



NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, February 24, 2011

Helping Dealers Succeed!

No Buyers Fees!

AuctionTime.com Register to Bid NOW!
(800) 334-7443

Powered by TractorHouse.com, MachineryTrader.com & TruckPaper.com

Auctions Ending Every Wednesday Call Your *TractorHouse* Rep Today To List Equipment

FREE TYM LOADER

On selected models or Zero % for 72 months on all models!

TYM TRACTORS



Legislative & Regulatory News

House approves \$61 billion in cuts to federal spending

Its proposed cuts include less funding for some agricultural concerns and full funding for other ag-related programs.

All House Democrats and three Republicans voted against the measure.

The legislation contains full funding for the Market Access Program (MAP), and \$34.5 million for the Foreign Market Development (FMD) program for the remainder of this fiscal year, as authorized by the 2008 farm bill.

The final bill did not contain Lipinski amendments that would have prohibited use of federal funds on the Mexico cross-border trucking program.

The Peters Amendment to restrict funding and operations of USDA's APHIS Wildlife Service (WS) was not included.

The House also adopted amendments aimed at limiting EPA's activities that could negatively affect agriculture, particularly concerning the Chesapeake Bay Watershed, Numeric Nutrient Criteria in Florida, ethanol blends, and agricultural dust.

The bill now goes to the Senate, which is expected to consider it when they return to session the week of Feb. 28.

President scales back, doesn't eliminate 1099 health care provision

The health care law requires businesses to report to the IRS annual purchases of goods and services of more than \$600 from each vendor. Obama's budget proposal would eliminate the controversial requirement for goods but retain it for services.

The National Federation of Independent Business immediately blasted the new 1099 proposal as a "bait and switch."

"We are disappointed that the President has not clearly heard what small businesses are saying," NFIB Senior Vice President of Federal Public Policy Susan Eckerly said in a statement. "We at NFIB remain committed to helping the President and Congress understand the needs of small business as the budget process moves forward."

[Read more](#)

Source: *The Hill*

NAEDA pushes for Colombia/Panama free trade agreement

NAEDA has signed on to a letter sent to President Obama urging the Obama Administration to intensify negotiations with Colombia and Panama and resolve issues that have prevented passage of the Colombia and Panama free trade agreements (FTAs).

Many of the ag-related organizations which signed the letter, including NAEDA, first declared their support for the FTAs in 2007; however the agreements have not been implemented. As a result, the letter states, "Four years of trade benefits for U.S. farmers, ranchers and food processors have now been forfeited ... and competitor countries have taken advantage of this lapse to grab U.S. market shares."

NAEDA will keep you informed on the status of the trade agreements with Colombia and Panama, as well as with the Korea free trade agreement, which is also supported by NAEDA.

USDA raises net farm income forecast by 20 percent

www.agrimarketing.com/show_story.php?id=65358

Hurry! Make plans now to NAEDA Fly-In to D.C., March 30-31

Time is running out to register to attend the 2011 NAEDA Legislative Fly-In. The focus for this year's Fly-In will be on engaging legislators in pushing for dealer-friendly regulatory legislation regarding 1099, Mexican trucking tariffs, depreciation, and credit issues, among other concerns.

DO MORE WITH RAMROD

www.ramrodequip.com



RAMROD Call Toll Free
1-800-667-1581

CEO Blog

How's business? Share your comments now

February 24, 2011

NAEDA wants to know ... how has your business been going lately?

If you've been selling snowblowers, business has likely been booming. If you've been selling dairy equipment, maybe not so much. Tell it like it is to get a conversation going with NAEDA President and CEO Paul Kindinger and NAEDA-affiliated equipment dealers.

McCORMICK
IronPac

Learn why carrying McCormick tractors can add value to your dealership.

CLICK HERE

Resources

- [About NAEDA](#)
- [Advertise](#)
- [Affiliate Associations](#)
- [Become a Member](#)
- [NAEDA Web Site](#)
- [Submit News](#)
- [Subscribe](#)

capello
CORN HE ADD



Worthington
ag parts

About NAEDA Update

Make your voice heard in Washington, D.C. Plan your trip to Washington, D.C. with NAEDA today.

