



# NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, May 19, 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

## Industry & Manufacturing News

**Kohler Co. recalls engines in Husqvarna, Cub Cadet, Troy-Bilt riding mowers**

The U.S. Consumer Product Safety Commission, in cooperation with Kohler Courage Engines, has announced a voluntary recall of the following consumer products. Consumers should stop using recalled products immediately unless otherwise instructed.

It is illegal to resell or attempt to resell a recalled consumer product.

Name of product: KOHLER Courage Engines

Units: Approximately 10,000

Manufacturer: Kohler Co., of Kohler, Wis.

Hazard: A wire connector on the engine can become disconnected causing the operator's seat switch to fail. When this happens, the blades will not shut down, posing a laceration hazard to consumers.

Incidents/Injuries: None reported.

Description: This recall involves KOHLER Courage twin-cylinder engines sold with three brands of lawn tractors: Husqvarna, Cub Cadet and Troy-Bilt (see specific models below). The vertical-shaft gasoline engines range in horsepower from 20 to 25. Engines included in this recall have serial numbers whose first five digits start with 41028 through 41056. Serial numbers can be found on the black engine cover.

[Read more](#)

Source: Kohler

**Deere 2Q net income jumps 65 percent as sales grow**

Deere & Co. has reported record second-quarter earnings of \$904.3 million, up 65 percent from the previous quarter. That includes a 22 percent increase for the Moline-based company's Agriculture & Turf Division, which includes its Waterloo operations.

The company reported earnings of \$2.12 per share, for the second quarter ended April 30. Second-quarter 2010 earnings were \$547.0 million, or \$1.28 per share - after a tax charge of \$129.5 million, or 30 cents per share, related to the enactment of U.S. health-care legislation.

[Read more](#)

Source: WCF Courier (Waterloo, Ill.)

**AGCO opens new Global Learning Center**

AGCO has opened a new Global Learning Center (GLC), a state-of-the-art agriculture equipment and technology learning center, in Duluth, Ga.

The 19,500 square-foot facility, the new home of AGCO Academy and AGCO University, will serve as the cornerstone of the company's comprehensive learning program for dealers and employees.

[Read more](#)

Source: AGCO

**According to survey, distributors, manufacturers are optimistic, plan to hire**

About 90 percent of manufacturing and distribution companies are optimistic about business conditions, according to a study by McGladrey.

The report also noted that more than half of responding companies plan to add jobs during the next year. Companies wholly or partly involved in distribution made up nearly half of the respondents.

[Read more](#)

Source: McGladrey.com

**New Holland delivers 125 tractors to Ghana as part of international aid project**

New Holland Agriculture delivered 125 New Holland TD80 straddle mount tractors at a ceremony on the premises of the Agricultural Engineering Services Directory of Ghana's Ministry of Food and Agriculture (MOFA).

Sirius Corporation was tasked by the Government of Japan with sourcing the equipment for this donation as part of an international aid project. CFAO Equipment, New Holland's official distributor in Ghana, will provide technical and service support for these units.

The TD80 tractors, built at New Holland's Turkish plant in Ankara, are destined to support the development of small farming agriculture as part of MOFA's mission to promote sustainable agriculture through research and technology development, as well as other essential support services to farmers. This includes the creation of District Mechanization Centers and supply of machinery and implements to support the introduction of mechanized agriculture into the Country's farming practices.

[Read more](#)

Source: CNH.com news release

**Volvo Construction Equipment sees sales surge 53 percent in first quarter**

Volvo Construction Equipment experienced a significant improvement in sales and income during the first three months of 2011 as the total world market for construction equipment increased by 51 percent between January to March, when compared to the same period the year before.

Are you paying the farm equipment catalogs **BIG FEES** just to get website exposure?

**THERE'S FINALLY AN ALTERNATIVE!**



The farm & construction industry's newest online equipment locator service

- Unlimited listings
- Equipment locator updating
- Website design & e-mails
- Online video options



Contact us today at:  
877-850-USAG (8724)  
or 715-384-7767 for details

## CEO Blog

What matters most

May 2011

Music plays a large role in my life and has since childhood. I like all types of music and have more than 2,500 songs on my iPod. One song is not so famous. It's entitled "What Matters Most," written by Gary Burr.

