Thursday, May 24, 2012

Helping Dealers Succeed!



Straight from the dealer's mouth.

A Spader Total Management Workshop not only diagnoses department-by-department business problems and opportunities, but also offers the prescription for a healthy and profitable business at the same time.

-Lee Rogness

CLICK HERE to sign up for a Total Management 1 Workshop.



Legislative & Regulatory News

NAEDA Supported Provision Protecting Federal Contracting from Politics Passes Committee

A bill introduced by U.S. Senator Susan Collins (R-Maine) to prohibit the collection of political contribution information from bidders for government contracts was approved by the Senate Homeland Security and Governmental Affairs Committee with bipartisan support. This bill, "Keeping Politics out of Federal Contracting," was co-sponsored by 22 Senators.

NAEDA along with more than 150 businesses and groups from across the country expressed their support for the measure saying in a letter that Senator Collins' bill "would help ensure that political spending-or the lack thereof-continues to play no role in federal contracting decisions." The bill reaffirms the principle, currently embodied in federal procurement laws, that the Executive Branch has an obligation to procure goods and services based on the best value for the American taxpayer, and not on political considerations. It also reaffirms the principle that the Administration cannot enact through executive fiat legislation that Congress has considered and explicitly rejected."

For the past year, Senator Collins has been working to protect the integrity of the federal contracting process from a White House draft proposal to require federal agencies to collect information about campaign contributions and political expenditures of bidders before awarding any federal contract.

Senator Collins successfully included language in the Fiscal Year 2012 National Defense Authorization Act that prohibits this proposal from being implemented by the Pentagon. Last year, Congress also included a similar provision in the Fiscal Year 2012 omnibus appropriations bill prohibiting all agencies from requiring that an entity submitting an offer for a federal contract disclose information about political contributions. The President's Fiscal Year 2013 budget is proposing to end the prohibition included in the Fiscal Year 2012 omnibus appropriations bill.

"I cannot imagine what possible good can come from linking political information to a process which must be grounded solidly and unequivocally on providing the very best value to American taxpayers? It is unfathomable why this Administration would consider a move that would, at worst, corrupt the process, and at best, create a perception that political beliefs of private citizens is to be considered in selecting the winners and losers among businesses vying for federal contracts," Senator Collins said.

On April 26, 2011, Republican Leader Mitch McConnell joined Senators Collins and 25 colleagues in sending a letter to the White House critical of the President's consideration of a policy that would make information about political contributions a part of every federal contract offer. The letter emphasized that taxpayers should receive the best value for federal contracts, and thus government procurements must be conducted in a manner that ensures a fair process, entirely free from politics.



CEO Blog

Membership Does Matter



May 2012

It is hard to believe that it is May again and time for the NAEDA Equipment Dealer – 2012 Buyer's Guide. This resourceful publication is an industry standard that is used throughout the year by

dealers across North America. Thanks to all the companies who list their information and especially to the advertisers that help make this publication possible.

Because this particular issue is so unique, I take a little different approach to my regular column and try to summarize some of the achievements and accomplishments of NAEDA and the affiliated associations during this past year. Almost like a Reader's Digest version of an annual report. So here goes ...

It has been another active year for issues and activities related to our association's top priority - manufacturer relations. In addition to regular meetings to discuss dealer issues and concerns, contract reviews have become a staple of what we do for dealer members. This past year was no exception. Nine different contracts were reviewed, including legal analysis, to determine if they met our criteria for being commercially fair and balanced. In several instances, significant changes were made as a result of discussions between NAEDA and the company in question. The Industry Relations Fund is often used to support the analysis and distribution of information to dealers. This past year over \$63,000 was expended from the fund.

The NAEDA – Industry Relations Taskforce (IRTF) also had a busy year with nine different manufacturer meetings and

Senators Collins authored a bi-partisan letter to the President on May 12, 2011 which raised concerns about injecting politics into the contracting process. The letter went on to say, "Considering that the acquisition workforce is already straining to adequately manage and oversee federal contracts, the draft Executive Order may create new, unnecessary burdens for these officials."

CBO Study of U.S. Energy Security Underscores Need to Diversify Fuel Supply

A Congressional Budget Office report released by Senate Energy Chairman Jeff Bingaman (D-NM) asserts that having less flexibility in the choice of fuels contributes to the volatility of prices for transportation fuels. "A substantial amount of oil is produced in countries that are vulnerable to disruptions resulting from geopolitical, military, or civil developments, and few countries other than Saudi Arabia have much spare production capacity in the near term to offset such disruptions," the CBO report states. "In contrast, the U.S. markets for natural gas, coal, nuclear power, and renewable energy either are less prone to long-term disruptions or have significant spare production and storage capacity."