Hotel information (*within walking distance to Capitol Hill*)

The Washington Court Hotel
525 New Jersey Avenue, N.W.
Washington, DC 20001-1527
202/628-2100

Room rate: \$289 (plus applicable tax)

The tentative Fly-In schedule includes a briefing/meeting the afternoon of March 30 followed by a reception and dinner. Attendees will meet again the morning of March 31 and then adjourn for visits on Capitol Hill.

Questions? Contact NAEDA by calling 636/349-5000 or e-mail naeda@naeda.com. Updated Fly-In information will be posted on www.naeda.com as it becomes available.

NAEDA Update Official Sponsor

PROUD TO BE SERVING YOU FOR 32 YEARS.



(800) 252-4476 / SALES@BASIC-SOFTWARE.COM / WWW.BASIC-SOFTWARE.COM

Industry & Manufacturing News

Leon Walterman sentenced to federal prison for bilking banks, farmers

A former Iowa farm implement dealer, Leon Walterman, will spend more than 12 years in prison in connection with a financing scheme that bilked banks and farmers out of more than \$7 million.

Judge Linda Reade sentenced Leon Walterman, 60, to 12 years and seven months in prison for charges of mail fraud, conspiracy to commit money laundering and unlawfully intercepting communications.

[Read more](#)

Source: *WCF Courier*

Deere sets goal to double its annual sales by 2018

Deere & Co.'s growth plan was outlined Feb. 23 by Chairman and Chief Executive Samuel Allen.

Allen said he wants Deere to deliver three times as much profit at normal operating volumes as part of the strategy. He described the plan as the first major change in the company's approach to business in a decade.

[Read more](#)

Source: *The Wall Street Journal*

Husqvarna fourth quarter loss exceeds forecast

The company recorded a larger-than-expected fourth-quarter loss Feb. 23 but said it expects shipments to rise on an annual basis in early 2011.

Husqvarna had an operating loss of USD \$9.8 million in its seasonally weak fourth quarter versus one year-ago.

[Read more](#)

Source: Reuters

North American Equipment Dealers Association

1195 Smizer Mill Road
Fenton, MO 63026-3480
Phone: 636/349-5000
Fax: 636/349-5443

www.naeda.com

E-mail: naeda@naeda.com

NAEDA Update is provided as a service to members of the North American Equipment Dealers Association. This information may not be reprinted without permission from NAEDA.

The North American Equipment Dealers Association provides educational, legal, legislative, and financial services to approximately 5,500 retail agricultural, construction, large property/rural lifestyle, and outdoor power equipment dealers in the United States and Canada.

To subscribe to *NAEDA Update* by e-mail, send your request to naeda@naeda.com or subscribe online at www.naeda.com.

You must be a paid member of a NAEDA-affiliated association for your subscription to be accepted.



Equipment finance industry confidence shows continued improvement

The Equipment Leasing & Finance Foundation has released the February 2011 Monthly Confidence Index for the Equipment Finance Industry. Overall, confidence in the equipment finance market is 71.6, an increase from the January index of 69.7, and a new high level since the index was launched in May 2009.

When asked about the outlook for the future, survey respondent Russell Nelson, President, Farm Credit Leasing Services Corporation, said, "Economic indicators and market conditions are stimulating increased interest in new capital expenditures and plant expansions, as evidenced by demand for financing in December and January, and a growing transaction pipeline for the first and second quarters of 2011. Customers are expressing cautious optimism for their markets and an improving business climate for 2011."

February 2011 Survey Results:

The overall MCI-EFI is 71.6, an increase from the January index. Equipment Finance Industry Confidence Shows Continued Improvement in February With New High Level of 69.7.