Burr is well known in country music circles for writing amazing songs that have topped the charts. This particular song did not make it to the top, but is an interesting one nonetheless. It laments how this man knew all the vital statistics about his girlfriend but never paid attention to what matters most (hence the title) to her real needs. He knew the color of her hair and eyes, the books she read, etc., but he never took time to know her as a person or to learn her dreams, goals and aspirations. As with most country songs, it tells a story and uses a "hook" to get the point across. This song reminded me that unless NAEDA and your association knows what matters most to those we serve, we will suffer the same fate as the guy in the song when his girlfriend leaves him.

**So, what matters most to dealers?**

Strong manufacturer relations. Talk with a dealer and it doesn't take long for the conversation to turn to concerns about the dealer-manufacturer relationship. Manufacturer relations has been the number one priority for our organization since it was formed in 1900! In the past 15 months, we've reviewed nearly one new dealer contract or finance agreement each month. Our objective in these reviews is to ensure dealers are represented fairly and that these contracts and agreements meet the test for commercially fair and acceptable practices.

Warranty issues are also on the mind of dealers. Responding to a growing number of calls from dealers, NAEDA and affiliates conducted a survey to determine the depth and breadth of such concerns. We assembled the findings by manufacturer, met with most of them and had open, frank discussions about issues raised by North American dealers. We also monitored progress to make certain dealers were being heard and problems addressed. When necessary, we followed up with manufacturers. Our warranty efforts are critically important. Slow or improper handling of warranty submissions costs dealers and manufacturers unnecessary time and money so it is essential to get things right the first time.

The company also announced that it became the largest manufacturer of wheel loaders and excavators in China during the same time period.

[Read more](#)

Source: Volvo Construction Equipment

### Kuhn Group completes Krause purchase

Kuhn Group has completed its acquisition of Krause Corporation, a privately held North American manufacturer of tillage equipment and grain drills, located in Hutchinson, Kan.

The name of the corporation is now Kuhn Krause, Inc. The company will operate as a self-standing company of Kuhn Group, and will provide Kuhn with a new platform for the design and manufacturing of tillage equipment and grain drills in North America.

Thierry Krier, the president and CEO of Kuhn North America, Inc., will serve as CEO of the new company, while Keith Whitaker will serve as president.

Whitaker had previously served Krause Corporation as vice president of sales and marketing for six years. Whitaker holds degrees in engineering and an MBA and brings 25 years of industry experience to this strategic role with Kuhn Krause, Inc.

The new company will continue to be lead by the prior Krause Corporation management team. All Krause employees, instrumental in the company's past successful performance, have been retained, with operations continuing in Hutchinson.

Kuhn Group, headquartered in Saverne, France, employs more than 3,500 people worldwide, and operates eight manufacturing companies located in the U.S., France, Brazil and the Netherlands. Kuhn has been a member of the Farm Equipment Manufacturers Association (FEMA) since 1960. Krause Corporation has been a member since 1951

Source: Kuhn Krause, Inc.



### NAEDA Update Official Sponsor

### Legislative & Regulatory News

Executive order would require gov't. bidders to report ALL political contributions

President Obama is expected to sign an executive order that would require any company bidding for a government contract, its political action committee – and its senior officers – to provide in a single report a list of all of their contributions to political parties and candidates for the past two years.

The administration justifies the disclosures in the name of transparency. These disclosures currently are required, but made in various reports to different government agencies. In addition, companies and individuals would be required to report donations to “third party entities” including membership dues and charitable donations made to organizations that may engage in political speech in addition to their other activities. Similar disclosure requirements were in a bill last year that the Senate did not pass.

Under this presidential order, the reporting of political activities would become part of the process by which the federal government will award contracts. Opponents fear linking government contracts and political giving could open the door for the president to use federal expenditures to punish opponents and reward supporters. Additionally, critics argue this power could chill public dissent and disrupt organized attempts to oppose those in power.

Read Charles Kadlec's [concerns](#) about this executive order.

