



FARWEST
EQUIPMENT DEALERS ASSOCIATION



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Inside This Issue

MESSAGE FROM THE PRESIDENT	3	PRESIDENTS AWARD	18
UPCOMING EVENTS CALENDAR	3	FAR WEST UPDATE	19
INDUSTRY NEWS	5	NOVEMBER 2011 FLASH REPORT	24
AFTER MARKET SALES FORCE	6	LABOR LAW UPDATE	26
A RISKY PROPOSITION	8	THE WAY I SEE IT	29
CAL OSHA COMPLIANCE INFORMATION	11	MACHINERY ALERT - TRACTOR THEFT	32
SAFETY UPDATE	15	BEST MANAGEMENT PRACTICES	34

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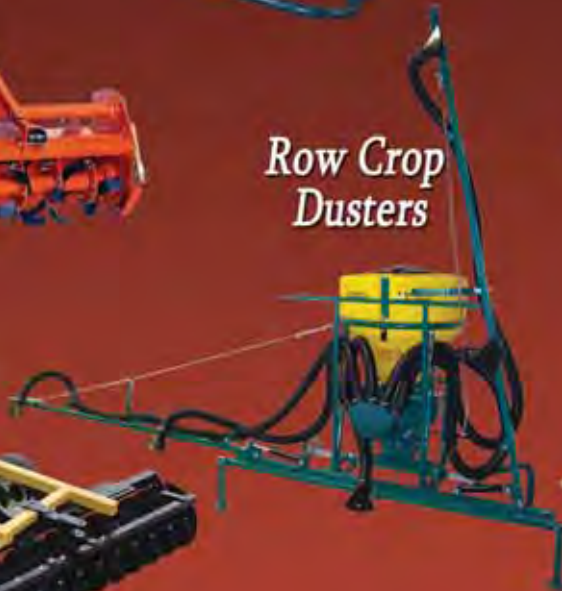
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MESSAGE FROM THE PRESIDENT



Jason Behrend

“The Bad News is Time Flies.

The Good News is - You're the Pilot.”

My Grandpa always took time to educate me on many of life's lessons. Sometimes to my irritation, he never stopped teaching me. Every conversation had a lesson to be offered and learned. Unfortunately, many were received with rolling eyes or feign interest. Now that I am older, I am grateful for the many lessons he bestowed upon me. I am grateful that he repeated these lessons over and over until overtime; they sank in my thick skull and made a difference. One of his greatest lessons was the preciousness of time and how quickly it passes; to take every opportunity to better myself. “For when you leave this life all you have are your experiences.” He would encourage me to fill every moment with reflection and learning. To ponder on each day's activities, learn from mistakes, and visualize myself overcoming and achieving my goals and dreams. The title for this article, “The bad news is time flies. The good news is you're the pilot” sums up one of Grandpa's most important lessons to me. We are in charge of how our life is lived and experienced. Our flights will be filled with smooth and turbulent skies. They will be filled with beautiful sunsets and fierce storms. Whatever the conditions, it is up to us to determine our course.

With the New Year upon us, it is a time to prepare our flight plan for 2012 and execute it. As Albert Einstein said, we must “Learn from yesterday, live for today, and hope for tomorrow.” The New Year is a great time to ponder the past year's activities, learn from our mistakes, and visualize the achievement of our goals and dreams. Once this is completed we have the whole year to do the toughest part; acting on or executing these goals and dreams. An unknown author said:

“Great men and women have not been merely dreamers. They have returned from their visions to the practicalities of replacing the airy stones of their dream castles with solid masonry wrought by their hands.”

May the New Year bring you new hope, which leads to new habits; which will take you to new horizons.

Best Wishes,

Jason Behrend



UPCOMING EVENTS CALENDAR

February 2012

20 President's Day - Office Closed

Spring 2012

TBA Arizona Area Meeting, Phoenix, AZ
 TBA California Area Meeting, Davis, CA
 TBA California Area Meeting, Ontario, CA
 TBA California Area Meeting, Tulare, CA
 TBA Nevada Area Meeting, Fallon, NV
 TBA Utah Area Meeting, Sandy, UT
 TBA Wyoming Area Meeting, Casper, WY

March 2012

29-30 FWEDA Board Meeting, Pismo Beach, CA

May 2012

28 Memorial Day - Office Closed

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Consolidation Through Merger

Consolidation is all around us in the equipment industry. We read about it in trade publications, manufacturers talk about it at dealer meetings and dealers hint at impending transactions in our dealer groups. Often, as facilitators in consolidation, we hear the early signs of potential mergers.

Many dealers will contact another dealership directly to discuss a potential merger. That's a good start, but problems often arise in subsequent meetings or phone calls because both parties may have very different expectations of the merger.

If the other party wants to sell, the process is straightforward. The acquiring dealer produces a valuation, the parties negotiate and a purchase and sales document is created.

The process to merge dealerships is less clear cut than a direct sale. A merger, like a marriage, requires compatible partners to succeed.

Currie Management Consultants leads merger parties through a discussion of major business strategies and tactics to see if there is consensus. We seek to develop an understanding of each party's "view of the world." Understanding different views helps us facilitate a consensus for moving forward.

We don't have a formal set of questions; however, we typically discuss the following major concerns with potentially merging companies to ensure they have consensus.

- Ownership percentage - Do the parties understand that one merger partner may end up with more than 50 percent ownership; or, in a multiple partner deal, that no one entity will end with more than 50 percent ownership, rather all shareholders will be minority shareholders? It's important to flesh out how each party feels about ownership percentage.

- Organization design - This is a straightforward technical issue that requires consensus amongst merger partners. Option A is a decentralized style where each branch is relatively autonomous. Option B is a highly centralized process where key operational executives (sales, service and parts) have enterprise-wide plans that are carried out at various locations. Any merger of disparate organizations requires a sorting out period as the merged entity goes forward. Much anxiety, tension and heartache can be reduced if you have an open discussion and consensus about Option A or Option B before exchanging financial statements and doing due diligence.

- Financial expectations - One of the principal goals of all business activity is return on investment. In a merger discussion, we find it valuable to present to potential partners a financial "view of the world" to see if these expectations are generally desirable and achievable, or complete fantasy. For example, a simple goal is Return on Assets (ROA) which we like to establish at a 15 percent benchmark. Normally, that's the product of a 5 percent net before tax performance and three turns of assets. If in fact all potential merger partners agree to these benchmarks, then the process can go forward: If any merger partner believes the ROA benchmark is unrealistic, trouble will develop as the process moves forward; or worse, trouble develops after the merger is completed.

- Sales coverage - An open discussion about field sales rep expectations is crucial. Some organizations have product specialists or technical experts who support account managers. Others require each account manager to have specific product knowledge and technical expertise. Merger partners need to agree whether technological information

should be delivered to end users by the account manager, or through the account manager. There should also be general agreement on efforts required to maintain "A" and "B" accounts, as opposed to "C" and "D" accounts.

- Shareholder agreement/buyout - A well prepared shareholder agreement with specific exit strategies, and sometimes an exit timetable, is essential for all mergers - especially multi-partner deals - in case the merger does not work out satisfactorily. For example, there should be an annual valuation of shares produced each year so that the exit price is clearly identified for all transactions that might occur in the following year. We often say to merger partners, "It's easy to get into a merger, let's make it easy to get out."

Other business factors should also be discussed by potential merger partners. Develop your own list for discussion purposes. The ones we provided above are just the beginning. A robust discussion of all aspects of the merger will give all parties a good sense of whether there is a consensus to continue merger plans. And don't think that total consensus can be attained at the first lunch between merger partners. Issues and even the particular people involved in the discussions can change. The pre-merger discussion process is time consuming but, when done correctly, extremely beneficial to merger efforts.

CNH Names New President/CEO

CNH Global N.V. announced that President and CEO, Harold Boyanovsky, will retire on Dec. 31, 2011.

Chief Financial Officer, Richard Tobin, will become President and CEO of CNH, effective Jan. 1, 2012. Camillo Rossotto, Treasurer and head of financial services

Continued on page 9

AFTER MARKET SALES FORCE

“The Mother Lode”

By John Walker, President, After Market Services Consulting

It has been a strange and pleasantly surprising two weeks. I am not writing about the debt crisis or even the stock market decline. I am talking about the fact that I have been receiving numerous phone calls and emails telling me just how much they appreciate reading and receiving my articles concerning service marketing. There was one dealer who happened to be in town on business and called and invited me to dinner as a thank you for my articles. This has happened before, but not to this volume and it is certainly appreciated.

I tried to think what caused this small flood of calls and emails. Possibly some had heard me say at one time or another that after 200 articles I would retire (this article is 197), but that is not the case because not that many people have heard me say that. The fact of the matter is that I am having too much fun to retire. The clue to the cause came about when I was told in so many ways that the articles of recent have truly opened their eyes as to the overall importance of service to the typical equipment dealership.

One dealer told me I was the “Mother Lode” of information. Now I’m not old enough to remember the California Gold Rush, but I do recall reading about what they call the “Mother Lode.” It had to do with the source of gold and where gold came from. I went to Webster for a definition which stated that it was: “An abundant or rich source” . . . what a great compliment! It would make any consultant feel like they were on a cloud and the comment was most certainly appreciated.

I feel lucky, after all these years I have hit a topic that equipment dealers recognize and have truly begun to focus upon as an opportunity to genuinely grow their businesses, not only with sales but with great profitability. I am blessed to know that I have played a small part in their success. Having expressed my thanks to both my readers and my listeners I want to write a bit more to those who have not yet truly focused on this opportunity and present a few more basic ideas for success.

Equipment dealers market product for their suppliers. Whether the manufacturers like it or not, the fact of the matter is that dealers are the manufacturers’ customers. (More about that in later articles.) The market today is overcrowded with excellent product, but these products as a general rule have become commodities, the customer has so many choices with product look-alikes all performing basically the same function that the major concern of the dealer’s customers becomes: “Where can I get the best price?” Consequently, equipment margins become stagnant, and there are always some who are willing to “cut a better deal” to provide their manufacturer with increased market share.

