

Nuts Over Used Trailers

Ft. Worth branch cracks open unique market for used equipment

By Steve O'Rourke

Anyone old enough to remember when Jimmy Carter was President probably knows that Georgia is where most of our peanuts are grown in the U.S. In fact, almost half of the peanuts come from that state, with a significant yield coming from nearby Alabama, Florida and other southeastern states. However, Texas is now the second largest peanut-producing state.

What does all this have to do with trailers? A lot, now that an XTRA Lease ad for used trailers has uncovered an unusual niche market that involves transporting this popular snack out of their growing fields.

How It Began

An enterprising man named Randy Hill discovered peanut growers harvesting their crop in west Texas, where he'd recently relocated. Hill had plenty of experience with trailers; he'd worked for TIP in the mid-90's, then left to broker used trailers. He started a new company, Advanced Truck & Trailer, to buy and rent storage trailers. In 2001, Hill sold his company to another storage provider, which freed him up to head for "greener pastures" in Abilene.

Hill noticed the large field trailers that growers were using as "peanut wagons" and wondered how they worked. The tops of the trailers were open,

and the bottom had a special false floor to capture the debris from the peanuts as they were harvested and washed in the field. He figured out a way to convert used 45' rail vans to specialty trailers for hauling peanuts out of the field. Because of the reinforced sides, you can cut the top off the rail vans and retrofit the van with stabilizer bars across the top.

Demand jumped when the U.S. Department of Transportation required that traditional peanut wagons be made roadworthy and provided financial incentives to ease the burden of the transition. As a result, business has been good, and Hill ultimately headed to the heart of Georgia to produce his specialty trailers. He built a manufacturing facility in Vienna (pronounced VY-enna), GA, to convert 45' rail vans to peanut wagons. Hill bought 1,000 vans from TIP back in 2004, and has converted approximately 1,800 vans since then, with manufacturing capacity now at approximately 16 trailers per week.

Enter XTRA Lease

Paul McFaddin, Branch Manager-Forth Worth, met Hill after Hill responded to an advertisement promoting XTRA Lease's used trailers for sale.

Dale Frank,



Original peanut wagons now being replaced with XTRA Lease units.

Central Support, established the initial relationship with Hill and sent the lead to Paul. Once everyone was convinced that this was not a competitive threat, McFaddin concluded we had a great opportunity to unload some of our older 45' rail van inventory. Hill initially purchased more than 100 vans from XTRA, sending a cashier's check the day after the deal closed, resulting in nearly \$250,000 in revenue. Half the vans came out of Dallas and the other half from Atlanta and Jacksonville.

McFaddin, along with Regional VP Jim AuBuchon, created an incentive to keep Hill coming back to XTRA Lease. The agreement: sell the first 150 trailers at standard rate, the next 50 at a reduced rate. They repeated the incentive again and got a commitment for 400 units, all vintage '93-'96. Hill agreed.

The biggest challenge is getting trailers to Hill's manufacturing facility in Vienna. He has a reliable means to move trailers from either

Atlanta or Jacksonville, and continuously looks for any cost-effective way to get the trailers

to either of those locations. While cartage companies have been used to deadhead the vans one-way, rail is also being considered as a cost-effective alternative. Any assistance we can provide to help Hill find a way to move the trailers will make it that much easier for him to buy them.

If you have a way to get your 45' rail vans southeast, this is a great chance to move out old trailer inventory. This not only increases your branch's utilization rates, but also increases cash flow and bottom line profit to the company. Given the continued demand for peanuts and the wagons that haul them, Hill is in the market to buy more of our rail vans. When the supply of 45' vans is exhausted, he plans to find a way to convert 48' rail vans with a modified conversion kit.

This deal is a showcase of teamwork, and a great example of how we can develop a new niche market. It all started with an ad, which informed someone who thought we didn't sell trailers about our used trailer sales program. The strength of our equipment spec and negotiating skills of our team turned this into a win-win for everyone involved. 

