

Approved February 25, 1986  
Date

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at  
Chairperson

10:00 a.m./~~pm~~ on February 19, 1986 in room 423-S of the Capitol.

All members were present ~~except~~:

Committee staff present:

Fred Carman - Assistant Revisor of Statutes  
Raney Gilliland - Legislative Research Department

Conferees appearing before the committee:

Dale Amick, Western Retail Implement and Hardware Association  
Jack Selzer, Western Association  
Ron Shouse, Farm Implement Dealer, Abilene, Kansas  
Ivan Wyatt, Kansas Farmers Union  
Rob Hodges, KCCI  
Sid Caldwell, Vice President, Case Harvester  
Meryl Heyen, Farmer  
Terry Mosier, John Deere  
Russell Buster, President of Bush Hog, Galesburg, Kansas  
Jim Foster, Ford Tractor Company  
Stan Martindell, Hesston, Kansas

Senator Allen called the Committee to order and welcomed the guests present for the hearing on SB 544. He then called on Dale Amick, a proponent, to testify.

Mr. Amick gave copies of his testimony to the Committee (attachment 1). Mr. Amick stated SB 544 was requested to address the potential for coercive practices by the manufacturer which is a concern for many independent farm equipment dealers. He stated he had asked that Jack Selzer, a legal counsel, and Ron Shouse, a farm equipment dealer, to testify. He said dozens of farm equipment dealers had asked to testify but due to time limitations he had asked only Mr. Shouse to testify.

The Chairman thanked Mr. Amick and called on Mr. Selzer to testify.

Mr. Selzer, a proponent, gave copies of his testimony to the Committee (attachment 2) and stated the legislation had been requested to balance the rights and duties of the farm equipment dealers and the manufacturers.

During discussion Mr. Selzer said that a manufacturer can run an implement business in the state if an independent dealer cannot be found to run an implement business. He also agreed to provide for the Committee copies of statutes from other states pertaining to the same issues as in SB 544.

The Chairman thanked Mr. Selzer and called on Mr. Shouse, a proponent, to testify.

Mr. Shouse gave copies of his testimony to the Committee (attachment 3) and requested favorable action by the Committee on SB 544.

The Chairman thanked Mr. Shouse and called on Ivan Wyatt to testify.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,  
room 423-S, Statehouse, at 10:00 a.m./~~p.m.~~ on February 19, 1986

Mr. Wyatt, a proponent, expressed support for SB 544 and stated it was a way to help implement businesses stay in business during these trying times. Mr. Wyatt's testimony is (attachment 4).

The Chairman thanked Mr. Wyatt and called on the opponents to testify. He called on Rob Hodges to testify.

Mr. Hodges gave copies of his testimony to the Committee (attachment 5). Mr. Hodges expressed opposition and requested the Committee recommend it not be passed.

The Chairman thanked Mr. Hodges and called on Sid Caldwell to testify.

Mr. Caldwell stated his company had had a 68% decline in sales in 1985 as compared to 1980. He stated his company does not want an implement dealer to operate at a dealers' expense; thus they have merged some and closed some businesses. He stated the company owned dealership that he manages and operates as an independent dealer would except he is limited in the territory where he can sell, whereas, an independent dealer can sell anywhere he wants to sell. He stated he feels company owned equipment stores are an asset to a community and he encouraged non-passage of SB 544 by the Committee.

The Chairman thanked Mr. Caldwell and called on Meryl Heyen to testify.

Mr. Heyen stated as a farmer he appreciated a company owned equipment dealer. He reported that when he has a breakdown with his equipment that the company owned equipment dealership loans him another piece of equipment to use until his is repaired and that is something an independently owned equipment dealership does not do. He stated the state needs company owned equipment dealerships.

The Chairman thanked Mr. Heyen and called on Terry Mosier to testify.

Mr. Mosier gave copies of his testimony to the Committee (attachment 6). Mr. Mosier reported that SB 544 would hinder his company from taking care of John Deere equipment and service needs of farmers in Kansas. He expressed the hope that the Committee would vote against SB 544.

During Committee discussion Mr. Mosier stated section 4 of SB 544 is a duplicate of federal law, therefore, it is not needed. He said John Deere company owned equipment businesses operate the same as an independent dealership. He said if sections 3, 4, and 6 were eliminated the bill would be more acceptable but still does not want the bill passed. Mr. Mosier stated that John Deere does not require a new dealer build a new building for a new John Deere business but that they do want the business to be established where the most market is available. He said he knew of no law parallel to SB 544 in any other state.

The Chairman thanked Mr. Mosier and called on Russell Buster to testify.

Mr. Buster stated that business now for equipment dealers is at a very low ebb, but there still is a demand for good farm equipment dealers in the state. He stated there are fewer manufacturers now as there are becoming less and less farmers and all are affected by the present agricultural situation. He said dealers do not want to carry big inventories at this time. He expressed the feeling



CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,  
room 423-S Statehouse, at 10:00 a.m. ~~pm~~ on February 19, 1986.

that this legislation would invite more liability lawsuits and that no one needs more litigation. He also stated that all had learned to be better managers because of the agricultural crisis.

The Chairman thanked Mr. Buster and called on Jim Foster to testify.

Mr. Foster stated the Ford Tractor Company does not feel this legislation is necessary. He said if SB 544 is passed that Kansas would be the most regulated state in the Union. Mr. Foster said we already have procedures to protect our dealerships.

The Chairman thanked Mr. Foster and called on Stan Martindell to testify.

Mr. Martindell stated SB 544 is legislation that is an invitation to cause more litigation. He said litigation increases operating costs for a business; that in the long run litigation costs all involved and no one gains. He expressed the desire for the Committee not approve SB 544 for passage.

The Chairman thanked Mr. Martindell and declared the hearing closed on SB 544. The Chairman called for Committee action on Committee minutes. Senator Arasmith made a motion the minutes of February 17 be approved. Senator Gannon seconded the motion. Motion carried.

The Chairman then adjourned the Committee at 11:00 a.m.



TO: Kansas Senate Agriculture Committee  
FROM: Dale Amick, Western Retail Implement & Hardware Association  
RE: Senate Bill 544  
DATE: February 19, 1986

Mr. Chairman, Members of the Committee, I'm Dale Amick, legislative director for the Western Retail Implement and Hardware Association. Some 300 independent farm equipment dealers in Kansas are members of our association.

We want to thank the Chairman and members of this committee, not only for agreeing to introduce Senate Bill 544, but also for giving us ample opportunity for a hearing on this legislation.

In the last five years, our association, which includes farm equipment dealers in Kansas, Missouri and parts of Oklahoma, has witnessed about 300 independent farm equipment dealers go out of business. In most cases, these were good, solid businesses that contributed significantly to the rural economy, but they are long gone today.

In the last year alone, some 100 independent farm equipment dealers have gone out of business in the territory covered by our association.

Even more disturbing, is the estimate that another 100 independent farm equipment dealers in our area will close their doors this year.

The overriding reason, obviously, is the depression in our agriculture economy. But other factors are playing a role in the demise of the independent farm equipment dealer in Kansas.

Making business more difficult for some of our independent farm equipment dealers is the fact that the pendulum of rights has shifted almost completely to the side of the manufacturer.

*attachment |  
2/19/86 Sen. Ag.*

The fact is today the potential for questionable practices by the manufacturer in his dealings with the independent farm equipment dealer is real and should be of concern to all of us.

The potential for coercive practices by the manufacturer is a concern for many independent farm equipment dealers. And that's what Senate Bill 544 addresses.

Representatives of manufacturers may later testify that coercive practices covered under Senate Bill 544 don't occur. That is wrong. But if they are convinced their companies have not...or will not... engage in such practices then they should not be concerned with Senate Bill 544. In fact, they should support it.

We have two witnesses to testify today for Senate Bill 544. First, Jack Selzer, our legal counsel, will go over the major provisions of Senate Bill 544 with you. Mr. Selzer has had much experience in cases involving coercive practices in the farm equipment sales business.

Also, we have Mr. Ron Shouse, a farm equipment dealer from Abilene, Kansas. Mr. Shouse can adequately represent the general feelings of independent farm equipment dealers in this state. And that is why we did not ask our farm equipment dealer members to appear at this hearing, although literally dozens of dealers offered to be here today. We know the committee has time constraints and we feel Mr. Selzer and Mr. Shouse can adequately outline our concerns and feelings.

If there are no questions, I'd like to ask Mr. Selzer to proceed and outline provisions of Senate Bill 544.

TO: MEMBERS OF THE SENATE AGRICULTURE COMMITTEE

FROM: ATTORNEY JACK SELZER, COUNSEL FOR THE WESTERN RETAIL  
IMPLEMENT AND HARDWARE ASSOCIATION

DATE: FEBRUARY 19, 1986

RE: SENATE BILL NO. 544, KANSAS AGRICULTURAL EQUIPMENT  
DEALERSHIP ACT

On November 11, 1985, the Farm Equipment Council of Western Retail Implement and Hardware Association passed a resolution directing the Association to sponsor legislation which would balance the rights and duties of the farm equipment dealers and the manufacturers. More particularly, they specifically approved the sponsorship of your Senate Bill No. 544.

The Farm Equipment Council represents the interests of 608 farm equipment dealers in the states of Kansas and Missouri, with 341 of these dealers located in the state of Kansas. Indeed, it is likely that every county in the state of Kansas has a farm equipment dealer who is a member of Western Retail Implement and Hardware Association.

This legislation is featured in the February magazine of Western Retail Implement and Hardware Association on pages 34, 35 and 50 with an editorial on page 5 (a copy of which is attached as Exhibit A). Moreover, this Saturday at the Western Farm Show, Alan Alderson, Western's Kansas legal counsel, will discuss the current status of this bill with Kansas farm equipment dealers.

As stated in Section 1, the purpose of the bill is to ensure that the retail distribution of farm equipment to the farmer is made by businesses which are independent from the manufacturers of the farm equipment and machinery. Members of the Association believe that the independent dealer who can listen and respond to the needs of the farmer plays an important part in the Kansas farm economy. The independent farm equipment dealers also

*attachment 2  
2/19/86 Sen. Ag.*

believe that their independence from the manufacturer encourages competition among the manufacturers and allows the farmer to have a wide choice of equipment.

This legislation is needed to preserve this competition among manufacturers. Most provisions of this statute are directed at practices by manufacturers which would lessen the competition among manufacturers. In one sense, this legislation is "manufacturer" legislation since, when it is passed, all the manufacturers selling equipment in the state of Kansas will be operating under the same rules governing their relationship with the independent farm equipment dealer.

The independent farm equipment dealer would like to avoid any legislation if the dealer could accomplish his or her goals through a private contract with the manufacturer. Unfortunately, the manufacturers of farm equipment have a bargaining position far superior to that of the independent dealer. Moreover, the manufacturers of farm equipment often times use this superior bargaining position to force upon the dealer contract terms that are blatantly unfair to the independent dealer. An example of such coercion was shown in a recent meeting of dealers with a manufacturer during which the manufacturer offered a new dealership agreement to all the dealers there and said that the volume discount checks which were earned by each of the dealers for that year would not be issued to the dealer unless and until the dealer signed a new dealership agreement which contained several provisions that favored the manufacturer. On many occasions, representatives of a farm equipment manufacturers will tell an independent farm equipment dealer that his dealership agreement would be cancelled or not renewed unless and until the dealer ordered equipment which the independent dealer thought he could not sell. Thus, it is not realistic to think that the independent retail implement dealer can sit across from a manufacturer and negotiate fair and equal terms of a dealership

agreement, reflecting some give and take. Rather, the dealership agreement is a take it or leave it proposition which, because of the investment of the independent implement dealership, gives the dealer one choice: of accepting the dealership agreement as drafted by the manufacturer.

I stress this legislation is not unique. Indeed, the farm equipment dealers of Kansas seek protection which this legislature has given to the Kansas automobile dealers (a copy of which is attached as Exhibit B), which prevents cancellation, termination or non-renewal of a dealership unless there is reasonable justification. Moreover, there are a number of farm states nearby Kansas which have statutes protecting their farm equipment dealers. In particular, Illinois, Indiana, Michigan, Minnesota and Wisconsin all have very broad statutes affecting the manufacturer/dealer relationship, and it is from these statutes that the proposed act has been drafted.

With these general comments in mind, we turn to the specifics of the bill. The provisions of substance begins in Section 3, where it provides that a manufacturer cannot terminate, cancel, fail to renew or substantially change the competitive circumstances of a dealership agreement without good cause. This provision is the most important provision of the statute. Many dealership agreements provide that the manufacturer can cancel the dealership agreement without cause upon sixty (60) days written notice. For example, the Ford Dealership Sales and Service Agreement which I attached (Exhibit C) provides in paragraph 14(e) that "If this agreement is not for a stated term as may be provided for in paragraph (g) hereof, Ford may terminate this agreement at will at any time giving the dealer at least 60 days prior written notice thereof. If this agreement is for a stated term, as provided in paragraph (g) hereof, Ford may elect not to renew this agreement upon giving the dealer written notice to such effect at least 60 days prior

to the expiration of the stated term hereof." Another example of the contract right to terminate the dealership without good reason is the J.I. Case contract which I have attached as Exhibit D, which provides in paragraph 10.A. that "This Agreement may be terminated at any time for any reason . . . upon ninety (90) days written notice by Company to Dealer. . . ."

The independent implement dealer believes that such a provision in the contract is most unfair. Often times, the dealer has established a successful business over a long period of years with an investment of substantial capital. His investment and hard work can be wiped out if the manufacturer were to cancel him upon sixty (60) days notice. We think that the manufacturer should only have the right to terminate a dealer for good cause. As you can see from the act, we allow the manufacturer to define exactly what good cause means. "Good cause means and includes the failure by a farm equipment dealer to substantially comply with essential and reasonable requirements imposed upon the dealer by the dealership agreement, provided such requirements are not different from those requirements imposed on similarly situated dealers either by the terms or in the manner of their enforcement." The dealers want to see themselves treated in a fair, equal and consistent manner.

Section 3(b) of the bill continues this fairness requirement by requiring the manufacturer to give the dealer at least ninety (90) days written notice of good cause for termination, cancellation or non-renewal of the dealership agreement. Upon receipt of this notification which requires a written statement of the reasons constituting good cause for the termination, the dealer has sixty (60) days in which to cure the claimed deficiency. If the dealer has not rectified the deficiency within sixty (60) days, then the dealership can be terminated. If the deficiency is rectified within the sixty (60) days, the notice of termination is void and the dealer continues to



maintain his dealership. The right to cure provisions would not apply if the reason for cancellation were the commission of a felony affecting the relationship between the dealer and the manufacturer, insolvency of the dealership, the occurrence of assignment for the benefit of creditors, or the bankruptcy of the farm equipment dealer. Similarly, if the reason for termination is the non-payment of amounts due the manufacturer, the dealer is entitled to written notice of the default but only has ten (10) days to remedy the default in payment.

Section 3(c) of the bill addresses the problems which dealers have with manufacturers in selling their dealerships. This section requires the dealer to notify the manufacturer in writing that the dealer intends to sell his dealership. With this notice, the dealer must give the manufacturer the purchaser's name and address, a statement of financial qualifications of the purchaser, and the business experience of the purchaser during the last five years. Thereafter, the manufacturer has one hundred twenty (120) days to approve the transfer or to advise the dealer of the unacceptability of the proposed transfer, stating the reasons relating to the character, financial ability or business experience for the refusal of the transfer of the dealership. The act provides if the manufacturer does not respond with its approval or disapproval within the one hundred twenty (120) days, approval is deemed granted by the manufacturer.

Section 4 of the bill addresses trade practices of farm equipment manufacturers which are unfair and, in most instances, illegal under various provisions of federal and state law. (Some of these laws are too narrow or technical in application to provide real security to the dealer.) Section 4(a) of the act provides that a farm equipment manufacturer cannot coerce a dealer into ordering farm equipment or accessories which the farm equipment dealer does not want to order. Section (b) prohibits

three types of activities by farm equipment manufacturers: (1) the tying of the sale of one piece of farm equipment to another piece of farm equipment; (2) use of pressure to coerce the dealer into refusing to purchase farm equipment from another manufacturer; or (3) use of price differentials to discriminate in the prices charged for farm equipment of like grade and quality sold by the manufacturer to similarly situated farm equipment dealers. An example of the illegal tying arrangement is the Earley Ford Tractor, Inc. v. Hesston Corporation case, a copy of which decision is attached wherein the Federal District Court determined that Hesston violated the federal antitrust laws by terminating a dealership which refused to carry a new tractor.