Successful equipment dealers recognize that this scenario is not going to change anytime soon, despite all those fancy “business models” out there for them to look at and try. The “mother-lode” has been there since equipment dealers first opened their doors, but its value lay undiscovered except by a few. The marketing of the equipment dealer’s service department has been ignored for too many years. This is very evident if you study Industry Cost of Doing Business Studies.

Most CODBS indicate that the typical equipment dealer’s Service Contribution to Total Sales is between 5% and 10%. The exception is the Lift Truck industry which has service contributions in the low 20%. There are some logical reasons for this which we have discussed at length in the past.

The equipment dealer should review his financial statement and ask this question: “If the margins in my Service Department are the highest of any department in the dealership why am I tolerating the departments having the lowest contribution to total sales?”

Another question that needs to be asked by the dealer is: “Why are only 20% to 30% of the customers who buy equipment from our dealership returning to have that equipment serviced by our dealership?” This represents “The Mother Lode” for any equipment dealer . . . You sold the equipment, but why is someone else, including the customer performing the service on that equipment? Look to the source or to the “Mother Lode” in your dealership that can provide you with increased profits, during these trying times.

It has been 35+ years since the term Absorption Rate was introduced to manufacturers and dealers in the equipment industry. Everyone thought it was a great idea; having the back end of the business covering the dealership’s fixed overhead and variable selling expenses. A few dealers looked at the formula and said: “This is my survival formula!” on the other hand, many took the attitude that it was an impossible goal to achieve.

As we have told so many dealers and have written so many times, if the dealership is unwilling to market their Service Department then the chances of achieving a 100% + Absorption Rate is literally impossible! We have seen so many dealers who focus upon parts as the “key” to 100% +. Parts however is only a part of the formula and without a high contribution from the service department, dealers are doomed to non-achievement of the goal of 100% + Absorption Rate.

Just this week we read an article about a dealer who won a coveted award for being the dealer of the year for his industry. We quote his words in the article: “Managing from a balance

Continued on page 28

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How America's Lost Tolerance for Risk is Bankrupting the Country and Dragging the Economy Down

By Christian Klein, Vice President of Government Affairs and Washington Counsel



Christian Klein

A former AED Board member and I were recently talking politics. “Christian,” he asked, “what’s it going to take to solve this mess?” My first reaction was, “Which one?” I wasn’t trying to be funny. We’re facing some pretty big challenges in Washington: massive budget deficits, mounting debt, a dysfunctional tax code, a stagnant economy, unsustainable entitlement programs, partisan

paralysis, and historic distrust of government.

But as I’ve reflected on our conversation, it’s occurred to me that these individual “messes” are really all related to a single, broader cultural problem: a lost tolerance for risk in American society.

The willingness to take risks was once the defining American value. Immigrants took enormous risks just coming here. The overwhelming majority left everything and everyone they knew to go to a place they’d never seen in search of a better quality of life. Once they got to America, the risk-taking didn’t end. Many used their life savings to start businesses or farms. Some moved to remote and unsettled parts of the country. Wherever they were, enormous risks were accepted as necessary to success.

Then something changed. Toward the middle of the last century, in the wake of the misery caused by the Great Depression, Americans were offered a Faustian bargain: cede wealth and liberty to the government and it will get rid of risk in your lives. Roosevelt sold America on the notion that government should shield its citizens from want and fear, thereby obligating Congress and the president to take affirmative action to protect those “freedoms” as if they were enshrined in the Constitution.

Thus was born the modern regulatory state. Over the past three-quarters of a century, the government has swelled to gargantuan proportions to protect you in every aspect of your life, whether from being killed by terrorists, being poisoned by contaminated food or improperly manufactured pharmaceuticals, dying in a plane or car crash, having your child injured by a defective crib or toy, living in poverty, starving to death, drinking polluted water, being injured in the workplace, being fired because of your race, being sexually harassed by your boss, and the list goes on and on.

Taken individually, each of these has merit. The problem is that eliminating all that risk costs massive piles of cash (not to mention the impact on our individual liberties). Unfortunately, we’ve been seduced by the idea that government can protect us from every potential harm. We’ve learned to enjoy living with less risk, but we haven’t collectively come to terms with the immense direct and indirect costs. And I believe that’s the fundamental source of tension in modern American politics.

Unfortunately, neither political party talks honestly about this issue. Democrats seem willing to add ever more regulations to satisfy our need to feel protected, no matter how great the cost or how incremental the benefit. Republicans talk about slashing the size of government without looking Americans in the eye and telling them cutting spending means giving something – and maybe a lot – up.

Big Government isn’t the problem; it’s just a symptom. The real problem is why we have Big Government. It’s because we demand a government solution to every new risk that emerges. As Pogo said, “We have met the enemy ... and he is us.” The dissonance between the results our elected officials have led us to expect and results they can actually deliver is at least a partial cause of the historic distrust in government.

The \$14 trillion national debt is one consequence of the government policies we’ve adopted since the 1930s, but our new attitude toward risk has other less obvious repercussions. Risk is the basis of entrepreneurship; it’s fundamental to success in business, investing, banking, and capitalism. If we teach Americans to avoid all risk, it will undermine the vitality of the U.S. economy – or maybe it already has.

If we want government to keep protecting us from everything that could possibly go wrong in our lives, there’s no choice but to dramatically raise taxes. Instead, I think it’s time for Americans to have a grown-up conversation, not about the size of government or what it does, but what results we expect. That might wake us all up to the fact that government can’t solve all our problems while helping us regain our self-reliance and risk tolerance. Starting that conversation will itself mean taking a political risk, but it just might put us on track to fixing the mess.

Christian Klein (ccklein@aednet.org) is vice president of Government Affairs and Washington Counsel. He can be reached at (703) 739-9513.

Source: Construction Equipment Distribution

INDUSTRY NEWS

Continued from page 5

for Fiat Industrial S.p.A., will assume the role of Chief Financial Officer of CNH, effective Jan. 1, 2012, while retaining his current responsibilities.

Mr. Boyanovsky, 67, has served as President and CEO of CNH since March 2005. In 1966, he began his career in field sales with International Harvester. During this time he held various positions of increasing responsibility before becoming CEO of CNH, including senior vice president and general manager for North America, president of worldwide agricultural equipment products, and president of the construction equipment business.

“Harold is a true leader. During his career, he led CNH through a period of tremendous growth and diversification that transformed the company into the CNH we know today,” said Sergio Marchionne, Chairman of Fiat Industrial and of the Board of Directors of CNH.

“Thanks to his leadership, the company is financially strong and well-positioned to continue as a leader in agricultural and construction equipment. On behalf of the board, I would like to recognize and thank Harold for his accomplishments and many years of dedicated service.”

Richard Tobin has been Chief Financial Officer of CNH since March 2010 and brings deep experience leading multinational industrial companies to his new role as CEO. Mr. Tobin joined CNH from SGS Group Geneva, Switzerland, where in June 2004 he was appointed Chief Financial Officer and head of information technology. Prior to that time, he was Chief Operating Officer of SGS North America. In addition, Mr. Tobin held management positions with Alcan Aluminum of Montreal Canada, the Aluisse Lonza Group of Zurich, Switzerland and GTE Corporation of Stamford, Connecticut USA.

“Richard has been a key member of the leadership team since he joined the Group in the early part of 2010. His operational, sales, marketing and financial experience throughout his international

career uniquely qualify him to lead CNH into the future,” said Harold Boyanovsky, President and CEO of CNH.

“I have known and worked with Rich Tobin for nearly two decades, during which he held positions of increasing responsibility, both in terms of geographical coverage and business reach. He is a solid, reliable leader who is ideally suited to take CNH to the next stage of development. I welcome him as Chief Executive with the fullest support that the Board of Directors and I can provide him,” said Sergio Marchionne.

Camillo Rossotto will assume the role of Chief Financial Officer of CNH, effective Jan. 1, 2012, and will retain responsibility as Treasurer and head of financial services for Fiat Industrial. Since joining the Fiat Group in 1989, Mr. Rossotto has held a number of roles within Fiat’s finance group in Italy, Germany and Brazil, as well as in the United States, as Chief Financial Officer of CNH Capital.

Source: CNH News Release

D.C. Watch: Ag Spending in Limbo

The failure of the super committee derailed efforts by some in Congress to pass a new farm bill this year and avoid floor fights in both Houses of Congress. The details of the plan drafted by Senate Agriculture Committee Chairman Debbie Stabenow (D-Mich.) and House Agriculture Committee Chairman Frank Lucas (R-Okla.) were never made public, but leaked reports indicate that a “shallow loss” revenue protection program was a key component.

The proposal would have eliminated direct payments, the ACRE program, and the SURE program and gradually reduced the cap on the CRP to 25 million acres. With the super committee option for passing a farm bill now gone, development of policies will now revert to what is called “regular order.” Agriculture committees will hold hearings

and get input from stake holders. Then, whatever plan the committees devise will be subject to changes when the proposals are voted on by the full House and Senate. The ideas put forward in the plans provided to the super committee by Stabenow and Lucas may or may not survive.

Unless new legislation is passed and approved by the president, the government now faces more than \$1 trillion in automatic spending cuts, beginning in 2013. Under the current law, spending on agriculture programs will be reduced by about \$15 billion over 10 years. Some programs, including food stamps (the Supplemental Nutrition Program) and probably the Conservation Reserve Program, will be exempt from the automatic spending cuts. The cuts that are implemented will be concentrated on crop subsidies, other conservation programs, and crop insurance. Some members of Congress will try to change the law that requires the automatic cuts, but the president has promised to veto any such effort.

The World Trade Organization has ruled against the U.S., agreeing with charges the U.S. Country of Origin Labeling law (COOL) violates global trade rules by discriminating against imports of livestock. The law, which was a part of the 2008 Farm Bill, was challenged by Canada and Mexico. The Office of the U.S. Trade Representative will appeal the ruling, contending that COOL provides valuable information to consumers about the meat products they buy. With the appeal pending, the dispute over COOL will continue for at least several more months.

USDA updated the farm income forecast this week and while down \$5 billion from its August projection, the forecast still shows a 19% year-to-year increase in net cash farm income from 2010 to 2011. Net cash farm income is forecast at \$109.8 billion for 2011 up from a record high of \$92.3 billion in 2010. Crop cash receipts are forecast to increase by 16%

Continued on page 10

INDUSTRY NEWS

Continued from page 9

this year, and livestock cash receipts are forecast 17% higher. The value of farm real estate is forecast to increase by 6.8% this year, even slightly better than the 6.6% increase in 2010. Further, USDA predicts the farm debt-to-asset ratio will decline again, keeping the overall farm sector in good shape financially.