Source: Forbes.com

Market share, especially in light of the increasing economic incentives tied to that number, continues to stimulate discussion among dealers. It is no small matter when tens of thousands of dollars are tied to a dealer achieving market share objectives, but misses out due to inaccurate information. NAEDA and affiliates continue to focus the spotlight on this important metric and seek ways to improve market share reliability. Ongoing discussions with manufacturers and trade organizations responsible for assembling the numbers are an important step toward the goal of fixing problems associated with market share.

Regulatory demands are a growing concern for dealers. Recently, I met with a group of dealers about a variety of issues. Once the conversation turned to increasing regulatory burdens, the conversation went on for two hours and could have gone longer! Whether it is from EPA, OSHA, the Department of Transportation, or other agencies, dealers are mired in a deluge of paperwork and are concerned about how to stay in compliance. NAEDA and affiliates continue to address these concerns, especially in Ottawa and Washington, D.C., by submitting comments on regulations before they are even adopted. Once adopted, our attention turns to compliance and preparing dealers to protect their interests and avoid large fines.

Legislation at the state/provincial and federal level is also being addressed. For example, the hard-wrought approval for extending accelerated depreciation was a major effort in which we worked tirelessly with the entire equipment industry. Lowering depreciation on agricultural equipment from seven to five years is good for customers, dealers and our industry. Now, the focus is to make that reduction permanent. We are also working to protect the rights of dealers to use the LIFO method of accounting and keep government from collecting taxes on reserve accounts, which could put some dealers out of business.

These are but a few examples of what NAEDA and your affiliated association do to help our member dealers succeed. As I stated early on, it is a matter of listening and reacting when called to action. We want dealers to know that we understand what matters most!

PAUL KINDINGER is president/CEO of the North American Equipment Dealers Association. The 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.



### Resources

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

## Read open letter to President Obama about draft executive order

The following open letter from NAEDA and more than 60 other industry organizations has been sent to President Obama asking that he not sign the executive order that would require companies to disclose their political spending, and that of their officers and directors, as a condition for bidding federal contracts. (See also [related story](#).)

The President  
The White House  
Washington, DC 20500  
May 17, 2011

Dear Mr. President:

As leaders of the nation's business groups and trade associations representing virtually the entire range of American private enterprise, including thousands of small and medium-sized businesses, we urge you not to sign an executive order that would require companies to disclose their political spending -- and that of their officers and directors -- as a condition for bidding for federal contracts.

We have reviewed the publicly available draft of the proposed order. It suffers from severe legal and policy defects and would, if signed, immediately damage the federal contracting process. The executive order would make every company that tries to contract with the federal government disclose spending that is confidential and used to fund core, First Amendment protected political speech. Also troubling is the executive order's reach beyond companies to their individual officers and directors, who would be forced by the executive order to disclose personal political spending undertaken with their own assets. This aspect of the order will both impair individuals' First Amendment freedoms and interfere with the relationships between companies and their employees.

The political spending covered by the draft executive order is protected by the First Amendment and may not be interfered with absent an important governmental interest. It is quite clear, however, that despite perfunctory language to the contrary, the draft executive order is not motivated by a desire to improve the federal procurement system or any other potentially legitimate governmental interest. Indeed, the federal procurement system already has several built-in safeguards that work quite well to ensure that contract awards are based on the merits of the bid proposal.

Rather than strengthening these existing safeguards, the draft executive order would politicize the procurement process. The proposed order will either encourage covered speakers to refrain from exercising their constitutional speech rights so as to avoid jeopardizing their competitiveness for federal contracts, or it will encourage speakers to alter their political messages in ways perceived to increase their chances of being awarded federal contracts. Either effect is a problem under the First Amendment.

The draft executive order also would unfairly disadvantage only a specific category of speakers: companies and the organizations that represent them. The order would limit the ability of businesses, including small, disadvantaged, women, veteran, disabled, and minority-owned businesses -- the targets of a substantial portion of the hundreds of billions of annual federal contract dollars -- to participate fully in the political process, while allowing unions and grant and aid-seeking organizations to engage in political speech without additional restrictions.

Laws that draw these types of unreasonable distinctions between categories of speakers are not just lopsided and discriminatory -- they are arbitrary and cannot withstand legal scrutiny.

