BUSINESS NEWS...

MF splits off combine division

TORONTO – Massey-Ferguson Limited's plan to recapitalize its Combines and Foundries Divisions as a privately-held associate company should enable the operation to return to profitability in 1987, the company said.

According to Victor A. Rice, chairman and chief executive officer of Massey-Ferguson, "the formation of this new entity would give the combines a new lease on life. Even considering depressed state of the combine harvest market, we believe the new company could make a profit within two years.)

Under Massey Ferguson's financial and operational restructuring plan, the Combines and Foundries Divisions would become a privately-held associate company, renamed Massey Combines Corporation. Massey-Ferguson Limited would hold a minority interest of 40 percent, with the balance held by lenders and other parties.

The new company would be recapitalized to meet the costs of extensive restructuring. These measures–such as consolidation of resources at Brantford, Ont., inventory reduction, innovative marketing approaches, and accelerated development and introduction of new products–are required to improve the operation to profitability at current low industry volume levels.

The new company would be responsible for all combine harvester research, design, manufacturing, marketing and servicing previously handled by the Combine Division. Other products for which the company would be responsible include the MF 4000 Series four-wheel-drive (225-375 hp) tractors, swathers, the MF 360 wide-level disc harrow and iron castings.

In addition to the Massey-Ferguson line of conventional combines, the new company would manufacture and market rotary combines. The technology for these machines was acquired from White Farm Manufacturing Canada by Massey-Ferguson last July. Currently, the model 9720, which was built by White, is being marketed by MF and White dealers. A new, smaller rotary combine that has been undergoing field tests is scheduled to be brought into production in 1986.

Massey Combines Corporation is a logical outgrowth of Massey-Ferguson's concept of specialized product divisions. "Following the acquisition earlier this year of the rotary combine technology, Massey Combines could now move forward with complete dedication to the combine business," Mr. Rice said.

"The new associate company would concentrate all its resources and energies on a single objective: meeting the needs of North American farmers, dealers, and export markets.

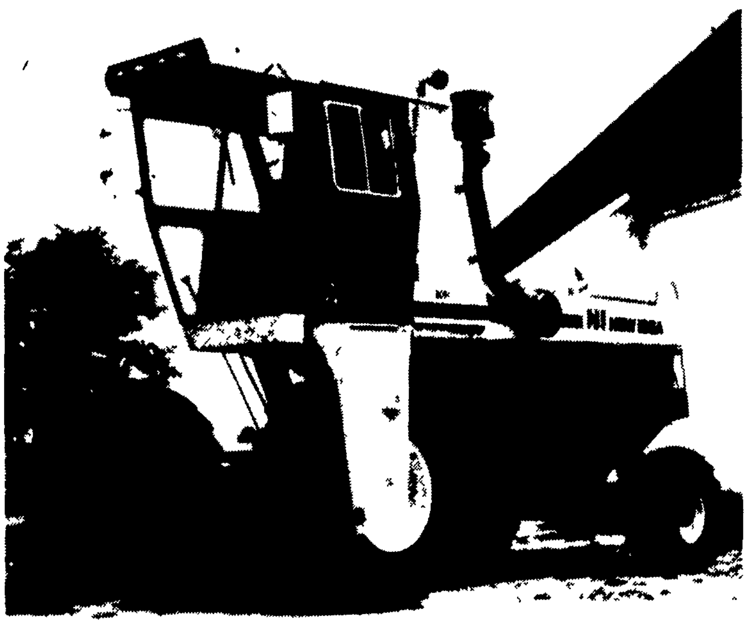
"It would be positioned on the leading edge of the industry to take full advantage of improved market conditions when they occur."

Under the new enterprise, farmers and their dealers would receive complete after-sale backup support. This includes wholesale and retail financing warranty, full parts service, computer linkage with the dealer network, Telemarketing and Teleservice support and many other initiatives planned for the next couple of years.

"Massey Combines would provide a basis for greater responsiveness to the requirements of dealers and farmers and the demands of a constantly changing marketplace. It would also lay the foundation for dealers to become more competitive through association with a fast-moving supplying manufacturer whose primary business is combines," Mr. Rice said.

"This would be the only such organization in North America, and the only one in the world, offering both rotary and conventional technologies in the high-capacity range."

Most of the new company's resources would be centralized in Brantford. Management, sales and marketing personnel would be accommodated in a new office building to be completed in the city's center in 1986. Engineering and research and development would soon occupy the former White Engineering building nearby. Regional sales offices would continue to be located throughout the U.S. and Canada.



The new 800 "C" Series Power unit from New Idea Farm Equipment Division.

New Idea introduces 800 "c" power unit

COLDWATER, OH. – The introduction of the new 800 "C" Series Power Units is one of the first product lines introduced this season by New Idea Farm Equipment Division to reflect their new equipment colors, and a lower pricing structure for added value.