Source: *Ag Professional*

Machinery Investment is Increasing

Farming has always been a very capital intensive business. Substantial investments in land, buildings and machinery are needed to remain viable. Recent farmland price increases are well documented. The Chicago Federal Reserve Bank reported the highest year-over-year increase in farmland values since the 1970s at 25 percent.

Investments in farm machinery and equipment have also increased recently. The average capital purchases of machinery, equipment and buildings have been approximately \$90,000 per year from 2008-2010. The increase in capital purchases was partially triggered by the increases in net farm income starting in 2007. Due to the improved cash flows, some farmers were catching up replacing older equipment that was not replaced earlier in the decade due to lower incomes levels. Others took advantage of the increased liquidity and depreciation tax laws to manage their income tax liabilities. Advances in equipment size and technology have also provided motivation to increase equipment purchases with the goal of increasing efficiency and timeliness of field operations.

As expected, there are reductions in per acre cost of machinery value as farm size increases. For 2010, the value per acre

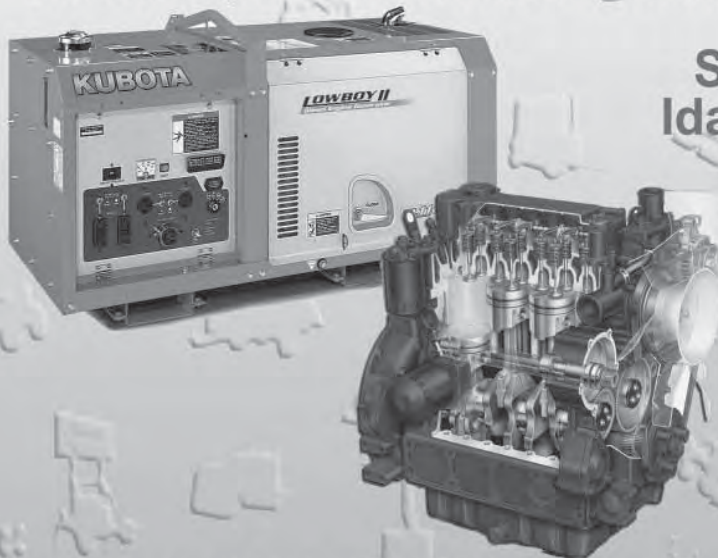
for a 500 acre farm is \$485, but decreases to \$395 for a 2,500 acre farm. The levels are approximately \$150 per acre higher than 2006. On a per acre basis, debt used to finance machinery purchases does not vary substantially by farm size varying from \$60 to 80 per acre. Moreover, there was negligible increase in intermediate debt financing from 2006 to 2010 indicating much of the increase in capital purchases was financed with cash.

An average 2500 acre Illinois grain farm will have approximately \$1,000,000 invested in machinery in 2010, an increase of approximately \$300,000 from 2006. Approximately 20% of the 2010 level is financed. The \$1,000,000 machinery value benchmark in 2006 was a farm size of approximately 4500 acres.

In summary, investments in farm machinery have been substantial these past three years. It appears that, on average, farm-

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INDUSTRY NEWS

ers have not used substantial leverage to increase these investments. Used farm machinery has also maintained market values contributing to the strong levels of machinery held by farmers. High agricultural profitability is a primary driver in maintaining these capital purchase levels and facilitating a strong used machinery market.

Source: Ag Professional

HBS Systems Announces Expanded MobileView Application Suite

HBS Systems announced today the expansion of its MobileView “Touch-Optimized” application suite designed to provide remote system access to users of smartphones and tablets, such as the iPhone, iPad, and Android mobile devices.

“HBS has provided a range of secure remote access solutions to our system users

via the Internet for many years”, said Lynn Reed, Executive Vice President. “The MobileView application suite, specifically designed for a wide variety of touch-optimized smartphones and tablets, enhances these solutions to now provide secure mobile access to the HBS NetView Dealership Management System at any time, from anywhere.”

The expanded MobileView applications enable authorized dealership personnel to access Customer, Equipment, Service, and Parts information using their smartphones and tablet devices. For example, a salesperson out on the lot or visiting a customer at the farm can instantly access equipment and customer profile information as if they were sitting at their desk in the dealership. Each MobileView application is designed specifically for touch-optimized devices to provide fast, secure access to the HBS Dealership Management System.

The expanded MobileView Touch-Optimized application suite is included with

the HBS NetView Dealership Management System at no additional charge. Change the way you do business by installing an HBS NetView Dealership Management System today.

For more information, call our toll-free sales hotline at 1-800-376-6376, or visit our website at www.hbssystems.com/mobileview.

Exploring “The Ethanol Shuffle”

Flawed carbon accounting schemes at both the federal and state level are creating a dynamic where the U.S. is importing ethanol from Brazil while simultaneously exporting greater volumes back to Brazil. This “ethanol shuffle” is occurring exclusively as the result of state and federal fuel regulations that “treat Brazilian sugarcane ethanol as if it were the Holy Grail of biofuels,” according to

Continued on page 12

CAL OSHA COMPLIANCE INFORMATION

Employers who need help developing, improving or maintaining a safe and healthful place of employment can obtain free professional assistance from the Cal OSHA Consultation Service on any of the issues or activities described in this manual.

Cal OSHA consultants help employers by:

- Identifying actual and potential safety or health hazards in the workplace and finding solutions to eliminate or control them.
- Identifying sources of help for employers in further technical assistance is needed.
- Providing a written report summarizing the finding of any consultation visit.
- Interpreting applicable safety and health standards.
- Helping establish or improve worksite Injury and Illness Prevention Programs.
- Helping develop and/or conduct safety and health training of both supervisory and non-supervisory personnel.

All services of the Cal OSHA Consultation Service are entirely separate and distinct from the enforcement activities of the Division of Occupational Safety and Health (DOSH).

Consultants do not issue citations or assess penalties, and they do not inform DOSH of their work with an employer.

Any employer who has had a wall-to-wall survey performed by the Cal OSHA Consultation Service, and has an effective Injury and Illness Prevention Program in operation, will greatly reduce the likelihood of citations or penalties if inspected by DOSH.

Employers with fixed worksites and 250 or fewer employees at a specific worksite, can now become exempt from a DOSH discretionary compliance inspection by participating in a voluntary compliance program.

To obtain assistance or information from the Cal OSHA Consultation Service call 1-800-963-9424.

INDUSTRY NEWS

Continued from page 11

Geoff Cooper, the Renewable Fuels Association's Vice President of Research and Analysis.

In his recent blog post, "The Ethanol Shuffle," Cooper explores this convoluted trade relationship and how U.S. policy is turning world ethanol markets upside down.

The heart of the issue is how both the Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) are calculating carbon emissions for corn-based ethanol and Brazilian sugar ethanol. Under both the federal Renewable Fuel Standard (RFS) and the California Low Carbon Fuels Standard (LCFS), the carbon footprint of Brazilian based sugar ethanol is deemed far superior to corn-based ethanol. This results in a growing incentive for imports of ethanol from Brazil to meet increasingly aggressive carbon standards. At the same time, a struggling Brazilian ethanol industry cannot meet its own domestic demand. As such, Brazilian ethanol producers are finding it more valuable to export their product to America (and the carbon emissions that go with ocean transport) and import growing volumes of U.S. ethanol (and the same carbon emissions).

As Cooper writes in his blog, "So, that's how the "Ethanol Shuffle" works. California imports sugarcane ethanol from Brazil rather than corn ethanol from Nebraska or Kansas; and in turn, corn ethanol from the Midwest travels to Houston or Galveston via rail, then is shipped to Brazil via tanker to "backfill" the volumes they sent to the U.S. Picture the irony of a tanker full of U.S. corn ethanol bound for Brazil passing a tanker full of cane ethanol bound for Los Angeles or Miami along a Caribbean shipping route. Remember, this is all being done in the name of reducing GHG emissions."

Cooper explores just how environmentally destructive this practice can be. Cooper found that transportation-related GHG emissions more than double in the scenario where California imports Brazilian cane ethanol and Brazil "backfills"

those volumes with U.S. corn ethanol imports. And the miles traveled in this scenario are more than eight times the miles traveled in a scenario where California ethanol demand is met with corn ethanol from the Midwest.

There are economic ramifications to the shuffle effect as well. In concept, California gasoline blended with imported Brazilian ethanol has been 16 cents per gallon more expensive than gasoline blended with U.S. ethanol.

Source: Farm Equipment

FedEx and UPS to Raise Small Package Rates for 2012

The North American Equipment Dealers Association Shipping Program, managed by PartnerShip, today announced that FedEx and UPS will increase envelope and small package shipping rates for 2012.

Air Shipping Costs to Increase

Effective January 2, 2012, the cost to ship an overnight envelope with Memphis-based FedEx Express will increase by a net average of 3.9%. The full average rate increase of 5.9% will be partially offset by adjusting the fuel price threshold at which the fuel surcharge begins, reducing the fuel surcharge by 2%. Air packages shipped with Atlanta-based UPS will increase by a net average 4.9% beginning January 2, 2012. The rate increase for UPS air and international shipments is based on a 6.9% increase in the base rate, less a 2% reduction to the index-based air and international fuel surcharge.

Ground Shipping Rates Going Up As Well

Effective January 2, 2012, the cost to ship with FedEx Ground will increase by a net average 4.9%. The full average rate increase of 5.9% will be partially offset by adjusting the fuel price threshold at which the fuel surcharge begins, reducing the fuel surcharge by 1%. UPS

ground shipping will also increase by a net average 4.9% for U.S. domestic services, achieved through a 5.9% increase in the base rate, less a 1% reduction to the index-based ground fuel surcharge.

Additionally, UPS Next Day Air Freight and UPS 2nd Day Air Freight rates for shipments within and between the U.S., Canada and Puerto Rico will increase 5.9%. UPS 3 Day Freight rates will remain unchanged.

