

Farm Equipment Manufacturers See Industry Upturn

CHICAGO, IL. — U.S. farm field equipment manufacturers forecast an 8.0 percent increase in dollar retail sales and a 5.5 percent improvement in parts retail sales for 1989. Farmstead equipment manufacturers forecast a 5.0 percent increase in both retail and parts sales.

Through about mid-year 1988, farm equipment sales showed increases over the previous year of 10 to 20 percent depending on the product line. The severe and widespread drought of 1988 caused farmers to reconsider and delay purchases of new equipment to the extent that, in general, farm field-type equipment sales for the total year ended up approximately equal to 1987.

This year opens with agriculture having a strong financial outlook that can be expected to provide an environment favorable to increasing sales of farm equipment. The factors impacting sales include 25 million acres farmed, improved farmer's attitudes, replacement demand, favorable commodity prices, good gross cash receipts and solid U.S. grain exports remain influential on farmers' decisions to invest in new equipment. Other factors such as reduced farm debt, disappearance of good used equipment for sale, net farm income, livestock and dairy prices, and government payments.

All the above listed factors are perceived as positive in 1989 for agriculture and thus have the potential for a favorable impact on farm equipment sales.

Manufacturers surveyed predict unit retail sales of 113,138 for farm tractors sold in 1989.

In 1988, FIEI member manufacturers sold 106,283 tractors, 1.7 percent fewer than 1987's total sales, according to the FIEI "Flash" monthly statistical report of unit retail sales released January 13, 1989. This was slightly less than the industry had expected to sell based upon their December predictions represented in the State of the Industry report. Smaller tractors, the "under 40 hp" category, accounted for about 51 percent of sales in 1988, according to the "Flash" report. FIEI member companies surveyed in the 1989 State of the Industry Report expect the "under 40 hp" category to retain 49 percent of total tractor sales this year.

The State of the Industry projections represent the medians of the range of survey responses by 28 major farm field machinery producers and 25 major manufacturers of farmstead equipment. FIEI member companies were asked to respond only to questions

pertaining to products they manufacture or sell, but to make predictions on an industry-wide, rather than for their company, basis.

The companies that participate in this survey manufacture more than 90 percent of the nation's field machinery and farmstead equipment sold in the U.S. They are all members of the Institute, the major trade association for farm and industrial equipment manufacturers in North America.

Farm Wheel Tractors

In 1988, "100 hp and over" two-wheel-drive tractors continued the sales rise starting in 1987 with a 1.4 percent increase to a figure of 16,127 for the year. Sales in that category for 1989 are expected to be at the 18,320 level.

At the same time, sales in the smaller tractor categories coming off a 1988 unit sales of 87,427, forecasted 1989 sales of 89,675 or a slight increase of 2.6 percent. Sales of four-wheel drive tractors are expected to improve over the 1988 "Flash" report figure of 2,729 units. Sales for four-wheel drive tractors will improve in 1989 by 9.2 percent to 2,980 units, member companies predict in the State of the Industry report.

Grain Harvesting Equipment

Sales of self-propelled combines in 1988 were off 16.4 percent from the 1987 figure. Manufacturers predict sales will see a considerable increase of 35 percent in 1989 and expect a further 10.5 percent increase in 1990.

The State of the Industry report indicated that corn head sales will rest at approximately 3,375 for 1988, down from the 3,924 units sold in 1987. Manufacturers predict a big increase in 1989 of 36.5 percent in to 4,607 units sold.

Tillage Equipment

Tillage equipment sales, when final figures are available for 1988, are expected to show some increases over 1987 and manufacturers of field cultivators, disk harrows and chisel plows estimate continued increases for 1989. Disk harrow sales are predicted to increase by 15.0 percent in 1989. Sales of field cultivators and chisel plows are forecasted to increase 6.5 percent and 5.0 percent, respectively, in 1989.

Hay Forage Equipment

The market for balers in the over 200-pound bale class is expected to pick up by 3.0 percent in 1989 according to the State of the Industry Report. In the under 200-pound bale class, a modest increase of 0.9 percent is expected for 1989; approximately the same

unit volume as 1989 is expected in 1989 or 1990.

Forage harvesters, had a sales increase of 5.5 percent in 1988 and is expected to increase by 3.6 percent to 2,564 units in 1989 according to the State of the Industry report.

Manufacturers of mower-conditioners sold 11,041 units in 1988, slightly down from 1987 of 11,239 but are expected to be up 2.0 percent in 1989 to 11,220 units. Sales of self-propelled and pull-type windrowers increased in 1988 to an estimated 1,750 units and are forecast to increase to 1,820 units in 1989.