"We've engineered the 800 "C" Series with superb features in order to maintain a high level of quality and provide added value for our customers," says Mr. Tom Kinzenbaw, Vice President, Marketing of New Idea. "The Cummins diesel engine is only one example of the quality and added value that is built into the 800 "C" Series Power Units. The Cummins diesel engine is available in a choice of 152, 177, or 324 horsepower. The engine is a 6 cylinder, turbocharged diesel with a direct fuel injection system that provides power with top efficiency."

Other features on the 800 "C" Series Power Units are a high clearance, heavy-duty frame, rugged wheel ends, larger tires, hydrastatic drive with four speed transmission and optional power assist rear wheel drive."

Mr. Kinzanbaw added, "The real advantage of having the "C" Series Power choice... the affordability of building to your specifications, plus the adaptability of changing to meet future needs. It's easy with the New Idea modular design because you can take full advantage of your power unit investment by changing only the harvesting unit."

ABS compiling data on Valiant daughters, sons

DEFOREST, WI. – S-W-D Valiant, super Holstein bull developed by American Breeders Service (ABS), is meeting the predictions made at the time of his death in August 1984 by ABS President Dr. Robert Walton. Said Walton, "He will continue to have a genetic and economic impact on dairying throughout the remainder of this century."

To spotlight this impact, ABS and Holstein World are compiling production and type information on Valiant's most outstanding sons and daughters gleaned from all segments of the industry. Lists of the top daughters in four categories will be included in a special SWD Valiant issue of the World to be published April 25, 1986.

Dairymen with grade or registered Valiant daughters that have completed a record of 25,000 pounds of milk, or 1,000 pounds of fat, or 800 pounds of protein are invited to participate by alerting ABS to the fact that they have such Valiants in their herds. Daughters that are classified Excellent also qualify to be part of this prestigious list.

Those who have Valiants that qualify in one or more of the four categories and wish to have them included, should contact their local ABS Representative or write or phone Nancy Berg in the ABS offices at Box 459, DeForest, Wisconsin 53532, phone 608/846-3721. ABS and Holstein World are both contributing $1.00 to a special scholarship fund for each daughter reported.

On top of the list for each of the qualifying categories at the close of 1985 are Long-Haven Valiant Sally owned by G. Carlos Long, Michigan, with 40,022 pounds of milk. Long-Haven Valiant Sally is also tops for fat at 1,823 pounds and Enns Valiant Panie, owned by Prices Partners Ltd., New Mexico, heads the list for protein at 1,130 pounds. Farlows Valiant Rosie, owned by George and John Atkinson, is the highest classified Valiant daughter at EX-94.

Velsicol gives $32,405 to NCGA's ethanol campaign

ST. LOUIS – More fuel has just been pumped into the National Corn Growers Association's (NCGA) successful ethanol development program thanks to Velsicol Chemical Corporation's 1985 Operation Trade Expansion (V.O.T.E.).

Velsicol recently announced the investment of $32,405 in NCGA, which gives the group a solid base of funds to work with in 1986, according to Hal Smedley, NCGA's Domestic Market Development Director. This is the second year Velsicol has invested funds in the fuel ethanol program bringing the total number of V.O.T.E. dollars generated for NCGA through 1984 and 1985 to $130,000.

Data recently released by Information Resources Incorporated, Washington, D.C., indicates that corn used for fuel ethanol is up by 68 million bushels in 1985 over the 1984 level of 172 million bushels. That's a 40 percent increase and on target with NCGA's goal of one billion bushels used in ethanol production in 1990.

"The funds directed to NCGA by farmers and ranchers across the country who participated in Velsicol's Operation Trade Expansion last year were a large part of our successful fuel ethanol program," says Smedley.

In 1984, Velsicol's investment of nearly $100,000 was put into research and development programs which helped boost the amount of corn utilized in fuel ethanol production, according to Smedley. NCGA spent $150,000 in their total market development plan. The $32,405 investment in NCGA from the 1985 V.O.T.E. program will also be used in programs aimed at expanding ethanol markets.

"Farmers have realized they can make a difference by working through their commodity organizations to promote their product," says Velsicol's Eastern Regional Director, James Oliver, who presented the 1985 V.O.T.E. funds at a recent NCGA board meeting. "V.O.T.E. gave producers the opportunity to become directly involved in market development and, in turn, the ability to help generate demand for the commodities that

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NCGA President Dain Friend, Warrensburg, Ill. (left), and John Pellet, NCGA vice president of market development from Chesterfield, Mo. (right), accept $32,405 from Velsicol Chemical Corporation through Velsicol's Operation Trade Expansion (V.O.T.E.) program. Making the presentation is James Oliver, Eastern Regional Sales Director for Velsicol. These 1985 V.O.T.E. funds will be invested in NCGA's domestic market development program for fuel ethanol. The 1985 investment is in addition to $97,000 Velsicol gave NCGA in 1984 for market development. The association spent nearly $150,000 in market development for fuel ethanol last year which helped boost corn used for ethanol by 68 million bushels between 1984 and 1985.