- When asked to assess if their current business conditions would remain the same over the next four months, 55.3 percent of executives responding said they believe business conditions will improve over the next four months, an increase from 52.6 percent in January. 44.7 percent of respondents believe business conditions will remain the same over the next four months, unchanged from January.
- 55.3 percent of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, down from 57.9 percent in January. 42.1 percent believe demand will "remain the same" during the same four-month time period, up from 39.5 percent in January. 2.6 percent believe demand will decrease, flat for the last three months.
- 34.2 percent of executives expect more access to capital to fund equipment acquisitions over the next four months, up from 31.6 percent in January. 65.8 percent of survey respondents indicate they expect the "same" access to capital to fund business, a decrease from 68.4 percent in January. In the last three months' surveys, no one responded that they expect "less" access to capital.
- When asked, 44.7 percent of the executives reported they expect to hire more employees over the next four months, up from 39.5 percent in January. 52.6 percent expect no change in headcount over the next four months, unchanged from last month, while 2.6 percent expect fewer employees, improved from 7.9 percent in January.
- 92.1 percent of the leadership evaluate the current U.S. economy as "fair," up from 81.6 percent who did in January, 7.9 percent rate it as "poor," down significantly from 18.4 percent in January.
- 50 percent of survey respondents believe that U.S. economic conditions will get "better" over the next six months, down from 52.6 percent in January. 50 percent of survey respondents indicate they believe the U.S. economy will "stay the same" over the next six months, up from 47.4 percent in January. No one responded that they believe economic conditions in the U.S. will worsen over the next six months, unchanged from last month.
- In February, 57.9 percent of respondents indicate they believe their company will increase spending on business development activities during the next six months, up from 52.6 percent in January. 42.1 percent believe there will be "no change" in business development spending, down from 47.4 percent last month, and no one believes there will be a decrease in spending, unchanged from last month.

February 2011 MCI Survey Comments from Industry Executive Leadership:

Depending on the market segment they represent, executives have differing points of view on the current and future outlook for the industry.

Bank, Large Ticket

"We are continuing to see an improving economy and increased demand for equipment financing." Senior executive, Large-Ticket Bank

Bank, Middle Market

"I believe 100 percent bonus depreciation coupled with the pent-up demand for equipment acquisitions will increase new business volume for 2011." Thomas Jaschik, President, BB&T Equipment Finance

Independent, Small Ticket

"I am bullish on the industry. As the economy continues to recover, our industry will play a vital role in that restart. In the small ticket sector, equipment finance will help many companies upgrade their business equipment and conserve cash." Valerie Hayes Jester, President, Brandywine Capital Associates, Inc.

Why an MCI-EFI?

Confidence in the U.S. economy and the capital markets is a critical driver to the equipment finance industry. Throughout history, when confidence increases, consumers and businesses are more apt to acquire more consumer goods, equipment and durables, and invest at prevailing prices. When confidence decreases, spending and risk-taking tend to fall. Investors are said to be confident when the news about the future is good and stock prices are rising.

Who participates in the MCI-EFI?

The respondents are comprised of a wide cross section of industry executives, including large-ticket, middle-market and small-ticket banks, independents and captive equipment finance companies. The MCI-EFI uses the same pool of 50 organization leaders to respond monthly to ensure the survey's integrity. Since the same organizations provide the data from month to month, the results constitute a consistent barometer of the industry's confidence.

How is the MCI-EFI designed?

The survey consists of seven questions and an area for comments, asking the respondents' opinions about the following:

1. Current business conditions
2. Expected product demand over the next four months
3. Access to capital over the next four months
4. Future employment conditions
5. Evaluation of the current U.S. economy
6. U.S. economic conditions over the next six months
7. Business development spending expectations
8. Open-ended question for comment

How may I access the MCI-EFI?

Survey results are posted on the Foundation website, <http://www.leasefoundation.org/IndRsrcs/MCI/>, included in the Foundation Forecast newsletter and included in press releases. Survey respondent demographics and

additional information about the MCI are also available at the link above.

The Equipment Leasing & Finance Foundation is a 501c3 non-profit organization that provides vision for the equipment leasing and finance industry through future-focused information and research. Primarily funded through donations, the Foundation is the only organization dedicated to future-oriented, in-depth, independent research for the leasing industry. Visit the Foundation online at <http://www.LeaseFoundation.org>.

Source: The Equipment Leasing & Finance Foundation

Construction backlog improves

Associated Builders and Contractors (ABC) reports that its Construction Backlog Indicator (CBI) for the fourth quarter of 2010 averaged 7.1 months, up 1.4 percent.

In addition, CBI is up 21.3 percent from a low of 5.8 months in the fourth quarter of 2009. CBI is a forward-looking indicator that measures the amount of construction work under contract to be completed in the future.

"Today's backlog numbers are consistent with the pace of recovery in overall nonresidential construction activity," said ABC Chief Economist Anirban Basu. "However, what we are seeing from the fourth quarter 2010 data is a recovery in the construction industry that is more gradual than the rate of expansion in financial markets and the broader economy. "CBI continues to edge toward levels observed last spring. At that time, federally financed projects were adding to construction backlog as they moved from the planning stage to the bid selection stage," said Basu. "However, the fourth quarter numbers indicate that federal stimulus is no longer adding to construction backlog in a meaningful way and that the recovery in many privately financed segments remains agonizingly slow. Still, CBI remains well above its historic low point of 5.5 months recorded in January 2010.