Manure spreader sales are expected to improve by 1.7 percent in 1989 and remain at the same level in 1990.

Grinder mixers are forecast to

have a 7.0 percent decline in 1989 following a strong 9.0 percent increase in 1988 over the previous year.

Farmstead Equipment

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

Sales of augers and elevators are expected to be the same in 1989 as in 1988. Grain bins and crop dryers are expected to remain at their current low levels with 1990 forecast to have a 15 percent increase in grain bin sales. Dairy and beef mechanization equipment sales will show a 5.0 percent improvement in 1989 over 1988, setting the stage for an additional 4.0 percent increase in 1990, reporters in the State of the Industry predict. Hog mechanization

equipment is expected to show a 3.5 percent increase in 1989. Milking machine sales will show a 4.5 percent increase from the previous year and gain another 5.0 percent in 1990 according to the manufacturers.

FIEI, the national trade association and coordinator for the industry survey, provides to manufacturers services in such areas as electronics, engineering, legislative and government relations, product liability, public relations, safety and statistics.

Copies of the 1989 State of the Industry Report and subscription forms for the monthly "Flash" reports are available from the Farm and Industrial Equipment Institute, 410 North Michigan Avenue, Chicago, Illinois 60611.

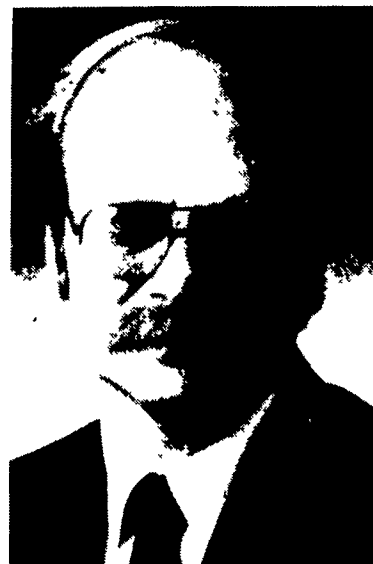
Idaho Native Accepts University Of Maryland Ag Post

COLLEGE PARK, MD — Kenneth R. Stafford becomes assistant vice chancellor for agricultural affairs for finance and management and assistant dean for the Colleges of Agriculture and Life Sciences effective March 6.

"We are pleased that Ken Stafford is joining our programs," noted Dr. Raymond J. Miller, vice chancellor for agricultural affairs and dean of the Colleges of Life Sciences and Agriculture at the University of Maryland at College Park. "He brings a background in automated management that will complement and enhance our existing capabilities."

Dr. Billy Coffindalfer has served as acting vice chancellor since Oct. 20, 1986. Stafford, 40, said the position "meets my long-term goals and objectives" and that he looks forward to joining "a high quality faculty and staff."

The southern Idaho native is



Kenneth R. Stafford

University of Idaho. He served as fiscal officer from 1980-1988. Stafford was assistant director of the University of Idaho's Management Information Services from 1977-1980, and also worked in that department as a research analyst.

Stafford received his bachelor's degree in business from the University of Idaho in 1971. He earned his master's degree in economics from Idaho in 1975. Stafford received the "Outstanding Employee" award from the University of Idaho in 1987, and also received the "Alumni Award for Faculty Excellence" from the University of Idaho Alumni Association in 1986.

Stafford will be the chief fiscal, personnel and management officer for the Office of Agricultural Affairs, Cooperative Extension Service, Agricultural Experiment Station and Colleges of Agriculture and Life Sciences.



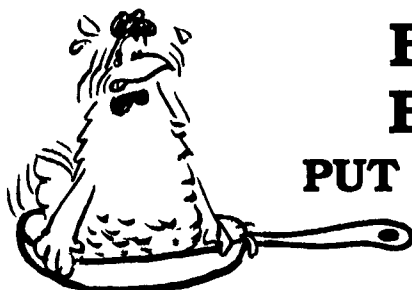
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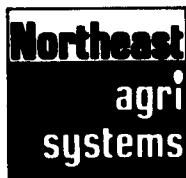
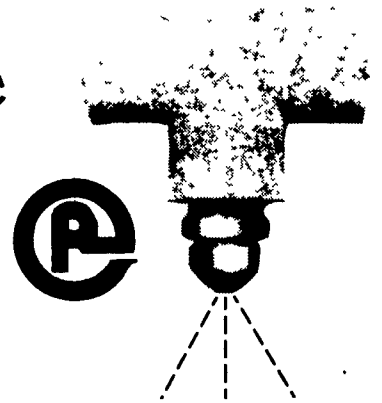


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