

Farm equipment company expands

Versatile Farm Equipment Company of Winnipeg, the world's largest manufacturer of four-wheel drive tractors, is currently spending millions of dollars on expansion.

During the past 35 years it has grown from an after-hours basement operation to a world leader in its field.

Versatile came up with the four-wheel-drive concept in 1966 and as a result has had an advantage over its major rivals. Four-wheel-drive tractors are generally more efficient in the larger power ranges. By using them, farmers can plough more land faster and with less labour.

The trend today is towards larger farm units especially in the Canadian and U.S. midwest. The benefit for Versatile is that these farmers need the largest and most efficient tractors to handle their growing acreage.

Range of equipment

The main plant in Winnipeg employs 1 800 people who manufacture its range of tractors as well as an axial-flow combine and a selection of other farm implements. One subsidiary in Alberta specializes in plows for dryland farming.

Versatile has another subsidiary in Australia which makes sugar cane harvesters and runs marketing and parts operations in that country and the United States. The company recently signed a distribution agreement with Fiat Trattori, a division of Fiat SpA of Italy, giving it access to markets in 70 countries.

Flexibility

Some of the success of the company can be attributed to its flexibility. As a small company it makes only 100 to 200 tractors at a time, keeping inventory to a minimum. It is also able to mix products on the line and change specifications virtually overnight.

The company is large enough, however, to develop and manufacture some of the most innovative machinery in the market.

A \$25-million expansion for combine production and research and development facilities now is complete, and another expansion is planned for this year. In the spring, production of two new models will begin; both are top of the line, next-generation machines.

The new tractor will produce 470 horsepower and cost \$160 000, making it one of the biggest and most expensive on the market. The pre-production run sold

out long ago and the second run is almost gone as well.

The new combine uses a radical new design. While critics are impressed by the ultramodern axial-flow separation system, they are surprised that Versatile would go against a 30-year tradition and give up self-propulsion.

Profits increase

Versatile Corporation of Vancouver, the parent company, recently reported a 34 per cent increase in year-end profit. The agricultural division is generally believed to account for 40 per cent of the company's profit.

Share profit was \$1.93 in 1981, up

from \$1.51 in 1980. Nesbitt Thomson Securities Limited of Montreal predicted that the 1982 profit will be \$2.75 a share on a fully diluted basis. He said tractor operations have done better than expected this year and should do well again in 1983.

Versatile's plan is to continue its expansion across North America and into global markets. From its marketing base in Manitoba and the U.S. midwest, it is moving into the Cornbelt and into to Texas and Arizona. Last year, it signed up 120 new dealers in North America.

Overseas, the Australian subsidiary has a major market position and the deal with Fiat opens up new and promising markets.

Agriculture gets a boost in Prince Edward Island

Prince Edward Island will receive \$7.3 million in federal funds to help develop agriculture in that province.

The funding is part of a \$39-million federal development strategy for the province that was announced last October.

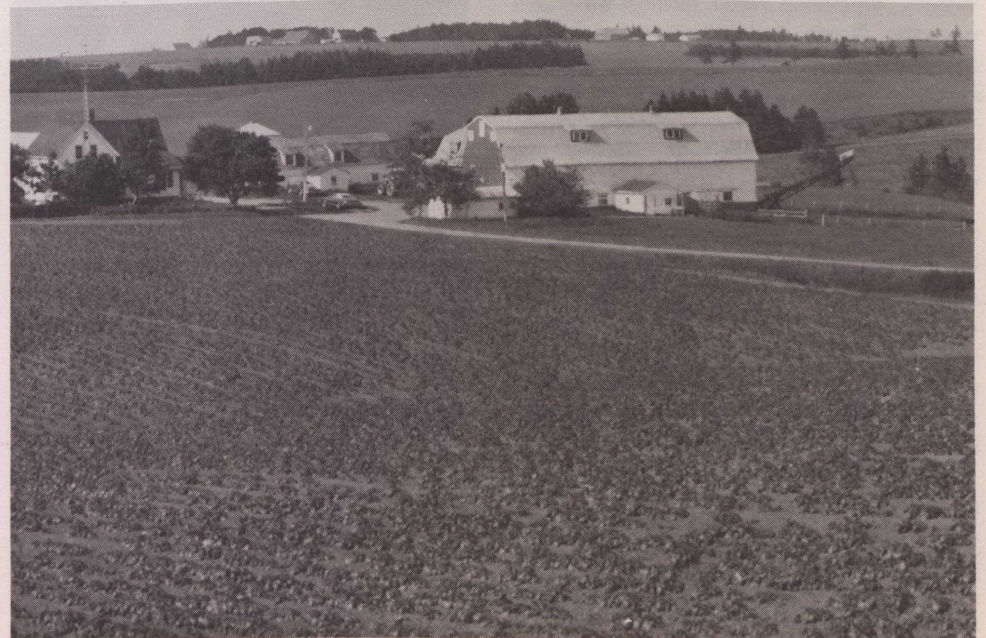
The \$7.3 million will be used over the next three years to develop agriculture through three programs: production enhancement, agri-food market development and agricultural research.

The productivity enhancement program will assist P.E.I. farmers to adopt existing and new agricultural technologies that could boost production. Under the program a farmer or producer organization will receive help from Agriculture Canada for trials or demonstrations of

farm equipment or techniques.

The agri-food market development program has been set up to help the P.E.I. agricultural industry maintain and increase markets for food products. The federal government has agreed to share the financial risks and development costs of producers wishing to enter new markets or expand existing domestic markets.

The research component of the agricultural strategy will go towards continuing existing research programs at Agriculture Canada's Charlottetown research station. The scientists at the station will study better soil management practices, weed control, new plant varieties and improved forage management.



Prince Edward Island is renowned for its potatoes.