HBS Systems Announces NetView "Cloud" - Enhanced Managed Hosting Solutions

HBS Systems announced the rollout of NetView "Cloud," an enhanced tier of managed application hosting services designed for Ag, Industrial and Construction equipment dealerships. The company currently hosts a significant number of dealerships on the HBS Systems BizNet hosted system platform.

This service offering allows equipment dealers to take advantage of the powerful HBS NetView Dealership Management System applications without the need to deploy a server within their dealership. Instead, the applications are hosted, monitored and managed in a secure data center facility by HBS Systems technicians. Dealership personnel access their data via the Internet through their existing broadband connection. The same applications available on the traditional HBS NetView server-based deployment are available through NetView "Cloud."

NetView "Cloud" represents the next progressive step in HBS Systems managed application hosting alternatives", said Lynn Reed, Executive Vice President. "This advanced hosting platform utilizes enterprise-ready, cloud-proven virtualization technology to provide dealerships with an alternative to the traditional in-house server deployment."

Continued on page 16



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Workplace Violence: OSHA Steps Up Enforcement Efforts

If you thought OSHA is interested only in injuries caused by dangerous equipment, hazardous materials, and unsafe practices, think again. OSHA will now also be focusing on injuries caused by dangerous people.

On September 8, 2011, OSHA issued its first written directive to OSHA investigators on how and when to inspect workplaces and conduct investigations for workplace violence. While OSHA recognizes that certain industries are more vulnerable to workplace violence than others, the new OSHA directive is not limited to the workplaces most prone to violence. The directive applies to all workplaces. And OSHA has already fined employers for incidents of workplace violence—with more aggressive enforcement action by OSHA on its way.

OSHA defines “workplace violence” as “violent acts directed toward persons at work or on duty.” According to OSHA, this definition is much broader than just physical assault, threats of physical violence, physical injury, and homicide. It also includes verbal abuse, harassment, intimidation, bullying, horseplay resulting in injury, and other threatening disruptive behavior.

OSHA expects employers, managers and supervisors to take steps to prevent workplace violence. It has also identified four types of violence of which employers need to be aware:

Type 1 - “Criminal intent” situations involves violent acts against a current employee: (a) by a non-employee who enters the workplace to commit a robbery or other crime; or (b) by a current or former employee who enters the workplace with the intent to commit a crime.

Type 2 - “Violence by customer/client/patients” involves violence against a current employee by a non-employee who receives a service from the employee (that is, violence by a customer, client, patient, student, or inmate).

Type 3 - “Co-worker violence” involves violence against a current employee by another employee or by a former employee.

Type 4 - “Personal violence” involves violence against one or more employees by a non-employee who has a personal relationship with an employee (sometimes referred to as “domestic violence in the workplace”).

Employers should take steps to prevent workplace violence and to avoid the possibility of OSHA fines and penalties. The first step recommended by OSHA is for an employer to determine its own risk profile by evaluating its past incidents of all types of workplace violence. The second step

is to develop a written, comprehensive workplace violence prevention program. Other steps include: (1) implementing engineering controls (e.g., alarm systems, security devices, restricted access, effective indoor and outdoor lighting, locking cars, etc.); (2) implementing administrative controls (e.g., establishing networks with local police, requiring employees to report all threats or acts of violence, developing an emergency response system with a trained multi-disciplinary response team, etc.); and (3) providing awareness training to employees.

OSHA realizes that it does not have sufficient staffing to inspect every workplace for violence issues or to investigate every complaint of workplace violence. As a result, it will first determine whether an inspection or investigation should be initiated based on three criteria: known risk factors, evidence of employer and/or industry recognition of the potential for workplace violence in that industry, and existence of effective and feasible methods to reduce or eliminate the risk of violence.

The following risk factors are the most likely to trigger an OSHA inspection or investigation. And the more of them, the higher the likelihood that OSHA will come knocking on your door. OSHA’s list of risk factors:

- Working with unstable or volatile persons (primarily in high-risk industries such as healthcare, social services, and criminal justice)
- Working alone or in small numbers
- Working late at night or during early morning hours
- Working in high-crime areas
- Work involving the exchange of money or guarding of valuable property or possessions
- Working in community-based settings (e.g., mental health clinics, drug abuse treatment clinics, pharmacies, nursing homes, etc.), and
- Work involving the delivery of passengers, goods, or services

Even if a particular workplace does not have a high-risk profile, the occurrence of even one serious incident of violence can be traumatic to employees. Many of the steps recommended by OSHA involve little or no cost.

Bottom line: it makes good business sense to have a sound workplace violence prevention program.

INDUSTRY NEWS

Continued from page 12

Virtual machine architecture allows resources such as bandwidth usage, storage allocation and processing power to be dynamically adjusted to meet the immediate processing requirements of each dealership. This ensures consistent performance even during periods of peak use. The hosting platform can also be scaled to address the unique processing requirements of each hosted dealership.

For more information about HBS Systems NetView "Cloud" managed hosting solutions, contact HBS Systems by calling their sales hotline at 1-800-376-6376. You can also reach them by email at sales@hbssystem.com.

IRS Announces 2012 Standard Mileage Rates

The Internal Revenue Service (IRS) this week announced the 2012 optional standard mileage rates used to calculate the deductible costs of using a vehicle for business, charitable, medical or moving purposes.

Beginning Jan 1, the standard mileage rates will be 55.5 cents per mile for business use; 23 cents per mile for medical or moving purposes; and 14 cents per mile in service of charities. The rate for business miles is unchanged from a mid-year adjustment that became effective on July

1, 2011. The medical and moving rate has been reduced by 0.5 cents per mile.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating a car. The IRS reminds taxpayers that they always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Fiat Industrial Might Consider Move to US

Fiat Industrial SpA's (FI.MI) chairman plans to simplify the company's share structure in a couple of years and could move its headquarters and stock listing to the United States, according to an analyst report published Monday.

Fiat Industrial is based in Italy and listed in Milan. However, one of its divisions, tractor maker CNH Global NV (CNH), is based and listed in the U.S.

Sergio Marchionne reiterated that Iveco, the other division that makes trucks, was an asset that could be sold, according to the report by Bernstein Research, citing a November 21 interview, which was confirmed by Fiat Industrial.

Marchionne agreed that a buy-out of CNH minority shareholders would simplify the shareholder structure. "It'll hap-

pen in a relatively short period of time, certainly in the next couple of years," he is quoted as saying. Fiat Industrial owns 88.9% of CNH.

Marchionne also said it would be technically simple to use CNH for a single listing.

On moving its headquarters outside Italy, a sensitive issue in its home country, Marchionne cited the cost of being in a country struck by the sovereign-debt crisis.

"If ...the financial capability of Fiat Industrial (is) being negatively impacted by the uncertainty (in Italy) then I think it's only proper to look for alternatives," he said.

Marchionne described Iveco as a "saleable" asset. "If somebody were to show up and make an offer for a piece of this asset that is so anomalous ...I don't think anybody inside the house is going to resist it."

Marchionne described Daimler AG's interest voiced last year as genuine as the German auto maker was the only credible buyer in the European truck industry with sufficient financial muscle for a deal of this magnitude. Other potential bidders would be Asian companies wanting to expand in Europe, he said.

Continued on page 21

Safety Training Materials Available

Far West Equipment Dealers Association has a library of Safety Videos available for use by our members. Contact Shunda Justin at Far West office at (800) 576-8850 for a list of videos we have available for you to use.

Reserve a video today for your next safety meeting today!

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PRESIDENTS AWARD



Frank Staben
Award Winner

At a June 1994 Board of Directors meeting, President Jim Cox suggested that each year at the Annual Convention, FWEDA recognize an individual who has distinguished himself or herself in the industry. The Board endorsed the idea and from that, we now honor a person during the Annual Convention with the *Presidents Award*.

The Selection Committee consists of the current president and the previous two presidents. This year's committee was Jason Behrend, Greenline Equipment & Sales; Matt Hester, Torrence's Farm Implement; and Lynne Bese, Magnum Equipment. Criteria for a candidate's consideration includes: Did this person make a difference by going beyond just doing a job or working at their place of business? Did this individual go the extra distance to not only do their job well, provide a host of services or products that help farmers, contractors or outdoor power equipment customers, but also contributed their time and input for the benefit of the industry?

SPECIFIC GUIDELINES

1. Individual has been active in the wholesale or retail farm equipment, industrial equipment, outdoor power equipment industry or related fields for a minimum of ten years. Does not have to be active in the industry at the time of the award.
2. Individual does not have to be an owner or partner in a business to be eligible for the award.
3. Individual has made significant contributions to the industry and has participated in FWEDA, NAEDA, EMI, T&E, or similar manufacturer, dealer, distributor and related activities.
4. Individual is recognized by his/her peers as a respected leader in the industry and who has given unselfishly of their time to the industry, their family and community.

This years winner was Frank Staben.

Past Presidents Award Winners

1994	Gene Feil	BW Implement <i>Buttonwillow, CA</i>	2001	Dean Stoullil	Glen Tractor <i>Willows, CA</i>
1995	Doug Moore	Gearmore, Inc. <i>Stockton, CA</i>	2002	Cal West	Valley Implement <i>Sterling, CO</i>
1996	Ben Sweeney	Far West Equipment Dealers Association <i>Fresno, CA</i>	2003	Donald Peters	Tractor & Equipment Association <i>Moranga, CA</i>
1997	Norm Bingham	Bingham Equipment <i>Casa Grande, AZ</i>	2008	John Miller	Valley Truck & Tractor <i>Yuba City, CA</i>
1998	Jerry Huerter	Far West Equipment Dealers Association <i>Dixon, CA</i>	2009	Clayton Camp	Kern Machinery <i>Buttonwillow, CA</i>
1999	Richard Kuckenbecker	Kuckenbecker Tractor <i>Madera, CA</i>	2010	Dennis Booth	Booth Machinery <i>Yuma, AZ</i>
2000	Irving Hock	Far West Equipment Dealers Association <i>Bountiful, UT</i>	2011	Frank Staben	<i>Camarillo, CA</i>

FAR WEST UPDATE

2010 Cost of Doing Business Survey

The 2010 Far West Equipment Dealers Association Cost of Doing Business Survey (CODB) has been compiled.

