



NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, February 09, 2012

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—Lee Rogness

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CEO Blog

"From Saskatoon To San Antonio" February 2012

During the past week I have traveled from Saskatoon to San Antonio meeting and talking to dealers of all brands and all descriptions. From single-store owners to mega dealers (among the largest in North America), there is a common thread that ties them all together. That thread is optimism!

It is heart-warming to hear the optimism exude about the past year and about the future. Many dealers are making plans to grow and expand their operations. Others are seeking ways to improve current operations in order to provide a higher level of service to existing customers. Never before, in my lifetime at least, (and that is beginning to be a pretty long stretch of time) have I witnessed this level of optimism and the belief that things are good and likely to stay that way for awhile. What a great, exciting time to be in Agriculture and in the equipment industry (see my article from February, 2011).

Another reason for my personal enthusiasm is observing how the relationship between the manufacturer/suppliers and their dealer network is maturing into more of a partnership approach in many instances. For example, at one of the meetings I attended recently, a great deal of time was devoted to discussing how both dealer and supplier would focus more on meeting customer expectations collaboratively going forward. And lots of excellent seminars and tools were offered. I find it very rewarding to see the partnership approach in action!

Although optimism abounds these days, that doesn't mean we can overlook some issues that bring reality clearly into view. During my discussions with dealers, it became very apparent that we are not out of the woods yet when it comes to finding, hiring and retaining highly qualified people. This was a universal theme among dealers of all sizes and descriptions. One large dealer told me that they would hire nearly a

Legislative & Regulatory News

US to tackle hefty trade agenda

U.S. trade officials are expecting to cut a wide swath through a broad trade agenda this year, all probably before Congress leaves town in August.

U.S. Trade Representative Ron Kirk has three major issues on his agenda — implementing the three free-trade agreements passed last fall, opening up the Russian market to U.S. goods and services and wrapping up negotiations on the Trans-Pacific Partnership.

Read [more](#)

Source: The Hill

U.S. deficit to top \$1 trillion, smallest since 2009

The federal budget deficit will top \$1 trillion for a fourth straight year, congressional budget analysts said Jan. 31. The \$1.1 trillion deficit is the smallest deficit figure — both in nominal terms and as a percentage of the economy — since the Great Recession hit in 2009.

The CBO said that allowing the George W. Bush tax cuts to expire on schedule in January and making deep cuts to the Pentagon and other agency budgets would shrink future deficits and begin to tame the national debt.

Read [more](#)

Source: The Washington Post

New Planning Rule Issued for National Forest System

Agriculture Secretary Tom Vilsack released a Final Programmatic Environmental Impact Statement (PEIS) for the National Forest System Land Management Planning Rule. The planning rule will create a new design for managing national forest lands in the future. The new rule will be the fourth attempt since 2000 to update the forest planning guidelines in place since 1982. USDA's preferred alternative would require the use of the best scientific information, while pushing for greater collaboration through public involvement and dialogue when developing new plans for land and resource development. Some groups have expressed concerns that the new rule will weaken protections for wildlife and create an undue burden on states to meet the requirements. Read [more](#)

U.S. gaining energy independence, potential top producer by 2020

The U.S. is the closest it has been in almost 20 years to achieving energy self-sufficiency, a goal the nation has been pursuing since the 1973 Arab oil embargo.

Domestic oil output is the highest in eight years. The U.S. is producing so much natural gas that it now may approve an export terminal. And higher mileage standards and federally mandated ethanol use, along with

slow economic growth, have curbed demand. The result: The U.S. has reversed a two-decade-long decline in energy independence and could potentially become the world's top energy producer by 2020.

[Read more](#)

Source: Bloomberg

NAEDA adds voice on bonus depreciation letter

A coalition letter was sent to members of congress on Thursday, February 2 asking them to include bonus depreciation as they consider House Bill 3630. "NAEDA, in close cooperation with several other organizations, continues efforts to secure authorization of bonus depreciation for 2012. We believe this is in the best interest of equipment dealers across the U.S.," said Paul Kindinger, President & CEO.

A copy of the letter sent to congress, can be found [here](#).

To view the press coverage article, click [here](#)

American Farm Bureau Files for Judgment in Chesapeake Bay Case

WASHINGTON, D.C., January 30, 2012 – The Environmental Protection Agency's Total Maximum Daily Load regulation (TMDL) for the Chesapeake Bay watershed establishes new controls on land use that trespass into territory Congress legally reserved for state governments, according to the opening brief for summary judgment, filed Friday, Jan. 27 by the American Farm Bureau Federation in the case, "AFBF vs. EPA."

