

competitive with Australian manufacturers. The problem facing Canadian agricultural equipment exporters is finding capable agents and distributors. Most Australian distributors are often financially weak. They are interested in consolidating their profitable lines rather than adding new ranges of equipment.

The major advantage that Canada has is expertise in dry-land farming equipment. Canadian shortline manufacturers have specialized in that area, and are particularly well equipped for exploiting the growth of dry-land farming in Australia. Having already gone through an adaptation and experimental period at home, they are in a good position to adapt their products to Australian conditions. Due to differences in land-clearing practices and the nature of the soil, Australian agricultural conditions are harsher than those in Canada. To succeed in Australia, Canadian manufacturers will have to develop equipment suitable to local conditions.

f) The Competition and Competitor Activity

Canada's main competitor in the Australian market is the United States. There is strong competition for Canada's large four-wheel-drive agricultural tractors from companies such as International Harvester, John Deere, Steiger and Massey-Ferguson. So far, Versatile has been able to perform effectively, being first or second in sales of the four-wheel-drive market over 105 kw. Both International and John Deere have announced major programs to boost their sales of four-wheel-drive tractors, and one of their key targets has to be Versatile's market share. Canadian soil preparation and tillage equipment faces its main competition from domestic Australian companies, since only 25 per cent of that equipment is imported. Canadian exporters seem to be able to compete effectively on a price basis, and they certainly can compete on a quality basis. In addition, as local companies become more involved in producing Stubble Mulch equipment, acceptance broadens and the market increases. The production of the equipment domestically is a seal of approval for Canadian-styled implements. Combine harvesters face multinational competition: their future in Australia depends on the future of Massey-Ferguson and White Farm Equipment.

g) The Action Plan

Promotional activities will be designed to complement the marketing initiatives taken by the Canadian manufacturers who produce equipment that has application in Australia. Unlike the situation in many other countries, and with