

What's made where

"Buying American" doesn't guarantee that your new machine will have been built on U.S. soil

By CHARLENE FINCK

In the world of international machinery makers, there's still a place for U.S.-built equipment. But in the last decade, the geographic boundaries have become increasingly blurred if you try—as we did—to track which machines are made where.

"We look the globe over when we decide where to buy or build components and products," says John Lawson, Deere and Company's vice president of farm equipment and consumer product manufacturing. "It has to be competitive in a lot of areas—cost, quality, timeliness of supply and distribution costs, to begin with."

Deere was one of the first U.S. companies to establish factories in other countries. It began to import tractors from its Mannheim, West Germany plant in 1968 and bought its first compact tractors from Yanmar, a Japanese company, in 1977.

Operating factories in several countries appeals to machinery makers. It goes back to the old adage of not having all your eggs in one basket. "It makes us less susceptible to natural disasters, labor strikes, material shortages, fluctuations in the dollar and the like," says George Mueller, Case IH manager of product information and training.

With manufacturers stretching across the globe to buy components and establish factories, it's sometimes difficult to tell what is American-made and what is not.

"Some of the first engine blocks for the Case IH Magnum were cast in Bra-

zil. A few farmers, noticing a Brazilian stamp on the block, assumed that the whole tractor was made there," explains Mueller. The Magnums, however, are built in Racine, Wis. The American-engineered Maxxum, though, is assembled in Nuess, West Germany.

Case IH first added imports to its product line when JI Case bought David Brown in 1972. That was back in the days when metrics on a machine meant it was foreign-built. Today, it means nothing except that you need to run for another set of wrenches. All major U.S. manufacturers are inching toward the new measurement system, using it throughout most new products.

Regardless of whether a machine is made in the U.S. for export or in another country for import, equipment companies try to stick to a "roll on, roll off" procedure. This means the machines are loaded on the ship in a ready-to-be-delivered condition (except for adding a few items that could be damaged in transit). And that means each factory needs the flexibility to meet safety regulations and match market demands in specific countries.

Still, challenges exist. Take tires. It's difficult to have European tires readily available to U.S. factories. At times, tires have been shipped over to the U.S., mounted on a tractor and then shipped back on the machine. That expense led to "slave tires"—inexpensive tires that can be temporarily mounted on a machine until it reaches its destination. At that point permanent or nor-

mal tires replace the slave tires, which are then shipped back to the factory.

"Of course, it's easiest to build products in the country you intend to sell them in, but that doesn't always make economic sense," says Glenn Christians, vice president of merchandising for Massey-Ferguson. "When the U.S. [farm equipment] market shrank in the early '80s, we started bringing our tractors from Massey-Ferguson's European factories. It was purely a matter of cost and efficiency."

Prior to that, Massey-Ferguson produced a full line of tractors in its Detroit, Mich., factory. That facility and the one in Des Moines, Iowa, have been shut down. The company now sources the remainder of its product line from outside manufacturers. Rotary combines, compact tractors, front-end loaders and square balers are built to Massey-Ferguson design.

Deutz-Allis operates under a somewhat similar strategy, building its own combines and sourcing the remainder of its products. The company's 150-hp. tractors are produced through a joint venture with White-New Idea.

Joint ventures and sourcing are two trends expected to continue among the major machinery makers worldwide. However, industry-watchers predict that more alliances might be built between companies in the U.S. "There has been a reawakening among the North American supply network," explains Deere's Lawson. "They are becoming more globally competitive." ◀

