



# NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, June 14, 2012

Helping Dealers Succeed!

**HIGH-STRENGTH STEEL GRAPPLES**

◀ **ROOTSCRAP** ▶

LEARN HOW TO BECOME A WOODS DEALER

**WOODS**

**The new science of collaborative selling.**

"It has been the most useful training I've ever received for sales"  
— Brady Howell, Plevna Implement

Selling has changed. Is your sales team evolving to take advantage?  
Introducing the Spader Collaborative Selling Workshop.

CLICK HERE for more details.

**SPADER** *Business Management*

Fulfilling. Success.

*Scurry*  
TRACK

**WE MAKE THE DIFFERENCE**

**McCORMICK**

"We Have A Tractor For That"

**Become A Dealer**

## Legislative & Regulatory News

### Farm Bill Clears Hurdle in Senate

The Senate voted last week 90-8 for cloture on a motion to proceed with debate on the Farm Bill (S. 3240), meaning the Senate could vote on the Farm Bill in the coming few weeks. Somewhat surprisingly, the Southern Senators who voted against the bill in committee voted for the motion to proceed. However, Sen. Saxby Chambliss (R-GA) has indicated he remains opposed to the bill in its current form, largely because of the commodity provisions, and that alternative proposals put forward by southern Senators have all been rejected. In its Statement of Administration Policy, the White House expressed support for the Senate Farm Bill last week.

In the past week, over two hundred amendments to the bill have been filed to the bill. An agreement on what amendments will be brought up for a vote is still under negotiation by Senate leadership. NAEDA is monitoring this issue as well as all the amendments being offered. Once a decision is made on which amendments will be permitted, NAEDA's positions will be made known to key congressmen.

A copy of the White House Statement can be found [here](#).

### Bonus Depreciation Letter Sent to Congress Leaders

NAEDA joined 80 other companies and associations on a letter to the House and Senate leadership asking for immediate action on two bipartisan companion bills: H.R. 4196, a bill introduced by Congressmen Tiberi, Larson, Paulsen, Neal, Marchant, and Pascrell and S. 2240, introduced by Senators Stabenow, Blunt, Brown (OH) and Roberts.

These bills, if passed and signed into law, would provide an immediate incentive for businesses to make new capital investments by extending 100 percent expensing (bonus depreciation), the Alternative Minimum Tax (ATM) Credit in lieu of bonus depreciation provisions and will include companies using PCM (percentage of completion method of accounting) through 2012.

Paul Kindinger, President and CEO of NAEDA, said after release of the letter that "We hope congress will act quickly on these bills to spur economic and job growth for our dealer member companies. To see all these companies and associations joining together should be incentive for congress to act."

A copy of the letter can be viewed [here](#).

### LIFO Survey - Dealer Response Needed

NAEDA has been actively involved in the leadership of the business community's LIFO Coalition since it was organized in 2006 in response to a Senate proposal to fully repeal LIFO.

One of the challenges we have faced during this 6-year effort has been quantifying LIFO usage among privately-held companies. There is no data that shows how many privately-held companies use LIFO, the size of their LIFO reserves, or the impact of repeal on the fiscal health of those companies or the aggregate impact on the economy or jobs. This information is needed to provide Members of Congress with analytical

## CEO Blog

### A Helping Hand Makes Everyone Feel Better!



**June 2012**  
Scientists have documented that giving is not only good for the receiving party but also for the giving party as well. In some instances, it has also been proven to have a positive effect

on casual observers. Giving, as it turns out, stimulates the production of endorphins, the "feel good" chemical produced by our bodies.

If scientists are correct, NAEDA's Equipment Dealers Foundation (EDF) has aided in the production of a lot of endorphins—thanks to the generous support of dealers, manufacturers, suppliers and affiliated associations. As a result, EDF has been privileged to support dealer and equipment industry-related research and education, in conjunction with support for dealerships after natural disasters.

Following the devastation caused by Hurricane Katrina in 2005 and continuing through 2011 when devastating floods hit North Dakota, EDF has assisted 129 families with over \$203,000 in direct grants. These are not just any ordinary families, however, because someone in that family is employed by an equipment dealership. EDF's purpose is not to replace insurance coverage. But rather the efforts—through "bridge grants" of up to \$2,500 (previously

analysis of the impact of repeal rather than anecdotal evidence.

NAEDA and the LIFO Coalition have been asked to assist in a Loyola University research project to obtain data from privately-held companies to compliment and support research and data already conducted and obtained on publicly-traded companies. This will give the Coalition critically important data to use in our ongoing effort to persuade members of Congress to reject any LIFO repeal proposals.