"During the fourth quarter of last year, sources of economic improvement and growth expanded to include additional retail segments, rapid export growth and an uptick in business investment," Basu said. "At the same time, improvement in commercial and institutional construction became more apparent as backlog in these two sectors rose to the highest level in the history of the series," Basu said.

"The improvement in commercial construction-related backlog is precisely what ABC forecasted in its last report, and we anticipate that this segment will continue to show signs of life and growth in the months ahead," said Basu.

Regional Highlights

- During the past year, construction backlog expanded in all major regions of the country except the West, which posted the smallest average backlog at 5.8 months in the fourth quarter of 2010.
- The South, which includes states such as Louisiana, Oklahoma and Texas, continues to support the largest average construction backlog. In the fourth quarter of 2010, regional backlog averaged 7.8 months, and it is expanding briskly.
- Construction backlog is improving in the Middle States, which include Indiana, Michigan and Ohio. Average backlog has returned to levels above six months.

Regional Analysis

"With investment in power generation and natural resource exploration increasingly taking center stage in the nation's economic expansion, regions that are more natural resource intensive are likely to experience increases in construction backlog, and eventually in construction spending. This appears to be precisely what is occurring in the South and Middle States," said Basu. "In contrast, much of the western United States is associated with unemployment and vacancy rates above national averages. Ongoing and serious fiscal issues in a handful of key states also are suppressing nonresidential construction recovery in much of the West, explaining at least in part the sluggish nature of the construction recovery there to date."

Industry Highlights

- Between December 2009 and December 2010, construction backlog increased in all industry categories with the exception of infrastructure – a complete reversal. For much of the history of the CBI, infrastructure-related backlog has been the only source of growth.
- During last year's final quarter, construction backlog increased in the commercial and institutional sector and is now higher than any time since late 2008.
- Construction backlog in the heavy industrial segment has scarcely begun to recover and remains low by historic standards at an average of 6.3 months in the fourth quarter of 2010.

Industry Analysis

"The fourth quarter 2010 data shows that the economy is increasingly shifting toward private sector momentum and away from public sector dependence. Though the recovery remains well short of two years in duration, its positive impact on construction is becoming increasingly apparent," Basu said. "Unfortunately, the outlook is not as bright for contractors that primarily work in the infrastructure segment. As federal stimulus-financed projects wind toward their inevitable conclusion, the expectation is that construction backlog in this category is likely to fall, bolstered by ongoing issues in state and local government finances, which hamstringing capital spending."

Highlights by Company Size

- Firms of all size categories observed expanding construction backlog during last year's fourth quarter compared to the third quarter.
- Those firms with revenue between \$30 million and \$50 million per year continue to report the smallest average construction backlog at 5.6 months, but are showing signs of improvement.
- Firms with annual revenue between \$50 million and \$100 million collectively reported an average construction backlog approaching 10 months, a significant improvement over the 8.5 month backlog recorded at the end of last year's third quarter.

Company Size Analysis

"As recovery in the broader economy and nonresidential construction sector proceed, smaller firms are likely to begin to experience larger construction backlogs. This is the firm size category that stands to benefit the most from the shift toward private sector-led expansion," said Basu. "In comparison, firms with annual revenues in excess of \$100 million a year are diversified to the point that their construction backlog will improve regardless of either public or private sector expansion."

To read more about the latest CBI, [click here](#).

Source: www.abc.org.



SNAPPER PRO
ENTER TO WIN A
FREE \$100 GAS CARD!

Join our mailing list & one dealer each month will be randomly selected to win!

NAEDA, Association & Program Partner News

NAEDA OPE Dealer Council meets, determines its top 3 priorities

The NAEDA Outdoor Power Equipment (OPE) Dealer Council, which represents OPE dealers on behalf of NAEDA affiliated associations, met Feb. 16 in Louisville, Ky. to address how the council can best support OPE dealers in 2011 and beyond. During the meeting it determined its three biggest priorities, which are to:

1. Establish a NAEDA OPE Industry Relations Task Force that will regularly meet with manufacturers on OPE dealer issues.
2. Explore the development an integrated Internet and social media network strategy that includes content recommendations that OPE dealers can effectively use for advertising and promotion of a dealer's products and services. This priority also includes working with manufacturers to address the creation of electronic marketing strategies and co-op advertising payments.
3. Address Internet advertising policies of manufacturers that allow unfair competition.

