

# Farm equipment manufacturers see slight sales slippage

CHICAGO, IL — Despite the recent severe downturn in sales of certain farm machinery, manufacturers say they remain confident that dollar sales volume of all farm equipment will be off as little as 5 percent for 1980.

This optimism was reflected in a survey taken of its members by the Farm and Industrial Equipment Institute and reported at its Marketing and Management Conference by H. J. Head.

In predicting the slight drop in sales, member companies cited the easing of credit restraints, lower interest costs and the less than expected decline in farm commodity exports as positive factors. Detrimental factors cited included continued credit restrictions by rural bankers and lenders, high costs in general, energy in particular, and low commodity prices.

While members saw some difficult days ahead, their

long-range look at the rest of the 1980's indicates greater opportunities than anytime since the expansion period following the Korean War. They see great challenges to increase productivity and create new breakthroughs in technology to aid American agriculture in the continuing battle adequately to feed this nation and ease world hunger.

In the forecast for tractors, all tractor sales are expected to be 10.7 percent below last year's unit sales, a marked change from the bullish sales outlook in the survey taken near the end of last year.

Specifically - two-wheel drive tractors under 30 horsepower are expected to be down 7.6 percent, a more than 9 percent decrease from the prediction in the earlier survey.

Two-wheel drive tractors, 30 to 99 horsepower, are now forecast to decline 10.2 percent to 65,100 from last year's 72,477 units while two-wheel drive over 100 hor-

sepower are expected to drop 13.6 percent to 54,000 units.

Four-wheel drive tractors are forecast to decrease 10.5 percent from last year's very good 11,455 unit sales.

Turning to self-propelled combines, where previously virtually no changes were predicted, members are now unanimous in forecasting a decline of 6.0 percent to 30,325 units, with cornheads expected to fall off 7.3 percent.

Among tillage equipment, moldboard plow sales are forecasted to dip 10.2 percent to 28,500 units in 1980; disc harrows off 8.4 percent; field cultivators down 5.6 percent to 16,000 units; and chisel plows a slight 2.3 percent decline.

Hay balers over 200 pounds capacity are expected to decrease 6.3 percent while the smaller ones are estimated to drop 13.1 percent to 16,300 units.

Forage harvesters will be down 6.4 percent to the 11,650 range, and mower-conditioners should decline to the 23,000 level, a 9.4 percent drop.

The median forecast of a 4.1 percent decline in windrowers and swathers is not as bad as the 16.5 percent decrease expected for grinder-mixers.

The one positive note in the forecasts for field machinery sales is for cotton strippers where a 4.3 percent increase to 1850 units is predicted. This optimism is based on the expectation that cotton prices will remain strong.

Farmstead equipment manufacturers predict their dollar sales volume will be down 12 percent from 1979 levels lead by equipment used in hog production declining some 30 percent.

No doubt the outlook for pork prices is the culprit here. Sales for equipment used in dairy and beef production is expected to remain level. Sales for portable augers

and elevators as well as bin type crop dryers is forecast to drop 15 percent but three manufacturers in both categories predict slight increases. Batch and continuous-flow crop dryers should decline 10 percent.

Another positive note is for sales of milking machines where a 5 percent increase is predicted, a slight change from the 9 percent increase forecasted earlier.

All in all, this Update report indicates a more conservative outlook on the part of our manufacturing company members who are now taking a wait-and-see attitude as to what effect declining interest rates and improved commodity prices

will have on equipment sales. Only time will tell the accuracy of these forecasts.

The State of the Industry report and its Update are prepared from statistical surveys taken of members of the Farm and Industrial Equipment Institute, the national trade association for manufacturers, founded in 1893 to provide services in such areas as engineering standards, statistics, safety, legislative and governmental relations.

## Farm Business News



Lehigh County youth attend PFA conference

Cheryl Wessner, left, 17 year old daughter of Mr. and Mrs. Harlan Wessner, New Tripoli, and Beth Ann Knauss, 16, daughter of Mrs.

Dianne M. Knauss are shown with Donald Trimmer, National Vice-President of the FFA during the recent Washington Conference.

Sales for portable augers

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