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An aerial view of Sperry New Holland's manufacturing plant in New Holland.

Ford buys Sperry New Holland

NEW HOLLAND — Ford Motor Company has reached agreement to purchase Sperry New Holland, culminating months of rumor and speculation about the joining of the two ag machine giants.

The beleaguered New Holland firm had fallen on rough times over the past several years, as farm equipment purchases fell in the face of declining commodity prices.

The deal with Ford, however, is being touted as an ideal marriage of two farm equipment manufacturers, with Ford's line of tractors matching New Holland's line of haying and harvesting equipment, including combines. New Holland does not make tractors while Ford has none of the diversity of the New Holland line.

Ford will pay \$330 million for New Holland's worldwide assets and assume \$110 million in the firm's liabilities. The purchase is expected to be closed by the end of the year.

The New Holland operation will become part of Ford's tractor operations based in Troy, MI. The automaker said it will retain New Holland's plants, employees and brand name.

Hard times have befallen the New Holland company over the past five years, with sharp declines in revenues and profits. Sales of \$1 billion and profits of \$100 million in 1980 had declined to \$715 million in revenue and \$17 million in income before taxes in the year which ended March 31.

Ford, meanwhile, has annual sales of \$1.25 billion, giving the new entity a \$2 billion capacity with more than 18,000 employees and sales outlets in more than 100 countries.

To cope with hard times, Sperry New Holland laid off more than 1,000 workers, unveiled new products, froze pay increases, cut overtime and marketed parts for other manufacturers.

Products manufactured at the

firm's New Holland plant include the square and round balers, bale throwers, and grinder-mixers. The company also makes round balers, bale handlers, mower-conditioners, loaders and running gear at its Mountville plant.

Founded in 1895, New Holland in 1940 bought the rights to manufacture a revolutionary new hay baler invented by a Lancaster County farmer. The product was the first commercially successful, automatic-pickup, self-tie device, and made baling hay a one-man job.

The New Holland Machine Co. was purchased by Sperry Corp. in 1947, eventually becoming the world's largest manufacturer of specialized farm equipment, especially devices to harvest hay and silage.

The parent Sperry Corp reportedly will go its own way in computer and electronic businesses.

House approves 1985 Farm Bill

BY JAMES H. EVERHART
WASHINGTON — The U.S. House of Representatives has approved a controversial 1985 Farm Bill, setting the stage for a confrontation with the U.S. Senate, and ultimately, with the Reagan Administration.

The bill approved by the House includes provisions that retain much of the current farm program for basic commodity products. The bill would have little of the structural change in farm policy that all sides in the Farm Bill debate have requested.

The package does not include the controversial Bedell Amendment, which was stricken from the bill on the House floor. Under the proposal, offered by Iowa Congressman Berkley Bedell, wheat, feed grain, cotton and rice producers could vote to accept voluntary acreage controls in exchange for higher prices.

The Senate, meanwhile, was expected to start its consideration of the Farm Bill before Oct. 21. Deliberation on the legislation was delayed by the budget debate, which occupied the upper house longer than expected. The package approved by the Senate Agriculture committee differs markedly from the package approved by the House, especially on dairy policy.

The Farm Bill package approved in the House contained a dairy title which would establish standby authority for a diversion program, and include a cost-of-production formula in its support pricing mechanism.

USDA Secretary John Block has threatened to recommend a presidential veto if the Congress passes a bill containing diversion authority. He said a diversion program would impose a "cruel,

compulsory assessment on dairymen."

In adopting the measure, the House rejected an amendment, adopted on the floor just last week, establishing a 50-cent-per-hundredweight cap on assessments.

The legislators, however, retained an amendment empowering USDA to make one million pounds of nonfat dry milk available for casein production. An open bid among manufacturers would be used to distribute the products.

Other amendments to the dairy title prevent the USDA from considering whey in their estimate of milk price supports, and raised the government's red meat purchase during any diversion program to 250 million pounds.