Section 5 of the bill makes clear that any provision in the dealership agreement whether express or implied which is inconsistent with the bill is void and unenforceable.

Section 6 of the bill is, perhaps, the most controversial part of the bill. This section provides that a farm equipment manufacturer cannot operate a farm equipment dealership. The purpose of this provision is to prevent a manufacturer from opening its own store and driving out of business an independent dealer in the area, and then after driving out competition, increasing prices because of a lack of competition in the trade area. We feel that this section preserves competition among the manufacturers, assuring that their products will remain in the stream of commerce to the ultimate consumer, the farmer. Subsection (a) of Section 6 allows the manufacturer to continue a company store until July 1, 1988.

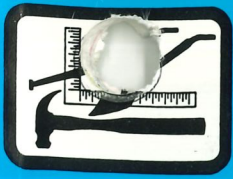
Subsection (b) of this section provides that a manufacturer can continue to operate a terminated dealership for an 18-month

period. Subsection (c) provides that a manufacturer may participate in the ownership of an equipment dealership under written agreement with an independent equipment dealer if the independent dealer has the right to eventually acquire full ownership of the business. Finally, Subsection (d) provides that a manufacturer may own and operate a retail farm equipment dealership in any trade area for such time period as the manufacturer cannot find an independent farm equipment dealer to own and operate a retail farm equipment dealership to represent the manufacturer.

Section 7 gives the remedy provisions of the act. If the manufacturer violates this act, the dealer can bring an action against the manufacturer for damages, actual costs and reasonable attorneys' fees. In addition, the dealer can also receive injunctive relief and seek assistance of the Attorney General to enforce compliance by institution of a civil suit for injunctive relief. This bill has been reviewed by the Office of the Attorney General, which has suggested that Section 7 be amended to reflect the broad remedy provisions contained in Kansas Statute 50-632--the Consumer Protection Act. Accordingly and consistent with the recommendations of the Attorney General's Office, I have attached as Exhibit F a proposed amendment to this bill.

In seeking this protection, the dealers do not want to impose unreasonable restrictions on the manufacturers. As applied, the provisions are sound business practices which allow problems to be addressed and cured. Retail businessmen do not take action "without cause" anyway. We are simply trying to prevent inequitable or unfair practices from being forced on the dealers as a result of the disparity of power between the dealer and manufacturer. Such legislation is not unique or uncommon.





February 1986

# Hardware & Farm Equipment

OFFICIAL PUBLICATION OF WESTERN RETAIL IMPLEMENT & HARDWARE ASSOCIATION



Feb.  
23, 24, 25

EXHIBIT A



American Royal  
Exposition Buildings  
Kansas City, Mo.

97th Annual F.E. Convention  
Feb. 21-22  
Hyatt Regency Hotel — Kansas City



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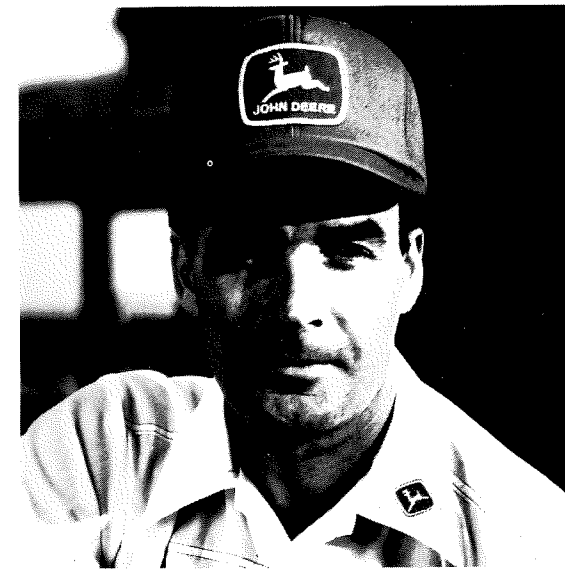


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provides better parts and service support ... or more helpful financing programs than

Case International dealers. When you put it all together — just as we did — the result is a fresh team for today's farmer, to help him be more productive.

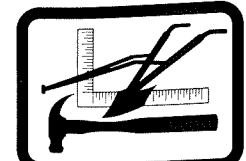
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ASSOCIATION



ISSN 0017-7679

Second Class Postage paid at Kansas City, Missouri and additional offices. Subscription price \$5.00 per year, 50 cents per copy.

EDITOR Barbara Seney

POSTMASTER Send address changes to HARDWARE & FARM EQUIPMENT, P.O. Box 19264, Kansas City, Mo. 64141. All communications to above address, or call 816) 561-5323.

PUBLISHED MONTHLY BY WESTERN RETAIL IMPLEMENT AND HARDWARE ASSOCIATION

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## 'Fair Dealership' Bill

All of us are aware that our industry is a changing one. Helping you to stay on top of these changes and remain successful was the purpose for which your Association was formed, and it is the reason it exists today.

Each of the members of the Western Association has been kept well informed over the last two-plus years about our involvement in the state and national legislative arenas. This is an area in which we've worked extremely hard, and we think we're doing a pretty good job.

During the legislative sessions in Kansas and Missouri this year we are introducing "fair dealership" legislation. Jack Selzer, Western's legal counsel, along with Dale Amick, our director of government relations, and Alan Alderson, our Kansas legislative legal counsel, have drafted this legislation to identify specifically the obligations and rights of an implement dealer.

In thinking about how to draft this legislation and ultimately get it passed, we determined that the manufacturers' input and recommendations were integral to the process. Jack Selzer and I have visited with most of the major suppliers about this legislation and have received some excellent comments and suggestions.

Obviously, we didn't expect, nor did we receive, support for this legislation. However, we did have constructive discussion based on our theory that what's good for the supplier/manufacturer ultimately is good for the dealers and vice versa.

We certainly don't want legislation that is unfair to anyone in the distribution channel. On the other hand, we do want protection for the farm equipment dealer's rights, and we want all parties in the distribution channel to understand what those rights and responsibilities are.

An important point about this legislation: It doesn't absolve a retail dealer from being a good businessman nor does it create a situation where the dealer-supplier contract is voided. BOTH the dealer and the manufacturer/supplier have rights and responsibilities.

By now you've no doubt heard of this proposed bill. A copy of it is printed in this magazine on pages 34 and 35. Please read it.

Your officers, directors and staff, as well as your fellow dealers, think this is critical legislation. I believe it goes a long way in cementing dealer and supplier relations and certainly is beneficial in allowing farm equipment dealers to operate as independent businessmen.



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the global commitment and strength of our parent corporation, Klockner-Humboldt-Deutz (KHD). The innovative financing and leasing programs of the Deutz-Allis Credit Corporation. The finest parts and service support in the business, with two centrally located parts depots and seven regional warehouses all computer-linked to assure fast response.

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if you reside west of the Mississippi, or Ben Cornwell at 614-890-1029 if you reside east of the Mississippi. Deutz-Allis Corporation, Milwaukee, WI 53201.

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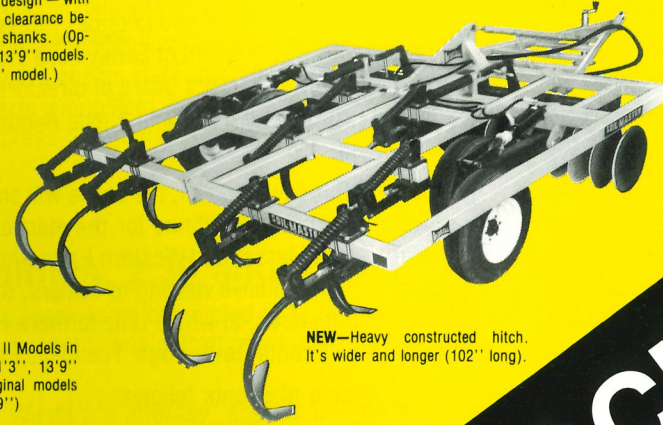
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**NEW**—Heavy constructed hitch. It's wider and longer (102" long).

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**NEW**—More road transport clearance—up to 11" from point tip to ground. Excellent for high crowned roads.

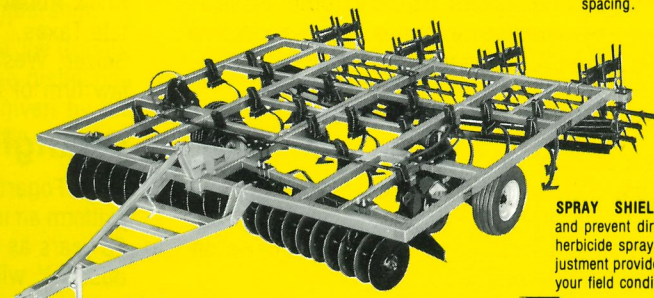
**MADE FOR EACH OTHER**

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**SPRAY SHIELDS**—Shatter clods and prevent dirt from breaking the herbicide spray pattern. 6-way adjustment provides proper setting for your field conditions.

**APPROVED** by many major chemical companies to incorporate their chemicals in one trip.

**DISCS**—heavy-gauge 20" concave disc blades cut through, level and incorporate crop residue. They're spring loaded and mounted at 10° angle with 7 1/2" spacing.

**NEW**—Riveted long-life greasable bearings.

## TILLOLL One Trip Seedbed Preparation

Soil-Master and Tilloll — Made For Each Other. And made to make your customers glad they bought them from you. See your Landoll Distributor or write or phone us for complete details.



**LANDOLL CORPORATION**  
1700 May St., Marysville, Kan. 66508  
Phone (913) 562-5381  
Remember: Quality is always a bargain!  
Manufacturers of  
World Famous HAULLOLL Trailers





# Farm Equipment Members to Kansas City Feb. 21 for 97th Annual Convention and 25th Western Farm Show

Stimulating seminars and speeches and refreshing idea exchanges await Western members at the 97th annual Farm Equipment Convention Feb. 21-22 at the Hyatt Regency Hotel in Kansas City, Mo.

A strong line-up of speakers and seminar leaders will concentrate on such subjects as the state of the industry, techniques the dealer can use to survive and prosper in 1986 and the legislative scene in Western's region.

Though not a formal part of the Convention, a three-hour roundtable discussion between dealers and shortline farm equipment manufacturers on Friday afternoon, Feb. 21, will be open to members. Friday evening will be reserved for receptions hosted by manufacturers and the Western Association.

Specialists from Western, Federated Insurance Co. and Farm Plan will be available from Friday noon through Saturday for

discussion of Association services.

The hours from 8 a.m. until 5 p.m. on Saturday, Feb. 22, will be packed with "meat and potatoes" sessions. Presiding will be Bob Earley, president of Earley Ford Tractor, Cameron, Mo., chairman of Western's board of directors. Formal activities will conclude with the Grand Finale Banquet to be served at 7 p.m.

At 9 a.m. Sunday, Feb. 23, the scene will shift to the American Royal Exposition Buildings for the start of the Silver Anniversary Trade Market and Western Farm Show. Exhibits will be open for the exclusive viewing of dealers, their families and employees until noon, at which time farmers will be admitted. The Show will continue through Tuesday, Feb. 25.

The schedule of events follows:

## FRIDAY, FEB. 21

### Registration

Members may register at any time from noon until 5 p.m. at Western's registration desk in the Atlanta Foyer on the hotel's third level.

### Roundtable, 2 p.m.

Western and the Farm Equipment Manufacturers Association will sponsor a free-wheeling exchange between dealers and leading shortline manufacturers in the San Francisco Room.

### Receptions, 5:30 p.m.

A number of suppliers will entertain their dealers at receptions from 5:30 until 7:30 p.m. All members, exhibitors and associates are invited to a Western Association reception, to be held during the same hours. Locations will be shown on the hotel's closed circuit television.

## SATURDAY, FEB. 22

### Industry Breakfast, 8 a.m.

Breakfast will be served in the New York Room. Speaker will be Orion Samuelson, Chicago radio and television farm broadcaster, who has entitled his presentation, "Everyone Is Waiting in Line To Say 'I Told You So'." A favorite of Western audiences through previous convention appearances, Samuelson can be counted on for astute observations of the industry.

He is the only farm broadcaster to have been awarded the "Oscar in Agriculture" in both radio and television. During an average year he travels more than 65,000 miles gathering information, interviewing people and covering national and mid-west farm events.

### Sales Seminar, 9:45 a.m.

Members will gather in the Atlanta Room for a seminar by

Bill Sharp, "The Key to Increased Productivity: Motivating Your Staff." Sharp, nationally known as "the ag sales trainer," provides practical information to help dealers meet today's selling challenges. His seminars are fast-paced and entertaining and have been attended by nearly 250,000 people.

### Women's Program, 10 a.m.

A special program for women, "What Every Wife Should Know About Estate Planning, Business Continuation and Estate Taxes," will be presented in the Empire A Room by Jack Selzer, Western's attorney and a partner in the Kansas City law firm of Burrell, Seigfreid and Bingham.

### Changing Industry, 11:15 a.m.

Bill Fogarty, editor of *Implement and Tractor*, brings to the platform an intimate knowledge of agri-business gained through 28 years as an ag journalist. His speech, "Our Changing Industry," will be delivered in the Atlanta Room.

### Industry Luncheon, Noon

Luncheon will be served in the New York Room. Western will honor two farmers, winners of the "Outstanding Agricultural Engineering Innovator" awards to be presented by the University of Missouri and Kansas State University. Officers will be elected.

### Money Talk, 1:15 p.m.

Michael Braude, president and chief executive officer of the Kansas City Board of Trade, will use as his topic, "Profit — An All-American Word." A frequent lecturer on business, money management and personal finance, he is the author of two books, "Managing Your Money" and "A Man and His Money." The session will be in the Atlanta Room.

### State Affairs, 2:30 p.m.

Kansas members will remain in the Atlanta Room for a legis-

lative meeting led by Alan Alderson, Western's Kansas legal counsel, while Missouri members go to the Empire A Room for a similar session moderated by Dale Amick, Western's director of government relations.

Discussions will focus on state laws and pending legislation affecting the farm equipment industry. Dealers will be encouraged to express their opinions and pinpoint areas of interest.

### Two Seminars, 2:30 and 3:45

Two seminars, each to be conducted at 2:30 and repeated at 3:45, will deal with the subjects of repossessions and parts and service.

Jack Selzer, Western's attorney, entitles his presentation "How To Protect Your Security Interest and How To Repossess." This seminar will be in the Empire B Room.

"Profit in Parts and Service" will be the topic used by John Walker, president of After Market Services Consulting Co., in his seminar in the Atlanta Room.

### Grand Finale Banquet, 7 p.m.

After a banquet featuring the Hyatt Regency's finest food, special honors will be accorded members who have reached 25 and 50 years of continuous Association membership.

Entertainment and inspiration will be provided by Joe Griffith, veteran of more than 2,000 speeches. He has the distinction of holding the CPAE award, the highest honor given by the National Speakers Association for excellence in public speaking.

## SUNDAY, FEB. 23

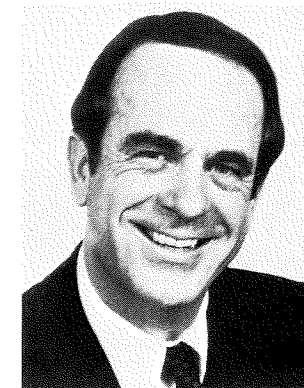
### Trade Market, 9 a.m.

For the 25th consecutive year, Western will stage the Trade Market and Western Farm Show immediately following formal business sessions of the Convention. About six and one-half acres of exhibits will make up the Show, held at the American Royal Exposition Buildings. Morning admission will be by dealer badge only; no farmer tickets will be honored.

## FEB. 23-25

### Western Farm Show

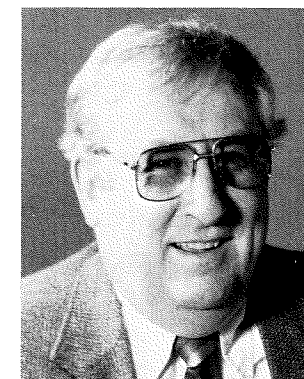
From noon until 5 p.m. on Sunday and from 9 a.m. until 5 p.m. on Monday and Tuesday, exhibits will be open to all farmers with tickets. Farmer tickets are provided, in any quantity needed, to Western members for free distribution.



