

Ralston Purina Sells Feed Business To BP Nutrition

ST. LOUIS, Mo. — Ralston Purina Company recently announced that it has reached an agreement in principle to sell Purina Mills, Inc., its U.S. animal feed business, to BP Nutrition Ltd. Terms were not disclosed.

BP Nutrition is the food and agriculture subsidiary of The British Petroleum Company and operates a major feed business in Europe through Hendrix International. Purina Mills, a

Ralston Purina Company subsidiary, is one of the oldest feed companies in the U.S.

The acquisition is subject to reaching a definitive agreement and to Board approval by the parent companies. The expected closing date of the sale is October 1, 1986.

Commenting on the sale, William P. Stiritz, Chairman and Chief Executive Officer, said, "This was a very difficult decision

for us because the animal feed business represents the origins of our company. In addition, Purina Mills is the market leader in its industry and has consistently performed extremely well."

Stiritz continued, "A critical element in our decision was our concern for Purina Mills employees and their future. Under BP Nutrition's ownership, I am confident that Purina Mills employees will continue to benefit from a favorable working environment and employee benefit programs.

"In short," Stiritz added, "BP Nutrition is acquiring a premier franchise that fits well with their long-term business plans. Although we have been pleased with the performance of Purina Mills and had not actively sought a buyer, the sale will enable Ralston Purina to focus its efforts on an expanding base of consumer packaged goods businesses. As a

result, we believe this transaction will benefit and strengthen the long-term future of both companies."

William M. Jones, Chairman and President of Purina Mills, Inc. said, "I am enthusiastic about this transaction because it offers strong mutual benefits to both organizations. Purina Mills will be linked to a company that has animal agriculture as its central, long-term strategic focus. I am convinced that Purina Mills will be able to aggressively pursue its leadership role in the feed business consistent with its current strategies. As a result of licensing of trademarks and distribution of Purina pet foods in the United States, we foresee a continued working relationship between Ralston Purina and Purina Mills in the years ahead."

With the sale of Purina Mills, more than 90 percent of Ralston

Purina's earnings will come from consumer packaged goods products. The company holds a number of market leading positions in billion-dollar consumer industries including pet foods, bread and snack cakes and the recently acquired battery business. Ralston Purina brand names include Purina Dog Chow and Cat Chow, Hostess, Wonder, Chex cereals, Chicken of the Sea tuna, Eveready and Energizer.

The Ralston Purina International feed business will not be affected by this transaction. Commenting on Ralston Purina's international animal feed operations, Stiritz said, "These businesses are not for sale. The RPI Group is having a strong year and it has the resources and opportunities to continue to increase its contribution into the future. In several countries we are actively looking for ways to increase our presence."



Case Buys IH Australian Assets

RACINE, Wisc. — J I Case (Australia) Pty. Ltd. has purchased selected assets of International Harvester Australia Ltd. and International Harvester Credit Corp., which will provide interim support services during the transition.

John A. Borden, Case IH executive vice president, Marketing, said consolidation of the Case and IH Australian operations "creates the largest agricultural and construction equipment network in Australia and gives Case IH the potential to market a complete line of agricultural and construction equipment in Australia."

According to Borden, Case IH will consolidate the Australian distribution organization into its worldwide dealer network, just as it did in Europe and the U.K. The consolidation will give Case IH approximately 200 distribution outlets in Australia.

Purchase of the IH Australian assets completes the acquisition by Tenneco Inc. of selected In-

ternational Harvester agricultural equipment assets around the world. In February 1985, Tenneco purchased the IH ag assets in North America and the United Kingdom, and in May 1985 purchased the IH ag assets in Europe.

Both J I Case and International Harvester have been selling agricultural equipment in Australia since before the turn of the century. J I Case Australia Pty. Ltd. was established in 1957 and the company opened a major manufacturing facility in St. Marys, Australia, in 1975. The St. Marys plant currently makes components and attachments for Case loader/backhoes, wheel and crawler loaders, dozers and skid steer loaders, as well as Case IH agricultural equipment. Case Australia also operates an advanced service parts supply operation linked to the Case IH Global Parts Network.

Case IH is a worldwide manufacturer and marketer of agricultural and construction equipment. Case IH is an affiliate of Tenneco Inc., Houston.

Massey Reports First-Quarter Profits Despite 'Difficult Market'

TORONTO — Massey-Ferguson Limited, which officially became Varsity Corporation by shareholder vote recently, posted net income of 5.9 million U.S. dollars in the three months ended April 30, 1986, compared with net income of \$400,000 in the same period a year earlier.

Improved results reflect management actions finalized earlier this year to restore the balance sheet and divest money-losing operations. Therefore, results for the opening period of fiscal 1985 have been reclassified to show the former Combines Division as discontinued operations. These operations have become part of Massey Combines Corporation, of Brantford, Ontario, in which Varsity Corporation holds a minority interest of 45 percent.

The Company's continuing operations have now been profitable for nine consecutive

quarters for the first time in nearly 10 years.

The sales increase in real terms was seven percent, achieved in very difficult market operations. World markets for farm tractors and diesel engines have softened considerably, and sales of the MF Industrial Machinery Division were curbed by a two-week strike at the main plant in Manchester, England.

Victor Rice, Chairman and Chief Executive Officer, told the annual meeting of shareholders that all of the Company's branded-product divisions improved sales performance in spite of sluggish conditions in most major markets. "In the markets we serve, no sale comes easy," he observed. "Every sale has to be earned."