The TMDL will impact all economic activity in the watershed with potentially devastating impacts for agriculture within the watershed, according to AFBF.

"We all want a clean and healthy Chesapeake Bay," said AFBF President Bob Stallman. "This lawsuit is about how we reach that common goal. Farm Bureau believes EPA's new regulation is unlawful and costly without providing the environmental benefit promised. Farmers in the watershed have clearly delivered a documented track record of continuous improvement, through conservation and sound stewardship and will continue their dedicated efforts."

The TMDL dictates how much nitrogen, phosphorous and sediment can be allowed into the Bay and its tributaries from different areas and sources. According to the brief, TMDL proposals are "informational tools" under the Clean Water Act. But, in this action, EPA's final TMDL goes far beyond traditional and lawful scope and authority.

Read [more](#)

Source: AFBF News

Labor board chief says he won't let recess controversy deter push for new rules

The chairman of the National Labor Relations Board hopes to have another round of regulations in place by the end of the year that would make it easier for unions to establish and win representation elections in workplaces.

Undeterred by Republican protests, Mark Pearce said he will urge the board to approve the new rules now that it has a full component of five members after President Barack Obama bypassed the Senate to fill three vacancies.

"We keep our eye on the prize," Pearce said in an interview with The Associated Press. "Our goal is to create a set of rules that eliminate a lot of waste of time, energy and money for the taxpayers."

One change Pearce wants is requiring businesses to hand over lists of employee phone numbers and emails to union leaders before an election.

He also wants the board to consider other rule changes it didn't have time to approve before it lost a quorum last year. They include the use of electronic filings and quicker timetables for certain procedures.

Read [more](#)

Source: Washington Post

State Departments of Agriculture Files Comments on Controversial CAFO Rule

The National Association of State Departments of Agriculture (NASDA) have filed comments with EPA on its proposed Confined Animal Feeding Operation (CAFO) Reporting Rule. The proposed rule stems from a settlement agreement between EPA and environmental groups, and would require CAFOs, regardless of whether the facilities discharge, to report information to EPA. In its comments, NASDA took issue with the rule, citing biosecurity concerns and concerns that EPA was overstepping its authority under the Clean

hundred new technicians tomorrow if they could find them. They are actually contemplating starting their own training program. Obviously, not every dealer is quite in that situation, but it appears many dealers would hire more techs if possible.

It is not only technicians that dealers are concerned about finding. Many are looking for highly-motivated and intelligent managerial talent as well. A number of medium-to-large-sized dealers I have visited with are seeking department managers and even COOs or CEOs to take over management of the new enterprises that are being created through mergers and consolidation of ownership.

Another theme I have heard more about recently is technology. People are curious about the impact now and into the future for their operations. On one hand, dealers are excited to think about the use of technology both on the farm and in the dealership to help operate the equipment, collect data and even assist with reducing down-time by monitoring machine performance remotely. They are excited about the opportunities it opens up to improve sales, service and even expand into data management and analysis.

Yes, I believe technology will offer a number of new opportunities as mentioned above, but it also raises expectations of the customer. While listening to a rather large farmer's description of his plans for growth, he specifically mentioned the type of relationship he will expect from his suppliers (i.e. equipment dealer) in the future. It was very obvious that the stakes are rising. That producer used the term "partner" several times when describing his expectations. Partnership will no longer mean simply "sell me a piece of equipment and keep it running." Going forward they will expect input that will assist them in making better decisions and improving their efficiency, production, marketing and ultimately their profitability.

The optimism is great but must still be supported by a good healthy dose of reality. Consider that a very large percentage of agricultural output is provided by very, very few producers today and many of them intend to get even larger in the future. That means each one of those customers becomes even more precious and important to you as a dealer. I like that old-saying that, "*opportunity often comes disguised in work clothes*". While we hopefully will continue to be optimistic about our industry, let's also keep in mind that it will take some good old-fashioned hard work to allow the success to grow! Agriculture is alive and doing well from Saskatoon to San Antonio and all areas in between. I am excited about the prospects and hope you are as well. -- And that's the

Water Act. A copy of NASDA's comments is available [here](#).