Griffith



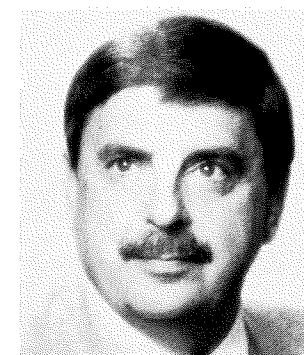
Sharp



Fogarty



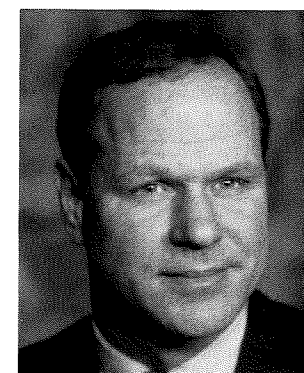
Samuelson



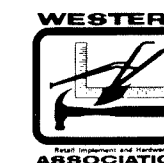
Walker



Braude



Selzer



CONVENTION  
SPEAKERS



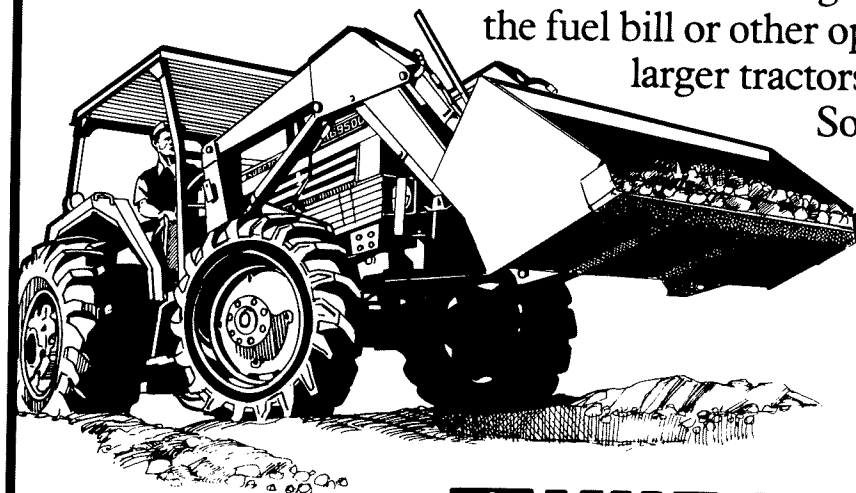
# HANDLES ANYTHING THAT CROPS UP.



Kubota M-Series tractors are built for all kinds of jobs. They range from 45 to 85 PTO horsepower. And with 4-wheel drive they can easily pull an implement you'd expect to find behind a much larger tractor.

These Kubota tractors are built with strong, liquid-cooled diesel engines. There's even a turbo-charged model available for increased pulling power.

And, while a Kubota is built to take on big work, it doesn't come with the fuel bill or other operating expenses of many larger tractors.



So if you plow, cultivate, spray, load, mow, bale or do just about any other farm chore, take a look at the Kubota M-Series. You won't be interested in anything else.

**KUBOTA**  
Nothing like it on earth.™

Kubota Tractor Corporation • 550 West Artesia Blvd. • Compton, CA 90220

Lawn and Garden Tractors • Agricultural Tractors  
Implements • Utility Tractors • Compact Excavators

for the independent hardware dealer, home center,  
lumber and building supply outlet....

## Sentry makes sense if you're interested in profit



**Trained, Experienced, Wholesaler Salesmen**  
Provide expert merchandising assistance...help select and order stock...relieve you of time-consuming detail work.



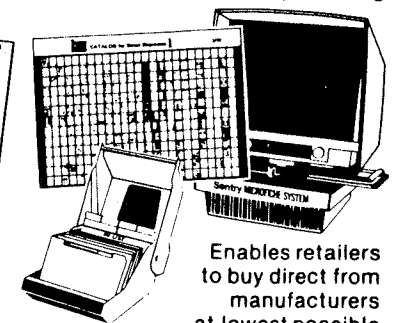
# SENTRY™ Hardware

### Consumer Advertising



Television, radio, magazine and newspaper advertising promote Sentry's image of service, quality and value. Sentry circulars, furnished with colorful in-store display kits, build traffic. Yellow Page ads direct customers to your store.

### Microfiche (SMDS) Catalog



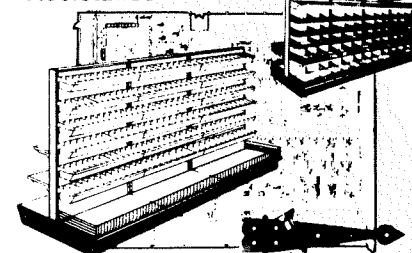
Enables retailers to buy direct from manufacturers at lowest possible prices.

### Store Identification Program



Establishes retailer as a Sentry store. Includes outdoor and indoor signs, decals, door mats, illuminated clocks, window valances and truck signs. Also, a wide range of give-a-ways, awards and gifts.

### Store Modernization Assistance



Every Sentry distributor provides information and assistance in the efficient designing and fixturing of new stores or the remodeling of old stores.

### Retail-Oriented Computer Services



Bin and price labels, velocity reports, repricing and accounts receivable services.

### Plus Many Other Sentry Extras



Sentry offers grand opening kits, printed business forms, complete accounting systems, calendars and 1,001 other sales and business aids.



## Townley Hardware Company

Subsidiary of The George Worthington Co.

Denver, Colorado 80239  
(303) 371-5574

## Built to please the toughest dealer.

Tough, demanding dealers are looking at White Farm Equipment Company because there is not a better looking line of tractors than White Farm's Field Boss.<sup>®</sup>

**More than a bold look.** White Farm's attractive styling is only the beginning. Behind the good looks is equipment that's engineered to keep you ahead of your competition. Just look at the Seed Boss<sup>®</sup> planter—unsurpassed in accuracy. Or look at any of our full line of tractors and tillage equipment.

**White Farm knows the farm business.** You'll be working with a company that has over 160 years of experience invested in building our well-engineered line. White Farm designs and delivers equipment that saves you prep time, reduces call backs, and most importantly, keeps customers satisfied. That's enough to please a demanding dealer like yourself.

**Grow and prosper with White Farm.** It has never been more difficult

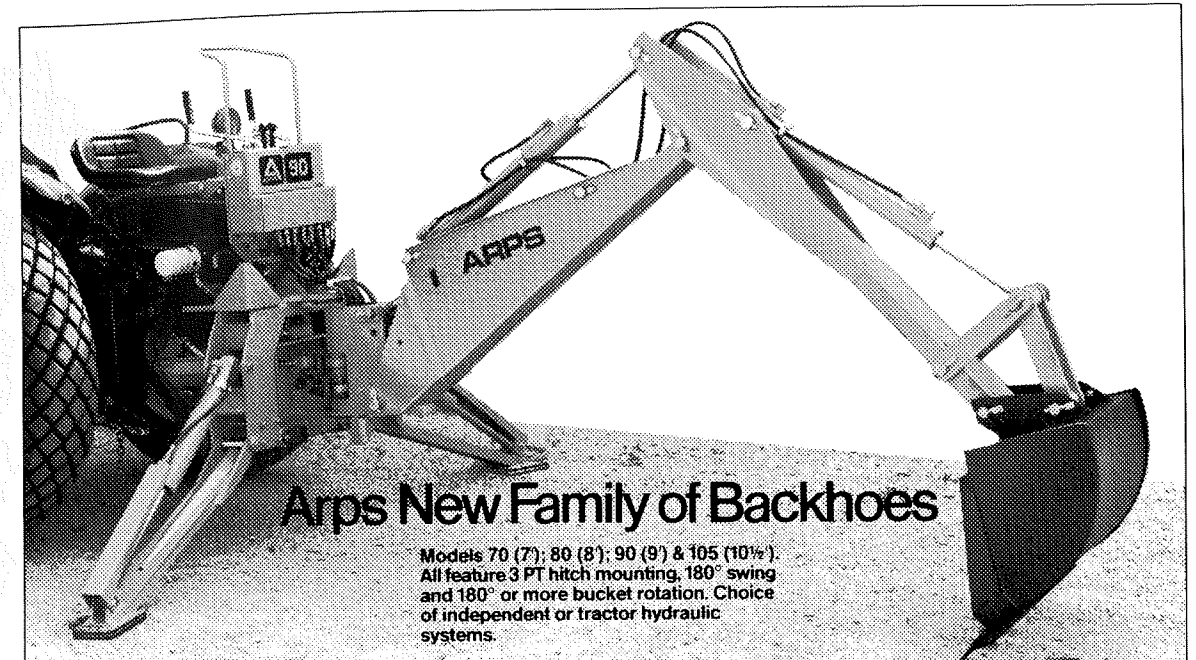
to run a profitable dealership. And White Farm knows that it's long-lasting products that insure success, not big-ticket discounts. Solid dealers that can measure up to our standards should join our team. For information, call the general sales manager in Oak Brook, IL, at (312) 887-0110. You'll be pleased with what he has to say.



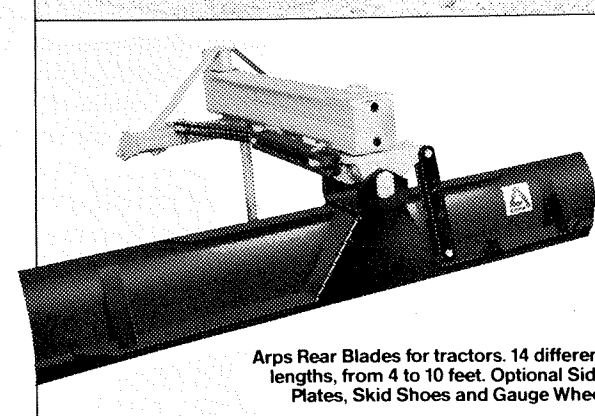
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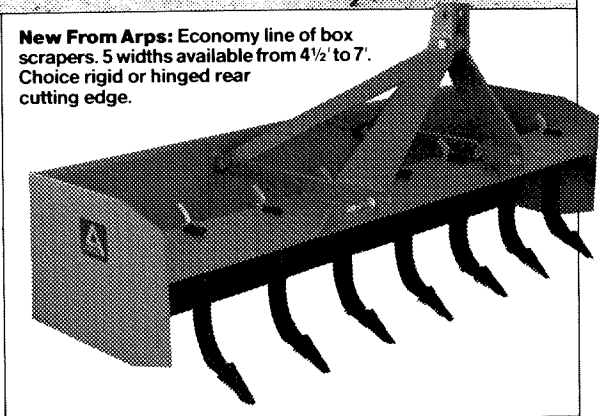
# Hook-up to the best.



**Arps New Family of Backhoes**  
Models 70 (7'), 80 (8'), 90 (9') & 105 (10½').  
All feature 3 PT hitch mounting, 180° swing  
and 180° or more bucket rotation. Choice  
of independent or tractor hydraulic  
systems.



**Arps Rear Blades for tractors.** 14 different  
lengths, from 4 to 10 feet. Optional Side  
Plates, Skid Shoes and Gauge Wheel.



**New From Arps:** Economy line of box  
scrapers. 5 widths available from 4½ to 7'.  
Choice rigid or hinged rear  
cutting edge.

# Hook-up to Arps.

Arps builds a full line of ground conditioning equipment and tools. Like the backhoes, Arps rakes, box scrapers and posthole diggers are engineered to perform...designed to last. Ditching, leveling, landscaping, posthole digging, grading, scraping and earth moving. Hook-up and dig in. Call or stop by...soon!

AMEREQUIP CORPORATION  
Arps Division



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See it in Block A  
at the Western Farm Show.

## NRHA Changes

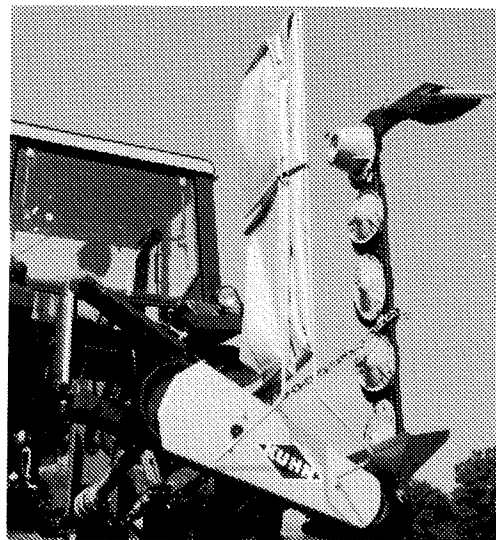
The following appointments have been announced by the National Retail Hardware Association: Howard M. Mathis, director of strategic merchandising programs; James T. Robisch, director of marketing research; Rhonda S. McKittrick, assistant director of marketing

research; Gregory S. Venable, manager of retail consulting services; Mark A. Adkins, manufacturer consulting services manager. ■

The world is governed more by appearance than by realities, so that it is fully as necessary to seem to know something as to know it.

— Daniel Webster

## BOTTOM LINE PROOF... A Kuhn GMD Lowers Your Mowing Cost Per Year



The Kuhn GMD Disc Mower is a "no-nonsense" machine, built to operate efficiently for years of service.

There are reasons why a GMD costs less to operate:

- Superior Oval Disc Design...no plugging in dense or wet conditions, nor bent blade damage to adjoining discs. Varying distances between discs reduce chance for rock damage or jamming.
- Helical Cut Gears run in an oil bath...to insure dependability, smooth drive, and even loading.
- Heavy, Durable Discs are mounted on splined pinion shafts to maintain perfect knife timing. Two Blades per Disc — mean lower maintenance costs.
- Safety Frame Support at the outer end of the cutterbar prevents stress damage.
- Highest Safety Frame Clearance of any other disc mower.
- "O" Ring Seals used throughout for more trouble-free operation.
- Low Power Requirements — only 45 h.p. required for the largest units, with cutting widths available from 5 feet to nearly 8 feet.
- Even a toolbox...which other mowers don't have.

Why Fool Around? Get the most for your dollar! Invest in a Kuhn GMD Mower for Years of Satisfaction. Kuhn — The World's Largest Selling Disc Mower.

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	<b>Kuhn Farm Machinery, Inc.</b>
DEPT.	P.O. BOX 224 VERNON, NY 13476
	Dealer Inquiries Invited.



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See it in Block A  
at the Western Farm Show.

## Sid Dauner, Retired J. D. Sales Mgr., Dies

C. J. "Sid" Dauner, a retired sales manager for the Kansas City John Deere branch, died Jan. 3 at a hospital in Sun City, Ariz. He was 86.

Dauner, a 1924 graduate of Emporia State Teachers College, taught school in Norton, Smith Center, Mankato and Wamego, all in Kansas, before joining Deere & Co. in 1936. He retired as general sales manager of the Kansas City Deere branch in 1964 and moved to Sun City in 1970.

He was a member of the Leewood Country Club, the Greater Kansas City Chamber of Commerce and the Old Mission Masonic Lodge.

Surviving are his wife, Mrs. Margaret T. Dauner of the home; a son, John T. Dauner, Mission Hills, Kans.; a brother and a sister. ■

## Correction

Stories in the December and January issue of **HARDWARE & FARM EQUIPMENT** incorrectly identified the place of employment of Jerry McEntee and Martha Howard as Spelts Lumber, Burwell, Nebr. Both, recent graduates of the Advanced Course in Hardware Retailing, are employed by Spelts Lumber & Home Center, Kearney, Nebr.

## REMINDERS

Western Farm Equipment Convention, Hyatt REgency Hotel, Kansas City, Mo., Feb. 21-22, 1986.

Western Farm Show, American Royal Exposition Building, Kansas City, Mo., Feb. 23-25, 1986.

NRHA Congress, Westin Hotel, Seattle, Wash., July 20-24, 1986.

NFPEDA Convention, MGM Grand Hotel, Reno, Nev., Aug. 24-28, 1986.

## 40-45 Days Needed For Issuance of New Insurance Policies

Because many insurance companies are terminating marginal risk policy holders, increasing rates dramatically on others and severely restricting coverage, the Western Association and Federated Insurance Co. are experiencing tremendous growth in requests for property and liability and workers compensation insurance, Jeff Flora, Western's president, said.

"We all like growth," Flora continued, "but we owe it to our members to exercise prudent underwriting techniques, and that takes time — actually about 40 to 45 days for a potential new account.

"That means that the days of last minute applications and instant binders are gone. Members will need to analyze their insurance well before the renewal date. Complete underwriting information must be received before approval can be given to bind coverage."

It is to the benefit of all participants to make certain that the experience in Western's programs is favorable, he concluded. ■

## Mize, Rolla Elected To NWA Offices

Recently elected vice presidents of the National Wholesale Hardware Association are John H. Mize Jr., president of Blish-Mize Co., Atchison, Kans. and Dexter A. Rolla, president of The Geo. Worthington Co. of Mentor, Ohio, parent company of Townley Hardware, Denver, Colo. Elected president was Michael Tucker of D.H. Howden Ltd., London, Ontario.

