



# NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, March 14, 2013

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## Legislative & Regulatory News

### House budget panel approves Ryan plan in 22-17 party-line vote

The House Budget Committee late Wednesday approved the latest budget from Chairman Paul Ryan (R-Wis.) on a party-line 22 to 17 vote.

All committee Republicans voted for the fiscal 2014 plan, which now heads to the full House for floor consideration next week. The committee vote was smoother than last year's process. That budget passed out of committee on a single vote margin after two conservatives — Reps. Tim Huelskamp (R-Kan.) and Justin Amash (R-Mich.) — voted against it.

[Read more...](#)

Source: The Hill

### Sequestration kicks in, continuing resolution set to expire

Budget sequestration went into effect late last week, imposing a series of across-the-board spending cuts at federal agencies. As a result of sequestration, agencies will be required to reduce discretionary spending 5% and mandatory spending 5.1% over the course of the fiscal year. Because there are less than seven months remaining in the fiscal year, many programs will be required to cut 9 to 9.5% for the remainder of the year.

Even though sequestration began last week, it could be several weeks before its full effects are felt. Many agencies plan to meet their spending reduction targets by implementing furloughs, but due to collective bargaining agreements with many of the unions, it could be at least a month before the furloughs begin to occur.

At the same time, the Continuing Resolution (CR) that has funded the government for Fiscal Year 2013 is set to expire later this month. Yesterday, Rep. Hal Rogers (R-KY), Chairman of the House Appropriations Committee, unveiled a [Continuing Resolution](#) through the end of the fiscal year at post-sequestration levels. The House's CR would allow some flexibility for some departments to deal with the sequestration-level cuts. The Senate is expected to provide details soon on its plan for the CR, with Senate Appropriations Committee Chair Barbara Mikulski (D-MD) saying she would favor a full appropriations bill.

Source: NASDA News

### Senate Dem budget includes nearly \$1 trillion in new taxes

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## From the NAEDA Office

### Why NAEDA?

By Tom Nobble

As I begin my term as chairman of the North America Equipment Dealers Association, the question that comes to my mind is, "What do our dealer-members really need from us?" After all, our motto and driving purpose is, "Helping Dealers Succeed."

As I come into office, I realize that we are very fortunate to have had a truly robust agricultural environment the last few years.

The first budget from Senate Democrats in four years includes nearly \$1 trillion in new taxes but would not balance the budget.

The blueprint unveiled by Senate Budget Committee Chairwoman Patty Murray (D-Wash.) on Tuesday to her Democratic colleagues would also turn off the next nine years of the sequester and replace those spending cuts with a 50-50 mix of tax increases and spending cuts.

The budget would dedicate \$100 billion to economic stimulus in the form of infrastructure spending and job training.

Murray argues that her budget cuts \$1.85 trillion from deficits over 10 years. But once the sequester cuts are turned off, Murray's budget appears to reduce deficits by about \$800 billion, using the Congressional Budget Office's baseline. The Murray budget does not contain net spending cuts with the sequester turned off.

[Read more...](#)

Source: The Hill

### **New CBO numbers complicate Farm Bill**

The Congressional Budget Office released last week new cost estimates for the Senate and House Agriculture Committee-passed Farm Bills from 2012 that show significantly less savings than previous estimates. The CBO's updated scores for the legislation show the Senate-passed bill saving \$13.1 billion over ten years instead of the \$23.1 billion that was estimated last summer. Similarly, the House Committee bill would save \$26.6 billion instead of \$35.1 billion.

A large portion of the change to the Senate score comes from higher estimates for the cost of the Agriculture Risk Coverage program, while much of the difference in the House Committee bill stems from higher costs associated with the Supplemental Coverage Option for crop insurance.

Source: NASDA News

### **Bipartisan NPDES fix introduced in House**

A bipartisan group of House Agriculture Committee members have reintroduced legislation, H.R. 935, to clarify that Clean Water Act permits are not required for the lawful application of FIFRA approved pesticides. The legislation is the same as H.R. 872, which passed the House last congress. Reps. Bob Gibbs (R-OH), Austin Scott (R-GA), Kurt Schrader (D-OR), and Mike McIntyre (D-NC) sponsored the bill this year.

Source: NASDA News

### **Anticipating the USDA's March 1 corn stocks estimate**

On March 28, the USDA will release an estimate of U.S. corn stocks as of March 1, 2013.

That estimate is based on a survey of all commercial storage facilities and a large sample of farmers. The estimate will be used to gauge the pace of domestic feed and residual use of corn during the second quarter of the 2012-13 marketing year. In addition the magnitude of stocks on March 1 will reveal the supply of corn available for consumption during the last half of the marketing year and will serve as the basis for judging the pace of consumption as it unfolds over the next several months.

