Fendt consolidates its full range of professional products in its strategy for 2020



By Milagros Jurado

At the international press conference held today, 8th September, to announce <u>AGCO</u> / <u>FENDT</u>'s main lines of strategy for 2020, its Vice-President Peter-Josef Paffen highlighted the commitment to quality as "a quality which is not only in the final product but also in our communication with the customer "; the continuous improvement of its dealer network; the development of a wide and complete portfolio of products for its customers, through the full range offering that has been consolidating in recent years and is expected to complete in the future with a line of telescopic loaders, and the continuous effort in innovation, research and development, to offer better solutions to the farmer.

In relation to one of the main strategic lines of the AGCO group as it is its "full line" range, which in Europe occurs in two of its brands, Fendt and Massey Ferguson, has chosen to integrate this full range offer the experience treasured and consolidated by brands such as Lely Green Harvest

<u>Solutions</u> or <u>Challeger</u>, in the segment of sprayers, rather than invest in innovation and R & D, a process more expensive in time and money.

In this "full line" strategy, AGCO-Fendt considers key its network of concessionaires, which since 2014 has been optimizing, going from more than 1,000 establishments with about 3,000 sites, to 830 of 2017, with 2,630 locations

As explained by Rob Smith, AGCO's senior vice president and general manager for Europe and the Middle East, it is anticipated that by 2020 these figures will become 730 dealers and 2,500 locations and all of them will offer the full range of Fendt. According to Smith, "in the AGCO network dealers, the close relationship with customers is rewarded, with its own distribution structures, without any intermediary".

Growth of market share

With regard to the figures for the agricultural machinery market, and according to Peter-Josef Paffen, the Fendt brand, which occupies the first place in sales in the tractor market in Germany, has grown in sales faster, with 20% than that recorded by the tractor market itself in that country, which has grown by 1.3%. "In segments such as tractors with more than 200 hp, sales of the Fendt brand have increased even more than 30%", said Paffen.

In the European market, sales of Fendt have also experienced strong growth, especially in countries like the United Kingdom and France (in the latter they have reached a close percentage of almost 12%).

Vice President of AGCO-Fendt: Fendt's global sales forecast for 2017 is about 15,000 tractors

Peter-Josef Paffen explained that the growth of the market share of the Fendt brand has contributed to the reinforcement of its infrastructures, with its new full-range strategy. In that sense, he highlighted how despite the economic recession, Fendt has been able to react quickly, maintaining its turnover. "In 2016, 5% more harvesters have been sold, thanks to the strengthening of our commercial network, and it is expected that by the end of this year the sales of this product have exceeded 1,000 units", he said.

In terms of R + D + i, Paffen has highlighted the welcome received by one of his last bets, the VARIO 1,000, which, until Christmas, hope to have produced 1,000 units for the whole world.

As the vice president of AGCO has pointed out, "our market growth is also reflected in job creation.

The acquisition of brands such as Challenger or Lely has contributed to this growth in personnel (the incorporation of the latter is expected to be completed by the end of the year).

Innovation as a value proposition

For Paffen, the key to AGCO-Fendt's success lies in its continued commitment to innovation, research and development, which has always been a priority in its budget lines, even in the years of economic crisis. "The challenging challenge of feeding a world population in continuous growth, has pushed us to start a great project, still in the initial phase, to automate the entire business process of agriculture, giving form to a new concept of agriculture", has reported. "With this initiative, he added, we hope to achieve very positive synergies and strengthen our knowledge; to take care of all the aspects that implies that integral digitization, we will have 100 new employees".

The vice president of AGCO has highlighted the novelties that Fendt's range offers in the segments of caterpillar tractors, choppers and application of phytosanitary products, as well as the exhibition area with which the brand will be counted in the fair Agritechnica 2018, event in which will launch its most complete offensive to date and present its main technical innovations.

In the tractor segment, Paffen referred to the improved Fendt 200 VARIO, with compact power, self-guiding system and new features such as cabin floor heating or a new front power take-off. *In crawler tractors, Fendt has expanded its offering with Challenge integration. In this segment, the vice president of AGCO has referred to the 900 VARIO NT, small crawler tractor.*

In forage technology, in its Katana choppers, Fendt has prioritized quality, improving every detail. "Until the celebration of Agritechnica we hope to have sold up to 500 units of these choppers", said Paffen. The new model 14055 Pro has also been highlighted in the spinning sector for large farms and in Fendt, the complete line, Tigo PR and Tigo XR.

Peter Josef Paffen: "The acquisition of Lely will allow us to offer the best rotoempacadoras, with fixed camera or with variable camera, that will soon be available in the market", has assured

Within Fendt's giant packers, Paffen has referred to the Fendt Squadra 1290, which offers exclusive ultra-density. As far as the phytosanitary protection segment is concerned, the integration of Challenger into Fendt already allows a full range offering with the Fendt Rogator 600 and the Fendt Rogator 300, which will be presented for the first time at the fair of Agritechnica, 12th to 18th November, in Hanover, Germany.

In combine harvesters, explains the vice president of AGCO, the brand's new flagship is the IDEAL line, with models 7, 8 and 9, which represent a new type of harvest. "Our expectations are that they

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have the effect of VARIO 1000, in our keynote of breaking new ground," said Paffen. "We have designed a new generation of harvesters that can not be compared to those of the competition and incorporate 52 sensors compared to what is usual (4 or 5). This advance results in maximum control of the machine, with which we set new guidelines ".

Paffen has also highlighted the Fendt brand plus the guarantee program for its entire line. "In some categories we offer up to eight years warranty, resulting in greater security for our customer".

Gamble on electric power

The commitment to cleaner and sustainable sources of energy for the agricultural environment, such as electricity, has become one of the main line of research of the brand Fendt, with two clear examples:

- On the one hand, the MARS project, which studies the use of small robots driven by electric batteries that plant and observe the plants, and whose yield of sowing, even in difficult terrain conditions is one hectare per hour. "This is a project with a good development, although there are still steps to take, and whose presentation will take place in Agritechnica," commented Paffen.
- On the other, the prototype of a 100 hp (100 VARIO) tractor, powered by electricity and with a power of up to eight hours, which can be recharged at the farm without expenses or emissions. "Apart from its use in agricultural work, explains the vice president of AGCO, this product has a very interesting field of application, bearing in mind that with 100 tractors can be removed in Munich all the snow, clean and sustainable, by not producing any type of emissions". As reported from the company, its market launch is expected in about three years, with a small number of units expected to be larger in about five years.