Two other western area wholesalers, Charles P. Hermes, president of Dutton-Lainson, Hastings, Nebr., and Neil Marglous, president of Witte Hardware, St. Louis, Mo., were named to the executive committee. ■

There's this about egotistical bores: They seldom talk about other people.

## Plaza Hdwe. Closing

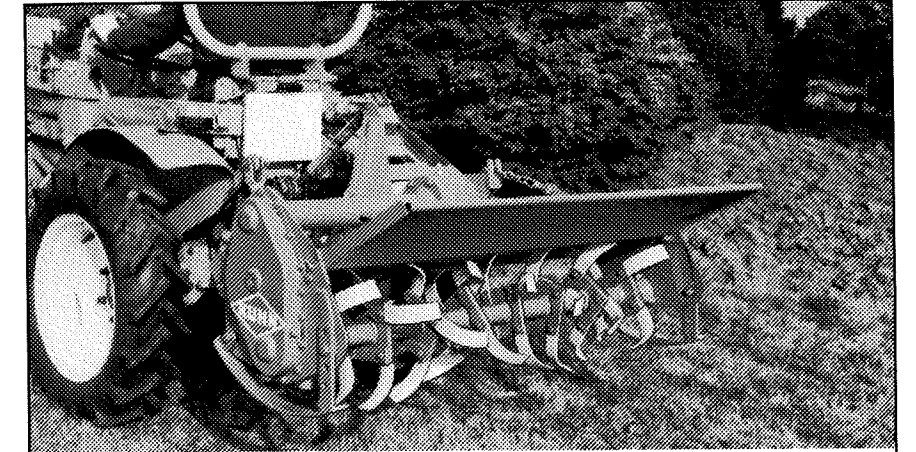
Plaza Hardware, Augusta, Kans., will be closed permanently March 1, according to the owner, Joe Luinstra.

22-year-old graduate of farm equipment mechanics program at Iowa Lakes Community College seeks employment. 3.00 grade average. Married, one child. References supplied. Wayne A. Timm, Box 5, Manson, Iowa 50563.

## Lee Market March 1-2

The Lee Co. will stage its 1986 dealer market March 1-2 at Bicentennial Center in Salina, Kans. Hours will be from 9 a.m. until 5 p.m. on both days. ■

If you were someone else, would that person want to be a friend of yours?



## Another NEW Kuhn Rotary Tiller Efficient - Trouble-Free

Newest in the Kuhn line, the EL 25 series has the toughness, versatility, and efficiency you expect from a Kuhn tiller. Wear-resistant, heavy duty blades penetrate soil cleanly to 6½ inch depth... and are faced outwards to prevent clogging. Completely enclosed drive shaft and a heavy duty gearbox resist shock loads and wear. All gear drive, with no chains or belts, so it's practically maintenance-free.

Ideally suited for preparing soil in large gardens or landscaping where the job is to blend in residues and aerate topsoil too. Economical to operate because it requires only 16 to 25 H.P. at the tractor PTO for 40-inch to 50-inch working width.

With a range in models from 30-inch to 120-inch working width there's a Kuhn tiller to fit your precise need... and the price will fit your pocketbook. Write or call for more information.

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	Dealer Inquiries Invited.



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See it in Block A  
at the Western Farm Show.



# Farm Plan Introducing Big Changes To Benefit Dealers and Consumers

At a time when many lending institutions are pulling back from farm credit, Farm Plan has announced

changes to expand credit and make the plan more attractive to both dealers and consumers.

Farm Plan, Association-endorsed credit policy, is currently used by about 100 Western members to eliminate their accounts receivable. Under the plan, cash for service, parts and supply transactions is credited to the dealers' bank accounts on a daily basis.

Of the newly-announced changes, effective Feb. 1, perhaps most appealing to Western users is the elimination of recourse on all Farm Plan-approved customers. Farm Plan itself will assume the risk on customers who complete credit applications and meet qualifications.

A second feature of extreme interest in the revision is Farm Plan's new ability to administer the program, thereby eliminating the need for a local bank to perform that function. While, in many communities, local banks are administering the program to the satisfaction of dealers, there are a number of areas where a participating bank has not been located. For this reason, some Western members have been waiting a year or more to join the plan.

The option of Farm Plan administration of the service is offered to keep up with dealer demand, officials said. Administering banks now operating satisfactorily will be allowed to continue under the present structure.

As part of its new program, detailed Jan. 15 at a press conference in Minneapolis, Minn., Farm Plan announced that it will offer its agricultural credit service to merchants in all 48 contiguous states by early 1987. Currently, it is marketed in 22 states.

Farm Plan, which was developed in 1974 by the Wisconsin Farm Equipment Dealers Association, is now an independent financial subsidiary of Deere & Co.

In discussing the elimination of recourse, Jerry Norsman, Farm Plan

(Continued on page 17)

## Farm Plan . . .

(Continued from page 16)

executive vice president, said, "Many of our participating dealers have asked us for a risk elimination feature for some time. But, frankly, we weren't in a position to provide it. Under our new program structure, however, we're able to offer this very significant new benefit."

### 'Preferred Customers'

Customers who qualify will be referred to as "preferred customers" and, as such, will enjoy reduced finance charges and more attractive repayment terms. Example: If a dealer's normal revolving credit rate is 18 percent, his preferred customers could qualify for a 16.75 percent rate and for minimum monthly payment terms of either \$25 or 10 percent of their outstanding balances. All customers have the option of paying for current purchases in full — interest free.

In cases where customers do not qualify for Farm Plan's preferred list, the dealers may elect to set up accounts at full recourse so that the plan will remain the dealers' total credit policy, delivering improved cash flow in the process.

"It's very expensive for a dealer not to be getting his cash daily," a Farm Plan representative commented. "Even handling that prized account, the man who pays every 30 days, costs about 5 percent, substantially more than the discount Farm Plan charges."

### Discount Rates

The discount rates to the dealer on amounts charged by his preferred customers will be 3 1/8 percent and 3 1/4 percent on purchases of those on which the dealer himself is taking the risk. Price breaks will be offered for high volume, the representative said.

As part of its expanded program, Farm Plan will start a consumer education and advertising program, to be kicked off at the Western Farm Show Feb. 23-25. Dealers will be informed on the program during proceedings of the 97th Annual

Farm Equipment Convention on Feb. 22.

"No single program can offer the cash flow, credit expertise, management reports, billing and collection assistance that Farm Plan can," said Jeff Flora, Western's president. "I recommend that every dealer give it serious consideration."

## Sentry Appointment

David L. Friend of Wright & Wilhelmy Co., Omaha, Nebr., has been named to the advertising and promotion committee of Sentry Hardware Corp.

There is no future in any job. The future lies in the person who holds the job.



There's less chance of "rained-on hay," and the palatability is maintained with a Kuhn Mower-Conditioner. Cuts hay up or down... wet or dry. Operates fast, resists clogging, and conditions hay thoroughly.

Highly efficient oval disc cutting system severs crop at the base, feeds it through free-swinging fingers and reversible conditioning comb. Conditioner is adjustable to 20 positions to suit density of grass or legumes. It strips natural wax from the crop so moisture can evaporate, but leaves the essential

nutrients in the crop.

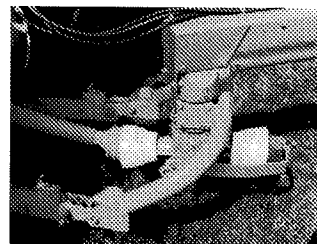
Adjustable swathboards provide light fluffy swaths. Cutterbar height adjustable. Built tough to last.

### Gyrodine Permits Faster Turning

Optional equipment for towed FC 250 and 300 models, this pivoting head eliminates damage to PTO shafts while turning sharp corners. Permits high speed cutting and 90 degree turns without stopping. Gearbox allows machine to be worked at 540 or 1000 rpm by simply removing a pin and rotating the gearbox 180 degrees.

FC 250 - towed, 5 oval cutting discs, 8' cutting and transport widths.  
FC 300 - towed, 6 oval cutting discs, 10' cutting and transport widths.

**KUHN** PHONE 315/829-2620  
**Kuhn Farm Machinery, Inc.**  
DEPT. P. O. BOX 224 VERNON, NY 13476  
Dealer Inquiries Invited.



(316) 265-9577

See it in Block A  
at the Western Farm Show.



## The New Concept In Raking... Gives You Higher Capacity and Better Hay

The Kuhn GA 300 is a real production rake that maintains your hay quality. Its long flexible tines handle the crop gently so the leaves are not shaken off. The set up, well-aerated windrows are easy to handle with balers, forage harvesters, or self-loading wagons. Maintaining hay quality saves money on feed bills.

The GA 300 needs only 20 horsepower for pulling, yet has a 10 1/2 ft. working width, and can rake up to 8 miles per hour, depending on conditions.

Built to rake in the tightest corners, the 300 does a smooth job on uneven ground or even steep slopes. Sealed gearbox keeps out rain and dust. Pre-lubricated ball bearings require no maintenance. No cam friction or wear. Balloon tires are an available option.

**KUHN** PHONE 315/829-2620  
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(316) 265-9577

See it in Block A  
at the Western Farm Show.

# W E L C O M E

## From Western's Chairman and First Lady

You belong to the best farm equipment dealers association in North America. Your Association provides you with many services to help you keep your dealership healthy. This is its purpose and only reason for existence.

Come join all of us for the 97th annual Western Convention and Trade Show. Attend the educational sessions for new and better ideas. Rub elbows with fellow dealers and their wives at receptions. Get those tips and plans that help us make better day-by-day business decisions.

Highlights include —



**Friday, Feb. 21**  
Dealers-manufacturers roundtable  
Manufacturers' receptions.  
**Saturday, Feb. 22**  
Breakfast meeting with Orion Samuelson as speaker  
Morning sessions with Bill Sharp and Bill Fogarty  
Industry Luncheon  
Afternoon seminars with Michael Braude and John Walker  
Afternoon legislative sessions  
Grand finale banquet, Joe Griffith, speaker  
**Sunday, Feb. 23**  
Western Farm Show open for dealers and employees only, 9 a.m. until noon.

Your presence with your family and key people will be rewarded. Let's tell each other how much we mean to each other.

Bob and Donna Earley

# DISTRIBUTING

BLOCK "L", AND BOOTHS 172 thru 177 and 232 thru 237

## THESE PRODUCTS WILL BE DISPLAYED

**ARNOLD INDUSTRIES, INC.**  
Stickler Log Splitters

**BRILLION IRON WORKS**  
Tillage Tools & Seeders

**BUSATIS**  
Double Sickle Mowers

**BYCO LTD.**  
Evaporative Coolers

**CHEROKEE**  
Post Drivers

**CORSICANA GRADER & MACHINE CO.**  
Pasture Renovators & Seeders

**DONAHUE CORPORATION**  
Implement Trailers & Bale Carriers

**FARMERS FACTORY**  
Spray-N-Tug, Combine Beater  
Grates, Stalk Slides &  
Hitchhiker Mulchers

**FELLA**  
Disc & Drum Mowers & Conditioner

**FERGUSON MFG. CO.**  
Ditchers, Tillotors, Aerators,  
Bale Unrollers

**FIMCO, INC.**  
Spray Equipment — Agricultural,  
Commercial & Lawn & Garden

**FUERST BROS., INC.**  
Flexible Tine Harrows and Carts,  
Front Runner, Track Scratchers

**GANDY CO.**  
Orbit Air-Spred, Granular Applicators  
& Measuring Wheels

**HOL-MAC**  
Rotary Mowers

**HERD SEEDER CO.**  
Tractor and ATV Broadcast Seeders

**C.C. KELLEY & SON**  
Backhoes, Front End Loaders &  
Log Splitters

**J.E. LOVE CO.**  
Break Through No-Till Cultivators,  
Combine Pick Up Reels,  
Flexible Combine Cutterbars

**MY-D HAN-D MFG. CO.**  
Bale Handling Equipment,  
Cattle Handling Equipment &  
No-Till Drills

**SOLCOOR**  
Spider Cultivators

**SUNDANCE**  
Tub Grinders, Chippers

**UTILITY TOOL & BODY CO.**  
Rotary Tillers & Feed Wagons

**THE VASSAR CO.**  
Post Hole Diggers, Box Blades,  
Rear Blades, Disc Harrows,  
Dirt Scoops, Root Hawg

**SNOWMACHINES**  
Snow Throwers

**WALTON**  
Hay Rakes & Windrow Turners

Other lines we represent:

Belt Elevators, Flowtron Bug Lights, Grain-O-Vator Feed Wagons, Hance Cleaners and Graders,  
K-W Loaders, Backhoes and Blades, Raven Monitors, Tafco Combine lights, Walsh Sprayers

*Tom Thornhill*  
President

*Bart Seney*  
Sales Manager

Also contact our representatives:

J.E. Lawrence, Doug Carson, Floyd Laizure, Wayne Edwards and Duane Dick



## KLUGHARTT-THORNHILL MACHINERY CO.



1205 Woodswether

(Phone 816-421-6296)

Kansas City, Mo. 64105



# BHC SPIDER CULTIVATOR BY SOLCOOR INC.



One cultivator for all row crop applications. Full line of optional equipment.

Parts are interchangeable with existing spider cultivators. All parts are equal or superior in quality. Call toll free in Kansas 1-800-821-2630 or Missouri 1-800-892-2676 for information on **LOW PRICES** and **LONGER PARTS DISCOUNT**. Parts in stock in Kansas City.

*Distributed by*

**KLUGHARTT-THORNHILL MACHINERY CO.**

1205 Woodswether Rd.

(AC 816-421-6296)

Kansas City, Mo. 64105



**25th ANNUAL  
WESTERN  
FARM SHOW**

**Feb. 23-25**

**American Royal Exposition Buildings  
Kansas City, Mo.**

*Ferguson* AA SERIES  
**TILLAGE TILTRATOR**

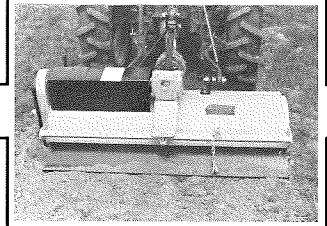
**SPECIAL TILLER FOR SPECIAL JOBS  
12-25 HORSEPOWER TRACTORS**

SIDE  
SHIFT  
OFFSET

CLAMP-ON  
ADJUSTABLE  
ROTOS

3 MODELS  
TO CHOOSE  
FROM

SLIP  
CLUTCH  
PROTECTED



**IDEAL FOR:**

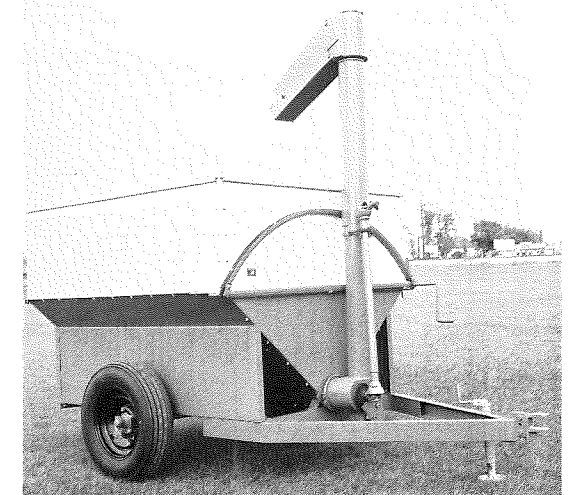
- GARDENING • POULTRY HOUSES
  - VINEYARDS • LANDSCAPING
  - NURSERIES • PLANT BEDS
- THE FERGUSON MANUFACTURING CO., INC.  
P.O. BOX 1098 • SUFFOLK, VA 23434-1098  
PHONE (804) 539-3409

**Distributed by  
Klughart-Thornhill**

## Why the UTILITY AUGER BOX Is Easier to Sell

- Adjustable hitch allows for in-line PTO drive.
- Heavy steel A-frame hitch and tongue assembly.
- Re-inforced formed steel, welded under frame.
- Axle mounting adjustable to balance auger box when optional equipment is mounted.
- Front and rear unloading.\*
- Flow control for unloading fertilizer, etc.\*
- Dropped center 14" wheels.
- Timken roller bearing high speed axle and hubs.
- All bolted construction for lowest shipping costs. Easily assembled at destination.
- Unloading auger, 8-foot long, 6-inch dia., with extensions,\* equipped with crank control.
- Fully enclosed flexible downspout swivels full 360 degrees and adjusts up and down.
- Big 90-bushel capacity with 12-inch extension\* to give 120-bushel capacity.
- Mixer-Blender attachment available.\*

**Manufactured by  
UTILITY TOOL AND BODY COMPANY  
Clintonville, Wis.**



- Bulk delivery unit for truck mounting, high speed delivery, higher delivery system.\*
- Attachment for handling bulk fertilizer and other granular materials at lower costs.
- Truck mounting kits available.\*

\* Optional.