[Read more...](#)

Source: Farmdoc Daily

### **House passes bill to avert government shutdown in March**

The House on Wednesday approved legislation to avert a government shutdown in a 267-151 vote despite opposition from Democrats who complained that the measure locks in the \$85 billion sequester. Fifty-three Democrats supported the bill, likely because it will help avoid a shutdown. Fourteen Republicans voted against it.

The bill now goes to the Senate, which is expected to make additions to the bill and try to send it back to the House before March 27, when funding for the government runs out. The bill would keep the government

Even having just come off a truly difficult year that saw many of us faced with historic drought conditions, the overall health of the agriculture industry is truly envied by many. This is evident alone in the sheer number of high school kids choosing to enter into agricultural programs at universities, colleges and trade schools.

Many economists are projecting that the world population will grow by more than a third by the year 2050. In addition, the majority of this population growth will occur in developing countries where disposable higher income is leading to an increased demand for higher protein-based food. I am sure that we have all heard that in order to feed this growing population we will have to double our agricultural outputs by 2050, and there are a limited number of acres available to put in production.

So where is this needed growth going to come from? The only answer that I can see is growing more per acre by increasing yield production and by limiting risk factors such as drought, disease and insect infestation.

As I look around, I believe that our suppliers and other major agricultural companies are prepared for this immense challenge, but the question I ask myself is, "Are we, the dealers, ready?" Our customers are already demanding us to be on the cutting edge of new technologies, and I fully expect that this will continue to increase in the coming years. I believe that the dealers that recognize this need are poised to help their customers meet this great challenge.

In order to do this, we all need to be open-minded to the areas that this may lead us to. For example, I am amazed that some dealers are bringing agronomists on staff to help their customers make planning decisions. And those that are not employing such specialists are often partnering with a local agronomy company to provide this service to their customers. I am sure that when my father started in this business he would never have expected that need from an equipment dealer.

This brings me back to my original question of, "What do our members need from NAEDA?" I believe we need to be a resource to help our dealers understand these changing needs. Along with our dealer-members, we need to be able to think outside the box, and we will have to get out of our comfort zone. We need to make sure our dealers have access to the

running through the end of the fiscal year on Sept. 30.

[Read more...](#)

Source: The Hill

### More than 700 pages of healthcare rules released

The Obama administration on Friday released more than 700 pages of new regulations to implement portions of the Affordable Care Act.

The four rules, which are scheduled for publication in mid-March, finalize both major and minor parts of the healthcare reform law that Congress passed in 2010.

Three of the regulations are final and roll out the multistate healthcare exchanges and reforms to the insurance market, including provisions to encourage cost-sharing, stabilize health insurance premiums and prevent providers from denying coverage.

The Department of Health and Human Services (HHS) said the rules would “help to ensure that every American has access to high-quality, affordable health insurance.”

The rules will become effective on May 11, and HHS will take comments on an interim final regulation regarding cost-savings programs and government risk pooling for 60 days after those rules are published.

Read [more](#).

Source: The Hill



## Industry & Manufacturing News

### NAEDA's OPE Council requests E-15 study

NAEDA's OPE council continues to express concerns about E-15 and what actions the manufacturers are going to take when it comes to warranty claims for mis-fueled equipment. During the council's most recent meeting in New Orleans there was a discussion on the different "additives" being marketed to dealers and their customers. Given the fact that dealers don't really know what works or if the product claims are correct, the council recommends that NAEDA conduct a "Fuel Additives Study" that evaluates the claims of these products being made and report the results of the study to all its members."

The study will benefit all dealer members, therefore funding will be sought from the Equipment Dealers Foundation for educational purposes of the sturdy.

### Insurance averts main street meltdown

people and resources they need to make these strategic changes.

The easy thing for any organization to do is remain at the status quo. Change for any organization is never fun, but we have to be able to drive ourselves to take on new challenges and provide new solutions. If we don't, our dealer-members will find other resources for these answers.

The dealers of the future are going to be those that can produce the results their customers are expecting. Dealers will need to be extremely strategic, creative and flexible in the future, and they will demand that same approach from the dealer association.

There is not a better time for all of us to start this growth than right now. As I have stated before, times are great right now, but great times can also lead any organization to sit back and not challenge itself to be better. We are now faced with that choice: Do we become complacent and satisfied, or do we become better?

I believe we as a dealer group must begin the journey now, so we can be prepared if this market does not remain as strong in the coming years. As dealers, we must start working today on what it will take to provide new and increased value to our customers. As an association, we have this same choice. And as I stated before, dealers will expect an association partner that will be able to grow with them.