**Responses to the survey will be completely confidential. No company name will be associated with any of the data. The survey was emailed to dealers on Monday, June 11.**

Your help is needed. As a NAEDA member we ask that you participate in this study by providing answers to the specific questions. We completely understand that we are asking you to provide proprietary data, and that completing the survey will take some of your time. The survey will only be of value if a significant number of companies participate.

**Please respond to the survey as soon as possible.**

### **NAEDA and LIFO Coalition Respond to OMB on LIFO**

On January 27th, a bi-partisan group of 22 Members of the House of Representatives sent a letter to President Obama urging that LIFO repeal not be included in the Administration's Fiscal Year 2013 Budget. On April 2nd, Jeffrey Zeints, Acting Director, Office of Management and Budget (OMB) responded to the Congressional letter on behalf of the Obama Administration supporting repeal of LIFO.

NAEDA and the LIFO Coalition, a coalition of more than 120 business organizations and trade associations, was provided a copy of both the letter to the President and the response on behalf of the President.

The Coalition has since prepared a detailed response to the points raised by OMB in their letter to Congress. A copy of that response to OMB can be found [here](#).

For equipment dealers using LIFO, please feel free to use the coalition's response to help educate your representatives and senators on the importance of LIFO for your dealership and employees. Opportunities to do so should present themselves over 4th of July recess when congress will be adjourned and in their home districts.

### **Russia PNTR**

Congress is currently considering legislation to extend Permanent Normal Trade Relations (PNTR) with Russia. Approval of PNTR with Russia will greatly boost U.S. exports, create tens of thousands of American jobs, and is one of the U.S. Chamber's top trade priority before Congress this year. As part of the Chamber's efforts, NAEDA has signed on to a Chamber coalition letter stressing how important Russia's graduation from Jackson-Vanik is to the American business community. As the 11th largest economy in the world, Russia presents a huge opportunity to increase U.S. agricultural and other exports and create American jobs.

Additional signatories are still being collected for the letter. The final letter will be available on NAEDA's Web site when it is sent to Congress later in June.

### **House Committee Bill to Block EPA, Corps from Finalizing CWA Guidance**

The House Transportation and Infrastructure Committee marked up legislation (H.R. 4965) last week that would restrict the ability of EPA and the Army Corps of Engineers from moving forward with their draft guidance expanding the jurisdiction of the Clean Water Act (CWA). That guidance, proposed by the EPA and the Corps in May of 2011, drew significant opposition from state and local governments, farmers, homebuilders and manufacturers.

H.R. 4965 was introduced by Committee Chairman John Mica (R-FL); Ranking Member Nick Rahall (D-WV); Rep. Bob Gibbs (R-OH), Chairman of the Subcommittee on Water Resources and Environment; Frank Lucas (R-OK), Agriculture Committee Chairman; and Collin Peterson (D-MN), the Agriculture Committee's Ranking Member. Companion legislation (s. 2245) has also been introduced in the Senate.

NAEDA policy supports the passage of these two pieces of legislation.

### **USDA Announces Results for Conservation Reserve Program General Sign-Up**

Agriculture Secretary Tom Vilsack announced on May 25 that the U.S. Department of Agriculture will accept 3.9 million acres offered under the 43rd Conservation Reserve Program (CRP) general sign-up. During the extended five-week signup, the Department received nearly 48,000 offers on more than 4.5 million acres of land, demonstrating the CRP's continuing leadership as one of our nation's most successful voluntary efforts to conserve land and improve our soil, water, air and wildlife habitat resources. Under Vilsack's leadership, USDA has now enrolled nearly 12 million acres in the CRP since 2009. Currently, there are

\$2,000)—helps put food on the table, replace toothbrushes and toothpaste, puts gas in the vehicle and generally helps them get their everyday routine back as quickly as possible. Here are just a couple of examples of what EDF has meant to the families in need:

"We at BTI would like to thank you [EDF] for all of the financial aid that you gave to all of my employees that were harmed in the Greensburg [Kans.] disaster. We were truly humbled and blessed just from what you did on the first checks that were received, but what a blessing in receiving the additional \$250 per employee for Christmas. I can tell you that they were very grateful at a much needed time. I don't know how we can ever thank everyone from NAEDA. Please let everyone from the whole group and boards know how appreciative and thankful that we truly are....We will never forget what you have done for the BTI families and for BTI." Kelly J. Estes  
President of BTI

"Well, I got news today from my GM that I will be receiving \$2,000 from the EDF! Tears rolled down my cheek as I called my wife. We both have BA degrees from a well-recognized private college. I think I work harder than most, and I excel at my job, but we have never been ahead of the ball game in the financial world. It is tough to raise a family of four...on my salary. I can tell you with certainty that this gift will now allow us to fully rebuild our basement (half of our living space)...We now know we will be able to get through this. Thank you from the bottom of our hearts for making this available." Employee  
Waterloo Implement

This past year EDF also developed and introduced a matching scholarship program in conjunction with dealers and affiliate associations. These scholarships, coupled with the other matching grants, will help students interested in the equipment industry attend schools and receive training so they can be a part of our industry after graduation. In 2012, EDF funded 62 scholarships and hopes to grow and continue this type of support.