**Distributed by  
KLUGHARTT/THORNHILL  
Kansas City, Mo.**

# VASSAR TOOLS FOR FARM RANCH AND ESTATE

## THREE NEW TOOLS ON DISPLAY

### HERE IS A NEW COMPLETE LINE OF SCOOPS

**MINI — \$179.00**

Category "0"

5½" cu. ft.

23" width

**MIDI — \$219.00**

Category "1"

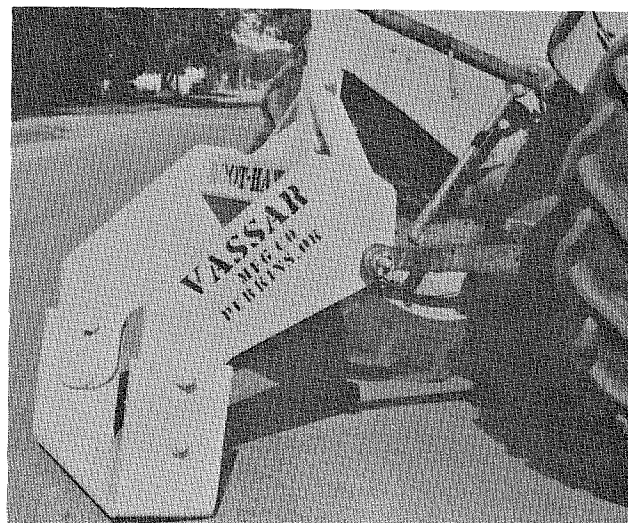
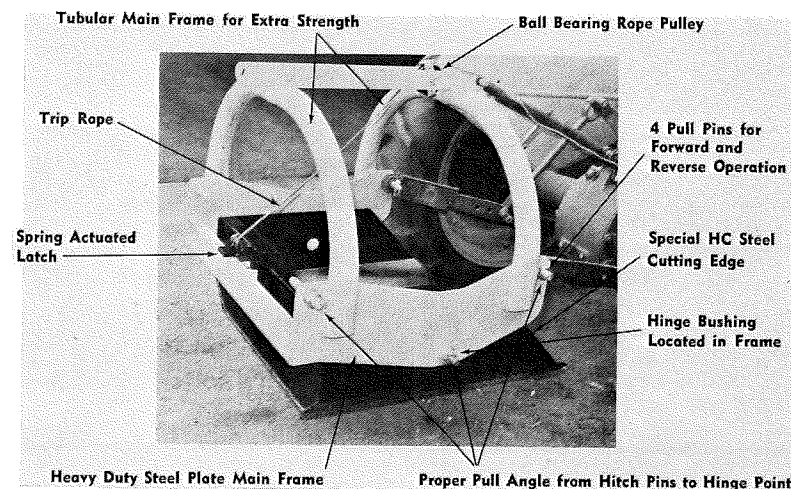
7 cu. ft.

30" width

**MAXI — \$289.00**

Category "2"

36" width



### AND THE NEW "ROOT HAWG"

This ROOT GRUBBER cuts to depths of 12 to 15 inches to control growth and air in ridding your fields of brush — the moisture robbers.

Two models: Cutting widths 27" and 36". Cutting edge is removable, replaceable and reversible.

Re-establish Grass Growth in your brush areas ... put those non-productive acres to use.

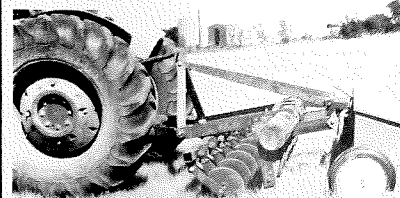
**ALSO SEE** THE NEW MODELS OF VASSAR'S "DIG-EZY" POST HOLE DIGGERS: 2 MODELS - FARM - RANCH

**THE VASSAR COMPANY**

PERKINS, OKLAHOMA

DISTRIBUTED BY KLUGHARTT-THORNHILL MACHINERY CO., KANSAS CITY, MO.

Increase Grass Production  
and  
Minimize Hay and Feed Costs!!  
New Super "Pasture Renovator"  
Aerator/Seeder with Coulters



New "Super Pasture Renovator" Aerator with Pasture Saving Coulters increases grass yield 3 to 4 fold. Aerates and rejuvenates to allow moisture to penetrate rootbound low-yield grass. Pasture Saving Spring-loaded Coulters reduce pasture disturbance and allow easier penetration by shanks in sod-bound fields that haven't been worked in years.



Corsicana's Original "Pasture Renovator" Aerator and Aerator/Seeder is perfect for Cattlemen who need more grass at less expense, and who don't need pasture coulters. The Seeder/Spreader fits both Super and Original "Pasture Renovator". Aerators to seed and interseed grasses and legumes into pasture. The "Pasture Renovator" Pasture Harrow complements both, covering seed or smoothing grass and leveling ground.

A Coulters Kit attachment is available to add Sod-saving Coulters to any old style Corsicana "Pasture Renovator" product and will fit models of other brand names, including Farnam.

For free information on the new Grass Saving Super "Pasture Renovator" products, the Original "Pasture Renovator" Aerator, Seeder, or Pasture Harrow, or for information about adding a Coulters Kit to your present Corsicana or Farnam brand Aerator - Please Call or Write.

"PASTURE RENOVATOR"  
Products

call or write

**CORSICANA**

FARM EQUIPMENT  
Toll Free 1-800-527-6454  
PO BOX 1699-PFSRS, TELEPHONE 214/674-4291  
CORSICANA, TX 75110

Distributed by

**Klughart-Thornhill**

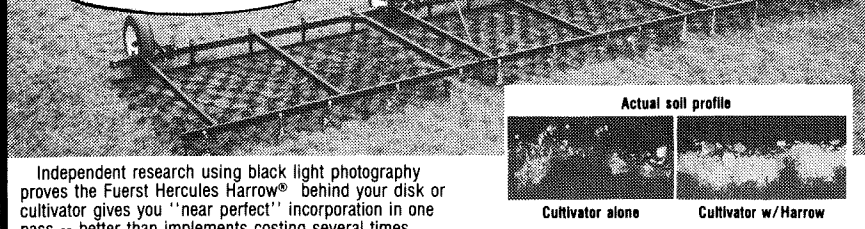
1205 Woodswather Rd.

Kansas City, MO 64105

(816) 421-6296

Proven superior seedbed preparation and  
herbicide incorporation in a single pass  
-- and it won't plug up with trash!

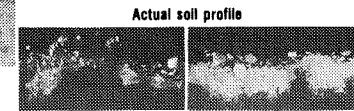
**Fuerst**  
F-L-E-X-I-B-L-E Tine  
**Harrow/Cart®**



Independent research using black light photography proves the Fuerst Hercules Harrow® behind your disk or cultivator gives you "near perfect" incorporation in one pass -- better than implements costing several times more!

Also levels and prepares an ideal seedbed. Brings up residue yet won't plug up, even on trashy fields. Takes little additional power. Follows tight turns. Wings fold for easy transport. Saves time, fuel, money.

"Spreading Action®" tines hug the soil, assuring same depth incorporation throughout at 6-8 mph.



It's versatile; renovate, maintain pastures, cover broadcasted seed. Shred and spreads stalks in spring. No maintenance. 16 to 42 ft. widths.

For FREE blacklight Research Results, owners survey results, literature and prices, contact Klughart-Thornhill Machinery Co., distributor, 1205 Woodswather Rd., Kansas City, MO 64105.

See at booth L, Western Farm Show



## Wake Up Lazy Pastures

Low-Cost  
**FUERST**  
F-L-E-X-I-B-L-E  
TINE  
HARROW®

Cover  
Broadcasted  
Seed  
& lots more!



Original "Spreading Action"® tines give better coverage at much higher speeds, cutting labor and tractor time by as much as 50%. Adjusts without tools to provide the right penetration for a big variety of jobs!

**PASTURES:** Increases quality and quantity of feed from pasture. Aerates to stimulate growth and improve moisture penetration. Scatters droppings, reducing parasites. Prepares soil for overseeding without disturbing existing growth. Works in seed and fertilizer. Many owners report pasture yield increases of 15%.

**BROADCASTING SMALL GRAINS AND GRASSES:** University of Illinois found overseeding by broadcasting followed by a Fuerst

Harrow a superior combination, out-performing equipment costing more than 10 times as much. Pulled behind the broadcaster, it covers seed to desired depth in one time-saving operation.

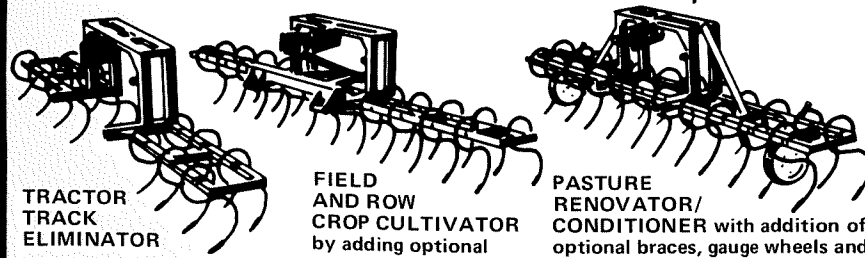
**STILL MORE USES:** Prepare finer seedbeds, maintains tracks, driveways, rings, bridle paths, etc.

4 to 34 ft. widths. Flexes to cover every inch. No maintenance. Easy to use and store.

For FREE literature and prices, contact Klughart-Thornhill Machinery Co., distributor, 1205 Woodswather Rd., Kansas City, MO 64105. See at booth L, Western Farm Show



**the FUERST Front-Runner™**  
breaks up compacted tracks ahead of equipment  
for a uniform seedbed and accurate chemical incorporation



TRACTOR  
TRACK  
ELIMINATOR

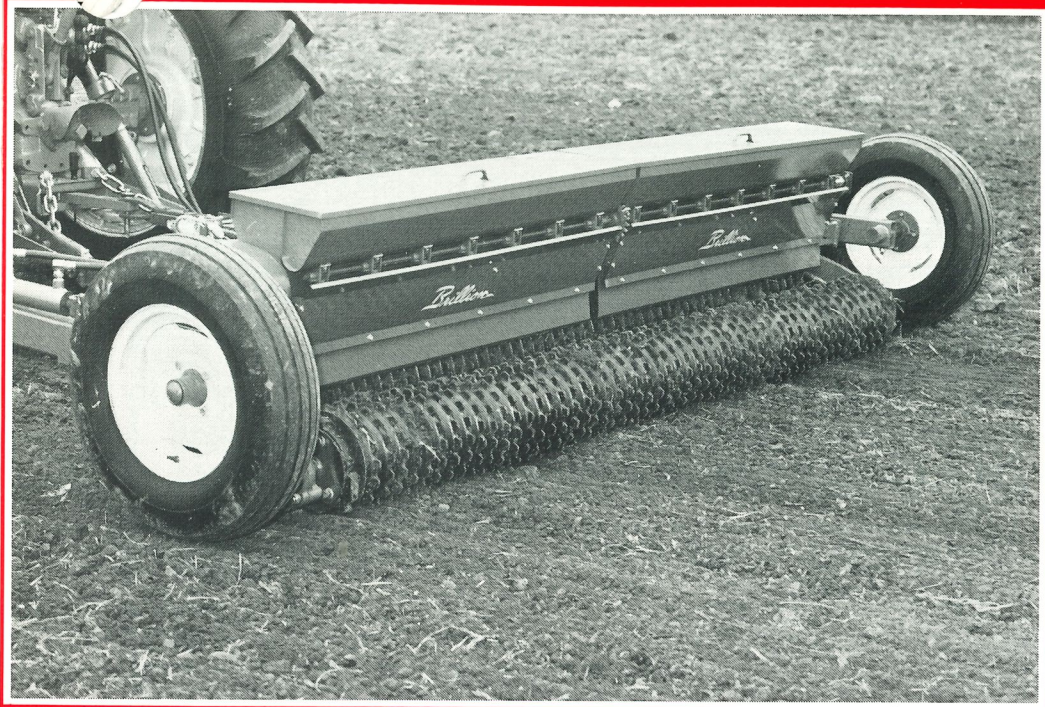
FIELD  
AND ROW  
CROP CULTIVATOR  
by adding optional  
center section

PASTURE  
RENOVATOR/  
CONDITIONER with addition of  
optional braces, gauge wheels and  
pasture points

Distributed by Klughart-Thornhill Machinery Co.,  
1205 Woodswather Rd., Kansas City, MO 64105.  
See at booth L, Western Farm Show







## Sure-Stand Seeders!

THAT'S THE BRILLION SEEDER'S NAME. And that's exactly what it does—helps you produce thick, robust, sure stands every time.

Brillion Sure-Stand Seeders place grass seed accurately in the top 1/2" soil. Twin rollers smooth and firm the seedbed. You get better germination with closer seed-soil contact. And you save up to 50% on seed. Brillion seeders come in 5', 8', 10' and 12' sizes. Hydraulic transport wheels are now available.

BRILLION'S NEW "X" and "XL" PULVERIZERS (below) are used by farmers many ways. They firm the soil for better seed depth control. Better contact between seed and moist soil. For bringing up soil moisture from below. For reducing evaporation.

See Brillion Equipment at Kludhartt-Thornhill's Exhibit at the Western Farm Show.

They're also used to firm the seedbed behind a seeder, drill or air seeder to improve plant emergence. And some use them to flatten crop residue ahead of no-till or ridge planting.

Brillion Pulverizers fold to 6' 8" to 7' 10" height for more stable transport and compact storage. Hydraulic transport locks are now available for all models. Working widths are 19' to 36'.

For the name of your nearest Brillion representative, call or write BRILLION IRON WORKS, INC., Dept. FL60-285, Brillion, WI 54110.



...STRENGTH IN TILLAGE



### SOIL BUILDERS

Fight erosion, build up organic matter. New, optional hydraulic coultter control lets you raise and lower coultter cutting depth on the go.



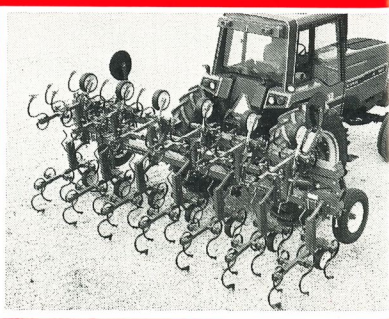
### SOIL GROOMERS

Ultimate in one-pass seedbed preparation. Front cutting disc handles stalk residue or chiseled or plowed ground. Companion tool to Soil Builder and Chisel Plow.



### PULVI-MULCHERS

Build a firm, clod-free seedbed—one that helps you get seed in contact with moisture for better emergence. Folding models from 19' to 30'. Rigid models—7' 4" to 15'.



### RO-CROP CULTIVATORS

No-wobble parallel linkage. Heavy 2" bearings. Set it and forget it. Choice of 4 to 12 rows. Fold flat for safe and easy transport.

## Our Own Hdwe. Co. Buys Gambles Inc.

Our Own Hardware Co., dealer-owned wholesaling firm headquartered in Burnsville, Minn., has purchased certain assets of Gambles Inc., including the Gambles name and trademarks.

Our Own will provide service to the majority of Gambles retail stores in 15 states currently served by Our Own plus those in Ohio, Indiana, Kentucky and New Mexico.

Hugh Byrne, Our Own president, said, "The additional volume from the quality Gambles accounts will help us better utilize the capacity of our two large warehouses and also let us expand and improve our support programs for independent hardlines retailers in our market area." The company's distribution centers are in Burnsville and Ottawa, Kans.

Wayne Waldera, president of Gambles, will join the Our Own staff.

The Name is PAUL Brooker

SALES FOR

INCREASED CASH FLOW...QUICK!

He can make it happen for you!!!

If you want some quick cash for your inventory...if you need to adjust your inventory or if you are going to retire and want the most cash out of your stock and fixtures it will pay you to talk to a Paul Brooker man who knows your business.

You tell us what you want to accomplish. We'll tell you how we work. No obligation! Ask for our free booklet with references.

