

Smörgåsbord



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Editor

"Half-Price" Foreign Tractors

Sales of those cut-rate foreign tractors "dumped" on the U.S. market and being marketed by Menard Agri-Buildings appear to be off to a slow start, despite their attractive price tag of under \$150 per horsepower.

Menard has 14 area offices scattered throughout Minnesota, Iowa and Wisconsin. In checking with all seven Menard outlets in Minnesota shortly before this issue went to press, all reported "tremendous interest", but only two of the seven said they'd sold and delivered any of the imported Fiat tractors. Walt Brachvogel, manager of the Sauk Rapids outlet, said he'd sold one, and Menard's Carlton, Minn., office reported selling three tractors.

Menard reportedly purchased 1,059 foreign-made Fiat tractors manufactured in Argentina. There are five models — 48, 72, 90, 113 and 133 hp — and prices range from \$6,999 to \$19,900, which figures out to less than \$150 per horsepower, about half the going price for comparable horsepower conventional tractors. Menard gave the tractors a new name (Agri-Power), repainted them, and is offering optional hydraulics, cabs and loaders. Advertisements describe them as being equipped with "heavy-duty 3 pt. hitches, fully synchronized transmissions, differential locks and super heavy duty throughout. Heaviest frame in the industry."

A memo prepared for distribution to its dealers by the Allis-Chalmers Co. notes that: "The tractors were built in Argentina, some as long ago as 1978 or earlier. Fiat was not able to sell this collection of surplus equipment in either Argentina or Italy. Somehow, they managed to 'dump' them on the U.S. market. It is realistic to expect Menard or another 'merchandizer' to solicit Allis-Chalmers dealers for sales because of the purchases from Fiat Trattori. Dealers should be dissuaded from buying this equipment. Allis-Chalmers will neither provide nor warrant any service parts sold for use on one of these units. Because many are discontinued,

it is not likely that Allis-Chalmers parts are compatible. It may not be possible for anyone to provide parts in this situation.

"These tractors are primitive in appearance and function. They do not provide the high productivity features that the American farmer needs and wants, nor will they offer the comfort and convenience that he will be satisfied with. In addition, this equipment has not been manufactured under the standards of the Allis-Chalmers Quality Control System and does not meet our engineering specs and qualifications. In our opinion, any Allis-Chalmers dealer who decides to market these tractors will do himself a disservice and will discredit the image of his dealership."

Menard is offering no service on the tractors but does have a limited parts warranty for one year from date of purchase. The buyer gets free replacement parts for the first year (or 1,000 hrs.) but has to find his own shop to do the service work, or do it himself.

Says Joe Kline, Dawson, Minn., who with his brother Clarence bought one of the first Agri-Power tractors sold in Minnesota: "We realize there are some risks involved but, on a cost per horsepower basis, it looked like a good deal to us." The Klinses paid \$7,176, including tax, for a 48 hp model 4000 Agri-Power tractor. "Other makes in this horsepower range were right at \$15,000 so we saved about \$8,000. We've had good luck with a Deutz tractor we bought a couple of years ago so that's one reason we were willing to take a chance on this one. We plan to use it for haying and lighter work, and maybe to pull a grain drill this spring. We'll probably put a cab on it," Joe told FARM SHOW.

For more information, contact: Menard Agri-Buildings, Rt. 2, Eau Claire, Wis. 54701 (715 874-5921).

Max-Emerge Lawsuit Settled

Kinze Mfg. Vs. Deere and Co. — That corn planter dispute between Kinze Mfg., Williamsburg, Iowa, and Deere and Co. which we've been telling you about in FARM SHOW has been settled.

Kinze Mfg. was the plaintiff in an anti-trust suit, charging Deere with misuse of patents they hold on the popular Max-Emerge planter units. Deere countersued, charging Kinze Mfg. with patent infringement.