Some nine percent of the energy consumed in the United States comes from renewables, and while most sources of renewable energy tend to be reliable, some sources, such as wind and solar, can experience short-term natural disruptions. But, the report notes, as the network of renewable-energy facilities expands and becomes more geographically diversified, temporary interruptions in one location could be offset by production from other locations.

Bingaman last October asked the CBO to study the factors that underlie energy security within the U.S. economy. Bingaman also asked CBO to highlight the types of policies that might be undertaken to reduce the U.S.'s vulnerability to energy market disruptions. The study examined the various commodities used to generate energy in the United States, focusing on the two largest energy-consuming sectors of the U.S. economy – electricity and transportation.

"This report is a lucid look at those key factors," Bingaman said. "It illustrates why some of the slogans used in our energy policy debates actually don't reflect how world energy markets work, and thus lead us away from the most useful steps we could take to improve our energy security." Acknowledging the value of alternative fuel sources, such as biofuels, Bingaman said, "As many experts, and now the CBO, have repeatedly observed, every barrel of oil that we avoid using in the U.S. transportation sector makes our economy stronger, not to mention our personal pocketbooks, and less vulnerable to the volatility of the current marketplace."

Bingaman said the report underscores the need to keep increasing domestic oil production, "but the long-term solution to the challenge of high and volatile oil prices is to continue to reduce our dependence on oil, period."

He noted that reducing dependence on oil is a "a strategic vision that has been articulated and embraced in the past on a bipartisan basis – by President George W. Bush in his 2006 State of the Union Address and by a large bipartisan majority in Congress in the Energy Independence and Security Act of 2007. That bipartisan path is still the best approach today."

To review the study click here.

Five Budgets Fail in Senate

The Senate defeated five budget proposals offered by Republicans today, as the GOP sought to hammer Democrats for not producing a budget resolution this year and for not putting one on the Senate floor in the previous two years.

"Where in the world is it?" asked Senate Minority Leader Mitch McConnell (R-Ky.) on the floor, adding that Democrats have shirked one of their primary legislative responsibilities — a move he said demonstrates their inability to govern.

Democrats said the GOP effort was the latest example of obstruction by Republicans, who have sought to slow the progress of the Senate at every turn.

"It's almost universally acknowledged that Republican obstructionism has reached new heights in the Senate," said Senate Majority Leader Harry Reid (D-Nev.). He added that GOP foot dragging has required Democrats to file cloture even on legislation that ends up passing with overwhelming bipartisan support — a move that needlessly wastes precious floor time.

Read more.

Source: Roll Call

Senate Reauthorizes Export-Import Bank

The Senate has approved legislation that would reauthorize the Export-Import Bank after rejecting five

additional meetings with manufacturer related associations such as AEM, FEMA and OPEI. As always, the focus of these meetings is to be the advocate for strategic dealer issues and industry concerns while at the same time attempting to understand the goals and business objectives of manufacturers. The reality is that in this symbiotic relationship, the goal is to profitably serve the needs of various customer segments in an environment of mutual trust and respect.

As typically happens, other issues surfaced during the year involving manufacturer policies that could be detrimental to dealers unless they were dealt with by NAEDA and affiliated organizations. One example might be a poorly designed program placing legally questionable and artificial limits on shop labor rates that dealers can charge for warranty/service. In every instance where NAEDA and affiliated organizations were involved early on in the process, a rule of reason or simply eliminating a poor policy choice was the result.

Also this past year, our second ranking priority, **government relations**, dealt with several issues that caused dealers some real heartburn or sleepless nights. Here are just a few examples in this important area:

- 3% Withholding Repeal NAEDA supported the repeal of the 3% withholding tax on certain payments made to dealers by federal, state and local units of government. Without this repeal, a dealer's revenues would have been reduced, causing cash flow problems, increased bookkeeping costs and raised expenses to those same units of local government. The repeal bill (H. 674) was signed into law by the president on November 21, 2011.
- Free Trade Agreements NAEDA supported passage of the free trade agreements with Columbia, Panama and South Korea. Our support was based on the jobs that will be created and the fact that it leveled the playing field for agricultural trade. All three bills (H. 3078, H. 3079 & H. 3080) were signed into law by the president on October 21, 2011.
- <u>Patent Reform</u> NAEDA supported passage of this bill (H. 1249) as an additional and critical piece of legislation for economic development, jobs, growth and competitiveness. The president signed this into law on September 16, 2011.
- <u>Debit Card Fees Changed</u> NAEDA supported changes in how debit card swipe fees were charged. The changes were made in regulations by the Consumer Financial Protection Bureau authorized in