Thanks to the many members who participated in our survey this year, the Report continues to take on new significance in assisting dealers to:

- Compare their financial performance to that of all dealers (regardless of lines or manufacturers represented);
- Assist in the valuation process of their businesses for estate planning, buy/sell agreements; sales, mergers/consolidation purposes;
- Utilize benchmarks in the survey so that dealership goals and budgets can be established for future years.

Finally, your Far West Association must continue the tradition of generating this type of survey so that trends in business can be established and information can be gleaned that will help dealers improve financial performance in future years.

The SouthWestern Association's Certified Public Accountants – Curt Kleoppel, CPA, CVA, Bob Charbonneau, CPA, CVA and Lonnie Finch, CPA, CVA – took the information provided by dealers and compiled the results into a Study that we are proud

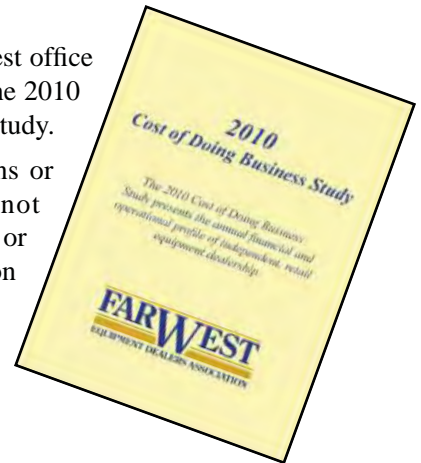
of and one that will be a useful tool in the management of your dealership(s).

The completed survey results are priced as follows:

- Far West members who submitted financials – No charge.
- Far West members who did not submit financial information - \$99 per survey.
- Nonmembers who submitted financials - \$199.
- Nonmembers - \$399.

Please contact the Far West office to receive your copy of the 2010 Cost of Doing Business Study.

If you have any questions or comments, please do not hesitate to contact Steven or Luella at your Association office at (707) 678-8859.



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Continued from page 16

As regards succession at Fiat Industrial, Marchionne showed preference for an internal candidate, but he said he was not leaving anytime soon.

Marchionne said he would put his family's money on Fiat Industrial rather than Fiat SpA, the sister car company from which Fiat Industrial was spun off in January.

"Industrial is a much more rewarding business ... It has incredible capacity in terms of margin and cash generation, and it doesn't blow your capital," he said.

But he said the founding Agnelli family would remain long-term investors in both companies.

Source: Farm Equipment

Ag Equipment Makers See 2011 Growth Tapering Off 2012-14

Agricultural machinery manufacturers expect overall 2011 business to the U.S., Canada and worldwide to grow in the 6-7% range by year-end but then taper off 2012 through 2014, with exports sales anticipated to increase the most, according to the annual business "outlook" survey of the Assn. of Equipment Manufacturers (AEM).

AEM is the North American-based trade group representing the off-road equipment manufacturing industry. Each year the association polls its agricultural equipment manufacturer members about anticipated sales.

The survey asked respondents to rank how several factors would influence sales. Commodity prices were cited as a key positive factor, as well as interest rates and increased export demand. Negative factors included the state of the general economy and steel prices.

Looking at combine and tractor sales for the U.S. and Canada, declines are mostly expected for combines. Four-wheel-drive tractor sales are expected to be stronger in 2011-12 and then decline. Among

2-wheel-drive tractors, business is predicted to grow the most overall for machines in the 40-100 horsepower range. For other types of equipment, demand is expected to remain in the plus column for most products 2011 through 2014.

Report Highlights

Highlights from the just-released AEM agriculture equipment "outlook" survey include:

- For 2011, overall business in the U.S. is expected to grow 6.4% compared to the previous year; Canadian business is forecast to increase 7.6%; and industry business to the rest of the world is anticipated to gain 6.9%.
- U.S. agricultural machinery business is then predicted to grow 4.9% in 2012, 2.9% in 2013, and 2.8% in 2014.
- Canadian business overall is expected to be 4.8% higher in 2012, then increase 2.2% in 2013 and 1.7% in 2014.
- Industry business to the rest of the world is anticipated to gain 5.1% in 2012, 4.7% in 2013, and 4.6% in 2014.

"Agricultural equipment manufacturers overall fared very well in an otherwise struggling economy. Recent growth has been positive in most categories, and exports to emerging countries are rebounding. Strong commodity demand and prices have translated into equipment sales. Net farm income is expected to be up 28% in 2011, and net cash income to grow nearly 19%," says Charlie O'Brien, AEM agriculture sector vice president.

The general economy has stalled somewhat in recent months, and we are always aware of the potential for boom-and-bust cycles; manufacturers are assessing the business landscape for any possible slowdowns in domestic demand as well as overseas. Agricultural equipment plays a vital role in boosting productivity to meet the need to sustain a growing world population and the increasing

prosperity of many countries. These are sound fundamentals for long-term business," O'Brien said.

"We continue to push Congressional leaders to work together for passage of meaningful policies that strengthen manufacturing and create jobs. Our 'I Make America' grassroots effort has been successful with a focus on export-friendly policies that help U.S. farmers and manufacturers stay in business by selling their products internationally and a focus on adequate transportation funding to help them get goods to market more efficiently and safely."

"O'Brien added, "A thriving agricultural industry sets off a very positive 'trickle down' effect that plays an invaluable role in generating domestic jobs and revenue in the country. Job creation is still a major issue to help bolster the economy, and we plan to expand 'I Make America' to other industry issues such as the 2012 Farm Bill. We are facing an election year and a very divided and acrimonious Washington environment in which negotiations will take place."

Tractor & Combine Business

For 2011, U.S. sales of combines are expected to decline 0.3% by year-end, with declines predicted in 2012 of 4.8%, 0.5% in 2013 and 3.0% in 2014. For Canada, 2011 combine sales are anticipated to gain 2.5% by year-end and then drop off, with declines of 3.8% in 2012, 0.5% in 2013 and 3.0% in 2014.

For 4-wheel-drive tractors, U.S. sales are predicted to gain 5.4% in 2011 and 0.2% in 2012, then drop 2.0% in 2013 and 4.8% in 2014. For Canada, 2011 business is expected to grow 0.5% in 2011 and 2.5% in 2012, with declines in 2013 of 2.0% and 3.5% in 2014.

Sales of 2-wheel-drive tractors in the less-than-40 horsepower range are expected to grow 2011 – 2014 in both the U.S. and Canada: For the U.S., gains are predicted of 1.4% in 2011, 3.2% in 2012, 4.3% in 2013 and 4.8% in 2014. Cana-

Continued on page 22

Continued from page 21

dian sales are anticipated to grow 2.6% in 2011, 3.4% in 2012, 4.0% in 2013 and 4.5% in 2014.

U.S. and Canadian sales of 2-wheel-drive tractors in the 40-100 horsepower range are also expected to be positive 2011-2014 for both the U.S. and Canada. For the U.S., growth is seen for 2011 of 3.3%, 2012 of 3.9%, 2013 of 4.3% and 2014 of 6.6%. For Canada, the expected gains are 4.3% for 2011, 4.6% for 2012, 2.8% for 2013 and 5.6% for 2014.

For over-100 horsepower 2-wheel-drive tractors, in the U.S., gains are predicted for 2011 of 2.7%, 2012 of 2.8%, 2013 of 1.3% and 2014 of 0.6%. For Canada, growth is expected in 2011 of 3.3% and 1.8% in 2012, followed by declines of 0.8% in 2013 and 1.8% in 2014.

Scope of Survey

In the AEM "outlook" survey, each business-activity forecast is the average of responses from manufacturers in each product line, predicting industry-wide expectations rather than individual company performance, and unit sales rather than company profitability. This year's edition of the "outlook" report covers 22 types of farm-related equipment. For full survey results go online at www.aem.org in the market information section.

Source: Farm Equipment

Kubota Expanding In Georgia

Kubota Corp. will build a \$73 million manufacturing facility at its existing Georgia Kubota Manufacturing of America operations, according to a report in the Atlanta Business Chronicle. The move will create 200 new jobs by 2013, the governor's office announced.

Kubota Manufacturing of America (KMA) was formed in 1988 as Kubota's North American manufacturing base. KMA manufactures and assembles Kubota lawn tractors, zero-turn mowers, sub-compact tractors, utility vehicles,

loaders, backhoes and other implements. Over one-third of all Kubota branded equipment sold in the U.S. is manufactured or assembled at its Georgia facilities, the company said.

The new 500,000 sq. ft. plant will be on the same 88-acre site as the existing Kubota Industrial Equipment (KIE) corporation facility in Jefferson, GA. The plant will feature a production capacity of 22,000 compact tractors per year. Construction of the facility will begin in early 2012 with full production of tractors scheduled for January 2013, the Chronicle report indicated.

In mid-year, Kubota marked its 40th year in the U.S., during which the company said it has sold more than 1.5 million machines.

Legislation to Require Improved Lighting, Marking of Ag Equipment

The Association of Equipment Manufacturers (AEM) applauds U.S. Senate committee approval of legislation to improve safety on rural roads by providing consistency regarding lighting and marking requirements for agricultural machinery. The legislation was included in a highway safety bill approved by a voice vote of the Senate Committee on Commerce, Science and Transportation. The association expects to now see the measure combined with the "highway bill" due for consideration early in 2012.

The national legislation uses the standard developed by the American Society of Agricultural and Biological Engineers (ASABE) for establishing a national minimum for lighting and marking agriculture equipment. Many states have already incorporated the ASABE standard or earlier versions into their motor vehicle codes, and ASABE says that, as a result, "Countless American lives have been spared from roadway tragedy."

AEM supports the legislation, and at AEM's request, Sen. Klobuchar (D-

Minn.) and Sen. Thune (R-S.D.) introduced the legislation. Sen. Stabenow (D-Mich.), Chair of the Ag Committee, is a co-sponsor. Two members of the House of Representatives, Phil Hare (D-Ill.) and Aaron Schock (R-Ill.), sent a "Dear Colleague" letter to other members of the House in support of the legislation. The letter points out the need for federal legislation since "state laws that apply vary widely, often representing outdated technology."

The letter stated, "Fifty-five percent of all traffic fatalities occur on rural two-lane roads where agricultural equipment is moved from field to field during the dimly-lit periods of dawn and dusk, and proper lighting and marking can enhance visibility and increase the safety of transportation on these roads."