Furthermore, the draft order would destroy the carefully calibrated balance of campaign finance regulation established by Congress. Political speech lies at the core of the First Amendment and decisions regarding its regulation must be carefully measured against the extent to which such regulations will impair First Amendment rights. Congress has already performed that task by enacting the Federal Election Campaign Act in 1971 and amending it and declining to amend it several times since. By unilaterally implementing disclosure obligations that are not imposed by FECA -- indeed, by imposing disclosure obligations that Congress has affirmatively rejected in the failed DISCLOSE Act -- the draft executive order impermissibly overrides the clearly expressed will of Congress.

The harms outlined above would begin the moment you sign the draft executive order. Even though the order purports to apply only to contracts solicited after the Federal Acquisition Regulatory Council promulgates final implementing regulations at the end of 2011, the order requires the disclosure of all covered spending for the two years preceding a bid for a contract.

As a result, every bid attempt and political spending decision made after you sign this order will be undertaken in its shadow.

The Executive has a statutory obligation to procure goods and services based on the best value for the American taxpayer. It also has constitutional obligations to respect the legislative domain of Congress, to refrain from chilling protected political speech, and to avoid subjecting citizens to arbitrary laws. The draft executive order violates each of these duties and potentially turns the procurement process into a tool with which to reward political allies and punish political opponents. Accordingly, we urge you to abandon this dangerous and ill-advised proposal. American businesspeople should not be forced to limit the exercise of their constitutional rights under a new and oppressive regulatory scheme.

Sincerely, 60 plus associations, including:

Aeronautical Repair Station Association  
Agricultural Retailers Association  
American Apparel & Footwear Association (AAFA)  
American Bakers Association  
American Chemistry Council  
American Council of Engineering Companies  
American Hotel & Lodging Association  
American Lighting Association  
American Moving & Storage Association  
American Petroleum Institute  
American Rental Association  
Arizona-New Mexico Cable Communications Association  
Arizona Chamber of Commerce and Industry  
Associated Builders & Contractors, Inc.  
Associated Builders and Contractors, Rocky Mountain Chapter  
Associated Builders and Contractors of Western Washington  
Associated Equipment Distributors  
Associated General Contractors  
Associated Industries of Massachusetts  
Associated Oregon Industries  
Associated Wire Rope Fabricators



### About NAEDA Update

North American Equipment  
Dealers Association

1195 Smizer Mill Road  
Fenton, MO 63026-3480  
Phone: 636/349-5000  
Fax: 636/349-5443  
[www.naeda.com](http://www.naeda.com)  
E-mail: [naeda@naeda.com](mailto: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](mailto:naeda@naeda.com) or subscribe online at [www.naeda.com](http://www.naeda.com).

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

Association of Washington Business  
Bismarck Mandan Chamber  
Brawley Chamber of Commerce  
Brea Chamber of Commerce  
Buffalo Niagara Partnership  
Business Coalition for Fair Competition  
Business Council of Alabama  
Construction Industry Round Table  
Edison Electric Institute  
El Centro Chamber of Commerce & Visitors Bureau  
Far West Equipment Dealers Association  
Federation of American Hospitals  
Florida Chamber of Commerce  
Freemont Area Chamber of Commerce  
Georgia Mining Association  
Greater Effingham Chamber of Commerce & Industry  
Greater Raleigh Chamber of Commerce  
Greater Springfield Chamber of Commerce  
Heating, Airconditioning & Refrigeration Distributors International (HARD I)  
Huron County Chamber of Commerce  
Independent Electrical Contractors, Inc.  
International Dairy Foods Association  
International Foodservice Distributors Association  
ISSA - The Worldwide Cleaning Industry Association  
Johnson City / Washington County / Jonesborough Chamber of Commerce  
Little Rock Regional Chamber of Commerce  
Los Angeles Area Chamber of Commerce  
Marine Retailers Association of America  
Maryland Chamber of Commerce  
Metals Service Center Institute  
Montana Chamber of Commerce  
Montgomery Area Chamber of Commerce  
National Association of Chemical Distributors  
National Association of Home Builders  
National Association of Manufacturers  
National Association of Wholesaler-Distributors  
National Council of Chain Restaurants  
National Federation of Independent Business  
National Poultry & Food Distributors Association  
National Ready Mixed Concrete Association  
National Restaurant Association  
National Retail Federation  
National Roofing Contractors Association  
National Stone, Sand & Gravel Association  
North American Equipment Dealers Association  
North American Export Grain Association  
North Carolina Chamber  
Oshkosh Chamber of Commerce  
Pennsylvania Chamber of Business and Industry  
PhRMA  
Reno Sparks Chamber of Commerce  
Salisbury Area Chamber of Commerce  
Schuylkill Chamber of Commerce  
Small Business Entrepreneurship Council  
SouthEastern Equipment Dealers Association  
Tempe Chamber of Commerce  
Tennessee Chamber of Commerce & Industry  
Texas Association of Business  
The Kansas Chamber  
The Otsego County Chamber  
Toledo Regional Chamber of Commerce  
Tri-City Regional Chamber of Commerce  
Tulsa Metro Chamber  
U.S. Chamber of Commerce  
Warren County Regional Chamber of Commerce  
West Virginia Chamber of Commerce

