realm of this process. I've got men riding the breaks of the cars, and that's not as safe as if you've got them behind an engine, and hooked up to air hoses and all of the safety stuff. So you look at all of the needs and the concerns, and hopefully you make the right decisions. Today, when you load a train we use locomotives, they call them track mobiles. They go right on the track or can come off and be on rubber tires and go down the road a bit. So we have improved the efficiency and the speed and we've improved the ability to be safer.