The bill is not retroactive and thus will pose no costs to farmers for existing machinery.

Source: Ag Professional

Farm Worries Continue Over LightSquared

National rural broadband service still shows it interferes with GPS, according to preliminary review of the data.

A significant question concerning a new rural broadband system that could benefit your farm remains unanswered even after release of preliminary findings from a U.S. government panel.

The panel - called the National Space-Based Positioning, Navigation and Timing Systems Engineering Forum - issued a report after reviewing test data for the LightSquared system. This innovative broadband system could provide high-speed Internet access to rural areas. However its 40,000-tower approach has been shown in the past to interfere with a range of GPS services that could impact your farm.

In a report issued by the government group, Anthony Russo, director, Na-

Continued on page 25



NAEDA Member Benefit

The program is recommended by the Far West Equipment Dealers Association and endorsed by the North American Equipment Dealers Association.

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U.S. Ag Flash Reports

November 2011 Flash Report U.S. Unit Retail Sales

(Report Released 12/12/2011)

	Nov-11	Nov-10	% Chg.	YTD 2011	YTD 2010	% Chg.	Beginning Inventory November 2011
Farm Wheel Tractors - 2 Wheel Drive							
< 40 HP	4,249	4,244	0.1	78,188	78,094	0.1	48,609
40 < 100 HP	4,869	2,802	2.4	44,547	43,352	2.8	23,096
100+ HP	1,956	1,685	16.1	24,161	24,029	0.5	6,982
Total 2-Wheel Drive	9,074	8,731	3.9	146,896	145,475	1.0	78,687
Total 4-Wheel Drive	380	316	20.3	5,456	5,158	5.8	1,072
Total Farm Wheel Tractors	9,454	9,047	4.5	152,352	150,633	1.1	79,759
Combines (Self-Propelled)	532	545	-2.4	8,973	9,351	-4.0	1,203

Source: AEM

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Continued from page 22

tional Coordination Office, National Committee for Space-Based Positioning, Navigation and Timing, states: "Preliminary analysis of the test findings found no significant interference with cellular phones. However, the testing did show that LightSquared signals caused harmful interference to the majority of other tested general purpose GPS receivers. Separate analysis by the Federal Aviation Administration also found interference with a flight safety system designed to warn pilots of approaching terrain."

The findings were presented to the technical steering group representing nine federal agencies that make up that committee.

In response to the report, Sanjiv Ahuja, CEO, LightSquared, issued the following statement: "We are pleased that the statement issued by the National Space-Based PNT Executive Committee, chaired by the Department of Defense and the Department of Transportation, validates LightSquared's compatibility with the nation's 300 million cellular phones. While we are eager to continue to work with the FAA on addressing the one remaining issue regarding terrain avoidance systems, we profoundly disagree with the conclusions drawn with respect to general navigation devices."

The company maintains that it is the GPS receivers that are at fault, not the LightSquared system. It's the key point of controversy between the company and providers of GPS equipment and services including farm equipment firms.

Ahuja also says the company has "taken extraordinary measures - at extraordinary expense - to solve a problem that is not of our making. We continue to believe that LightSquared and GPS can co-exist. And we will continue to work with the federal government on a solution that will allow us to begin investing \$14 billion in private money into the infrastructure of America to create jobs, competition and increased access to technology to the nation."

The report results started leaking out earlier this week, which angered LightSquared. The company says the report estimated power levels as much as 15 times those guaranteed by the company.

The preliminary report is still under review and the final analysis of the findings will be completed and a final report will be sent to the National Telecommunications and Information Administration along with the Federal Communications Commission.

A few key issues still to be worked out include the interference, if there would be a need for added filters for existing farm GPS equipment (and GPS tools for other uses), and who would pay for any modifications.

SDF Clarifies Its U.S. Distribution Activities

Responding to an item that appeared in the November issue of *Ag Equipment Intelligence*, regarding rumors that Same Deutz-Fahr was considering ceasing distribution of its products in the U.S., they received the following release.

"SDF Group, manufacturer of the Deutz-Fahr tractor line, has appointed Bavarian Tractor Works of Kerman, CA, as the exclusive importer and distributor of the Deutz-Fahr tractor brand for the western United States, effective December 1.

SDF Group manufactures tractors from 39 horsepower to 265 horsepower for all farming applications. Bavarian Tractor Works primarily will focus on specialty tractors, which vary from 62-106 horsepower, and as narrow as 44 inches, and high-horsepower tractors starting at 140 horsepower to a maximum of 265 horsepower. In addition to supplying new Deutz-Fahr tractors, Bavarian Tractor Works will provide parts and technical support for older Deutz, Same, Hurlimann and Lamborghini tractors."

Source: Ag Equipment Intelligence

Dealers See Upside, Downside to Depreciation Bonus

To encourage equipment purchasing, on December 17, 2010 President Barack Obama signed the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010. The TRJA extended the depreciation bonus for 2011 and 2012 and extended Sec. 179 expensing limits through the end of 2012.

Companies that buy new equipment can depreciate 100% of the cost in the first year. For new equipment purchased in 2012, the bill provides for a 50% depreciation bonus, plus the percentage of the remaining basis in the equipment that would ordinarily be depreciable under the Modified Accelerated Cost Recovery System.

To get the pulse of how farm equipment dealers see bonus depreciation impacting their business, *Ag Equipment Intelligence* took a poll of a small sampling of dealers during the second week of December.

The dealers were asked, "What percentage of your total whole goods sales growth in 2011 do you estimate was or will be driven by the Section 179 equipment depreciation bonus and extended expensing limits? (e.g., sales growth YTD in 2011 = 15%; estimated 10% of growth driven by Sec. 179 tax incentive = 1.5%)

We also asked them how the faster depreciation would affect their sales in 2012.

Overall, dealers are seeing a significant, positive impact in 2011 and somewhat of a negative impact for 2012. Of all the dealers responding, 34% expect their 2011 sales to increase by 10% or less as a result of the current depreciation schedule. Another 25% are seeing improved sales levels of 11-20%. The remaining 41% see their sales growing by 20% or more this year due to the beneficial depreciation.

Continued on page 27

List of New Laws Affecting California Businesses in 2012

The below is a list of new employment laws scheduled to take effect in 2012 or earlier that will have an impact on businesses in California.

In addition to the new employment laws, an order by the National Labor Relations Board (NLRB) also has an impact on businesses in California. By January 31, 2012, most private-sector employers must begin displaying an 11" x 17" poster that provides information to employees about unionizing and their right to strike.

New Laws

Unless specified, the following is a list of new legislation going into effect on January 1, 2012.

- **Credit Check.** AB 22 prohibits employers and prospective employers, not including certain financial institutions, from obtaining and using consumer credit reports (credit information) about applicants or employees. The prohibition does not apply to "managerial positions," defined as those who qualify for the executive exemption from overtime. There are also other limited exceptions.
- **Pregnancy Disability Leave.** SB 299 requires all employers with five or more employees to continue to maintain and pay for health coverage under a group health plan for an eligible female employee who takes Pregnancy Disability Leave (PDL) up to a maximum of four months in a 12-month period.
- **Willful Misclassification of Independent Contractors.** SB 459 provides new penalties between \$5,000 and \$25,000 for the "willful misclassification" of independent contractors.
- **Written Commission Agreement.** AB 1396 requires employers who have commission pay arrangements to put those agreements into a signed written contract. The written contract must set forth the method by which the commissions will be computed and paid. The bill is effective January 1, 2013. Employers have the entirety of 2012 to bring their commission agreements into compliance.
- **Notice of Pay Details.** AB 469 requires employers to provide non-exempt employees, at the time of hire, a notice that specifies:
 - The rate of pay and the basis, whether hourly, salary, piece commission or otherwise, including any overtime rate;
 - Allowances, if any, claimed as part of the minimum wage, including meal and lodging allowances;
 - The regular pay day designated by the employer as required under the Labor Code;
 - The name of the employer, including any "doing business as" names;
 - The physical address of the employer's main office or principal place of business and any mailing address, if different;
 - The telephone of the employer; and
 - The name, address and telephone number of the employer's workers' compensation carrier.
- **Organ and Bone Marrow Donor Leave.** SB 272 clarifies the implementation of California's organ and bone marrow donor leave law. The new legislation clarifies that the days of leave are business days, not calendar days, and that the one-year period is measured from the date the employee's leave begins.
- **Genetic Information.** SB 559 amends the Fair Employment and Housing Act (FEHA) to state that employers are prohibited from discriminating against employees on the basis of genetic information.
- **Gender Expression.** AB 887 amends the FEHA to further define "gender" to include both gender identity and "gender expression" and to make clear that discrimination on either basis is prohibited. AB 887 also amends the Government Code relating to dress codes to include that an employee must be allowed to dress consistently with both the employee's gender identity and gender expression.
- **E-Verify.** AB 1236 allows employers to continue to choose to use E-Verify, but prohibits California state agencies and local governments from passing mandates that require employers to use E-Verify.

Several cities in California passed local ordinances requiring the use of E-Verify in certain circumstances. This new law prohibits such state or local mandates, unless required by federal law or as a condition of receiving federal funds.

• **Interference with Rights Under Leave Laws.** AB 592 adds language to the California Family Rights Act (CFRA) and the Pregnancy Disability Leave law (PDL) that makes it unlawful to interfere with or in any way restrain the exercise of rights under these laws.

• **Administrative Penalties.** AB 240 allows an employee that alleges a minimum wage violation to recover liquidated damages pursuant to any complaint brought before the Division of Labor Standards Enforcement (DLSE). This new law would allow the Labor Commissioner to also award such damages. Under the new liquidated damages provision, the employee would be entitled to recover an amount equal to the wages unlawfully unpaid, plus interest.

• **Wage Penalties.** AB 551 increases the maximum penalty from \$50 to \$200 per calendar day for each work-

Continued on page 31

INDUSTRY NEWS

Continued from page 25

In 2012, it's a different story. Half of the dealers responding (50%) anticipate that a combination of the enhanced depreciation schedule for 2011 and lower depreciation levels in 2012 will decrease their forecasted sales by 1-10%. Another 33% believe it will drop their sales next year by more than 10%.