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Industry & Manufacturing News

CNH sales up 25%, profits double

CNH Global N.V. has announced financial results for the year ended December 31, 2011. For the year, net sales increased 25% (22% on a constant currency basis) to \$18.1 billion as agricultural equipment markets continue to perform well, and as a result of the continued recovery in the construction equipment market segment.

Equipment Operations posted an Operating Profit of \$1.5 billion on the strength of higher demand, with resulting increases in plant utilization, a favorable mix and improved net pricing for agricultural equipment, partially offset by fourth quarter European engine stock-piling costs.

Net equipment sales for the year were 79% agricultural equipment and 21% construction equipment.

CNH's Equipment Operations ended the period with a net cash position of \$2.7 billion.

[Read more](#)

Source: CNH

John Deere marks their 175th anniversary

In 2012, Deere & Company marks the 175th anniversary of its existence, which began when company founder John Deere successfully manufactured and marketed the self-scouring plow in 1837.

Deere had moved from his home in Vermont to start a small blacksmith shop in Grand Detour, Illinois. He later moved the business to Moline, Illinois, where the world headquarters is still located. The company was incorporated as Deere & Company in 1868. From the one-man shop at its inception, Deere currently has more than 60,000 employees worldwide.

[Read more](#)

way I see it!

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.



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The North American Equipment Dealers Association provides educational, legal, legislative, and financial services to approximately 5,500 retail agricultural,

Source: John Deere

2012 truck rates could rise 6 percent, according to analyst

Truckload rates are likely to rise from 2 to 6 percent in 2012 and even as high as 8 percent in coming years, depending on the strength of the recovery and the effect of new truck safety regulations, according to a transportation analyst.

New federal regulations are likely to have a cumulative impact on trucking productivity, reducing the number of available drivers and placing constraints on capacity, said John Larkin, managing director and analyst at Stifel Nicolaus.

[Read more](#)

Source: The Journal of Commerce

BlackRock: seed, farm machinery better investment than grains

BlackRock Inc., the world's biggest money manager, said producers of seeds and farming equipment make a better investment than agricultural commodities as new technologies boosting production may lead to lower food prices.

"People are going to consume more food," says Catherine Raw, a fund manager at BlackRock. "That doesn't necessarily translate into higher commodity prices because what it may lead to is technical innovation."

[Read more](#)

Source: Bloomberg.com

Economists see growth slowing, recession risk falling

The U.S. economy's growth will slow this year after a blast of stronger growth in late 2011, leaving the 8.5% unemployment rate about where it is now on Election Day, according to USA TODAY's quarterly survey of economists.

The economy will grow at an 2.2% annual rate the first half of 2012 after an estimated 3.1% gain in fourth-quarter gross domestic product, according to the median forecast of the 48 economists surveyed. The government reports on fourth-quarter GDP Friday.

The biggest reason for slower growth is that a late-2011 bounce back from the effects of the Japanese earthquake last March won't last, according to Diane Swonk, chief economist at Mesirow Financial. Slower growth will help keep unemployment at 8.4% or higher through year's end, economists predict.

Read [more](#)

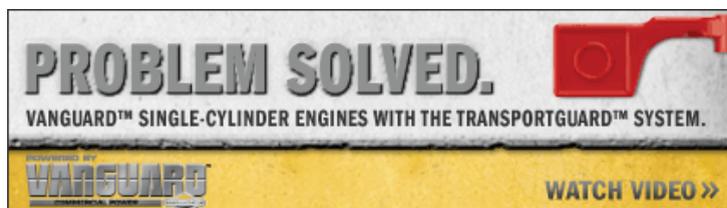
Source: USA Today

AGCO Dealer Meeting

Members of the NAEDA IRTF were invited to participate in the AGCO Dealer Meeting in San Antonio, Texas recently. The meeting covered brand strategies for the coming year as well as new product developments for the company. Some excellent presentations were provided, especially in the area of producer relationships. Overall it was a very upbeat and worthwhile meeting according to most dealers in attendance.

Dealer Manufacturer Relations Survey

NAEDA has conducted the 2012 Dealer-Manufacturer Relations (satisfaction) survey. Over 1900 responses were collected from dealers throughout North America evaluating several categories of dealer/manufacture relationships. Responses have been compiled and the results will be shared with corresponding manufacturers. The report contains valuable feedback and information about the relationship between dealers and their suppliers. This year's survey incorporated several improvements over previous surveys. The report will be issued at the upcoming NAEDA board of directors meeting in early March.



construction, large property/rural lifestyle, and outdoor power equipment dealers in the United States and Canada.