Rice said gross margins suffered slightly as a result of the aggressive price discounting that has characterized North American farm machinery markets in recent

years. Actions by competitors to reduce dealer inventories through price-cutting and other sales incentives have intensified, he noted.

Rice said the Company does not expect improved demand for Massey-Ferguson farm machinery in 1986, since sustained weakness and uncertainty dominate most key markets.

Shareholders voted overwhelming support of a proposal to change the Company's name. Rice said the change will not affect the Company's branded-product divisions -- Massey-Ferguson Tractors and Farm Equipment, Perkins Engines, MF Industrial Machinery, and Pacoma fluid power products -- which will continue doing business under their present identities.

The new corporate name is a derivative of Varsity Plow Works, which became part of the Massey-Harris Company nearly a century ago.

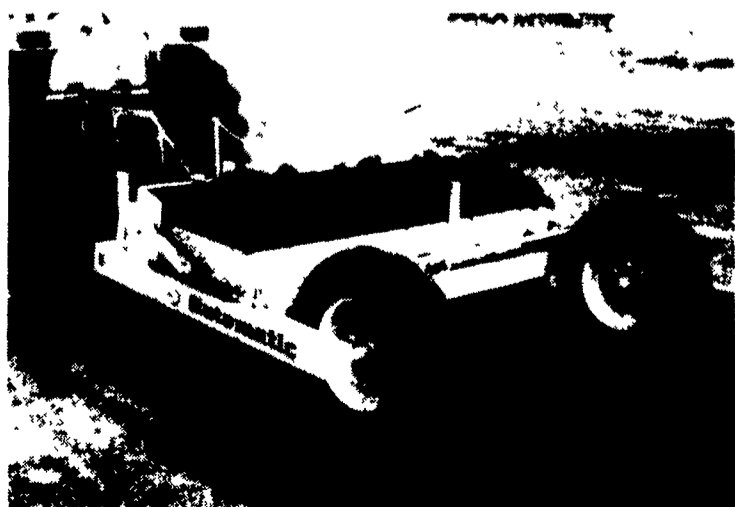
Automatic's Scraper Suitable for Lawn Tractors

PENDER, Nebr. — A new one-half cubic yard wheeled carry-all scraper designed for lawn and garden tractors has been introduced by Automatic Equipment Mfg. Co.

The RO-5 Mini Mover can be operated with as little as 12 drawbar h.p. and is ideal for small land tailoring in lawn and garden work. No hydraulics are required to operate the Scraper, but a drawbar lift system is needed on

the tractor. The drawbar is used to control loading and spreading but the scraper unloads by trip lever action, triggering the roll-over bucket.

For further details contact the manufacturer, Automatic Equipment, Department NR, Box P, Pender, Nebraska 68047, phone 402-385-3054, or the distributor, Ryder Supply, Box 219, Chambersburg, Pennsylvania, 17201, 717-263-9111.



The RO-5 Mini Mover can be operated with as little as 12 drawbar h.p.

Simplicity Is Key To New Massey Combine

DES MOINES, IA. — Massey Combines Corporation announces the addition of the new 8560 rotary to its line of products. According to Vice President Richard A. Brown, the 8560 provides farmers with unmatched harvesting capacity in a popular-sized rotary combine.

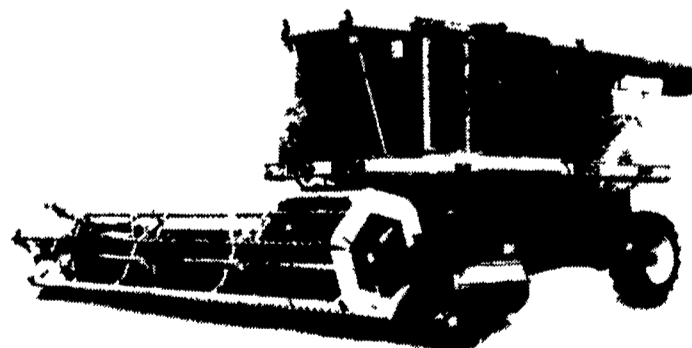
The 8560 uses a unique four-vane front beater — a Massey "exclusive" — to smooth and accelerate the crop into the inlet section of the rotary while forcing rocks into the stone trap below. The front beater allows "full circle" distribution of the crop around the inlet section, eliminating the major bottleneck of other rotary designs.

Hydrostatic rotor drive eliminates drive belts, chains and gear boxes to the rotor drive and provides infinitely variable rotor speeds ranging from 0 to 920 rpm. The operator can easily determine the correct speed for the crop and quickly respond to changing conditions simply by moving the single control lever on the console.

The rotor itself has the largest working area available in the industry, except for Massey's 9720 model.

With a concave area of 2,205 square inches — 445 square inches more than the closest competitive machine — the 8560 offers farmers a substantial increase in threshing and separating capacity compared to other rotary designs.

An adjustable deflector in the discharge area distributes straw to




Only 11 drive belts are used on Massey's new 8560 rotary combine.

an optional straw spreader or chopper. Straw may also be discharged directly to the ground for baling.

There is a new family of Kwik-Switch headers and cornheads available for the Massey 8560. Designed for smooth feeding, the heads are easily changed to save time when switching from crop to crop.

The 8560 is powered by a six-cylinder, 360 cu. in. Cummins turbo-charged, inter-cooled engine. The engine is mounted at the rear of the machine, away from the control center for easier access, better visibility and quieter operation.

Delivery of the 8560 to Massey Combine dealers throughout the U.S. and Canada is expected this summer.



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