Only 8% expect their sales to increase by more than 20% as a result of the beneficial depreciation schedule in 2012. The remaining 9% don't expect the changes in the depreciation allowances to significantly impact sales one way or another.

One Midwest dealer explains the equipment sales expansion by saying, "Our customers are spending their profits because of the tax laws, not because they need more iron."

Another adds, "Section 179 is HUGE!!"

One dealer explains the dichotomy this way: "We would estimate 20% or more

of our growth is driven by the current limits. We see a possible 6-10% drop related to this in 2012. We still go into 2012 optimistic, regardless."

A Connecticut equipment dealer doesn't believe that the more generous depreciation schedule has helped his business much at all in 2011. "Since the economy is so horrible, many small businesses are not in a taxable position and/or have very low cash flow. This does increase business, but it is not as significant as it could be. Coupled with the operating environment within the state of Connecticut, it will have very little impact for 2011. We think it will have a greater impact for 2012 and future years."

In a note to investors, Rick Nelson, analyst for Stephens Inc., said he sees an overall positive impact from the more advantageous depreciation allowance in the year ahead.

"While we recognize the section 179 and bonus depreciation deductions will be reduced in 2012, we think farmers will continue to look to offset income and take advantage of these deductions for equipment purchases. A large proportion of farmers will have fully depreciated equipment in their existing fleet."

Source: Ag Equipment Intelligence

Kubota Enters Consumer Rental Market, Partners with Compact Power Equipment Centers

Kubota Tractor Corporation announced today a strategic partnership with Compact Power Equipment Centers (CPEC) allowing it to offer select construction equipment for rent within various locations of The Home Depot Tool Rental.

Continued on page 32

The logo for Big Iron features the words "BIG IRON" in a large, bold, sans-serif font. The letters are white with a 3D effect, appearing to be raised from a dark grey rectangular background. Small white stars are positioned in the corners of the background rectangle.

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AFTER MARKET SALES FORCE

Continued from page 6

sheet took me to a whole different level of management.” He goes further to say: “We need to run our business with something that is more stable and that’s parts and service. Parts give you your highest margins.” Please Mr. Dealer, look down one line at the margins your Service Department is producing!

Our message to equipment dealers for years has been that parts can have three times the financial impact and service can have five times the financial impact upon the dealership, versus the impact of new and used equipment sales.

The basic rule we have continued to try to get both manufacturers and dealers to understand is that if dealers market their service the parts business follows right along with it.

Yet another basic we will continue to put forth until it really begins to “sink-in,” and a basic process for increasing your service sales and service contribution is: 1) Pull up a list of customers who have purchased equipment from your dealer-

ship over the past five years, 2) take the list back to your Service Department, sit down with your manager and make up a list from the first list of customers who are not purchasing your service. 3) Now get out of the dealership and call on several of these customers and ask them why they are not taking advantage of the service your dealership has to offer. Listen to what they have to say and then take action to capture your lost sales opportunity. Careful study of our Service Marketing Document will give you the positive answer to every negative answer that your customers throw at you.

Our closing comment is that it is imperative to understand the difference between Intention and Accomplishment. These two words require a fundamental change in the mindset of many equipment dealers. The days of dealer entitlement are gone. When you sell a commodity you have to out-perform your competition, because all of your competitors make equipment that does the same thing as

the product you sell. Intending to change won’t put any money in the bank, or create customer loyalty. Adopting and accomplishing unique customer focused service practices will earn you new and repeat business every time!

Special Offer to Readers: After Market Services most recent publication is: Enhancing the Customer’s Buying Experience. This document shows you how to create a Customer for Life Culture within your dealership, how to bring customers back time and time again to buy from your dealership and basic but profitable way to create market share. Along with this document we will email you, free of charge a second document entitled: Customer Satisfaction is Customer Retention is Dealer Financial Strength. Simply e-mail your request for this publication, stating your name, your dealership and your dealership’s location, as well as your product line, and the document will be sent via email to you along with an invoice in the amount of \$19.99, which you will pay after the material has been received. If, after receiving the materials, you are not satisfied, simply e-mail us telling us of your dissatisfaction and withhold any payment whatsoever ... simple enough? Our email address is: amsconco@aol.com



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*Paul Kindinger, CEO
North America Equipment Dealers Association*

Recently, while attending the Iowa-Nebraska Equipment Dealers Association annual meeting, I had the opportunity to hear Sabrina Sebastian, Marketing and Media Manager for Fastline Publications, discuss social media. She does an excellent job of making a complex topic seem a little more manageable, and I would like to give her credit for most of the ideas contained in this article.

It is impressive to hear the statistics on whom and how many are currently using social media. For instance, over 400 million people log into Facebook every day and the average user spends 55 minutes per day on the site. In fact, if Facebook were a country it would be the fourth largest! Consider that over 2 billion (yes Billion with a “B”) videos are viewed on YouTube every single day. And, there are many more surprising statistics, but suffice it to say that it is a big deal. Just ask the 106 million Twitter users of which 37 percent use mobile phones to Tweet.

Intrigued yet? Well, consider some of the ways businesses are using social media to make money. Yes, that’s right--to make money--such as promoting the business or brand, offering specials to loyal customers and announcing new products or services. The great thing about promoting products through social media is you can make it personal.

Social media can also be effective in educating customers. For instance, “How to” videos are inexpensive and can easily be posted on YouTube. Posting “Top 5” or “Top 10” lists of products, brands or services can certainly be a fun way to

“Do You Tweet?”

provide information about your business. And, seminars can be offered regarding a plethora of topics. There are, of course, infinite ways of sharing the information, such as straightforward or in an entertaining fashion.

Another way social media can be used is for offering recognition to employees or discussing community events your business may be promoting. Letting people know about awards the company or employees have received helps build recognition and credibility and can speak volumes on behalf of your business.

Customer participation through social media can help gather information. For instance, you can conduct a focus group or conduct a quick survey about products or services you offer. What a great tool for “connecting” on a more consistent basis. Put up a blog to offer your ideas and opinions while garnering participation and valuable feedback from current and potential customers.

What about the equipment industry specifically? Over 50 percent of large corn and soybean farmers use social media according to Sabrina’s statistics. In a recent survey of farmers, 48 percent indicated they text five times or more PER DAY. Sixty three percent of those surveyed also transmitted photos via their smart phones!

Convinced to at least try it yet? Well, this is the point where I would tell you that it is not without some challenges and work to make it successful. For one thing, just like anything else you do in your business, it starts with a vision and then a goal and then the practical tactics to execute. What is your vision, what do you hope to accomplish through the use of social media?

A good set of policies and procedures always helps; concepts like being professional, providing boundaries for use by employees, and what happens if you receive some unwanted criticism from

a disgruntled customer, etc. In other words, cover the bases ahead of time, think through how you want to engage in social media and what face you want to present.

Also, starting out will probably require you to assign a point person in your business who is responsible for the use, content, maintenance and implementation of your social media plan. It could be a person on staff or an intern from the local FFA chapter or 4-H club. Like any other part of your business, it will take focus, commitment and knowledge to even have a chance of being successful and sustainable.

I have never been a “bleeding edge” kind of person when it comes to technology. However, after listening to Sabrina on more than one occasion and trying some of this at NAEDA, I have come to the conclusion that being on or near the “leading edge” can be profitable for a business. My only purpose today is to simply whet your appetite to at least consider trying social media. We have a Twitter account at NAEDA. Do you “tweet” as well? And that’s the way I see it.

What is your perspective on this subject? Send your comments to naeda@naeda.com or make your comments on the CEO blog version of this column on www.naeda.com. By commenting, you are granting NAEDA the right to publish and reuse your words in NAEDA Equipment Dealer magazine the NAEDA Web site, and/or other materials or communications, unless you specifically indicate not to make your comments public.

PAUL KINDINGER is president/CEO of the North American Equipment Dealers Association. The association, in coordination with affiliated state, provincial and regional associations, provides educational, legal, legislative, and financial services to approximately 5,000 retail agricultural, construction, large property, and outdoor power equipment dealers in the United States and Canada.



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LABOR LAW UPDATE

Continued from page 26

er paid less than the determined prevailing wage and increases the minimum penalty from \$10 to \$40 per day for violations of prevailing wage obligations. It also increases the penalty from \$25 to \$100 per calendar day, per worker, against contractors and subcontractors that fail to respond to a written request for payroll records within 10 days.

- **Farm Labor Contractors—Wage Notices.** AB 243 amends the Labor Code to expand the information that must be included on pay statements, but only for farm labor contractors. Employers that are farm labor contractors must now disclose on the itemized payroll statement furnished to their employees, the name and address of all legal entities (for example, other growers or other farm labor contractors) that secured the employer's services.
- **Agricultural Labor Relations.** SB 126 affects certification of bargaining representatives for agricultural employees. The new law, SB 126, provides that if the Agricultural Labor Relations Board (ALRB) finds employer misconduct that "in addition to affecting the outcome of the election, would render slight the chances of a new election reflecting the free and fair choice of employees," then the ALRB can certify the labor union as the exclusive bargaining agent for employees.
- **Insurance Non-Discrimination Act.** SB 757 closes an existing loophole and prevents employers that operate in multiple states from discriminating against same-sex couples by not providing the same insurance coverage for domestic partners as they do for spouses.
- **State Contracts—Gender or Sexual Orientation Discrimination.** SB 117 outlaws the state of California from entering into contracts of more than \$100,000 with companies that discriminate against the employees on the basis of gender or sexual ori-

entation with regard to benefits. The new law makes it clear that companies doing business with the state of California cannot deny equal benefits to same-sex spouses.