Call us on our WATS line  
800-835-2065

Kansas Merchants Call Collect (316) 262-7258

PAUL BROOKER SALES INTERNATIONAL, INC.  
P.O. Box 1465 Wichita, Ks 67201

## Tom Thornhill New President of MSBU

Tom Thornhill, president of Klughartt-Thornhill Machinery Co., has been elected president of Mid-continent Small Business United, an organization of about 450 firms. MSBU is a chapter of Small Business United, a national group whose purpose is to provide small business an organized and informed voice on legislative issues.

Formed in Kansas City five years ago, it has become well known for its advocacy of deficit control.

Elected vice presidents were John Bovard, president of Associated American Agency, and Jackie Qualizza of Livestock Marketing. John Watson, secretary of the

Western Association, is the new secretary, and Ron Piercy, president of A-D-E Lumber Co., is treasurer.

## Valmont Names Welsh

William F. Welsh has been named president and chief operating officer at Valmont Industries of Valley, Nebr. He succeeds R.A. Wahl Jr., who has become chairman of the board.

## Elsberry Elected

Howard Elsberry, vice president of Westlake Ace Hardware, Moberly, Mo., has been elected to a three-year term on the board of directors of the Missouri Chamber of Commerce.

# NEW M-SERIES LOADERS



THE MOVING FORCE  
IN YOUR OPERATION...



M 30 LOADER:  
for 30 to 60 hp  
tractors.



M 110 LOADER:  
with optional  
self-leveling.  
For 110 to 180 hp  
tractors.



M 60 LOADER:  
for 60 to 90 hp  
tractors.

EXPERIENCE **THE GB LINE** QUALITY AT  
A NEW, COMPETITIVE PRICE.

GB Loaders have established a tradition of quality that people recognize whenever they see or hear the name "GB". The new, M-Series Loaders follow in that same tradition as they offer both strength and quality at a competitive price. These new loaders feature high quality hydraulics coupled with sturdy construction which includes reinforcing and double welding at stress points. In addition, all M-Series Loaders have the GB Quick On/Quick Off versatility allowing you to use your tractor for loading jobs, and minutes later do field work. Each mounting is carefully engineered to fit each make and model of tractor, allowing your M-Series Loader to remain solid and strong after years of hard use. Quality checked and field tested, the GB M-Series Loaders offer specialized capabilities that can be matched to your specific job requirements. Superior quality is a tradition at GB.



CONNALLY IMPLEMENT SUPPLY CO., INC.  
601 S. BROADWAY • SALINA, KS. 67401 • PH. (913) 825-9501  
Great Bend Mfg. Co., Inc. • Box 829 • Great Bend, KS 67530







# Western Awards for Longtime Membership

**FIRMS WITH MORE THAN 50 YEARS OF CONTINUOUS MEMBERSHIP:**

**96 Years**  
Cunningham-Beckemeier Supply  
Norborne, Missouri

**94 Years**  
Ackerman Hardware & Lumber  
Sedan, Kansas

**Gebhart Hardware**  
Salina, Kansas

**Heins Implement**  
Carrollton, Missouri

**Kufahl Hardware**  
Wheaton, Kansas

**92 Years**  
Haynes Hardware  
Emporia, Kansas

**90 Years**  
Pioneer Pro Hardware  
Burlington, Kansas

**88 Years**  
Goering Hardware  
Moundridge, Kansas

**Morrow & Sons**  
Lawson, Missouri

**86 Years**  
\*Prescott Hardware  
Prescott, Arkansas

**85 Years**  
George Phillip Hardware  
Hays, Kansas

**84 Years**  
A.A. Doerr Mercantile  
Larned, Kansas

**Mutti Hardware**  
Hopkins, Missouri

**83 Years**  
Walberts-Timberlake Hardware  
Columbus, Kansas

**82 Years**  
S.M. Lawson Company  
Sylvan Grove, Kansas

**81 Years**  
J.W. Miller & Company  
Claflin, Kansas

\*E.C. Scheidt Hardware  
Maplewood, Missouri

\*Westhoff Mercantile  
O'Fallon, Missouri

Westlake's Ace Hardware  
Moberly, Missouri

**80 Years**  
Waters True Value Hardware  
Junction City, Kansas

**79 Years**  
Anson Implement  
Higginsville, Missouri

**77 Years**  
Gould's Inc.  
Concordia, Kansas

**Swope & Son**  
Yates Center, Kansas

**76 Years**  
McDaniel Hardware  
Lyndon, Kansas

**Sayers Ace Hardware**  
Independence, Kansas

**74 Years**  
Larsen Hardware & Lumber  
Mt. Hope, Kansas

**73 Years**  
Stanton Farm Services  
Morrowville, Kansas

**72 Years**  
Ernst & Son Hardware  
Lawrence, Kansas

†C.C. Johnson Ace Hardware  
Omaha, Nebraska

**71 Years**  
\*R.J. Hechler Hardware  
Troy, Missouri

Richardson Manufacturing  
Cawker City, Kansas

Stewart's Hardware  
Valley Falls, Kansas

**70 Years**  
Cole Hardware  
Bethany, Missouri

Trenton Hardware  
Trenton, Missouri

**67 Years**  
Broadway Hardware  
Kansas City, Missouri

**66 Years**  
†Jack Bros. Hardware  
Tekamah, Nebraska

†Sundberg & Son Hardware  
Polk, Nebraska

**64 Years**  
\*Arnold Hardware & Paint  
St. Louis, Missouri

Winn Hardware & Implement  
Kanorado, Kansas

**63 Years**  
Moritz Implement  
Beloit, Kansas

Western Hardware & Supply  
Leoti, Kansas

**61 Years**  
†Lord's, Inc.  
Indianola, Nebraska

Salina Implement  
Salina, Kansas

**60 Years**  
Dodge City Implement  
Dodge City, Kansas

**59 Years**  
Graber's Ace Hardware  
Newton, Kansas

**58 Years**  
†St. Paul Hardware  
St. Paul, Nebraska

Ukena Hardware  
Highland, Kansas

**57 Years**  
†Kollmeyer's  
Fremont, Nebraska

°Smith Vaughn Mercantile  
Searcy, Arkansas

**56 Years**  
Grimm's Hardware  
Wauneta, Nebraska

\*Hometown Lumber & Hardware  
Linn, Missouri

†Murphy & Brown  
Auburn, Nebraska

\*St. Marys Cash Hardware  
St. Marys, Missouri

Wellington Implement  
Wellington, Kansas

\*Wm. J. Wolf Hardware  
Pacific, Missouri

†Yokels Hdwe. & Furn.  
Friend, Nebraska

**55 Years**  
L.E. Garman & Son  
Courtland, Kansas

†Lapin Hdwe. & Furn.  
Doniphan, Nebraska

Wheatland International  
Wichita, Kansas

**54 Years**  
\*Hamel & Rowe  
Desoto, Missouri

**53 Years**  
Strasser True Value Hardware  
Kansas City, Kansas

**52 Years**  
C.D. Clark & Sons  
Oakley, Kansas

†Johnson Hardware  
Omaha, Nebraska

Kiowa Service  
Kiowa, Kansas

†Lamberty Hardware  
Scribner, Nebraska

R.L. Walker Sales  
Cimarron, Kansas

**51 Years**  
†Dye's Ace Hardware  
Julesburg, Colorado

Gardner Tractor  
Gardner, Kansas

Neuman Hardware & Implement  
Whitewater, Kansas

## 1986 PLAQUE RECIPIENTS:

**50 Years**  
Grand Island Hardware  
Grand Island, Nebraska

Hodgson Implement  
Garnett, Kansas

**25 Years**  
Agri Center  
Hutchinson, Kansas

Amy Manufacturing  
Dighton, Kansas

Earl's Sales & Service  
West Plains, Missouri

Farm 'n Home Hardware  
El Dorado, Kansas

Freeman Toot Implement  
Pratt, Kansas

Gannaway Pro Hardware  
Ellinwood, Kansas

Jewell Lumber  
Jewell, Kansas

Lucas Hardware  
Shelbina, Kansas

McConnell Machinery  
Lawrence, Kansas

Mahnken Farm Supply  
Corder, Missouri

Midland TV Hardware  
Grandview, Missouri

Oakley Motors  
Oakley, Kansas

Padgett Hardware  
Mountain View, Missouri

Pearl Brothers  
Joplin, Missouri

Pierce & Tarry  
Kansas City, Kansas

Pratt Glass Co.  
Pratt, Kansas

Right Co-op Assn.  
Wright, Kansas

Scruby True Value Hardware  
Chillicothe, Missouri

Springfield Mill-Lumber  
Springfield, Missouri

Springfield Tractor  
Brookline, Missouri

Stoppel Equipment  
Sublette, Kansas

Tebo Implement  
Hill City, Kansas

Thomas Implement  
Altamont, Kansas

Trenary Implement  
Clinton, Missouri

West Plains Hardware  
West Plains, Missouri

†Former member of Nebraska Retail Hardware Association

\*Former member of Missouri Retail Hardware Association

°Former member of Arkansas Retail Hardware Association



**IF**

you're not now buying  
from STOWE,  
we **want**  
your business.



**IF**

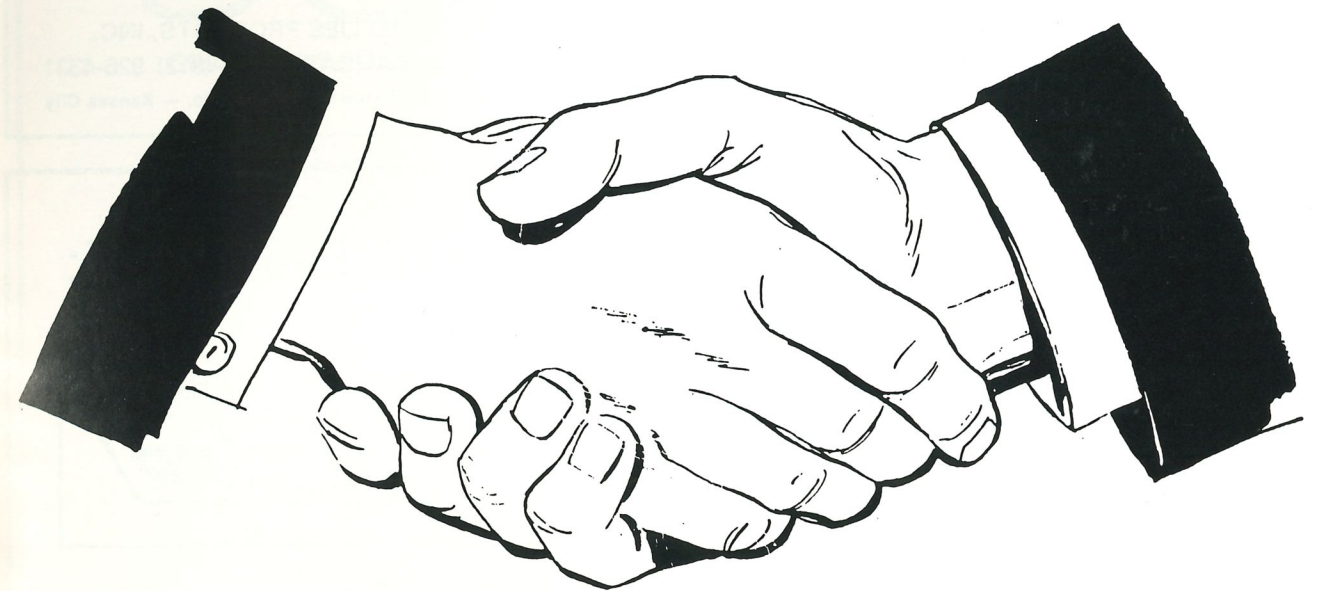
you are buying from STOWE,  
we **appreciate** it, **AND**  
we **want**  
**MORE** of your business.

**STOWE can:**

- REDUCE YOUR COST OF DOING BUSINESS
- GIVE YOU BETTER SERVICE
- MAKE YOUR JOB EASIER

and . . .

our experienced management and sales people,  
along with our ever-widening diversified lines  
of merchandise, and our knowledge of merchandising  
techniques, can help you sell more of your existing market.  
May we discuss this further with you?



We'd like to meet you during the Farm Show - shake your hand -  
have the opportunity to tell you, and show you, what STOWE can do  
for you.

We want your business - we really mean it!

Let's get together.

**STOWE** **Kansas City**



# Get the Facts

Today's do-it-yourself retailer cannot rely on "seat of the pants" judgment when making critical marketing and planning decisions.

NRHA's Marketing Research Department has assisted hundreds of hardware, home center, and lumber building material retailers in better penetrating the do-it-yourself market through the development of stronger, more effective marketing plans.

You need the answers to questions concerning your image, market potential, expansion, new store development, site location, advertising, future markets before making critical marketing plans.

Before you plan — Get the Facts!

Contact: Retail Consulting Services  
Marketing Research Department

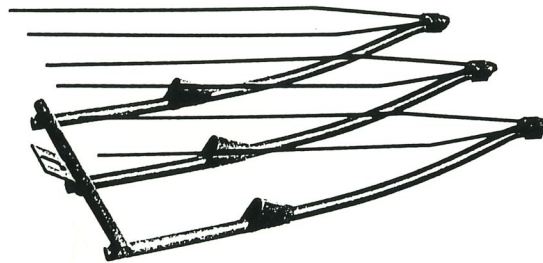
**NRHA**  
National  
Retail Hardware  
Association

**HCI**  
home center  
institute

770 N. High School Road (317) 248-1261  
Indianapolis, Indiana 46224

# MPI

"Stand-up" flat wire milo guards out-perform conventional round wire styles.

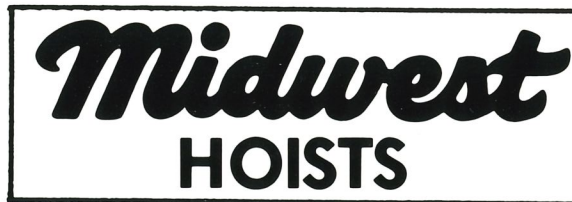


Fits most combines . . . Improves auger and reel action of combines . . . Rugged heavy duty construction . . . Will not clog or catch on ground - catches thrown-out heads . . . Stops drop-through losses . . . Easy installation - can be bolted or clipped on in minutes . . . Saves 5 to 15 bushels or more per acre . . .

REMEMBER:  
MPI Milo Guards - at harvest-time . . .

**MPI** MELLIES PRODUCTS, INC.  
MORGANVILLE, KANSAS 67468 (913) 926-4331  
Distributed by STOWE Hardware & Supply Co. — Kansas City

## Midwest PERFORMANCE-PROVED EQUIPMENT:



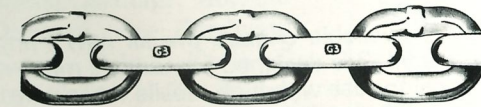
Midwest Industries, Inc., Ida Grove, Iowa 51445

YOU CAN BUY THE ENTIRE MIDWEST LINE FROM

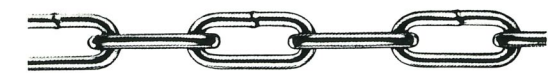
**STOWE** Kansas City

# When you need CHAIN, all you need to know is

## ACCO



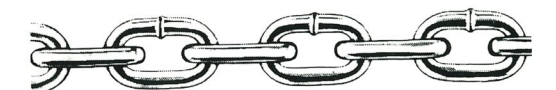
GRADE 30 PROOF COIL CHAIN



COIL CHAIN



GRADE 40 HIGH TEST CHAIN



MACHINE CHAIN



GRADE 70 TRANSPORT CHAIN



PASSING LINK CHAIN

And - there's "ACCO" Tenso Chain ... Sash Chain .... Jack Chain .... Safety Chain .... Lock Link Chain .... Tie-Out and Dog Chains.

And - "ACCO" Tow Chains .... Load Binders (including the popular "Pushover" with the patented Recoilless release design) .... Tiedown Chains .... Log Chains - and lots more!

Buy, Stock and Sell **ACCO** - it's the way to go!

You Can Buy The Entire ACCO CHAIN and CHAIN PRODUCTS Line From

**STOWE** Kansas City



# THE NEW GENERATION OF ELECTRIC FENCERS BY THE OLDEST NAME IN ELECTRIC FENCING AND THE WORLD'S LARGEST SELLING BRAND!

**PARMAK**—originators of every major advancement in electric fencing, now brings you the all new solid state, high output, low impedance electric fencers. Whether your needs call for a powerline or battery operated model, look to **PARMAK**—the name Farmer-Stockmen have trusted world wide for over 64 years.

