

# Farm Equipment makers see upswing in sales

MIAMI BEACH, Fla — Farm equipment manufacturers in the United States are predicting a 10 percent increase in dollar volume of retail sales in 1981 — just enough to cover what economists feel will be the year's inflation rate.

Companies reflected this median forecast in a survey conducted among its members in late December and early January by the Farm and Industrial Equipment Institute, Chicago. Survey results were presented last Friday in the State of the Industry report by Cecil Stralow, vice president and assistant general manager, Avco New Idea Farm Equipment, Coldwater, Ohio.

The forecast — which covers such major items as tractors, combines, tillage, hay and forage handling equipment — follows a year that saw unit sales of some equipment tumble as much as 25 percent. For instance, farm wheel tractor unit sales were off 12 percent, self-propelled combines were off 20 percent, and balers (under 200 pounds) were down 25 percent.

"Aside from higher prices," Stralow told the nearly 200 industry executives attending the annual FIEI Winter Marketing and Management Conference, "survey results indicate we think higher farm income, lower interest rates by harvest time, the new Administration and a good commodity export year will help our industry in 1981."

The executive went on to list some of the factors cited by members who predicted a decline in dollar sales. These included continued high interest rates, impact of the drought apparently now spreading West, limited loan funds in some areas and consumer confidence.

These projections represent the median response range of the survey of 54 producers of field machinery and 45 manufacturers of farmstead equipment. Members

were asked to respond only to questions pertaining to products they manufacture or sell, but to make the predictions on an industry-wide basis.

In the forecast for all tractors, unit sales for 1981 are expected to increase 7.7 percent over 1980 — which saw a 12 percent decrease from the previous year. 1982 sales should go up another 4,500 units, according to the survey.

1980 sales of under 40 horsepower, two-wheel drive tractors were off 5.2 percent from 1979. No significant strengthening of this market is expected until 1982 when a 5.3 percent gain seems likely.

FIEI members say they believe sales of two-wheel drive tractors, 100 horsepower and over, will bounce back hard in 1981 at a 17.2 percent gain but still not recovering the nearly 20 percent decline of 1980.

Four-wheel drive tractor sales are predicted to continue market growth, regaining all lost ground by 1982. 1981 sales are expected to be in the 11,600 range, up 6.6 percent over 1980's 10,885 units, while 1982 should see another 4.1 percent increase.

Sales of self-propelled combines in 1980 were off a disappointing 20.2 percent from 1979 according to FIEI's December Flash Report. That is 15.2 percent lower than members forecasted last May. 1981 sales are predicted to increase by 14.7 percent to 29,500 units and 1982 sales should be 30,700.

The forecast indicates corn heads are not expected to regain ground as quickly, with a nine percent gain estimated for 1981. By 1982 a market of 20,750 units, a four percent increase, is anticipated.

Field cultivator sales are expected to come back strongest in 1981 with a 15.7 percent increase over 1980's estimated 14,500 unit sales. The additional prediction calls for a 5.8 percent gain in 1982.

An 18 percent decrease is estimated for the 1980 disc harrow

market (final sales figures are not yet in). But 1981 is expected to see an 11 percent increase to 57,500 units with another six percent gain for 1982.

Sales of moldboard plows in 1981 are forecast to increase 6.3 percent over 1980's estimated 24,000 units. 1982 may be 2.4 percent higher than 1981 levels.

In the chisel plow market, an 8.9 percent gain is expected in 1981, with a 5.2 percent increase to 16,050 units likely in 1982.

The market for balers in the under 200 lb. bale class was off 25 percent in 1980 but 1981 sales are estimated at 14,750 units — a 5.3 percent gain. 1982 sales should be up 1.7 percent.

The big baler market (over 200 pound bales) took a small step backward in '80, but '81 sales are expected to increase by 15.5 percent to 19,000 units.

The extended forecast calls for an '82 sales increase of another 7.4 percent.

It now looks like forage harvester sales in 1980 will be off as much as 24 percent, but sales are predicted to be up 12.7 percent in 1981 and up again 6.6 percent in 1982.

