Harvestore Silos
(Continued from cover page)

legal action against A.O. Smith Harvestore and its dealers, charging fraud and liability for faulty performance of a feed storage system that, for more than 40 years, has been regarded as the "Cadillac" of farm equipment.

The big blue tanks, with American flag painted near the top, came on the market in the late 1940's. According to Harvestore officials, approximately 70,000 structures have been sold in the U.S. and Canada to approximately 40,000 owners, more than half of whom are dairy farmers. It appears, based on FARM SHOW's investigation, that within the past year somewhere between 400 to 600 disgruntled owners have initiated legal proceedings against A.O. Smith Harvestore and their dealer representatives. Some cases have been settled out of court and probably less than 50 cases, as best we can determine, have gone to court. But two of those that did were "landmark" decisions in which farmer-owners emerged the big winners in lawsuits charging A.O. Smith Harvestore, dealers and salesmen with "fraud, misrepresentation and deceit."

Last Feb. 1, a jury in Bedford County, Tenn., awarded dairy farmers James and Karen Saylor $1 million in compensatory and punitive damages for problems caused by their three Harvestore silos. Defendants in the case were A.O. Smith Harvestore Products, Hermitage Harvestore Systems and Chuck Dowdy, the salesman who sold Saylors the silos. "The fact that the jury awarded the Saylors $308,995 in punitive damages indicates how strongly they felt that there was evidence of fraud," notes Mahler.

Last Dec. 14, a district court jury in Fayetteville, Ark., awarded the owners of Circle J Dairy $500,000 in damages. The jury held A. O. Smith Harvestore Products accountable for 26% of the negligence and its dealership Southern Harvestore for 74%.

Defendants in both cases have filed motions seeking a new trial. Key witnesses for the plaintiffs in both cases were independent consultants who literally ripped the Harvestore concept to shreds. Here, excerpted from court documents, is how they sized it up:

Robert Zoyiopoulos, president and owner of a consulting engineering firm in Evans, Col.: He noted that, in one of the company's handbooks, Harvestore defines oxygen limiting as, "A feed storage system in which the ensiled feeds are protected from the access of oxygen."

" . . . The system cannot possibly act as an oxygen limiting system due to the fact that it's either under pressure or vacuum . . . If you sealed the unloader at the bottom and made the structure top unloading, it would work better . . . I think it's the bottom unloading that makes it a defective system. I'd weld that down shut and use that German invention to vacuum it off the top."

Asked if he would be willing to go inside a working Harvestore, he told the court: "Absolutely not. There is mold growth in there that is just outstanding. I would be concerned with the spores that could get into my lungs."

Larry Scott, co-owner of Triple S. Laboratories, Loveland, Col. A specialist in animal feeds and nutrition, he testified that, in his opinion, a Harvestore silo, properly manufactured, installed and maintained as the company recommends, is heat-damaging to the forage stored inside. "Whether or not it damages the feed enough to lower milk production depends on length of storage . . . I think in order to be a real problem, you have to be actually feeding out of it."

Asked if he thought bottom-unloading concrete silos were equally defective, he replied: "I wouldn't buy one."

The recent flurry of lawsuits against Harvestore appears to stem largely from the courts findings of "negligence and fraud" in the Circle J Dairy and Saylor cases.

"Substantial evidence has been uncovered, indicating that engineers for the Harvestore Products Division — and engineers for A. O. Smith, the parent company — have known all along that there were problems in keeping oxygen out of bottom-unloading Harvestore silos. But the evidence shows that they covered up, telling prospective farmer customers in their handbooks, literature and advertising that the system's patented design prevents oxygen from coming in contact with the feed. The sad truth is that the bottom unloading blue Harvestore silos probably should never have been marketed to farmers for feed storage in the first place. From what our consulting engineers tell us, there's no way they can possibly work as advertised," Boyd Beccue, of Schneider, Beccue & Kallestad, Willmar, Minn., told FARM SHOW.

Beccue says problems with air entering the structures are alluded to in various patents which have been issued to Harvestore, some going back 20 or more years. He notes, for example, that the company was issued a patent May 5, 1970 on an improved "breathing system for a sealed storage structure." The document acknowledges that even though the silo is sealed, there are occasions when air will enter the silo . . . "the volume occupied by the expanded bag or bags is replaced by air coming in through the unloader discharge door. Thus, as the bag collapses, a substantial quantity of air is drawn into the silo through the unloader discharge door and the entry of air will tend to increase the oxygen concentration of the gas in the silo."

Beccue maintains that "this and all other attempts to solve the oxygen leakage problem inherent with Harvestores have proven unsuccessful. Yet, Harvestore has perpetuated the myth that the system is oxygen limiting when, based on what our consulting engineer has discovered, it's oxygen enhancing compared to conventional silos."

But, if the design is faulty, how do you account for the fact that there are thousands of satisfied Harvestore owners?

"There are many variables which come into play," answers Beccue. "Generally, dairymen are more vulnerable than beef producers because they feed fewer head and can't feed out fast enough to stay ahead of spoilage. Both Harvestore grain and forage structures appear vulnerable, although we have fewer cases with the grain units. Other variables include the type of feed, size of structure, amount of feed in it, time of year, the amount emptied out the bottom at each feeding, location of the structure, moisture content of feed going in, and many other factors.

"Management and maintenance of

(Continued on next page)

Outside Breather Bags For Harvestore Silos

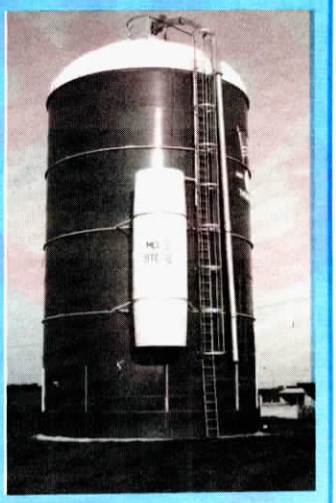
"More Store" outside breather bags for sealed silos that FARM SHOW first told you about nearly five years ago are "going strong" according to the inventor, Andy Thompson, Courtland, Kan.

Thompson says his outside Breather Bag allows you to remove the existing interior bag, which takes up valuable silo storage space. He notes that a 27-ft. dia. silo loses 2,300 bu. of capacity due to the inside breather bag.

Thompson says other disadvantages of inside breather bags are that they force you to climb the silo to check them, necessitate going into the silo to tie them, and they put pressure on the inside seals.

"With More Store, the 'breathing' is done by a breather bag mounted in a fiberglass canister attached to the side of the silo. This gives you full silo capacity and keeps of birds and rodents from damaging the bag. The canister has a see-through bottom so you can easily tell if the bag is working," Thompson points out.

Made of heavy-duty plastic, the bag still functions the same as if it was inside the silo, expanding as air inside the silo warms and contracting as air cools. Thompson notes the bags can withstand temperatures as



low as −30°. A 2-in. dia. pvc pipe runs from the top of the bag to the silo cap. An additional benefit, is that you can hook as many as three silos into one More Store.

There are three models to choose from to match your silo set-up. Model 200 for 20 by 60 structures for example sells for about $3,000.

For more information, contact: FARM SHOW Followup, Thompson Enterprises, R.R., Courtland, Kan. 66939 (ph 913 374-4384).

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