#### Study: \$2 trillion needed for U.S. infrastructure

The U.S. is falling dramatically behind much of the world in rebuilding and expanding an overloaded and deteriorating transportation network it needs to remain competitive in the global marketplace, according to a new study by the Urban Land Institute.

Burdened with soaring deficits and with long-term transportation plans stalled in Congress, the United States has fallen behind three emerging economic competitors — Brazil, China and India, the institute said.

[Read more](#)

Source: The Washington Post

#### Controversial no-match letters are back!

The Social Security Administration (SSA) has issued a directive to resume sending employers "no-match letters" when an employee's name and Social Security Number from the employer's W-2 Form do not match the SSA's records. NAEDA opposes this directive.

The SSA stopped sending no-match letters as a result of the litigation and the ultimate rescission of the Department of Homeland Security's (DHS) controversial 2007 No-Match Rule, which provided employers with a step-by-step process for responding to no-match letters.

Experienced human resource professionals know that no-match letters put employers between a rock and a hard place. On one hand, the Bureau of Immigration and Custom Enforcement (ICE) takes the position that employers who ignore no-match letters have constructive knowledge of an employee's unlawful immigration status in violation of the Immigration Reform and Control Act (IRCA). On the other hand, IRCA prohibits employers from discriminating against individuals on the basis of national origin or citizenship, including requiring a particular group of employees to re-verify their immigration status based on the receipt of a no-match letter.

DHS's 2007 No-Match Rule attempted to provide employers with clear guidance on responding to no-match letters and provided employers with a safe harbor from discrimination claims if they complied with the steps outlined by the rule. But that rule never went into effect, and the Obama Administration eventually rescinded it ... leaving employers with no clear guidance on how they should respond to no-match letters. Accordingly, employers receiving no-match letters should work with experienced immigration counsel to develop a consistent approach to responding to these letters.

Source: [Barnes & Thornburg, LLP](#)

## NAEDA signs on to letter to the House pushing for permanent five-year depreciation

The open letter urged representatives to cosponsor H.R. 1747, the bill introduced by Representatives Wally Herger (R-CA) and Ron Kind (D-WI), to make the five-year depreciation schedule for agricultural equipment permanent.

The letter was similar to one sent to the Senate in April, which urged senators to cosponsor S. 700, which would also make the five-year depreciation schedule for agricultural equipment permanent.

The letter to the House stated, "In the Renewable Energy and Job Creation Act of 2008, Congress wisely and appropriately changed the depreciation schedule for agricultural equipment from seven to five years. However, the modified schedule and all of the benefits it provides to U.S. agriculture and manufacturing expired at the end of 2009. Additionally, while an extension of this important provision was included in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, it was removed in the final hour for arbitrary reasons.

This change in depreciation schedule makes the tax code more consistent since construction equipment, which has similar use patterns and life-span as agricultural equipment, is depreciated over five years. It also aids rural development, supports American manufacturing, improves farm safety and environmental stewardship. The U.S. Department of Agriculture's Farm Service Agency surveys show, on average, farmers and ranchers finance equipment for five years. Aligning depreciation and debt service increases farm income by over \$850 million in a typical year, helping farmers and ranchers cover their debt service and facilitate the replacement of worn-out machinery.

