RENTAL

UNIQUE RENTAL COMPANY EMPLOYS CORNELL PUMPS FOR LEASING PROGRAM

HELPS INCREASE SUGAR MILL YIELDS BY 50 PERCENT, WHILE REDUCING FUEL AND MAINTENANCE COSTS.

More than 90 percent of sugar cane mills in Guatemala employ Cornell pumps in their irrigation systems. Since making inroads in the 1970's, Cornell reputation as a premium quality product, with high efficiencies, and low cost of ownership has pushed adoption in more and more systems.

A Cornell distributor began a unique program in 2008 that has rapidly increased adoption though. Through an innovative program, Almacen de Maquinaria de Topke leases irrigation systems (including pumps) to sugar cane mills, and then charges the mills by millimeters of water applied to determine the lease rate. Seen as innovative, and a first of its kind program, the lease is similar to a rental house in an industrial market. Differentiating it from rental though, the lease program is long-term, and the sugar mills participating in the program find it an economical program to operate. There are no fixed costs to the mills, and operation, maintenance, and replacement parts are all the responsibility of the distributor. The only cost outside the lease is the fuel charge.

Topke's lease equipment program has increased 10 fold since inception four years ago. They have also chosen to standardize on sizes [SIZES HERE] to reduce inventory costs and have interchangeability in case of an unforeseen incident with the equipment. The benefit to the mills is clear; an irrigation program can increase yields by 50 percent. Having the lease program helps them manage their capital exposure and be able to respond to changes in acreage. Many of the sugar mills have operations elsewhere in Central and South America; the success in Guatamala has helped the lease program expand. The distributor has installations in four central American countries, and three south American locations now. Because of Topke's experience and technical expertise, they are qualified to work with the mills on irrigation scheduling, which assures the correct water application rates to optimize production in each region. The question was asked of the Topke's owner why the program is flourishing now and why with Cornell? His response was: "Fifteen years ago, fuel and electrical costs were significant, however not nearly as significant as today (i.e. in 1998, diesel was 1.00 / US gallon. Current costs for diesel in Guatemala are about $4.00/ US gallon.) In addition, the world price for sugar cane has increased dramatically due to the demand for alternative fuels (ethanol in this case,) so growers and the mills feel they can buy or lease a higher quality system since the return on investment will be much quicker than 15 years ago."

And why Cornell: "It is simple, Cornell is the most reliable pump on the market here in Guatemala, so why would I chose anything else for a lease program when maintenance and down time cost me money?" Not to mention the fuel savings the mills and farmers will experience, with Cornell horsepower requirements being the lowest in the industry."

Cornell continues to supply the world with robust pumps that are highly efficient and have the lowest cost of ownership in the long run. As distributor said "It's not so much the initial cost that should make one pause, it is the operating costs you need to pay attention to because they can kill you".