The bill drafted by the Senate Agriculture Committee follows the "market orientation" the Administration has called for in its original proposals. It would lower prices until the government's dairy purchases dropped below five million pounds annually. Currently, they are running about 12 million pounds.

The wide differences between the two bills, officials said, indicate a need for extensive negotiations between the two houses. The two sides are expected to hold conferences on the Farm Bill after the Senate enacts its version of the legislation. That would put the Ag Committee leaders of both legislative bodies in conference by the first week in November, observers noted.

Congress has a self-imposed deadline of Nov. 14 on their legislative efforts. They extended expiring agricultural legislation on Oct. 1, to prevent provisions of the 1933 enabling legislation from going back into effect.

SHEEP: A shot in the arm for red meat industry?

BY JACK HUBLEY
LITITZ — With beef and pork producers wallowing in a depressed market, lamb may prove to be the crucial ingredient needed to flesh out the barebones red meat industry.

The light at the end of the tunnel is being provided by Rocco Inc. of Timberville, Va. Well known for its huge Marval turkey processing plant in Dayton, Va., Rocco Inc., is actually made up of eight divisions, including Rocco Further Processing and the Rocco Lamb Farm.

Although one-half of the further processing plant is devoted to poultry products, the remaining half has been busily processing 3,000 lambs a week since beginning operations in August.

According to Rocco's lamb procurement manager, Dennis

Miller, the company hopes to eventually be slaughtering 10,000 lambs a week. "It takes about 300,000 ewes to make this plant work," says Miller.

Why did Rocco elect to plunge headlong into the lamb market? "It's a very wholesome product," says Miller. "It has the least amount of cholesterol of any red meat." And with 80 percent of the nation's lamb consumed in the Northeast, locating a slaughtering plant here is a logical move, he says. "We're at a definite location advantage because of the time interval to market."

Though much of Australia and New Zealand's lamb production finds its way to the United States, "we just don't think they can compete shipping a frozen product," Miller says. "The biggest thing they have that we

don't is supply."

Though Rocco wants to see ewe numbers increase in the Northeast, Miller stresses that quantity is not the number-one consideration. The firm is looking for lean carcasses in the 110 to 115-pound range. "We're yield grading lambs, and we're the first plant in the country to do that," says Miller, noting that carcasses of yield grade two and three are what the company is looking for. "We're trying to produce what the housewife wants," he says.

But to keep its facility running at capacity, Rocco needs a year-round supply of lambs, says Miller. Unfortunately, this is an order that an industry traditionally oriented to spring lambing is hard-pressed to fill.

One Pennsylvania firm that's making a commitment to

providing Rocco with a year-round supply of lambs is Wolgemuth Bros. Inc., of Mount Joy, Lancaster County. A general line feed company, Wolgemuth hopes to expand its poultry contracting business to include sheep. The firm currently has 900 lambs on feed in Lebanon County.

According to Wolgemuth's sales manager, Bill Reed, the Rocco plant may be a real boon to Pennsylvania livestock producers. "If they have the facilities, they can conceivably put in 100 ewes and produce 150 lambs a year, or more," says Reed, calculating that such a move could result in \$3,000 or more in added income. "But producers have to like sheep; there's a lot of work involved with them," Reed cautions.

Underlining Reed's words of caution is Ford Hartman,

Wolgemuth's newly appointed sheep specialist. Hartman says that Wolgemuth will be buying the breeding stock to place with selected producers who will have to adhere to the firm's management guidelines.

"We're going to require an intensive management system with our ewes," says Hartman. "You don't just put them out on pasture and hope they get bred and have a lamb."

The key to Wolgemuth's program will be in acquiring ewes capable of being bred throughout the year. "The problem is that a lot of the lamb goes to market one time of the year," says Hartman. "At other times there's a scarcity and a packing facility can't stay in business. They need a constant supply of lamb, and the only way to

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