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NAEDA, Association & Program Partner News

John Schmeiser earns Charter Director designation

John Schmeiser has passed the Chartered Director exam and has earned the professional designation of C.Dir. The program was offered by McMaster University through their partnership with the Conference Board of Canada.

The Directors College is Canada's first university accredited corporate director development program and to be eligible you must serve as a Director on a notable/approved board or commission.

[Read more](#)

Credit Card Processors - Are you taking advantage of the Durbin Amendment?

The Durbin Amendment is a provision in the Dodd-Frank Wall Street reform and Consumer Protection Act signed into law in July 2010. Dodd-Frank is a federal statute that implements financial regulatory reform, and was passed as a response to the financial crisis and recession of the past few years.

[Read More](#)

The following information is provided by Elavon, NAEDA's credit card processing partner. For more information on how NAEDA's program can assist with your processing needs contact Liz Harpst at Elavon at **800-725-1243 x 8798** or email liz.harpst@elavon.com

NAEDA Legislative Fly-In set for March 21-22, 2012



The 9th Annual NAEDA Legislative Fly-In will be held March 21-22, 2012, at The Washington Court Hotel, Washington, D.C.

This year's Fly-In is extremely important for NAEDA's legislative agenda for 2012.

Given the election results from 2010, the change in leadership in the House and the mood of the country, Congress will be listening as it heads into the fall elections. If we are to get commitments from representatives and senators to move on matters that are important to equipment dealers, the Fly-In will be the time to get that accomplished.

[Click here](#) for the draft agenda, registration form and more.

Canadian News

Canadian unemployment rate highest in nine months

Canada's jobs engine appears to have stalled in line with economic growth, prompting some leading economists to call on Ottawa to hold off announced spending cuts.

The country's unemployment rate rose to a nine-month high of 7.6 per cent last month, Statistics Canada reported Friday, as an addition of a mere 2,300 jobs proved insufficient to cover the increase of 23,700 Canadians looking for work.

[Read more](#)

Source: Winnipeg Free Press

Federal budget expected to address Old Age Security

The federal government considers it imperative to cut the costs of public pensions and intends to focus on old age security in the budget, according to Finance Minister Jim Flaherty.

The minister made it clear costs to the old age security program that pays an average \$500 a month to Canadians upon turning 65 need to be reined in as baby boomers begin to retire.

[Read more](#)

Source: Winnipeg Free Press

Caterpillar shuts Electro-Motive plant in London, Ont., where workers locked out

Caterpillar Inc. has decided to close its Electro-Motive locomotive plant in London, Ontario, and lay off at least 450 workers following several months of unsuccessful contract negotiations with the Canadian Auto Workers union.

The move deals a tough blow to the Canadian labor market, which has been under pressure from a strong Canadian dollar and the struggle to persuade unionized workers to accept deep concessions in a relatively stable economy.

[Read more](#)

Source: Reuters Canada

Energy, trade on agenda as Harper heads to China

Major powerbrokers from Canada's energy sector will be travelling with Prime Minister Stephen Harper as he heads to China.

The energy sector executives are among an entourage that also includes a number of representatives from Canada's agricultural, transportation and education sectors. All of them are accompanying the prime minister on the four-day trade trip meant to strengthen ties with the Asian giant.

[Read more](#)

Source: CTV

Statscan numbers highlight concerns about aging and the work force

Canada's statistics agency will use 2011 census results to shine a spotlight on gradual but profound shifts in this aging country – one where the elderly will soon outweigh children as a share of the population and there will be difficulty finding sufficient younger workers to replace those ready to retire.

The data lands in the middle of a heated national debate over whether Ottawa should make Canadians wait an extra two years for government Old Age Security benefits, a policy change that could spur them to postpone retirement beyond 65.

[Read more](#)

Source: The Globe and Mail

Tip of the Month



[February Compliance Tip of the Month: Recycle Your Airbags and Pre-tensioners](#)

Un-deployed airbags and seatbelt pre-tensioners can be recycled through KPA's new recovery program. We help small businesses with transportation logistics, and ensure DOT compliant transportation of these devices on their journey to the recycling facility where 95% of materials are recovered. Find out more at <http://www.kpaonline.com/what-we-do/ehs/airbagrecycling.html>

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