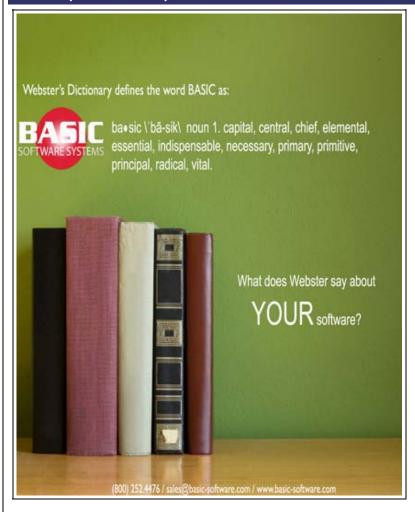
Republicans amendments, including a proposal to shut down the bank.

The bill was approved 78-20 — with all 20 "no" votes cast by Republicans — and now goes to President Barack Obama for his signature. The House passed the measure last week 330-93.

Read more.

Source: Roll Call

NAEDA Update Official Sponsor



Industry & Manufacturing News

Deere Q2 profit up, 2012 forecast raised

John Deere reports its fiscal second-quarter net income rose to \$1.056 billion from \$904.3 million a year ago, while net sales of equipment operations rose to \$9.4 billion from \$8.33 billion.

The company also raised its forecast for 2012 net income to about \$3.35 billion from \$3.275 billion.

Read more

Source: Chicago Tribune

AGCO presents its Vision for Agriculture in Africa at G8 Summit

AGCO, a worldwide manufacturer and distributor of agricultural equipment, presented its vision for agriculture in Africa at the G8 Summit in Washington, D.C., on Friday, May 18.

"Africa offers tremendous growth opportunities in the agricultural equipment sector and AGCO is committed to growing its presence within Africa by investing in distribution infrastructure and new training sites. We plan to invest \$100 million in Africa over the coming years," said Martin Richenhagen, Chairman, President

the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- <u>IRS 1099 Filing Requirements</u> With passage of H.R. 4, this onerous requirement for dealers to file IRS Form 1099 for each business transaction that exceeded \$600 and to withhold up to 28% of a payment to a vendor was repealed. This law was signed by the president on April 14, 2011.
- Agriculture Equipment Definition NAEDA opposed the guidance document proposed by The Federal Motor Carrier Safety
 Administration (FMCSA) that would have defined agricultural equipment. Their proposed definition would have impacted equipment movements across state lines.
 FMCSA withdrew the guidance document and instead noted it would rely on the states to define agricultural equipment.
- IRS 1099-K Reconciliations The Housing and Economic Recovery Act of 2008 requires the IRS to collect a 1099-K from third-party payment entities, such as credit card companies. The 1099-K was to show all credit transactions within a merchant's business for the year. IRS on February 9, 2012 announced that there will be no reconciliation required on the 2012 form, nor "do we intend to require reconciliation in future years."
- NLRB Court Decisions Two federal courts have ruled against the National Labor Relations Board's regulation requiring employers to post "employee rights posters on unionization." NAEDA supported these lawsuits and appreciates the actions taken by the court to control unreasonable regulations.
- NAEDA 2012 Fly-In The 9th Annual NAEDA Fly-In was held on March 21 and 22 where dealers, NAEDA staff and association executives lobbied Congress on behalf of all dealers regarding issues important to our industry.

The past year was also one for **surveys**! We always appreciate the participation by NAEDA affiliates and dealers to make these surveys possible. There were three major surveys conducted this past year: NAEDA Compensation and Benefits, Dealer-Manufacturer Relations and the OPE Internet Policy survey. Findings for each of these surveys are distributed to dealers and in the case of Dealer – Manufacturer Relations, to manufacturers as well. Based on the positive feedback we received, it appears that these surveys are an important part of providing key data and knowledge to dealers and to the industry.

NAEDA Equipment Dealers Foundation

and CEO of AGCO.

Read more

Source: AGCO

16 companies with significant ag operations in Fortune 500

16 companies with a significant presence in agriculture were included in *Fortune* magazine's 2011 listing of the 500 largest U.S. corporations.