The U.S. is the world leader in agricultural equipment production, directly and indirectly employing 250,000 workers. A five-year depreciation schedule will boost domestic demand helping keep these jobs here. Furthermore, today's equipment is fitted with the latest safety features to help prevent injury and loss of life, as well as technology employing emission controls, assisted steering and global positioning systems reducing air pollution and fertilizer runoff."

In all, 12 agriculture-related organizations signed the letter

- American Farm Bureau Federation
- Associated Equipment Distributors
- Association of Equipment Manufacturers
- Farm Equipment Manufacturers Association
- National Association of Manufacturers
- National Association of Wheat Growers
- National Chicken Council
- National Cotton Council
- National Farmers Union
- National Potato Council
- North American Equipment Dealers Association
- Western Growers Association

NAEDA urges you to take action as well by contacting your elected officials and asking them to push for permanent five-year depreciation of ag equipment.



**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

### Flooded Mississippi continues destructive path; EDF Foundation grants available

The flooded Mississippi River has crested in Vicksburg, Miss., but flood waters may not recede there for weeks. In Louisiana, water is rushing into spillways, putting homes and crops underwater. At the Morganza floodway, 11 open gates are bringing in more than 800,000 cubic feet of water per second into the Atchafalaya system to lessen pressure on levees. The USDA had agreed to pay crop insurance claims from farmers in the floodways.

Dealerships and employees affected by the floods and other recent natural disasters may qualify for assistance from the EDF Disaster Relief Fund.

The EDF Disaster Relief Fund provides grants to dealers and their employees affected by floods, as well as tornadoes, hurricanes, storms, and other natural disasters.

The fund helps offset some financial demands faced by those affected by natural disasters. Grants may be used for food, living expenses, temporary accommodations, home repair, permanent home construction, and other approved needs. Learn more by reading the grant application form (below).

As of May 19, NAEDA has not heard of dealership or employee-related flood, tornado or storm injuries and damages. We will share news with the equipment community in *NAEDA Update* as such news becomes available. Submit information to [naeda@naeda.com](mailto:naeda@naeda.com).

Contributions to the EDF Disaster Relief Fund  
Equipment Dealers Foundation (EDF) Disaster Relief Fund is accepting contributions to provide assistance to dealers and their employees who have suffered losses from natural disasters.

Download a copy of the [Disaster Relief Fund Contribution](#) form.

Disaster Relief Fund Grant Application

Dealers and dealership employees who suffer losses in federally designated disaster areas may qualify for limited assistance. Qualification guidelines are detailed in the EDF Disaster Relief Fund application.

Download a copy of the [Disaster Relief Fund Application](#).

[Read more](#) (Delta Farmer Press)

[Read more](#) (WAPT.com)

Sources: Delta Farmer Press and WAPT.com (Vicksburg, Miss.)

### Titan Machinery closes on Carlson acquisition

Farm and construction equipment dealer Titan Machinery Inc. has closed on its purchase of Carlson Tractor and Equipment.

The acquisition of Carlson, announced in April, consists of two locations in the Minneapolis suburbs of Rosemount and Rogers, Minn.

Carlson Tractor and Equipment sells machinery and tractors for construction, forestry and other heavy-duty work.

[Read more](#)

Source: Bloomberg

FWEDA member Fresno Equipment Co. celebrates 50 years

Fifty years after becoming the first authorized John Deere dealer in Fresno County, Fresno Equipment Company has been putting on a celebration to thank its decades of loyal customers and partners.

With locations in Fresno and Five Points, the company supplies customer's throughout Fresno and Madera counties with agricultural and landscape vehicles and equipment, including brands like John Deere, KCI, Stihl, and many others.

[Read more](#)

Source: The Business Journal -- Fresno | Kings | Madera | Tulare (Calif.)

OMEDA member Archbold Equipment acquires Dan's Farm Supply

Archbold Equipment, a Case IH farm implement dealer based in Archbold, Ohio, has acquired Dan's Farm Supply, an Adrian, Mich., Case IH dealer. Both Archbold and Dan's are NAEDA-affiliated Ohio-Michigan Equipment Dealer Association members.