That is where you can help. In order for EDF to assist when disaster strikes again, and it will, or to help do research and provide important industry data or education or the scholarships to students excited about our industry, we need your support. Please consider a generous donation to the NAEDA EDF. Simply fill out the contribution card included with this publication (or you can go to the NAEDA web site—[naeda.com](http://naeda.com)), make out your check or provide your credit card information and send it in today. Please mail your completed

more than 29.6 million acres enrolled on more than 736,000 contracts. To read the USDA press release click [here](#).

## Industry & Manufacturing News

### NAEDA / Industry Meetings Scheduled

NAEDA's Industry Relations Task Force has scheduled several meetings with manufacturers in the upcoming months. The IRTF met with AGCO on June 13. The minutes of that meeting will be made available to dealers as soon as possible. The next IRTF meetings are scheduled with OPEI on June 20 and Case IH on July 18. Dealers are encouraged to contact a member of the IRTF or their affiliate association with any issues they might have prior to those meetings.

NAEDA's IRTF members can be found on our Web site at: [www.naeda.com](http://www.naeda.com).

### Machinery cost estimates for 2012 and 2013

Every two years, the costs of machinery operations are calculated and made available on farmdoc. The 2012 costs now are available under the "Machinery Costs" link in the farmdoc [Management section](#).

Overall, costs have increased by about 15% between 2010 and 2012. In our estimates, combine costs have declined between 2010 and 2012 because acres covered with the combine are assumed to increase in 2012.

[Read more](#)

Source: Farm Industry News

### McCormick USA appoints new president and CEO

Tiago Bonomo has been appointed President and CEO of McCormick USA. Tiago began his career in Argo Group serving as Controller for the Group Branches. In 2008, he was appointed President and CEO of McCormick Mexico. In 2010, Tiago increased his responsibilities by overseeing the management of all Argo Group operations in Latin America. Under Tiago's leadership, Argo Tractors achieved a remarkable increase in sales in the past two years.

"I'm honored with this position and I am looking forward to improving our business in the United States. Argo Group is among the best agricultural tractor manufacturers in the world. We definitely have a good product. I strongly believe and the results elsewhere in the world show that aligning our commercial strategy with our product characteristics can lead us to consolidate our space in the marketplace. We, as Argo Group, definitely want to improve and consolidate our presence in the United States. I'm happy and confident to lead McCormick USA. We will be focusing our operation on our products and distribution channels," says Tiago.

### About McCormick USA, Inc.

McCormick International USA, Inc. is a division of ARGO Tractors S.p.A., a company owned by the Morra family in Italy, manufacturing a full line of tractors ranging from 22 to 213 HP, built on more than 180 years of heritage. For more information, visit [www.mccormickusa.com](http://www.mccormickusa.com).

Source: McCormick USA, Inc.

### Fiat Industrial proposes CNH farm business merger

Fiat Industrial Chairman Sergio Marchionne is seeking a full merger with U.S.-based CNH farm and construction vehicle business, in a move that would shift the company's capital center to the U.S. and drop the Fiat name.

Read [more](#).

Source: Associated Press

### May was a good month for selling tractors

The [Association of Equipment Manufacturers](#) reports U.S. tractor sales totaled 19,887 units in May up 12.7 percent compared to May of last year. The biggest percentage jump was in 100-plus horse power two-wheel-drives up 28 percent from a year ago.

Year-to-date tractor sales in the U.S. are 74,387, 6.9 percent above the same period last year. Four-wheel-

card with your donation to:  
NAEDA EDF  
1195 Smizer Mill Road  
Fenton, MO 63026-3480

Please don't wait—we want to be there when you need us! Besides, you can produce your own endorphins and feel better by giving to others at the same time. I would like to emphasize your helping hand is greatly needed and appreciated. And that's the 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 5,000 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](#)

## 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

drive sales for the period totaled 2,368 down 0.9 percent compared to a year ago but two-wheel-drive sales are up 7.1 percent to total 72,019 machines.