ExxonMobil was ranked at the top with \$453 billion in revenues. Number 500 is Molina Health Care Systems with \$4.8 billion in revenues.

Read more

Source: Agri Marketing magazine

New global alliance of ag equipment manufacturing associations formed

Leaders from seven agriculture equipment manufacturing associations from around the world have signed a Memorandum of Understanding to officially launch the Agrievolution Alliance, which will facilitate collaboration and cooperation on a global basis within the ag equipment manufacturing industry.

The associations are based in Brazil, Europe, France, India, Italy, North America, and Turkey.

Read more

Source: AEM

Kubota considers alternatives to mergers, acquisitions for expansion

Kubota Corp. is seeking partnerships with rival tractor makers to expand in the U.S. and Europe, after saying in January it would consider spending \$2.4 billion on acquisitions.

"M&A isn't the only way to go," Kubota President Yasuo Masumoto said last week in an interview in Tokyo. "We can still collaborate" with overseas farm-equipment makers without resorting to takeovers, he said.

Read more

Source: Bloomberg

Used farm equipment values in U.S., Canada rose in 4Qtr

Used farm equipment values in the U.S. and Canada gained in the fourth quarter as farmers paid more for tractors, planters and combines amid tight supplies, according to a Machinery Pete report.

The Machinery Pete Used Value Index rose to 9.4 out of 10 in the three months through Dec. 31 from 9.3 a year ago. Tight supplies, rising prices for new equipment and end-of-year purchases by farmers boosted used values, said Greg Peterson, the index's author. Data for the report is compiled from more than 800 regional auctioneers in the U.S. and Canada.

Read more

Source: Bloomberg

NAEDA / Industry Meetings Scheduled

NAEDA's Industry Relations Task Force has scheduled several meetings with manufacturers in the upcoming months. The next IRTF meeting will occur on May 25, 2012 with John Deere management at their new headquarters in Olathe, KS. Additional meetings are scheduled with AGCO on June 13, 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 the meetings.

Monsanto to purchase planting technology developer

Monsanto Company has announced it reached an agreement to purchase Precision Planting, Inc., a planting technology developer based in Tremont, III. The deal is part of Monsanto's efforts to diversify beyond seed production.

Monsanto agreed to pay \$210 million for the business, plus a performance-based payment of up to \$40 million. The transaction is subject to customary closing conditions and is expected to close this summer.

(EDF) was also part of the overall success story this past year. In addition to providing \$37,750 to twenty-one employees impacted by natural disasters, the foundation created a new matching scholarship program to enhance school programs already established at the affiliate level. The new scholarships are designed to enhance the amount available to top prospects who want to obtain training and education and show an interest in returning to our industry after graduation.

Also, a new brochure will be published by NAEDA, with the assistance and permission of the Ohio Farm Bureau, to help dealers and their staff better understand how to use social media and the internet to enhance business opportunities and profitability. This publication will be available in the very near future and we hope every dealer member will find it useful.

As I said up front, this is merely a thumbnail sketch, a Reader's Digest version of the actions and successes on behalf of dealer members across North America. NAEDA and all the affiliates have been busy assisting dealers with key member service programs and education on everything from trucking regulations to time management. In addition, the affiliate associations are typically the front line when dealers have issues about their performance or market share and even possible termination of their contract.

All in all, when you put all the various programs, advocacy, information and services together, membership in the association is a phenomenal bargain. Typically, for a few hundred dollars per year for both affiliate and NAEDA dues, it amounts to pennies per day, or less than the cost for a cup of coffee! It is our mission to help dealers succeed and to provide the best business environment possible. We are your advocates, your voice and your biggest cheerleaders! We have your back! We are proud to serve our dealer members and the equipment industry. I trust you can appreciate all that we do on your behalf. Your membership and support are certainly valued. Membership does matter - 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.

Read more

Source: Monsanto

Study Underscores Benefits of Ethanol; Shows Need for More Clean Energy

A few years ago, a study came out from the Center for Agricultural and Rural Development (CARD), an lowa State-based research consortium, which found that the growing use of domestically-produced ethanol was saving American consumers a lot of money. Well, the folks at the center who initially did that study came back with an update of their research this week, and the news gets even better for renewable energy advocates.