Gary Schumacher, chief executive officer of Archbold Equipment, said the Archbold firm was attracted to Dan's because Dan Hupp, company owner, was looking to sell and the Adrian operation "is a very viable Case IH dealership."

Source: [Archbold Buckeye](#)

KPA: OSHA cites Parker Hannifin \$487,700. Fits repeat violation trend

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) issued 33 citations to the Parker Hannifin Corp. plant in Batesville, Miss. Half are repeat citations (which come with much higher price tags) that are based on similar situations found during previous inspections conducted at other company locations. Ohio-based Parker Hannifin has 170 facilities [...] [blog.kpaonline.com/2011/05/osha-cites-parker-hannifin-487700-fits-trend-of-repeat-violations-across-multiple-locations/](http://blog.kpaonline.com/2011/05/osha-cites-parker-hannifin-487700-fits-trend-of-repeat-violations-across-multiple-locations/)

KPA: Who needs DOT HazMat training? More employees than you'd think!

Under the DOT regulations (Title 49 Part 172.702) any employee defined as a hazmat employee is required to be trained. So you ask what is a hazmat employee? The definition is found in (Title 49 Part 171.8) and includes employees that:

- Load, unload or handle hazardous materials
- Prepare, package, label or mark hazardous [...] [blog.kpaonline.com/2011/05/who-needs-dot-hazmat-training-its-more-employees-than-you-d-think/](http://blog.kpaonline.com/2011/05/who-needs-dot-hazmat-training-its-more-employees-than-you-d-think/)



## Canadian News

Ontario Ministry of Ag rules against cancellation of CNH dealer

In a landmark decision, the Ontario Ministry of Agriculture, Food and Rural Affairs' (AFRAAT) Tribunal ruled that U.S. corporate giant, CNH Canada Ltd., breached Ontario Regulation 123/06 by not renewing the Dealer Agreement of Chesterman Farm Equipment Inc., contrary to provincial regulation.

Tribunal Rulings parallel those of a civil court in most respects and the decision is equally binding.

The Chesterman vs. CNH story is a classic David and Goliath battle spanning a six year period. On Sept. 30, 2006, CNH Canada, Ltd ("CNH") purported to sever the business agreements of five Ontario New Holland dealers, including the 19 year relationship the company had enjoyed with Chesterman Farm Equipment Inc. of Tillsonburg, Ontario. Chestermans was advised that the termination by CNH was effective Dec. 31, 2006, and CNH's reason for termination was cited as failure to achieve market share. Chestermans, who received New Holland's President's Award for 2005-2006 "In Recognition of Superior Achievement in New Holland Dealer Standards" a few weeks prior to receiving the termination letter, had no prior awareness that their contract with CNH was in jeopardy.

In response to what they perceived as unfair treatment, Chestermans initiated a Tribunal process through the Ontario Ministry of Agriculture in early 2006, alleging that CNH's "termination" breached the Ontario Farm Implements Act and Ontario Regulation 123/06, which set out specific terms under which dealers and manufacturers must conduct business in the province and prevents manufacturers from effecting arbitrary dealer terminations.

According to the NAEDA-affiliated Canada East Equipment Dealers Association (CEEDA), CNH was shortly to change their story following Chestermans filing for Tribunal Hearing. Despite the letter of termination sent to Chesterman Farm Equipment Inc., CNH now claimed not to have terminated the dealership; rather, they had exercised their right not to renew the contract.

The Tribunal Hearing took place over a seven day period in October 2010. Their ruling, published on March 17, 2011, declares the Tribunal is satisfied that CFEI has proven that CNH breached Ontario Regulation 123/06 by not renewing the Dealer Agreement.

Also under scrutiny and being argued by the parties in Chesterman vs. CNH Canada Ltd., was interpretation of the warranty reimbursement clauses of the Ontario Farm Implement Act. This section of the act requires that manufacturers reimburse dealers for the repair of defective farm implements at posted shop labor rate and includes travel, transportation and diagnostic time. John Deere and the Association of Equipment Manufacturers (AEM), both applied for and were granted Intervener status by the Tribunal which allowed their participation in arguing the warranty reimbursement aspect of the Chesterman vs. CNH case.