1980 sales of mower conditioners were also off 24 percent. In 1980 the manufacturers expect to market 21,000 units, a gain of 8.2 percent. Another increase of 10.5 percent is expected in 1982.

Not unlike other equipment lines, sales of grinder mixers are now expected to be off 27 percent

and up a total of about 18 percent in 1982.

In the following product categories, manufacturers forecast the change in retail dollar sales.

Portable farm augers and elevators dollar sales are predicted to be up five percent in 1981 and 11 percent higher yet in 1982 as pent-up demand and higher grain prices are expected to bolster sales.

Crop dryers and grain bins are expected to have modest retail dollar sales increases in 1981, perhaps keeping up with inflation in 1982. High interest rates and a perceived leveling of demand in some areas is suggested as rational reasons for relatively slow growth.

Farmstead equipment for hog, beef, and dairy production is forecasted to keep up with inflation. Improved prices were cited as positive factors, while high

interest rates and uncertainty regarding price supports were often mentioned as reasons to be less optimistic.

All in all, the State of the Industry report indicated manufacturers believe it will take most of 1981 to recover from last year's precipitous declines in retail sales. They see any real turn-around taking place in 1982.

The companies which participate in this survey manufacture more than 90 percent of this nation's field machinery and farmstead equipment sold in this country and overseas. They are all members of the Farm and Industrial Equipment Institute, the national trade association for equipment manufacturers, founded in 1893 and now providing member services in such areas as engineering, safety, transportation, statistics, public relations and government relations.

## Egg output down slightly

HARRISBURG — December 1980 egg production in Pennsylvania totaled 375 million, according to the Pennsylvania Crop Reporting Service.

The December production was two percent above the 368 million eggs produced in December 1979. The December average of 16.8 million layers was one percent higher than a year ago.

Egg production per 100 layers was 2230 compared with 2204 in

December 1979.

The nation's laying flocks produced 6.05 billion eggs during December, slightly below 6.06 billion produced a year ago.

The number of layers for December averaged 294 million compared with 296 million a year earlier.

Egg production per 100 layers during the month was 2057 compared with 2052 a year ago.

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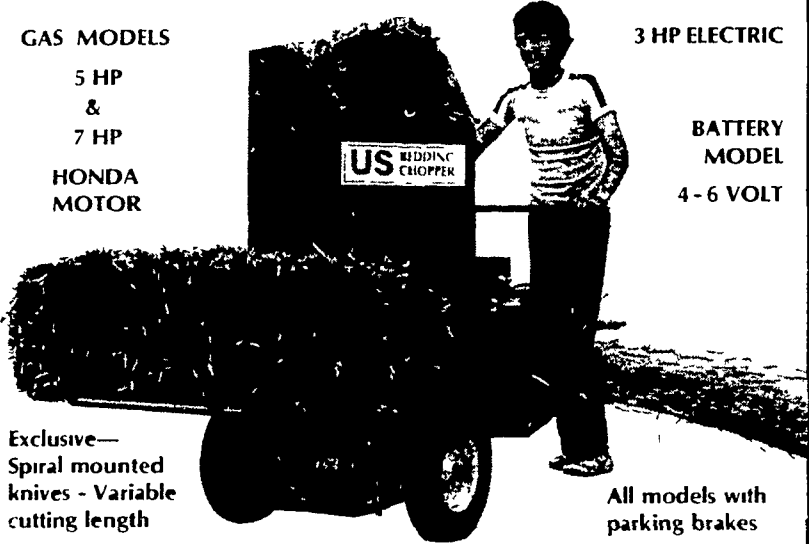
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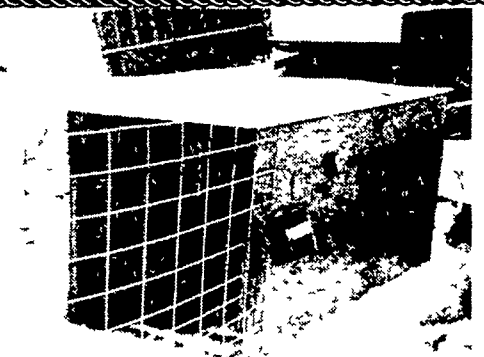


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