



NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

Serving Farm, Industrial and Outdoor Power Dealers

1195 Smizer Mill Road • Fenton, Missouri 63026-3480 • Phone: (636) 349-6221 • Fax: (636) 349-5443 • www.naeda.com

December 27, 2005

Secretary Mike Johanns
United States Department of Agriculture
Farm Bill
1400 Independence Avenue, SW
Washington, DC 20250-3355

Re: Farm Bill Comments

Dear Secretary Johanns:

The North American Equipment Dealers Association (NAEDA) represents over 4,800 retail agricultural, industrial and outdoor power equipment dealerships in the U.S. and Canada. Collectively, these dealerships employ nearly 100,000 people. NAEDA is an association that works with 15 affiliated associations in the U.S. and three in Canada. It's on their behalf – and the dealerships we serve – that I am writing to you about the 2007 farm bill.

NAEDA's present farm bill policy reads as follows:

“For the 2007 farm bill, NAEDA supports legislation that provides for planting flexibility, provides a safety net for producers that also considers extreme weather conditions and trade related issues, balances the needs of conservation and the needs for active producing lands, considers trade issues, supports education and research efforts and provides for rural development activities that includes agricultural credit, beginning farmer programs and value-added programs for a renewable bio-economy.”

To clarify that policy, we offer the following comments for your consideration.

As an association that represents equipment dealerships, which, for the most part, are located in rural areas, we have identified a rural development need. That is to retain and hire quality employees to work in this industry. A recent survey of dealerships conducted this past summer in Ohio, Kentucky, Indiana, and Michigan found that every dealership had at least one immediate technician vacancy but, more importantly, was looking to hire an additional two to three technicians in the next three to five years. While the survey only targeted technicians, we know its equaling challenging for dealers to recruit people to manage dealerships or work in sales or parts positions.

If we use our total membership, that means there are nearly 4,800 vacancies ready to be filled today, with 9,500 vacancies or more to be filled in the next few years. An example of the critical need was

a step taken by our western Canadian affiliate, which sent staff and board members to job fairs in East Germany for the sole purpose of recruiting technicians.

Therefore, we ask you to consider how to allocate funds from the next farm bill to help educate individuals and our youth about the employment possibilities in agriculture. Vocational education and other job retraining programs should also be considered and supported to train and enable individuals to stay and work in rural areas.

We would also ask that the next farm bill support a national energy policy with realistic and achievable goals to make the U.S. more energy self-sufficient and less reliant on foreign energy sources. To help reduce the nation's dependence on foreign energy sources, a comprehensive energy policy should:

- promote conservation of all fuels,
- encourage universities and other institutions and organizations to conduct research on and provide education programs about energy, and
- encourage the development of alternative fuels, renewable fuels and next-generation technologies for wind, biomass, coal and nuclear fuels.

As a matter of our position on becoming self-reliant in meeting domestic energy needs, we respectfully oppose the use of government incentives for any imported biofuel.

On the matter of conservation, we support balancing the needs of conservation with the needs of land used for production. We suggest the USDA reevaluate the criteria for reenrolling land into conservation programs, particularly the Conservation Reserve Program (CRP). We believe more emphasis be placed on and authority given to each state Farm Service Agency to determine CRP payment rates and acreage qualifications. To many of our dealers, far too much land has been taken out of production (as dictated by Washington) in their areas and at payment rates that exceed local market conditions. Where this has occurred, rural areas and businesses have suffered due to the decline in overall economic activity.

Another conservation measure in which we have an interest in is the use of carbon credits for carbon sequestration. If landowners, farmers and ranchers, whether on private or public lands, were allowed to sell "carbon credits" to companies, it could bring new non-government revenue sources to the conservation table. This could give producers additional options for their operations and still provide desired conservation benefits.

We also believe the next farm bill should contain specific language in which the USDA is given the leadership role and clear duties (working through ARS and universities) to establish "conservation" benchmarks. These benchmarks should be of sound science, measurable and consistent with the best management practices for each state or region of the country. If we are to have public support and funding for conservation measures, the public must know that progress is being made on a set of measurable goals, whether they deal with livestock, wildlife, dust, air or water quality, etc. The established goals should also incorporate air and water quality goals outlined and/or regulated by U.S. EPA that have an effect on agriculture and the businesses we represent.

Our last issue is trade. We believe trade policy will change the guidelines for the next farm bill. We want to encourage caution in how Brazil's winning WTO decision is interpreted and formulated in the next farm bill. Compliance with trade rules can be achieved with proper "green box" alignments, rural development initiatives, etc. Rural America depends on agriculture and agriculture needs fair trading rules and a level playing field, if we expect agricultural growth and expansion and long-term prosperity for agribusinesses, such as equipment dealerships.

We will continue to monitor the farm bill process and make additional comments at the appropriate times.

We want to thank you for the opportunity to make these comments early in the process. Should you have any questions, please contact Michael Williams at 636-349-6204 or send an e-mail to williamsm@naeda.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Kindinger", with a stylized flourish extending to the right.

Paul Kindinger
CEO