[Read more](#)

Source: Brownfield

### Consumer Reports updates lawn mower buying guide

Consumer Reports has updated its "Lawn Mower & Tractor Buying Guide" for the 2012 season. Find details by visiting their [website](#)

"Our latest tests confirm that more horsepower doesn't necessarily mean higher-quality mowing. Mower manufacturers have swapped horsepower numbers for engine-size and torque specifications, but even those don't guarantee better results."

[Read more](#)

Source: ConsumersReports.org

### AGCO names new global marketing manager, Challenger brand marketing manager

Allison Bass will assume the role of Global Marketing Manager, Brand Positioning & Merchandising. Bass joined AGCO in 1997 as Media Manager, NA and has held several positions in the North America Marketing group, most recently managing the Challenger and ATS brands for North America.

Greg Kirksey has joined AGCO as Brand Marketing Manager, Challenger for North America. Kirksey brings 16 years of marketing and communications experience to the team. Prior to joining AGCO, he worked on both the agency and the client side with consumer and B2B clients such as Delta, UPS and Yamaha.

[Read more](#)

Source: Growing America

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.**



## NAEDA Update Official Sponsor



Does Your Business Management System  
Leave You Feeling **LOST** in the Dark?



*There is a solution!*

**BASIC**  
SOFTWARE SYSTEMS

(800) 252-4476 / [sales@basic-software.com](mailto:sales@basic-software.com) / [www.basic-software.com](http://www.basic-software.com)

## NAEDA, Association & Program Partner News

### Facebook, Twitter and YouTube User Guide Available

Social media is all about building relationships, a key component in NAEDA's mission to forge a partnership between dealers, farmers and consumers. It is based upon something NAEDA has been doing for generations; having conversations. Social media is nothing more than the conversations we are having online and the tools used to enhance them. This includes Facebook, Twitter and YouTube as starters.

NAEDA entered the world of social media on behalf of North American equipment dealers with a goal to share the news and views of the honest and hard-working individuals who help feed the world and to give the average consumer another way to communicate with equipment dealers. You can find us (NAEDA) at: [www.naeda.com](http://www.naeda.com).

While NAEDA can speak on behalf of its members, there is no message that rings truer than that which comes from members themselves to their customers.

NAEDA wishes to thank the Ohio Farm Bureau for making their initial *Discover your Social Web: An Ohio Farm Bureau Guide to Social Media* publicly available. They were hoping to make it a valuable tool to Ohio Farm Bureau members, but little did they know the guide would become so quickly shared and distributed through not only Ohio, but the entire nation.

In the spirit of the social media habit of sharing, Ohio Farm Bureau has authorized NAEDA to copy, distribute and share this guide under some conditions. So, some graphics used in this copy of the guide are theirs and some have been inserted by NAEDA specifically for equipment dealer members.

Please enjoy the guide and share it with family, friends and strangers alike. But first, use it to join the online conversation and provide your unique point of view to the collective conscience. NAEDA again thanks the Ohio Farm Bureau for their permission to utilize their initial guide as a resource for dealers to learn more about using social media.

To download a copy of the Facebook, Twitter and YouTube guide, [click here](#).

### Killebrew Elected to Federated Insurance Board

Lester H. Killebrew, of Abbeville, Alabama, was recently elected to the Board of Directors of the Federated Insurance Companies. The election took place at the Annual Meeting of Policyholders held April 17, 2012, at Federated's Home Office in Owatonna, Minnesota.

Lester H. Killebrew, of Abbeville, Alabama, was recently elected to the Board of Directors of the Federated Insurance Companies. The election took place at the Annual Meeting of Policyholders held April 17, 2012, at Federated's Home Office in Owatonna, Minnesota.

Mr. Killebrew is Chairman of the Board of SunSouth, LLC, a John Deere dealership with 16 locations in Alabama and Georgia with an area of responsibility in the Florida panhandle. He is also Chairman and CEO of Henry Farm Center, Inc./ValCom Wireless & CCS Technology Centers, a technology company specializing in education and business markets. He has 43 years of experience in the agricultural industry.

Killebrew is a past Chairman of the North American Equipment Dealers Association; Director of the Southern Equipment Dealers Association; and director and past President of Alabama Agribusiness Council. He has been a member of the Alabama Board of Agriculture and Industries and the Business Council of the Federal Reserve Bank of Atlanta. He also served on the Governor's Business Advocacy Board and the Board of Directors of the Auburn University National Alumni Board.

Killebrew has also actively served his community. He is a Director and past President of the Abbeville Chamber of Commerce; and is past Chairman of the Henry County Economic Development Committee and the Abbeville Industrial Development Board. He has served as director on the Dothan Chamber of Commerce and co-chairman of their Ag Committee. Killebrew has also held numerous positions in his church, including Board Chair.