Ethanol knocked off an average of \$1.09 from the cost of a gallon of wholesale gasoline in 2011, a significant 22-percent increase compared to an already impressive 89-cents-per-gallon savings CARD researchers calculated for the year before. Growth in U.S. ethanol production has added significantly to the volume of fuel available in the United States, keeping prices down. The savings in wholesale gasoline prices have grown over the past decade with the growth of the ethanol industry. While savings in 2011 reached more than a dollar per gallon, researchers say that since 2000, consumers overall saved, on average, 29 cents per gallon. They said the big savings in 2010 (89 cents per gallon) and last year (\$1.09) is attributable to the spike in oil prices and the surge in ethanol production. It's the kind of news that underscores the role renewable energy can play in supporting our economy.

To read a copy of the report.

Source: 25'x25 REsource

NAEDA, Association & Program Partner News

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

Memorial Day Weekend Theft Awareness - 2012

Law Enforcement and the Equipment Industry nationwide should be gearing up for the threat of equipment thefts during the Memorial Day weekend, and the weeks prior to the holiday. The level of criminal activity this spring indicates that thieves are ready and willing to take advantage of vulnerable dealerships, contractor yards, farms and construction sites to steal both secured and unsecured equipment. Read more.

Canadian News

Canadian economy added 58,200 jobs in April

Canada's economy surprised again in April, turning out another stellar month of employment growth, adding 58,200 jobs as Canadians found work in most regions of the country and in most goods-producing industries.

Still, the unemployment rate edged up one-tenth of a point to 7.3 per cent, but that was because even more people went looking for work last month.

Read more

Source: City News Toronto

PM to replace retiring Supreme Court justice

The departure of Justice Marie Deschamps from the Supreme Court of Canada in the summer gives Prime Minister Stephen Harper an opportunity to nominate his fifth high court judge.

And before the next election, expected in the fall of 2015, the prime minister will have the opportunity to appoint two and possibly three more justices.



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

E-mail: naeda@naeda.com

www.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 <u>naeda@naeda.com</u> or subscribe online at <u>www.naeda.com</u>.

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



Read more

Source: Winnipeg Free Press

Mulcair stands behind contentious oilsands view

Opposition leader Thomas Mulcair is firing back at the assertion that his views on the oilsands are divisive and offensive to western Canada, accusing the Conservatives of misrepresenting his stance on resource development.

In an interview with CTV's Question Period, Mulcair maintained that the New Democratic Party's environmental policy isn't about pitting one part of the country against another, but rather, fighting for sustainable development for the entire nation.

Read more

Source: CTV News

Canada won't extend mission in Afghanistan

The Canadian Forces mission in Afghanistan to train the country's army will end in 2014 as planned despite entreaties from NATO to extend the deployment, Defence Minister Peter MacKay said May 20.

At a meeting of NATO leaders in Chicago, MacKay said Canada has "been a major contributor" to the Afghan war "since the very beginning" and has done more than its fair share. Canada will continue to contribute to Afghanistan in ways other than military personnel, he said. It's believed that would include financial assistance and development aid.

Read more

Source: CBC News

Cross-border shopping a \$20-billion drain on economy: report

Cross-border shopping is costing the Canadian economy much more than believed and new rules raising duty-free limits will only make matters worse, says a new report by the Bank of Montreal.

The assessment of costs comes from the bank's deputy chief economist Doug Porter in his latest price gap comparison between consumer goods in Canada and the U.S.

Read more

Source: The Vancouver Sun

CP Rail workers on verge of a strike

Federal Labour Minister Lisa Raitt is expressing concern about the threat of a strike at CP Rail.

The union representing 5,000 employees issued a 72-hour strike notice and the workers could legally walkout as early as Wednesday, May 23.

Read more

Source: The Montreal Gazette

Canada's economy shows surprising resilience

Canada's economy is showing surprising signs of resilience, but the outlook for sustained growth is still clouded by events outside Canadian borders.

The latest evidence that a recovery could indeed be gathering strength came from the manufacturing sector. Shipments of factory goods increased far more than expected in March, bouncing back from an equally surprising contraction in the previous month.

Read more

Source: The Vancouver Sun

Tip of the Month



May Compliance Tip of the Month: 3 Steps to Prevent Workplace Violence

Workplace violence is a risk that can be managed. It should be a priority for all HR managers because homicide is the 2nd leading cause of death in the workplace for all workers, and it is the #1 cause of death for women in the workplace (Bureau of Labor Statistics). Are your employees safe? Take these three steps to ensure a safe work environment. Find out more at http://blog.kpaonline.com/category/tipofthemonth/

© 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 or subscribe online at naeda.com. To unsubscribe, click here or send your request to webmaster@naeda.com and type "REMOVE" in the subject line.