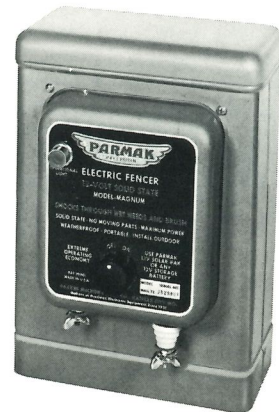


## THE ALL NEW ULTRA-POWER XL-2

When 110-120 volt power is available choose the all new Parmak Model XL-2. The Ultra-Power XL-2 is designed for today's multi-wire fences . . . long distances. Ideal for use with high tensile fence wire. At \$79.95 suggested retail this all new low impedance, high output fencer is the best value and bargain on the market today. Fence wire can be stapled directly to dry wood posts (greater power realized by using insulators). Shocks through wet weeds and brush. Extremely short (2/10,000 sec.) shock duration—originated by Parmak over 25 years ago and now brought to its present state of superior performance. Solid state circuitry. No moving parts. Charges up to 25 miles of fence. Full one-year warranty including lightning damage. UL Listed.

## THE ECONOMICAL 12 VOLT MAGNUM 12

For those remote areas choose the 12-volt battery operated Parmak Model Magnum 12. Power you never dreamed possible from a battery fencer. This powerful, low impedance, advanced 12-volt fence charger is designed with ferrite 100% solid state inverter circuitry. Mag. 12 features output equal to power line operated models. Shocks through wet weeds and brush. Most economical 12-volt solid state fencer operation on the market. Weatherproof, portable, outdoor model for installation anywhere on your farm. Charges up to 25 miles of fence. Full one-year warranty. UL Listed.



*Don't be misled by exaggerated shock output claims about high priced imports. For every fencing need . . . trust Parmak, the 100% American made fencer.*

*Top quality power line or battery models available for every fencing need including America's first solar powered fencer Solar-Pak by Parmak. See your local hardware or farm supply dealer or write today for full line descriptive literature.*



**PARKER-McGRORY MFG. CO.**  
2000 Forest Avenue Kansas City, Mo. 64108

**The talent to originate and the skill to produce.**

Distributed by **STOWE Hardware & Supply Co.** — Kansas City

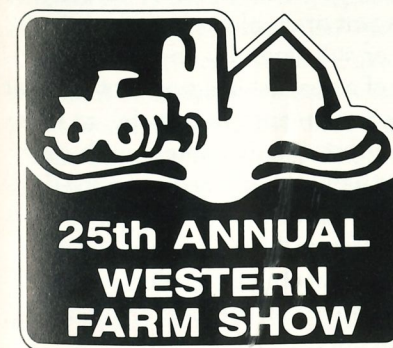
## 8 Complete ACHR; 5 Earn Degrees

Eight employees of Western members were graduated from the Advanced Course in Hardware Retailing, and five earlier graduates from Western's region were awarded Professional Hardware Degrees upon completion of additional requirements.

ACHR is a home study course in retail and hardware merchandising and product knowledge available to all member firms through the National Retail Hardware Association.

The new graduates are Stewart Powers and Jody Wilkinson, both of Westlake Ace Hardware, Omaha, Nebr.; Billy C. Sanders, Tapjac Home Centers, Carthage, Mo.; Duane D. Dreiksen, Ace Hardware, Grand Island, Nebr.; Kevin F. Kavanagh, Central Hardware, Bridgeton, Mo.; Brian Douglas Mealy, Westlake Ace Hardware, Fulton, Mo.; Bernard Meyers, Whelan's Inc., Topeka, Kans.; and Denzle L. Minyard, Spelts Lumber & Home Center, Kearney, Nebr.

PHD recipients are Rand L. Atkinson, Central Hardware, Bridgeton, Mo.; Delores Loucks, Westlake Ace Hardware, Fulton, Mo.; Wayne Hartz, Central Hardware, Bridgeton, Mo.; Rick Davolt, Ace Hardware, Grand Island, Nebr.; and Sherry Shockey, Westlake Ace Hardware, Chillicothe, Mo.



**Feb. 23-25**

**American Royal Exposition Bldg. Kansas City, Mo.**

## United Hdwe. Shows

United Hardware Distributing Co. has announced its 1986 shows as follows: Spring convention and show, May 10-12, and fall convention and show, Oct. 4-6. Both will be held at the Minneapolis Auditorium and Convention Center and the Hyatt Regency Hotel in Minneapolis, Minn.

An agreeable person is somebody who agrees with you.

## Farmhand and Tye

Farmhand Inc. and The Tye Co. have entered into an agreement to provide marketing of Tye grain drills and no till seeding equipment in the states of Minnesota, Iowa, North Dakota, South Dakota, Nebraska, Colorado, Montana and Wyoming.

You're most happy if you don't know who's boss in your home.

1986 is God's way of saying we're going to do it until we get it right.

# PEOPLE LOOK UP TO THIS SIGN!

## A Ford Tractor dealership could be your sign of success!



Ford Tractor, one of the most respected names in agricultural and industrial equipment, is looking for a qualified dealer in this area. Are you up to the challenge?

We'll help you turn your hard work and business savvy into sales and profits. With initial planning consultations. Comprehensive management and sales training. Expert training for your mechanics at Ford service schools. And much more.

Once the groundwork is done, there are Ford's competitive wholesale and retail financing support programs. Plus strong advertising support. And innovative sales programs like Ford "Free Tractor Care" which currently provides up to three years or 2500 hours (whichever comes first) of service support on our largest agricultural tractor models.

At the core of your dealership . . . quality Ford Tractors and equipment. State-of-the-art farm tractors. A wide range of matching implements. Quality industrial equipment including industrial tractors, backhoes and loaders. And a complete line of home power equipment.

People look up to our sign. It stands for a full line of quality products. And we back them with management and marketing help. Retail financing programs. And more.

If you're up to the challenge, contact us soon. Our sign could be your sign of success.

**R.A. Shively**

MIDWESTERN REGION  
7800 WEST 110TH ST., SUITE 250  
PO. BOX 2997 — PH. 913-661-5227  
OVERLAND PARK, KS 66201



# Legislation Being Proposed for Kansas

*Editor's note: Following is the complete text of the "fair dealership" legislation that Western is proposing for the states of Missouri and Kansas. This is the legislation discussed by Jeff Flora in his editorial on page 5 of this magazine.*

## AN ACT

To regulate and govern business relations between manufacturers of agricultural equipment and independent retail dealers of those products.

Chapter — Regulation of Business Practices Between Farm Equipment Manufacturers and Retail Dealers.

Sec.

- X.001 Purpose of Act
- X.002 Definitions
- X.003 Cancellation and Alteration of Farm Equipment Dealerships
- X.004 Deceptive or Coercive Acts Prohibited
- X.005 Prohibition Against Agreements Contrary to Terms of the Act
- X.006 Regulation of Retail Sales or Distribution Operations by Farm Equipment Manufacturers
- X.007 Actions for Damages and Injunctive Relief

### § X.001 PURPOSE:

The legislature of this state finds that the retail distribution and sales of farm equipment to the farmer consumer through businesses, which are independent from and not affiliated with or controlled by the manufacturers of such products, benefits the economy of this state by providing services to the farmer which are superior to those which would be provided by manufacturer-owned retail outlets and insuring that all manufacturers of farm equipment will have access to retail outlets thereby encouraging competition among manufacturers. The purpose of this act is to preserve those economic benefits to the agricultural economy of this state through regulation of the business relations between Farm Equipment Manufacturers and Farm Equipment Dealers.

### § X.002 DEFINITIONS:

As used in this chapter unless the context clearly requires otherwise:

(a) The term "Farm Equipment" shall mean equipment including, but not limited to, tractors, trailers, combines, tillage implements, balers and other equipment including attachments and repair parts thereof used in the planting, cultivating, irrigation, harvesting,

and marketing of agricultural products, excluding self-proposed machines designed primarily for the transportation of persons or property on a street or highway.

(b) The term "Farm Equipment Manufacturer" shall mean any person, partnership, corporation, association, or other form of business enterprise engaged in the manufacturing, assembly, wholesale, sale or distribution of farm equipment, including any person, partnership, or corporation which acts for or on behalf of such manufacturer, assembler, wholesaler or distributor in connection with the sale of said Farm Equipment.

(c) The term "Farm Equipment Dealer" or "Farm Equipment Dealership" shall mean any person, partnership, corporation, association, or other form of business enterprise primarily engaged in the retail sale and/or service of farm equipment, under a "Dealership Agreement."

(d) The term "Dealership Agreement" shall mean a contract or agreement either expressed or implied, whether oral or written, between a Farm Equipment Manufacturer and a Farm Equipment Dealer by which the Farm Equipment Dealer is granted the right to sell, distribute or service the manufacturer's Farm Equipment regardless of whether said Farm Equipment carries a trade name, trademark, service mark, logotype, advertising or other commercial symbol, and in which there is a continuing commercial relationship between the Farm Equipment Manufacturer and the Farm Equipment Dealer. The term "continuing commercial relationship" shall mean any relationship in which the Farm Equipment dealer has been granted the right to sell or service Farm Equipment manufactured by the Farm Equipment Manufacturer for a period of three consecutive months.

### § X.003 CANCELLATION, ALTERATION AND TRANSFER OF FARM EQUIPMENT DEALERSHIPS:

1. No Farm Equipment Manufacturer, directly or through any officer, agent or employee may terminate, cancel, fail to renew or substantially change the competitive circumstances of a dealership agreement without good cause. Good cause means: failure by a Farm Equipment Dealer to substantially comply with essential and reasonable requirements imposed upon the dealer by the dealership agreement, provided such requirements are not different from those requirements imposed on other similarly situated dealers either by their terms or in the manner of their enforcement.

2. Except as provided in this section, a Farm Equipment Manufacturer shall provide a Farm Equipment Dealer at least 90 days' prior written notice of termination, cancellation, nonrenewal of the dealership agreement. The notice shall state all reasons constituting good

# and Missouri Is Given in its Entirety

cause for termination, cancellation or nonrenewal and shall provide that the dealer has 60 days in which to cure any claimed deficiency. If the deficiency is rectified within 60 days the notice shall be void. The notice and right to cure provisions of this section shall not apply if the reason for termination, cancellation or nonrenewal is for commission of a felony reflecting the relationship between the dealer and manufacturer, insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy of the Farm Equipment Dealer. If the reason for termination, cancellation or nonrenewal is nonpayment of sums due the Farm Equipment Manufacturer, the Farm Equipment Dealer shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery of said notice.

3. It shall be a violation of this chapter for any Farm Equipment Dealer to transfer, assign or sell any interest in a Farm Equipment Dealership Agreement(s) evidenced by a writing to another person, unless the Farm Equipment dealer shall first notify those Farm Equipment Manufacturers who are parties to said written dealership agreements of such intention by written notice, sent certified mail, setting forth in the notice of intent; the prospective transferee's name, address, statement of financial qualification and business experience during the previous five years. The Farm Equipment Manufacturer shall within one hundred twenty (120) days after receipt of such notice either approve in writing to the Farm Equipment Dealer such sale to the proposed transferee, or by written notice advise the Farm Equipment Dealer of the unacceptability of the proposed transferee setting forth material reasons relating to the character, financial ability or business experience of the proposed transferee, taking into consideration the interest to be acquired by the transferee. No Farm Equipment Manufacturer shall refuse to accept the aforesaid transferee unless such refusal is based on reasonable, material grounds relating to the character, financial ability or business experience of the proposed transferee. If the Farm Equipment Manufacturer does not reply within the specified one hundred twenty (120) days, his approval is deemed granted. No transfer, assignment or sale of a majority interest in a Farm Equipment Dealership or Dealership Agreement shall be valid unless the transferee agrees in writing to comply with all the requirements of the Dealership Agreement then in effect.

### § X.004 DECEPTIVE, COERCIVE AND UNFAIR PRACTICES PROHIBITED:

(1) It shall be deemed a violation of this Chapter for a Farm Equipment Manufacturer to coerce, or attempt to coerce, any Farm Equipment dealer to order or accept delivery of any farm equipment, parts or accesso-

ries therefor, which such farm equipment dealer has not voluntarily ordered.

(2) It shall be deemed a violation of this Chapter for a Farm Equipment Manufacturer:

(a) To condition or attempt to condition the sale of any Farm Equipment on a requirement that the Farm Equipment Dealer also purchase any other goods or services; except that nothing herein shall prevent the Farm Equipment Manufacturer from requiring the dealer to purchase all parts reasonably necessary to maintain the quality of operation in the field of any farm equipment used in the trade area.

(b) To coerce or attempt to coerce any Farm Equipment Dealer into a refusal to purchase the Farm Equipment manufactured by another Farm Equipment Manufacturer.

(c) To discriminate in the prices charged for Farm Equipment of like grade and quality sold by the Farm Equipment Manufacturer to similarly situated Farm Equipment Dealers; except that nothing herein contained shall prevent differentials which make only due allowance for difference in the cost of manufacture, sale or delivery resulting from the differing methods or quantities in which such Farm Equipment is sold or delivered, by the Farm Equipment Manufacturer.

### § X.005 PROHIBITION AGAINST AGREEMENTS CONTRARY TO TERMS OF THE ACT:

Any term of a dealership agreement either expressed or implied which is inconsistent with the terms of this chapter shall be void and unenforceable and shall not waive any rights which are provided to any person by this chapter.

### § X.006 REGULATIONS ON RETAIL SALES OR DISTRIBUTION OPERATIONS BY FARM EQUIPMENT MANUFACTURERS:

After July 1, 1986 no Farm equipment Manufacturer shall open a retail Farm Equipment Dealership in the State of Kansas and operate it with company personnel, employees, a subsidiary company, commissioned agent or under a contract with any person, firm or corporation managing a Farm Equipment Dealership on a fee arrangement with the Farm Equipment Manufacturer. The Farm Equipment Dealership shall be operated by an independent Farm Equipment Dealer who is neither affiliated with, dominated or controlled by the Farm Equipment Manufacturer; provided, however, that:

(a) A Farm Equipment Manufacturer who currently operates a retail Farm Equipment Dealership in the

*(Continued on page 50)*



## Training Week for Hardware, Home Center Personnel Coming to Omaha April 14-18

Five full days of training in the skills most needed by managers and employees of retail hardware stores and home centers will be available to Western members April 14-18 in Omaha, Nebr.

Sponsored by the National Retail Hardware Association, the Training Week, one of a series being held throughout the nation, will be conducted at Eppley Airfield Conference Center in Omaha. Special conference rates for attendees have been arranged at the Embassy Suites (formerly Granada Royale).

The week will be divided into five one-day seminars on the following topics: Advertising and promotion; supervising and motivating employees; selling electrical supplies; selling skills and customer relations; and selling plumbing supplies. Participants may choose which seminars they wish to attend.

Cost is \$120 per seminar. Substantial discounts are offered for members who register by March 24 with prepayment.

Instructors will be Jack Rice, director of education services for

NRHA; Paul Pfeiffer, professor emeritus of marketing at the College of Business Administration, Kent State University; Bob Aiken, New Hampshire hardware retailer and lecturer; and Bill Sharp, "the hardware trainer."

Members may register by contacting Carolyn Cox at NRHA, 770 N. High School Road, Indianapolis, Ind. 46224, telephone (317) 248-1261.

### Westlake Warehouse

Westlake Ace Hardware has opened a new 20,000-square-foot warehouse in Olathe, Kans. to serve Westlake stores in the Kansas City metropolitan area, Lawrence and Topeka.

Unfaithfulness in the keeping of an appointment is an act of clear dishonesty. You may as well borrow a person's money as his time.

— Horace Mann

### If you don't read this, you'd better hope someone else does.

Suppose an employee sitting across from you at lunch suddenly started choking. Would you know what to do?

If you, or someone else, didn't act quickly, that person might die. And how can you act quickly, if you don't know what to do?

That's why the Red Cross offers CPR and First Aid courses that teach your employees what to do in an emergency.

One day someone's life may depend on the techniques the Red Cross can teach you now.

So call them. You never know when you'll be glad you did.

**+** American Red Cross  
We'll help. Will you?

A Public Service of This Magazine & The Advertising Council

## NEW M-SERIES LOADERS



**THE MOVING FORCE**  
IN YOUR OPERATION...



M 110 LOADER:  
with optional self-leveling.  
For 110 to 180 hp tractors.

M 30 LOADER:  
for 30 to 60 hp tractors.



M 60 LOADER:  
for 60 to 90 hp tractors.