As I look at the challenges that lie ahead for our dealers and our association, I realize that these challenges provide opportunities for us to truly become better than we are today. This task will not be easy, but if we can accomplish it together, the rewards will be incredible.

To our success!

TOM NOBBE is the new chairman of the North American Equipment Dealers Association. Tom is general manager of Wm. Nobbe & Co., Inc., a seven-location John Deere dealership headquartered in Waterloo, Ill. Tom can be contacted by telephone at 618-939-6717, extension 1010, or via e-mail at [Tnobbe@wmnobbe.com](mailto:Tnobbe@wmnobbe.com).

## Resources

Crop insurance not only deflected a financial disaster on grain farms after last summer's epic drought, it warded off a meltdown for Main Street businesses as well, a new study by University of Nebraska-Lincoln economists Eric Thompson and Brad Lubben found.

Farmers in the four states studied -- Iowa, Nebraska, South Dakota and Wyoming -- had collected a record \$4.5 billion in 2012 insurance claims through March 4. Those payments not only helped growers cover losses and afford to plant another crop in 2013, but preserved more than 20,000 jobs in ag-related businesses, the economists concluded.

The study, financed by Omaha-based Farm Credit Services of America, is one of the first to examine the benefits of crop insurance beyond the farm gate. The states in question are key to the nation's grain output, normally supplying about 35% of U.S. corn production. Growers there paid \$885 million in insurance premiums to cover 85% of the major crop acres eligible for 2012 insurance, so the net funds recirculating in the farm and rural economy were about \$3.6 billion.

[Read more...](#)

Source: DTN Progressive Farmer

### **Toro focuses on micro-irrigation market**

At the company's shareholder meeting, CEO Mike Hoffman said irrigation products will foster global growth.

Toro Co.'s chief executive told shareholders Tuesday, March 12 that the lawn equipment maker expects to play a much bigger role in the micro-irrigation market in years to come.

CEO Mike Hoffman shared his vision during the company's annual meeting and noted that micro-irrigation sales now make up just 6 percent of the Bloomington-based firm's \$1.9 billion in annual sales.

The company's growing micro-irrigation business delivers precise amounts of water to the roots of targeted plants, which helps farmers and others concerned with water conservation, efficiency and droughts.

[Read more...](#)

Source: StarTribune

### **Dealer and technician seminars announced for GIE+EXPO 2013 Successful Dealer Day will be Repeated**

Recent surveys by industry publications have turned up a long list of challenges that dealers are facing: low profit margins, cash flow, weather, competition from online and retail outlets, finding qualified help, increased operating costs, where to spend advertising dollars, pressure from manufacturer/supplier partners, service pricing and more.

In response, outdoor power equipment dealership consultant Bob Clements has crafted a seminar program for the 2013 GIE+EXPO (the Green Industry & Equipment Expo) in Louisville that addresses many of these pressing issues.

In addition to benefitting from management sessions, dealers can also bring their technicians to GIE+EXPO for skills training that will enhance the value of their service department and provide their team with exposure to the latest trends, techniques, tools and equipment.

Online registration for GIE+EXPO will be open by March 1. For more information about GIE+EXPO 2013, visit [www.gie-expo.com](http://www.gie-expo.com).

[Read more...](#)

Source: GIE+EXPO

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## About NAEDA Update

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The North American Equipment Dealers 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.

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## NAEDA, Association & Program Partner News

### **Kindinger joins Cape Cod Cranberry Growers Association**

Former NAEDA President/CEO Paul Kindinger has been named CEO of the Cape Cod Cranberry Growers' Association in Massachusetts. Previous job stints include NAEDA (12 years), USDA during the George H.W. Bush administration, Agricultural Retailers Association in the 1990s and the Michigan Department of Agriculture in the 1980s.

Source: Agri-Marketing

### **Registration for GIE+EXPO 2013 is now open**

Registration is now open for GIE+EXPO (the Green Industry & Equipment Expo), October 23-25, 2013 at the Kentucky Exposition Center in Louisville. Dealers, distributors, landscape contractors and anyone working in the lawn maintenance, landscaping and turf care industry can register online at [www.gie-expo.com](http://www.gie-expo.com).

Dealer Day - back by popular demand - on Wednesday, October 23, is a premier event for dealers and technicians to participate in valuable seminars followed by a preview of new products. They will meet one-on-one with exhibitors on the show floor at GIE+EXPO and the collocated Hardscape North America (HNA).

On Thursday and Friday, October 24 and 25, GIE+EXPO, HNA and the popular 19-acre Outdoor Demonstration Area will be open to all industry participants.