Despite CNH and the interveners' strenuous argument that these requirements under the act applied only to mass recall situations, they were unsuccessful in that argument. Tribunal invoked the legal principle that legislature does not intend its legislation to have absurd consequences in their published ruling that, "The warranty reimbursement provisions in the Act apply to all claims for warranty reimbursements and not merely to claims for reimbursement arising from a mass recall of farm implements exhibiting a common

defect".

Beverly Leavitt, president/CEO of CEEDA, the trade association representing equipment dealers in Ontario, said this decision by the Tribunal puts to bed a six year interpretation dispute between CEEDA and the manufacturer entities doing business in Ontario. "For years many manufacturers have expected their dealer network, which has absolutely no input into the design or engineering of a manufacturer's product, to absorb some or in other instances, all of the associated warranty costs," says Leavitt. She went on to say, "Dealers operate on some fairly tight margins these days and as a result, they would have been left with little option but to pass on warranty costs to their customers had the Tribunal decision been different."

When asked how the decision is expected to affect the cost of equipment, Leavitt responded, "The decision of the Tribunal will have no financial ramification for the manufacturer of exceptional quality product. It is only those entities who produce sub-standard equipment that have reason for concern."

CNH Canada Ltd. has filed an appeal with the Ontario Superior Court of Justice Division Court.

Source: Canada East Equipment Dealers Association (CEEDA) new release

### Alberta headed for 'perfect storm' in worker shortages: Employment minister says

Employment Minister Thomas Lukaszuk says Alberta is headed into a perfect storm of conditions that will result in a shortfall of more than 77,000 workers within the next decade.

Lukaszuk says the province's low birthrate, burgeoning economy and anticipated baby boomer retirements will result in a labour shortage that will affect all businesses if ways are not found to keep "mature workers" -- over age 55 -- working longer.

"We're walking into a perfect storm. (The year) 2011 is the first year in which officially baby boomers are turning 65, so we're looking at a large exodus of workers -- not only in numbers, but in experience," he told reporters after releasing the province's aging workforce strategy before 800 delegates at a human resources conference at Edmonton's Shaw Conference Centre on Wednesday.

He said most employers do not have programs to encourage mature workers to continue working and the province has work to do to educate them about the approaching crisis.

The Alberta government has been working for the past three years on a strategy to support older workers, encourage more flexible hours and remove disincentives from working into retirement.

Lukaszuk said that if more workers can be convinced to work longer, that will boost workforce numbers by 40,000 to partially offset the coming shortfall.

But he conceded that current social security and taxation programs must be changed to make working into retirement years more lucrative.

[Read more](#)

Source: Calgary Herald

### New Tory cabinet is larger, more diverse

Canadian Prime Minister Stephen Harper's new cabinet is not only his largest but also his most diverse, with ministers plucked from every part of the country chosen to represent their region and also their ethnicity, religion and gender.

Among the 38 ministers that were unveiled during a ceremony at Rideau Hall, there were nine new faces, a pair of snubs and several big promotions, particularly for MPs from Quebec.

[Read more](#)

Source: Canada.com

### Canada aims to end Wheat Board monopoly in 2012

Canada's Conservative government will likely introduce legislation this autumn that will end the Canadian Wheat Board's marketing monopoly on wheat and barley in 2012, according to the agriculture minister.

Western Canada's grain industry has operated since World War II under a monopoly that forces farmers to sell wheat and barley to the board, unlike other crops such as canola.

[Read more](#)

Source: Reuters

## Tip of the Month



[Ensure safe driving on your lot](#)

[Free KPA webinars](#)

- May 26 - [You budgeted for the employment lawsuit, right?](#)

© 2010 The North American Equipment Dealers Association. 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.

To subscribe to NAEDA Update by e-mail, send your request to [naeda@naeda.com](mailto:naeda@naeda.com) or subscribe online at [naeda.com](http://naeda.com). To unsubscribe, [click here](#) or send your request to [webmaster@naeda.com](mailto:webmaster@naeda.com) and type "REMOVE" in the subject line.