The OPE Dealer Council is made up of dealers from NAEDA-affiliated associations. The council works on behalf of OPE dealers to improve manufacturer relations, government relations, legislative outcomes, and regulatory concerns at the federal level. The council is also a sponsor of dealer educational seminars at the annual GIE+EXPO in Louisville, Ky. GIE+ EXPO is the largest OPE trade show in North America.

How's Business? Share your comments now on NAEDA blog

www.naeda.com/News/CEOBlog/tabid/182/itemid/1242/amid/638/how-s-business-share-your-comments-now.aspx

Spader ag trends for December '10; dealers end year with lower margins, flat nets

Each month Spader compiles information from across your industry. The latest data has now been posted on the Spader Online Services site for you to access.

Visit www.spader.com, and then click the Login link in the upper right hand corner, and login to Online Services, where the newest Trends Watch data has been posted under My Reports / My Industry Reports / Industry.

KPA: View OSHA training video respiratory protection

This 2011 video is an overview of the comprehensive respiratory protection program required of employers wherever respirators are used. [...] blog.kpaonline.com/2011/02/osha-training-video-respiratory-protection/

Northeast Association member Monroe Tractor celebrates 60 years

The heavy equipment dealer has been serving agricultural and construction customers throughout New York since 1951, when Henry M. Hansen opened the first location in Henrietta.

There are now 11 locations in New York.

The heavy equipment dealership has grown from a 30x40 ft. block structure on a 2-acre, parcel located at the corner of routes 15 and 253 in Henrietta, into a statewide operation with eleven locations. The dealership spans from Adams Center at the north to Elmira at the south, Albany in the east and Buffalo in the west. Four locations specialize in construction equipment, five in agricultural equipment, and two offer both types of equipment.

Monroe Tractor has been selling, servicing and renting heavy machinery since 1951. Construction equipment manufacturers represented include: Case Construction, Wirtgen, Hamm, Vol'gele, Kleemann, Doosan, VT LeeBoy, Vibroscreen, NPK, Talbert and Towmaster. Agricultural equipment manufacturers represented include: Case IH, Claas, Lexion, H&S Husky, Krause, Meyer, Intuicom, Trimble, AerWay, Ag Leader, and RPM Tech Snow Blowers.

[Read more](#)

Source: HenriettaPost.com

CWEDA member Rocky Mountain Dealerships, Inc. agrees to acquire J&B Equipment

Rocky Mountain Dealerships Inc., has entered into an agreement to purchase 100 percent of the outstanding shares of J&B Equipment Ltd., a Case IH agriculture dealership operating in Kindersley, Saskatchewan.

For the fiscal year ended Oct. 31, 2010, J&B had revenues of approximately \$18 million. This acquisition is expected to close effective April 1, 2011.

[Read more](#)



Canadian News

Harper says his focus is on budget reduction and economic recovery

Prime Minister Stephen Harper has said he's open to discussing the upcoming budget with opposition leaders, but remains firm in pledging to reduce the deficit while not raising taxes and limiting new spending to priority areas.

The prime minister urges his opposition colleagues to focus on the recovery and "not on politicking and electoral positioning and gameplay."

[Read more](#)

Source: *The Vancouver Sun*

Canadian federal mandate for biodiesel to move ahead

Federal requirements for diesel and heating oil to contain at least two per cent renewable content are expected to take effect this summer.

The Canadian federal government has announced that it plans to publish amendments to its Renewable Fuels Regulations in the "coming weeks" for a 60-day public comment period, with a proposed coming-into-force date of July 1.

[Read more](#)

Source: *Alberta Farmer Express*

Canada, Japan weigh free trade agreement

The two countries are launching a joint study on the feasibility of an economic partnership, the first step toward free trade talks.

Canada's Trade Minister Peter Van Loan says he believes economic engagement with Asia is a key to future Canadian prosperity

[Read more](#)

Source: *CTV News*

Tip of the Month



[Tier II chemical inventory reports are due March 1](#)

Free KPA webinars

- Mar. 3 - [Who Are You Really Hiring? Background Checking in the Online Era](#)
- Mar. 24 - [Essentials of Wage and Hour Law for Dealerships](#)