- **Apprentice Programs.** SB 56 changes the audit requirements for apprenticeship programs. This new law eliminates the mandate of random audits during five-year increments, and instead directs the Division to conduct audits of apprenticeship programs generally. It also creates requirements for applications for building and construction trades programs for approval of a new or expanded apprenticeship program.
- **Safe Lifting—Hospitals.** AB 1136 provides that general acute care hospitals must maintain a safe patient handling policy for patient care units, including trained lift teams or training in safe lifting techniques for staff. The safe patient handling policy must be kept in accordance with the California Occupational Safety and Health Act and should be part of the Injury Illness and Prevention Program (IIPP) of these specific employers.
- **Workers' Compensation Legislation.** The Governor signed six workers' compensation bills.
 - **AB 335:** Requires the workers' compensation administrative director (AD) to work with the Commission on Health and Safety and Workers' Compensation (CHSWC) to develop regulations regarding notices to injured workers; requires AD and CHSWC to develop and make accessible a booklet written in plain language about the workers' compensation claims process; streamlines and simplifies other notices to employees.
 - **AB 378:** Lowers workers' compensation costs by establishing guidelines for dispensing compound drugs, the circumstances

under which those drugs would be covered and the reimbursement amount, and removes the incentives for physicians to refer patients to pharmacies in which the physician or physician's family has a financial interest.

- **AB 397:** Seeks to address the underground economy problem by singling out contractors that do not have workers' compensation coverage but requiring contractors that are exempt from having coverage at the time they are licensed to certify they are still exempt or have gotten coverage at the time of their license renewal.
- **AB 1168:** Lowers costs for employers and insurers by establishing a fee schedule for vocational experts' services.
- **AB 1426:** Streamlines the workers' compensation process and eliminates duplicative bureaucracy and inconsistency by eliminating the court administrator position.
- **AB 228:** Amends the California Insurance Code to authorize the State Compensation Insurance Fund (SCIF) to provide workers' compensation coverage to a California employer whose California employees temporarily work outside the state and whose injuries while performing out-of-state work might lead to workers' compensation liability in some other state.
- **Department of Fair Employment and Housing Procedural Regulations (DFEH).** Effective October 7, 2011, DFEH has instituted new regulations relating to procedures for filing, investigating and processing discrimination and harassment claims. Overall, the regulations make it easier for claimants to file their complaints and initiate a DFEH investigation.

Source: California Chamber of Commerce

INDUSTRY NEWS

Continued from page 27

Since 2008, CPEC has provided customers with towable rental equipment for a variety of projects, which now includes Kubota's K008-3 excavator and BX25 Tractor/loader-backhoe (TLB).

The K008-3 and BX25 TLB are currently available in approximately 100 Home Depot locations nationwide including The Home Depot flagship store in Georgia, as well as stores in Tennessee, South Carolina, Texas, Florida and Mississippi. CPEC hopes to place Kubota equipment in each of its 280 current locations, with a 2012 expansion goal of more than 400 additional locations. A full list of Compact Power Equipment Centers carrying Kubota rental equipment is available online at www.CompactPowerCenter.com/Locations.

"Our partnership with CPEC makes Kubota available to an entirely new customer base of rental users," said Tim Bauer, Kubota National Accounts Manager. "During these uncertain economic times, the rental option serves customers who are hesitant to invest in equipment ownership, conserving their cash flow and lines of credit.

This partnership will expose many new consumers to the quality, durability and versatility of Kubota equipment. People

who have rented Kubota products are visiting their local dealers to see more of our products, and in some cases, purchasing products for their own permanent use."

Kubota continues to penetrate all levels of the rental market, working with large players in the industry, regional rental companies and expanding rental departments within Kubota dealerships nationwide. The company's high-quality reputation and new focus on the rental customer is right in line with CPEC's standards and goals.

"With people choosing to stay in their homes longer, we're seeing a large portion of rentals going towards property improvement projects," said Andy Lewis, Director of Marketing for CPEC. "Our partnership with Kubota takes us to a new level. At CPEC, we pride ourselves on providing top tier equipment and Kubota's reputation lends further credibility to our dedication to quality. Kubota's K008-3 excavator and BX25 TLB's ease of operation and functionality make them high-demand rental items. And, just as importantly, their durability and ease of service ensure rental readiness. Having the equipment serviced and operational at all times is a key requirement of The Home Depot."



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MACHINERY ALERT - TRACTOR THEFTS

We Recently learned the following equipment thefts:

A customer of Laird Manufacturing in Merced, California reported that a White 2008 Laird Manure Spreader mounted on a White 1999 Sterling Truck was stolen on Friday December 09, 2011 from Vlot Brothers Dairy in Chowchilla, California.

Make	Model#	Serial VIN#
Laird Manure Box	MB-640	E-BESA-O
1999 Sterling Truck	9500 (Cat C-12 Engine)	2FWYHWDB9XAF22184

If you see this unit, please contact Isaac Isakow, Manager, Laird Manufacturing at (209) 722-4145 or the Far West office at 707-678-8859.

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*This Article provided by Erik Plantenberg,
Regional Marketing Manager,
Federated National Insurance Company*

Many of us make it a point to see our doctor for an annual medical checkup. This is an important opportunity to have a medical professional assess the current condition of our health. It also allows us to ask questions of our doctor about medical issues or concerns, and it is a chance to consider making changes to accommodate a healthier lifestyle.

When was the last time you turned to your insurance provider for a similar checkup of your business insurance and risk management programs?

Get an insurance “physical”

As your business changes and grows, so do your business insurance needs. It is a good idea to consult your insurance advisor, at least annually, to review your insurance coverage in light of changes your business may undergo from year to year. For example:

- You may have purchased or sold buildings, personal property, or vehicles.
- You may have experienced fluctuations in payroll or sales receipts as business conditions change.
- You may have undertaken new operations or developed new products or services.

Annual “Checkups” for Your Business

- You may need to respond to new legal or regulatory issues.

An annual review - or “physical exam” - of your insurance coverages helps ensure that coverage purchased last year adequately protects you today. Annual reviews are a good time to consider, for example, whether your policy limits are sufficient to replace damaged property. They provide you and your insurance representative an opportunity to discuss insured and self-insured exposures, as well as consider any new exposures that can impact your current insurance program.

Annual insurance reviews are also a good time for you to assess the performance of your current insurance provider. Are claims paid according to your expectations? Is the insurer still financially sound and stable? Are you receiving the promised level of policy service and loss control support? Answers to these questions can have a huge impact on your business and may influence your decision to continue to do business with your current insurance provider.

Give your risk management program a “checkup”

In addition to an annual review of your insurance program, you should also expect your insurance professional to review your business risk management strategies on a yearly basis.

A thorough review of your risk management plans can help you and your insurance representative identify new exposures or operations that were not contemplated by your current programs. It provides you an opportunity to gauge the effectiveness of your current risk management plans and also uncover patterns in your loss experience that suggest the need for addi-

tional risk control attention. Finally, an annual review can help you determine if you are appropriately targeting resources to risk control programs that have the greatest impact on your bottom line.

An annual risk management review may have other indirect benefits as well:

- Help protect your future insurability by controlling losses and reducing claims.
- Provide cost savings through reduced insurance premiums.
- Trim expenses by reducing the hidden costs associated with claims—such as lost productivity, additional costs for hiring and training, and lost goodwill.
- Assist in creating a safer, more favorable work environment to attract and retain high-quality employees.

Your recommended insurance carrier, Federated Insurance, provides an Annual Client ReviewSM and a Risk Control ReviewSM for each insured business each year. These reviews are part of the Company’s Major Client Service Standards.

You should expect your insurance agent or company to visit with you annually for a check-up of your insurance and risk management programs. You may find annual reviews are the best prescription for maintaining the health of your business.

This publication is intended to provide general recommendations regarding risk prevention. It is not intended to include all steps or processes necessary to adequately protect you, your business, or your customers. You should always consult your personal attorney and insurance professional for advice unique to you and your business. ©2010 Federated Mutual Insurance Company. All rights reserved.



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GX500 Backhoe

For Subcompact Tractors



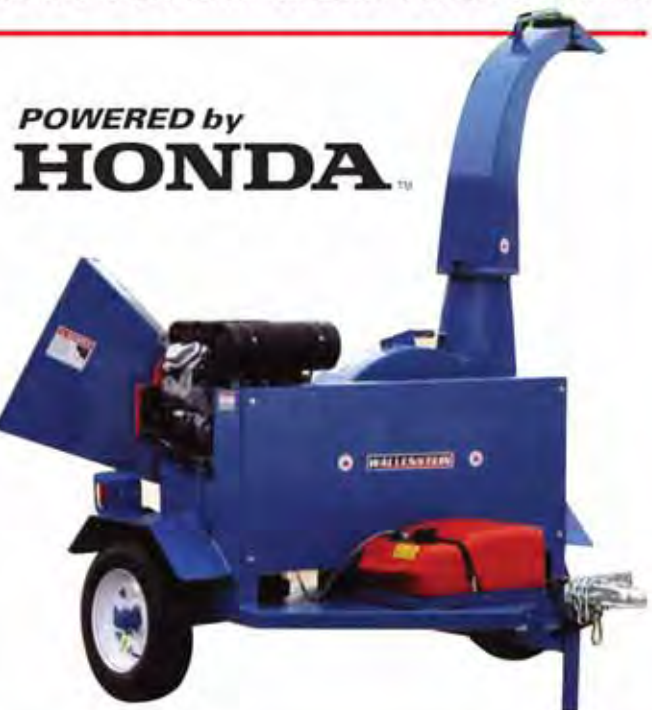
- Best performance with 4-6 gpm hydraulic systems
- Compact design for use with sub-compact tractors
- Quick attach subframe mounting available
- 3 point hitch mounting available
- PTO pump kit optional
- 9", 12", & 15" Buckets with replaceable teeth
- Boom and Rotation Lock for Transport
- All pivot points greasable for easy maintenance
- Street pads optional
- Available in colors to match common tractor makes
- Larger models also available

Wood Chippers

Three Point and Trailer Hitch Models

- PTO or Honda engine powered models.
- Optional hydraulic feed and self-feed hoppers.
- Discharge hood rotates 360°
- Built-in twig breaker

Model	Drive	Capacity	Rotor
BX42	Direct, PTO w/shearbolt	4" Diameter (up to 10" slab)	25" Dia.
BX62	Direct, PTO w/ shear bolt	6" Diameter (up to 12" slab)	30" Dia.
BXT4213	Belt w/ clutch 13 hp engine	4" Diameter (up to 10" slab)	25" Dia.
BXT4224	Belt w/ clutch 13 hp engine	4" Diameter (up to 10" slab)	25" Dia.
BXT6224	Belt w/ Clutch 24 hp engine	6" Diameter (up to 12" slab)	30" Dia.



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