

New Holland Results Signal Growth

LONDON — Agricultural and industrial equipment giant New Holland today reported a 1994 net income of \$355.7 million as the company rebounded from a \$56 million net loss in 1993. Net sales for the year rose to \$4.72 billion, compared to \$3.63 billion in 1993.

New Holland posted higher shares in nearly all markets during 1994, prompting Chief Executive Officer Riccardo Ruggeri to declare the year "a dramatic and outstanding success around the world. The surge in industry sales throughout much of the world, larger New Holland shares in nearly all markets, and the company's restructuring actions during the preceding three years were all important to our success in 1994," said Ruggeri.

"Our continuing drive to reduce costs and improve our margins paid off," said Chief Financial Officer Renato Iodice, noting that the company's gross profit rose to \$1.16 billion, 44 percent higher than the \$803 million seen in 1993. By holding general, selling, and administrative expenses in check while cutting other costs and operating expenses in half, the company was able to increase its operating income to \$484.8 million, compared to \$59 million in 1993, he said.

Iodice also reported that New Holland's income before taxes

and minority interests was \$401.4 million in 1994, after accounting for financing and investment expenses. He said the favorable cash flow in 1994 helped reduce third-party borrowing from \$186.5 million to \$125.9 million.

According to Ruggeri, "Demand was strong in most of the markets where we did business in 1994. We benefited from the rebound in Europe and North America and increased our tractor share in both markets. Revenue from the North American market was nearly \$1.8 billion, up over 30 percent compared to 1993. In Europe, revenues were also about \$1.8 billion, an increase of 18 percent over last year.

"In Brazil, we had a remarkable year, with tractor sales up 134 percent over 1993. Across Africa, the Middle East, and the Pacific Rim our sales were strong, and our tractor share in this region increased by over 16 percent in total. Revenues from these growing markets outside Europe and North America totalled over \$1.1 billion - 25 percent of our total revenue in 1994 and an increase of 5 percent compared to 1993."

Last year also brought stronger construction equipment industry sales in European markets served by Fiat-Hitachi, the New Holland Group's joint venture which produces hydraulic excavators and

other earthmoving equipment for sale in Europe, Africa and the Middle East. Fiat-Hitachi also increased substantially its presence in the Middle East, and made slight gains in Africa.

In North America, sales of both tractor loader backhoes (TLBs) and skid-steer loaders were up

over 1993, with share gains in TLBs. However, Ruggeri said New Holland's share of the North American skid-steer loader market suffered due to limited availability of the company's all-new line, a situation that will be remedied when expansion of the company's production facility in Belleville, Pennsylvania is com-

pleted this year.

Ruggeri cautioned that industry-wide sales for 1995 are not expected to be quite as strong as in 1994. However, he expects further increases in New Holland's market share as a direct result of the company's new product introductions.

Sunset Composting Meeting Set

NUMIDIA (Columbia Co.) — A sunset compost meeting will be held at 6:30 p.m. on Tuesday, June 20, here at the farm of Dennis LeVan.

Sunset meeting activities will include:

- * Update on compost utilization research by Dr. Doug Beegle, Penn State Extension.

- * View corn growing in plots with manure, composted manure, and synthetic fertilizer.

- * Overview of Microbial Composting: Composting of Manure to Alleviate Nitrogen Leaching Problem by Dr. Judy Kipe-Nolt, Bloomsburg University.

- * Demonstration of rinse system on sprayer built by Dennis LeVan.

The sunset compost meeting is an opportunity to see corn being grown in plots that received different rates of raw dairy manure,

composted dairy manure, and synthetic fertilizer.

This is the second year of research on Dennis LeVan's farm that focuses on the utilization of composted manure. One of the primary questions being investigated is the availability of nitrogen and phosphorous from composted manure. This research will be useful for developing nutrient management plans for farmers using composted manure.

During the first year of research, corn was grown in plots to which different rates of raw dairy manure, composted dairy manure, and synthetic fertilizer were applied. During the second year, corn in the manure and compost plots is being grown without any additional nutrients to assess the

residual nutrients from these amendments.

The results from the trial at the LeVan Farm and other sites where this research is being conducted will be discussed by Beegle from Penn State. Dr. Judy Kipe-Nolt will discuss the work she is doing with the Pocono Northeast Resource Conservation and Development Area on the microbial composting process for conserving nutrients.

The compost meeting is sponsored by Penn State Extension, Rodale Institute, and Columbia County Conservation District. For additional information, contact the Conservation District at (717) 784-1310 or the Rodale Institute at (610) 683-1421.

Commodity Groups Urge Committee To Consider Ag's Contributions

WASHINGTON, D.C. — The American Soybean Association has joined with other major commodity groups presenting a letter to the Senate Budget Committee urging them to keep in mind the sacrifices agriculture has already made to balance past federal budgets.

ASA chairman, and farmer from South Dakota, Larry Diedrich said, "What people need to know is that a strong U.S. agriculture industry also puts millions of dollars back into the economy as a result of all the jobs it creates, both farm-related and otherwise."

With nearly one out of six American jobs — a total of 21 million — attributable to agriculture, it is keenly important that the U.S. maintain a healthy agricultural industry.

The letter acknowledges the importance of reducing the federal deficit, but asks that agriculture not be singled out for a disproportionate cut. In support of their position, the letter from the commodity groups states, "Agriculture has a history of contributing more toward reducing the federal deficit than other federal programs. Over the past 10 years, farm program

spending has been reduced from \$25.8 billion to \$8.5 billion, a two-thirds reduction, while total federal spending rose by 50 percent. All this, despite the fact that agriculture only accounts for 1 percent of the total federal spending. If all other federal programs had taken the same level of cuts during that time, the U.S. would now be basking in a substantial budget surplus."

Early hopes were that the most recent round of the General Agreement on Tariffs and Trade would resolve trade disputes among the world's nations. GATT made progress, but it did not eliminate all of the problems. The European Union still maintains a 3 to 1 advantage over the U.S. in terms of its domestic support for agriculture, and a 6 to 1 advantage in export subsidies.

The U.S. has already reduced its support for domestic farm programs by more than the 20 percent required by the Uruguay Round GATT agreement. Further cuts would result in the U.S. unilaterally eliminating farm program protections. It would place our farmers at a gross disadvantage to their overseas counterparts.

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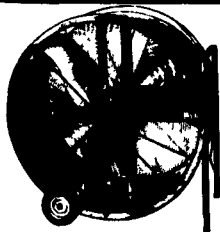
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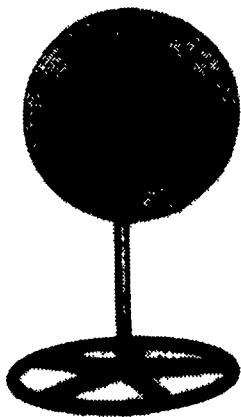
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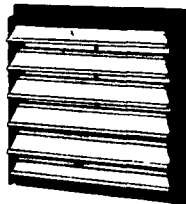
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