Lester Killebrew and his wife of 45 years, Catherine, are the proud parents of two sons and one daughter.

Founded 108 years ago by a group of equipment dealers seeking more value for their insurance premium dollars, Federated continues to be a strong supporter of the equipment dealer marketplace. Today, Federated is a national organization that serves the property, casualty, and life insurance needs of clients in select industries. Federated is exclusively endorsed by NAEDA and its affiliated equipment dealer associations. Federated is rated A+ (Superior) by nationally renowned industry analyst A.M. Best Company®.

## Online registration open for GIE+EXPO 2012

Online registration is now open for the 2012 GIE+EXPO (Green Industry & Equipment Expo), which will be held in Louisville October 24-26.

Outstanding prizes are available for those who register early! Two lucky registrants will win the two grand prizes – \$1,800 travel packages to the show.

[Read more](#)

Source: GIE+EXPO

## Canadian News

### Harper prepares Canadians for possibility of another recession

Stephen Harper's warnings that Europe needs to get its house in order, and not look to Canada for help, was mostly intended for folks back home. The Prime Minister is preparing Canadians for the possibility of another recession, while insisting that it's the Europeans, not his government, who will be to blame.

The blunt truth, however, is that it doesn't matter who is to blame. If recession comes, this time there will be very little that any Canadian politician can do about it.

[Read more](#)

Source: The Globe and Mail

### Opposition makes last stand against catch-all Tory budget bill

A major showdown is about to begin in the House of Commons as opposition members try to delete parts of a massive 425-page omnibus bill – or at least delay its passage – and bring more attention to the many changes it will make to a broad swath of Canadian law.

Liberal House Leader Marc Garneau told reporters June 11 the hundreds of amendments his party and the New Democrats have proposed to delete parts of the bill could take close to 30 hours of voting – a round-the-clock effort that is expected to begin late Wednesday (June 13).

[Read more](#)

Source: The Globe and Mail

### Thousands of workers needed to fuel oilsands boom

A growing oil and gas sector will mean at least 9,500 additional jobs will need to be filled in the next three years, according to a new study. The Petroleum Human Resources Council of Canada released the study Tuesday showing a growing need for skilled oil and gas workers.

Read [more](#).

### CP Rail trains rolling after government ends strike

Canadian Pacific Railway Ltd trains resumed rolling after legislation ended a nine-day strike at the country's second-biggest railroad, as the company worked to clear the backlog on its tracks and in customer facilities. Some 4,800 locomotive engineers, conductors and traffic controllers walked off the job May 23, stalling Canadian freight traffic and costing the economy an estimated \$80 million a day, according to the government.

Read [more](#).

### Flaherty not ruling out possibility of more economic stimulus

Finance Minister Jim Flaherty says he is very concerned about the deteriorating situation in Europe and will intervene with economic stimulus if it becomes necessary. The minister told reporters in Toronto that the government is in a strong position to act as it did in 2009 to stimulate the Canadian economy because it has relatively small debt and a shrinking deficit.

Read [more](#).

### Bank of Canada holds key overnight interest rate at 1%

Bank of Canada Governor Mark Carney acknowledged the ongoing fragility of the Canadian and global economies Tuesday when he announced the central bank's lending rate will remain frozen for a while longer. The Bank of Canada has kept its key lending rate at 1 per cent in each of its past 14 policy announcements, but has mused in recent months about the possibility the economy might be ready for an

upward bump.

Read [more](#).

### Viterra stockholders back Glencore takeover

Shareholders in Canada's largest grain company have voted almost unanimously in favour of a deal that will see them sell their shares to commodity giant Glencore International. Votes cast by Viterra shareholders were 99.8 per cent in favour of the deal, which will see them sell their shares to Glencore for \$16.25 each.

Read [more](#).

## Tip of the Month



### [June Tip of the Month: Get Your DOT Training Up to Speed](#)

KPA's new DOT course gives employees more control over the training process, cutting down on the amount of time it normally takes to complete DOT training. In addition, the course incorporates real world examples from dealerships and service centers as part of the interactive scenarios that help employees apply what they have learned to their jobs.

Find out more at <http://blog.kpaonline.com/category/tipofthemonth/>

## Free KPA Webinars

[Google's Latest Changes: a Deeper Dive into a Dealer's Guide to Search Success - June 20, 2012](#)

[Undercoating, Airbags, Alternative Fuel Vehicles, and Other Environment & Safety Questions Answered](#)

© 2012 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.