

Equipment manufacturers see sales increase in '85

LAGUNA NIGUEL, Ca. — Farm equipment manufacturers predict a modest increase in dollar sales volume for 1985, according to the results of a survey released today.

The survey of its members was taken by FIEI in late December and the results were reported by David D. Koentopf, president and CEO, Steiger Tractor Company, at the annual winter session of the FIEI Marketing and Management Conference. Manufacturers look to reduced interest rates and pent-up demand to reverse the overall decline in equipment sales of the past five years.

"Such reversals will be moderate and not easily accomplished," Mr. Koentopf pointed out. "The year ahead will certainly be one of new and exciting challenges but problems can be solved with proper management, leadership, cooperation and the willingness to consider new ideas."

The farm equipment market saw its fifth straight year of general decline in 1984, due mostly to the continuing financial stress suffered by many farmers. Lower interest rates and the increasing need to replace worn out equipment lead FIEI members to anticipate a sales recovery for nearly

all classes of tractors and equipment.

All percentage changes noted in the report are for units not dollars.

Sales are anticipated to be the strongest in grain harvesting equipment, medium sized tractors (40 to 100 hp) and crop dryers, as grain stocks increase and profitability improves for livestock producers.

All horsepower classes of two-wheel drive tractors are expected to increase modestly in 1985 and again in 1986. The largest increase for 1985 of 2.9 percent is anticipated for the 40 to 100 hp class. Sales of four-wheel drive tractors is not expected to fare so well in 1985 with sales seen falling by 5.0 percent. A rebound in 4-wheel drive sales is expected, however, with a robust 10.5 percent increase in 1986. Lower interest rates and pent-up demand for new equipment were reasons given for the expected increases.

GRAIN HARVESTING EQUIPMENT

Self-propelled combine sales are expected to reach 12,000 units in 1986 which is a 3.0 percent increase from the 1985 levels of 11,650 units. Members are calling for a 4.5 percent sales increase in 1985 after seeing sales volume decrease since

1981.

TILLAGE EQUIPMENT

Sales increases are forecasted by the members for chisel plows and field cultivators. Field cultivator sales are seen to increase 5.0 percent in both 1985 and in 1986. The members are calling for a 4.0 percent sales increase in chisel plows for 1985 followed by a 5.0 percent increase in 1986.

HAY AND FORAGE EQUIPMENT

Mower conditioner sales are also expected to increase for both years. A modest 1.6 percent sales increase is being called for in 1985 and a 6.9 percent increase in 1986. Forage harvester sales are expected to fall by 7.5 percent in 1985 to 3,100 units followed by a gain of 6.5 percent in 1986.

Sales for balers producing bales under 200 pounds will see a slight decline of 0.3 percent to 8,200 units for 1985 followed by no change in 1986. Members are expecting balers producing bales over 200 pounds to fare better with a 2.0 percent increase in 1985 and a 3.5 percent increase in 1986.

Members pointed to increase livestock profitability as a reason

for expecting improved sales in 1985.

CROP DRYERS

Members gave an optimistic forecast for both in-bin and batch/continuous flow crop dryers. In-bin crop dryers are seen to increase 4.0 percent in 1985 and 5.0 percent in 1986. Batch and continuous flow dryers were seen with more optimism at a 9.0 percent increase in 1985 and a 7.0 percent increase in 1986.

AUGERS, ELEVATORS, AND GRAIN BINS

Portable auger and elevator sales are expected to rise 5.0 percent in both 1985 and in 1986. Members foresee a 5.0 percent increase in grain bin sales in 1985 and an optimistic 9.0 percent in-

crease in 1986. Additional crop volume and higher carryovers are reasons given for this anticipated sales improvement.

MILKING MACHINES

The possibility of reduced government support programs for dairy producers caused members to expect a 5.0 percent reduction in milking machine sales in 1985. Sales are seen to stabilize in 1986 with no change.

FARMSTEAD MECHANIZATION EQUIPMENT

Sales are seen remaining flat in 1985 for dairy and beef mechanization equipment. Sales forecasts 1986 are more optimistic as improved livestock profitability causes sales to increase by 4.0 percent.



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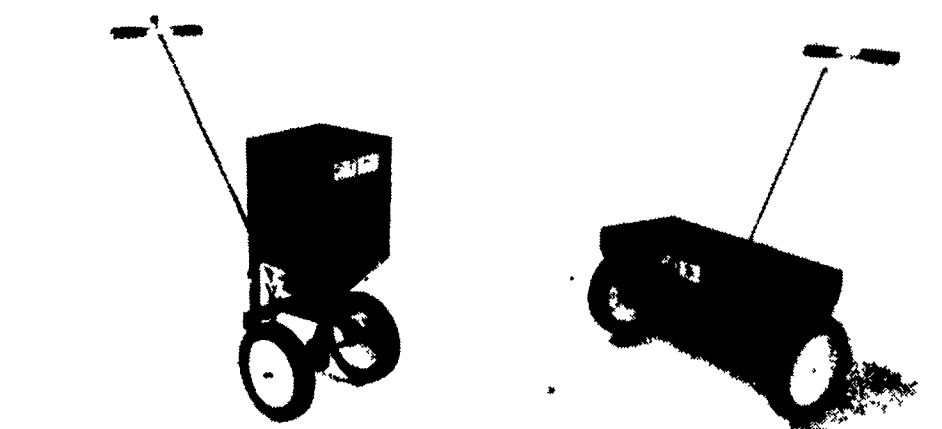


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