[Read more...](#)

Source: GIE+EXPO

## **NAEDA's 2013 Washington DC legislative fly-in has been re-scheduled**

**New date is May 22-23, 2013**

Every spring NAEDA holds its Legislative Fly-In in Washington, D.C. The Fly-in is an intensive two-day program that provides participants with an inside look at the political process. Dealers are encouraged to attend to let their voices be heard. Beginning with briefings on the latest agricultural issues pending in Congress, participants also visit with their representatives and senators on Capitol Hill to educate and lobby them on issues important to their dealerships. The 2013 dates are May 22 and 23.

The 2013 Legislative Fly-In will be extremely important for NAEDA's legislative and regulatory agenda for 2013. Given the election results from this fall's election and a start of a new Congress, they will be listening which will serve as a great opportunity to get commitments from representatives and senators to move on matters that are important to equipment dealers. **Please mark your calendars and hold the date to attend this event.**

## **Canadian News**

### **Momentum building for Canada - EU trade accord**

Canadian Trade Minister Ed Fast said negotiations on a free trade pact with the European Union have built momentum and he's optimistic the two sides are near an agreement. Fast, speaking in an interview at Bloomberg's headquarters in New York, said negotiators have made progress since European Union Trade Commissioner Karel De Gucht indicated last month that Canada's latest offer wasn't good enough, and that talks could be in jeopardy if the country didn't improve it.

[Read more...](#)

Source: Bloomberg

### **Canada to face period of weak economic growth: OECD**

Canada is in for a period of weak growth that will see the country lose its cherished place as the best economic performer among big industrial nations, the OECD said Monday in a fresh assessment of global prospects. The Organization for Economic Co-operation and Development's latest composite leader indicator report, a forward looking assessment, projects that the data "continues to point to weak growth" in Canada, whereas it finds the recovery in the United States and Japan "firming."

[Read more...](#)

Source: CTV News

### **Ag minister defends FCC against criticism from bankers**

Agriculture minister Gerry Ritz has offered a strong defence in the face of private lender criticism that Farm Credit Canada has an unfair market advantage and should be reined in. The debate was stirred up in a commentary by business-oriented think-tank C.D. Howe Institute, which argued the federal crown corporation's mandate should limit its ability to compete with private lenders. It suggested FCC revert to a 25-year-old model of being a lender-of-last-resort for highest risk farm borrowers.

[Read more...](#)

Source: The Western Producer

### **National grains biosecurity standard launched**

A new voluntary standard for biosecurity on Canada's grain- and oilseed-producing farms is expected to help growers build or improve on their existing farmgate-level systems at any scale. "While some pieces of this may already be common practice, I think many producers will pick up some new tips as well to help prevent the spread of pests," Richard Phillips, executive director of Grain Growers of Canada, said in a federal release Friday.

[Read more...](#)

Source: Grainews

### **Ottawa may retaliate over new U.S. meat labelling plan**

The Canadian government is warning Washington it may retaliate if the U.S. brings in a new, more restrictive trade rule on how beef and pork product exports are labelled. The U.S. Department of Agriculture proposal announced Friday calls for foreign producers to list on the package of meat products where the animal was born, raised and slaughtered, as well as other packaging restrictions.

[Read more...](#)

Source: CBC News

### **Ottawa ending biofuels subsidy over unfulfilled industry promises**

The Conservative government is formally shutting down its controversial biofuels subsidy program, saying companies producing biodiesel have failed to meet ambitious production targets. In a letter sent Thursday, Natural Resources Minister Joe Oliver rejected calls from the industry to provide new money under Ottawa's ecoEnergy program to ethanol or biodiesel firms looking to build plants.

[Read more...](#)

Source: The Globe & Mail

### **Positive outlook for Canadian ag sector in 2013**

Three new reports released by Agriculture and Agri-Food Canada are showing a positive outlook for farmers in 2013. "The forecast for 2012 reflects that farm incomes are once again at an all-time high," said Agriculture Minister Gerry Ritz. "The outlook shows that global demand for agricultural commodities will be driven by growth in developing economies, which is why our government continues to place such a strong emphasis on opening new and maintaining existing markets.

[Read more...](#)

Source: Grainews

## Tip of the Month



### [March Tip of the Month: Use the Revised I-9 Form](#)

On Friday March 8th, the U.S. Citizenship and Immigration Services (USCIS) published a new [Form I-9, Employment Eligibility Verification](#). The form is available for immediate use by employers. Employers who need to make necessary updates to their business processes to allow for use of the new Form I-9 may continue to use other previously accepted revisions (Rev.02/02/09)N and (Rev. 08/07/09)Y until May 7, 2013 date. After May 7, 2013, all employers must use the revised Form I-9 for each new employee hired in the United States. Find out more at <http://blog.kpaonline.com/category/tipofthemonth/>

## **Free KPA Webinars**

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