Both parties agreed to an out-of-court settlement last Feb. 11, a few days before the trial was slated to get underway in Federal court. And, as usually happens in out-of-court settlements, both sides are claiming victory:

Says Jon Kinzenbaw, founder and president of Kinze Mfg.: "We got the license agreement to produce Max-Emerge row units, which is exactly what we had been asking for all along. We've agreed to pay Deere a royalty, which also is what we offered to do right from the start. We're happy with the settlement and feel we've won a major battle. However, the real winner, so far as we're concerned, is the American farmer who is now assured of being able to buy the best available corn-soybean planters and toolbars at competitive prices."

Says Ray Brune, Deere's director of press relations: "Under the settlement, the Federal court will issue a decree stating that Deere's patents are valid, and that they were infringed upon by Kinze Mfg. The decree will also dismiss all claims by Kinze against Deere and Kinze will be permanently enjoined from further unlicensed patent infringement. Kinze will pay Deere for its past infringement. Deere will license Kinze to manufacture planters, incorporating Max-Emerge patents, and Kinze will pay a per row royalty for these manufacturing rights. Kinze must change the appearance of any planter rows so that after current inventory is exhausted, they will no longer look like Max-Emerge planters. Kinze will not be able to use John Deere green or yellow on any of its products."

The skirmish began about 5½ years ago when Kinzenbaw invented a rear-folding toolbar that accommodates from 8 to 36 rows, yet folds in seconds to a narrow 14.5 ft. for transport. It's generally conceded among farmers that Kinzenbaw has the best corn-soybean planter toolbar on the market, and that Deere's Max-Emerge is far and away the best planter unit, accounting for well over 75% of total planter sales.

What seemed to be the perfect marriage of the best toolbar and best planter unit eventually snagged when Deere, which had been supplying Kinze Mfg. with Max-Emerge units, said it could no longer make them available because of a supply shortage.

Says Kinzenbaw: "I was convinced that their so-called shortage was contrived, and that Deere's decision to cut us off left us with only two alternatives:

"1. We could throw in the towel and get out of the planter business since, without the Max-Emerge units we had previously been able to buy, there was no longer a viable market for our Kinze toolbars.

"2. The other alternative was to go way out on the limb and attempt to produce our own deliberate carbon copies of the Max-Emerge units. They had to look and operate like Deere's Max-Emerge, and have even higher quality, if we were to prove that their so-called shortage was contrived. We wanted farmers to know that the reason for the shortage of Max-Emerge planter units was Deere's large share of the market, and the exorbitant prices that shortages cause," Kinzenbaw told FARM SHOW.

Fired up by his conviction that Deere's alleged shortage of row units was contrived, and which if true would represent misuse of the patents, Kinzenbaw set out on the seemingly impossible task of putting together the capital, facilities and tooling to have "carbon copy" planter units — comparable in price and performance to the Max-Emerge — off the assembly line in less than six months.

"I'm convinced that Deere completely underestimated our ability to pull it off. But we did and, in the process, got a 3-year crash course in corn planter engineering. Despite the black cloud of litigation hanging over our heads, and having to spend hundreds of hours working with our lawyers to prepare our case, we've been able to more than double our business every year. We sold 4,000 Kinze row units for the 1980 planting season, 6,500 for 1981 and we'll move out more than 11,000 for the 1982 season."

Kinzenbaw feels he won a major concession in that the royalty he will pay on these previously-produced row units was deferred and will be assessed to future row units produced by Kinze Mfg.: "We made no cash payment to Deere."

Kinzenbaw says one of his first priorities will be "to let farmers know about our revolutionary Til-Planter, now in production. There's a lot of interest in the new once-over soil finishing tools that combine chiseling, cultivation, disking, dragging and leveling. Our rig does it all, plus it also plants, allowing you to cut fuel, labor and tillage requirements by 50%. The machine's rear 3 pt. hitch will accommodate 6 or 8 planter units, or a grain drill for soybeans or small grain."



Photo courtesy of Country Today