**EXPERIENCE THE GB QUALITY AT A NEW, COMPETITIVE PRICE.**

GB Loaders have established a tradition of quality that people recognize whenever they see or hear the name "GB". The new, M-Series Loaders follow in that same tradition as they offer both strength and quality at a competitive price. These new loaders feature high quality hydraulics coupled with sturdy construction which includes reinforcing and double welding at stress points. In addition, all M-Series Loaders have the GB Quick On/Quick Off versatility allowing you to use your tractor for loading jobs, and minutes later do field work. Each mounting is carefully engineered to fit each make and model of tractor, allowing your M-Series Loader to remain solid and strong after years of hard use. Quality checked and field tested, the GB M-Series Loaders offer specialized capabilities that can be matched to your specific job requirements. Superior quality is a tradition at GB.



Great Bend Mfg. Co., Inc. • Box 829 • Great Bend, KS 67530



## "The Challenger System offers us the added benefits that only our Association can provide."

JIM CADLE, CADLE & SONS, PERRY, IL

"When we started looking around for a computer, we could hardly spell it, much less run one. But it didn't take long for us to find the best... the Challenger System. After all, it was designed by an equipment dealer. No other system even came close."

Just like Jim Cadle, you can get a complete, fully integrated Texas Instruments computer system. One low price includes conversion of your records, system installation, complete on-site training, plus on-going year 'round support.

Challenger offers you more for your money than any in-house computerized bookkeeping and management system. And it should... because as Jim Cadle said; "The more we invest in the Association, the more it benefits us."

Find out more about Challenger... Call or write today.



# THE Challenger

SYSTEMS

For more information call (816) 561-5323  
Western Retail Implement and Hardware Association  
638 W. 39th St., P.O. Box 19264, Kansas City, MO 64141



# MARKETING BREAKTHROUGH!

WE'RE THE PROBLEM SOLVERS



## Custom Circulars For Lumber and Home Center Dealers

The Most Flexible Sales Vehicle In The Industry!

### REPLY-COUPON

**WYETH COMPANY**  
 101 Jules St., St. Joseph, MO 64501  
 Attention: CHARLIE MAPLE  
 Please send me information on the Trustworthy Program.

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_  
 State \_\_\_\_\_ Zip \_\_\_\_\_  
 Phone \_\_\_\_\_

## WYETH COMPANY

101 Jules Street  
St. Joseph, Missouri 64501

Phone (816) 232-7721  
WATS 1-800-821-2913

Hundreds of Trustworthy Dealers Are Now Using This New Custom Circular! Here's Why . . .

- You select 20 to 25 of your best products to be advertised at sale prices you determine.
- The specials you select are positioned on the front and back covers, as well as the center spread.
- 80 to 85 additional sale items are included from Trustworthy's basic hardware stock list.
- You choose the sale theme you want for your low cost, 3-color, 8-page tabloid circular.
- Circulars are printed within 15 days after your final approval of copy and art and any price changes necessary.

Circulars are just one of the many services offered by Trustworthy . . . America's fastest growing stores program. For more information call or mail in the Reply Coupon.

## Wally's Celebrating 15 Years in Big Way

Wally's True Value Hardware of Sullivan, Mo. invited its suppliers to join in the celebration of the store's 15th anniversary — and the response has been overwhelming to the owners, Mr. and Mrs. Wallace O. Anderson, and their son, Robert S. Anderson.

"Our warehouse is already bulging with prizes — there must be close to 300," Betty (Mrs. Wallace Anderson) told H&FE in a telephone conversation Jan. 16. The celebration, scheduled for Feb. 10-22, will include a number of product demonstrations by manufacturer personnel. Drawings for prizes will be held daily.

The event is being advertised in the community of 5,000 by personal letters, radio, television and newspaper.

There is no future in any job. The future lies in the person who holds the job.

## HCI To Hold Mgrs. Conference June 2

Home Center Institute has announced a new training managers' conference, to be held in Indianapolis, Ind. June 2-4.

The conference will include general sessions on budgeting, managing the training function and getting top management support for a training program. In addition, a series of roundtables will provide opportunities for free interchange of ideas with other training personnel. One roundtable will be oriented to the needs of smaller home centers and will be devoted to setting up a training program.

Registration fee is \$295 for members and \$395 for non-members. Complete program information can be obtained by writing Bob Vereen, Executive Director, Home Center Institute, 770 N. High School Rd., Indianapolis, Ind. 46224.

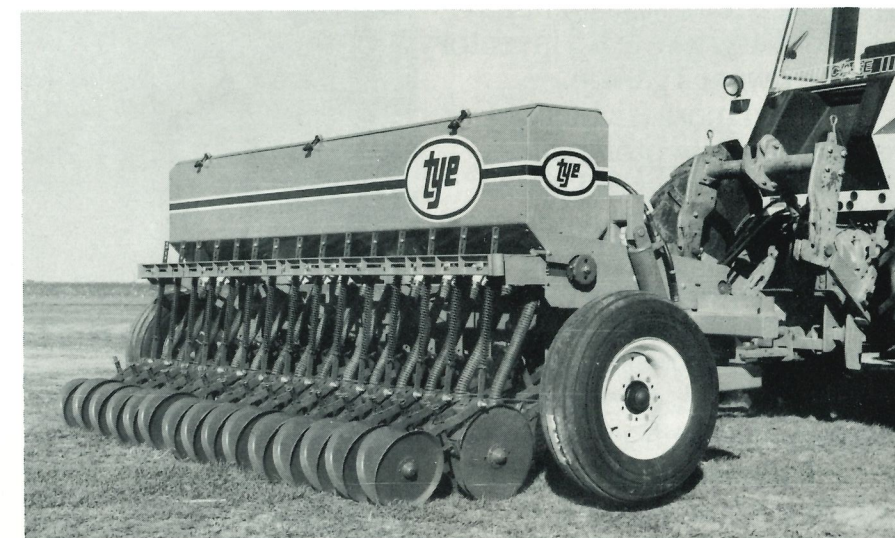
## American Markets

Merchandise markets for American Hardware Supply Co. for the remainder of 1986 are as follows: Spring Market, May 9-13, Baltimore, Md.; First Fall Market, Sept. 19-23, Baltimore, Md.; Second Fall Market, Oct. 12-14, Memphis, Tenn.

Some people complain to God about the thorns on the roses. Other people thank God for the roses on the thorns.

## Sizzlers Special

The Kansas City Sizzlers, professional basketball team, is offering a \$2 discount on tickets for its Feb. 25 game with the Evansville Thunder to those who attend the Western Farm Show. The game will start at 7:35 p.m. at Kansas City's Municipal Auditorium. With the discount, seats will sell for \$5 and \$6 each. Group reservations may be made by calling Jerry Schemmel at (816) 474-2100.



# DOMINATE the no-till/minimum-till market SELL TYE

Tye's system helps you do it. The Tye line provides the drills, attachments and accessories that let you fit anybody's definition of no-till or minimum till.

CISCO's long experience in distributing Tye equipment will guide you in choosing the drill sizes, the coulters, the press wheels, the row spacings that your customers are ready to buy. Let CISCO work with you to establish your dominance in a big and growing market. Get ready now. Your customers are there already.



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**CONNALLY IMPLEMENT SUPPLY CO., INC.**

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P.O. Box 1728, Salina, Kansas 67402 (913)825-9501  
Kansas dealers call toll free 1-800-432-2790



# NOBODY DREAMED \$50,000 OF PROPERTY WOULD BE TUCKED AWAY IN THE OWNER'S GARAGE. EXCEPT FEDERATED.

In theory it made perfect sense. Instead of renting temporary warehouse space, a St. Paul, Minnesota company decided to store extra inventory in the owner's garage.

Even more frightening, since total inventory values were never reviewed by the previous insurer, their coverage limits were less than half the value of the inventory.

Fortunately *The Right Report* was able to uncover these hidden assets before they became liabilities.

Following an exploration of the company's total insurance needs, we rewrote their policy to cover their off-site storage. Then we sat down with the owner and established the real value of the company's total inventory.

To find out how much risk your company is really taking, call Federated toll-free, 1-800-533-0472. In Minnesota call 1-800-722-2250.

And start getting things done right for your business. Because you never know what might go wrong.

THE  
**RIGHT**  
REPORT

IT CAN HELP YOU UNCOVER HIDDEN ASSETS.

With *The Right Report* from Federated Insurance, you gain a new management perspective that helps you better understand your total insurance needs.

You can learn how to stretch your insurance budget. When it's smart to self-insure. Or, if you're wasting money, how to switch dollars to more valuable coverages.

*The Right Report* doesn't tell you how to run your business. It helps you defend it, and put your insurance dollars where they count the most.

**FEDERATED**  
writes it right



**The innovative alternative:**



**Unverferth...**  
**helping make your time more valuable**



There's always something new from Unverferth. It's not just because we're an equipment manufacturer. It's because we're farmers, too. We know the challenge you must meet...every year. That's why you'll find us at the forefront of any new developments in agriculture. Look at our new dual and triple wheel systems, our Rolling Harrow™ soil conditioner, our new spaced dual wheel systems for ridge-till farming on your tractor and your combine. All things designed to help you improve your yields, make your time more valuable. Come see us.

Unverferth Manufacturing Co., Inc., Kalida, Ohio 45853 • 419-532-3121  
 Warehouses in Kansas, Iowa and Saskatoon, Saskatchewan



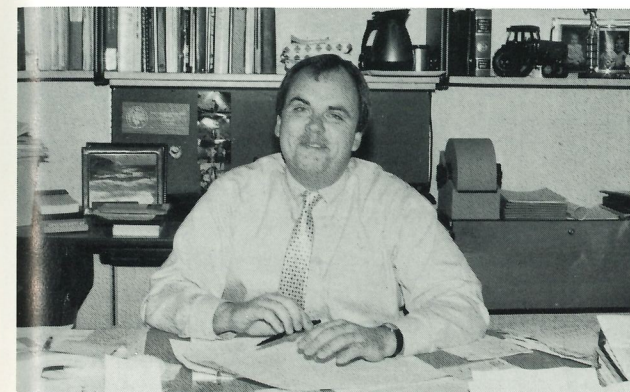
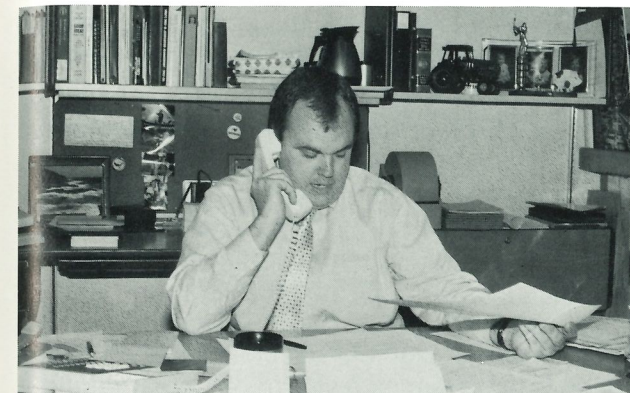
**WESTERN ASSOCIATION**

(Affiliated with National Farm & Power Equipment dealers Association and National Retail Hardware Association)



SERVING  
**THE FARM EQUIPMENT AND HARDWARE INDUSTRIES**

TO THE RETAILERS WE SERVE IN MISSOURI, KANSAS, NEBRASKA, ARKANSAS AND OKLAHOMA



"An investment in membership in your trade association is an investment in your own business."

This statement may sound a bit unbelievable — but, for you, as a member of the Western Association, it could not be more true. Your Association staff is committed to you and your business and when you need help or guidance, we're capable of assistance. Your Association has the professionals for any type of job needed whether it has to do with accounting, computers, store modernization, legislation or employee education.

If you invest in your trade association, you're sure to reap substantial dividends — you can count on it!

*Joe Ellen*  
 President, Treasurer

**Services at a Glance:**

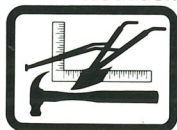
**Data Processing/Service Bureau**  
**In-Store Accounting**  
**In-House Computers**  
**Income Tax Planning, Preparation**  
**Estate Planning**  
**Accounts Receivable**  
**Accounts Payable**  
**Payroll Processing**  
**Complete Store Modernization**

**Professional Merchandising**  
**Site and Market Analyses**  
**Total Business Insurance**  
**Frequent Bulletins**  
**Monthly Magazines**  
**Farm Plan**  
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**Conventions**  
**Western Farm Show**  
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**Tractor, Equipment Guides**  
**Management Training**  
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**Management Aids**  
**Consumer Information**  
**Advertising, Promotion Aids**  
**Business Forms**

*Turn the page to learn more . . .*



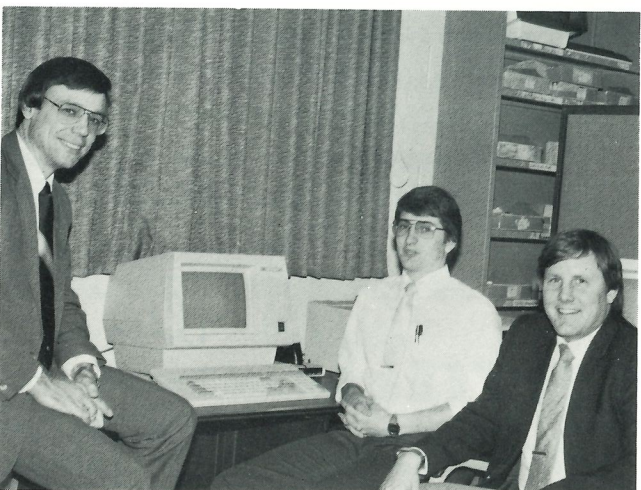


## Accounting Services:

Data Processing, In-Store Accounting, In-House Computer Systems, Income Tax Planning and Preparation — and more.



Accountants seated are John Watson and Bob Charbonneau and, standing, Brian Crane, Wendell Brintnall and Curtis Kleoppel.



Management services specialists, left to right, are Dave Heimsoth, Patrick McVey and Grant Sager.



Data processing department personnel are Diane Mundahl and Bob Robeson, both seated, and Don Scharff, Anita Colbert, Betty Wirtz and Cheri Donahue.

A wide range of services is offered through Western's accounting department for members whose needs range from monthly bookkeeping aids to sophisticated computerized management statements. With a staff of 14, the accounting department can serve the implement or hardware retailer efficiently and with expertise.

Staff accountants are well versed in a number of accounting and tax-related areas, among them: Income tax planning, preparation and consultation; estate planning; profit-sharing and pension plan consulting; monthly, quarterly or annual reviews of accounting records. Combine their knowledge of accounting with the fact that they specialize in the hardware and implement businesses as no general accountants can, and you have a clear result: A top management aid tailored for you.

Western owns its own computer and operates a service bureau exclusively for its members to provide accurate and timely information. Whether they're monthly accounts receivable statements or financial statements, the reports help Western members because they are designed exclusively for hardware and implement retailers.

If you're ready for an in-house computer system, whether you are in the implement or hardware industry, your Association has the system for you. Both systems have been developed by your Association and can be tailored for your business. Using IBM and Texas Instruments hardware, these systems are specifically designed for your industry and are serviced, installed and maintained by your Association.

## Insurance Management Service:

The popularity of Western's insurance plans has placed them high among the largest and strongest association plans. Total business insurance (underwritten by Federated Insurance Co.) includes group health and life, fire and casualty, liability protection, workers' compensation and pension plans.

The group health trust managed by Western is the finest, most stable plan in the industry. With over \$7 million in premium collected and over half of Western members participating, the plan is assured of solid performance. All monies over and above costs are returned to plan participants in the form of "premium holidays." The entire plan is geared to meeting the individual dealer's needs while staying within his budget.

## Store Design and Merchandising:

Individual Planning, Especially Designed Fixtures, Professional Merchandising, Supervised Installation.

Stores of all types, from giant home centers to small neighborhood operations, are designed or modernized by three experts, Jon Swartz, Marvin Frank, and Tom Doty. Design and planning are done on an individual basis and include a detailed analysis of the business, inventory and the existing or proposed building. Fixtures are designed exclusively for your type of retailing.

Total follow-through includes supervision of fixture installation and professional merchandising (to provide maximum potential for tie-in sales).

Western's complete store design and merchandising service, available to both hardware and farm equipment members, gives retailers a single consulting source covering every area of store modernization from new store construction to enlargement and re-design of existing stores.

## HARDWARE & FARM EQUIPMENT FARM & POWER EQUIPMENT and DIY RETAILING

For 88 years Western has published its own monthly magazine, HARDWARE & FARM EQUIPMENT, to keep members abreast of events in its region. Editorial content consists of features and news stories about Western members and their suppliers and continuing reports on the Association and its services.

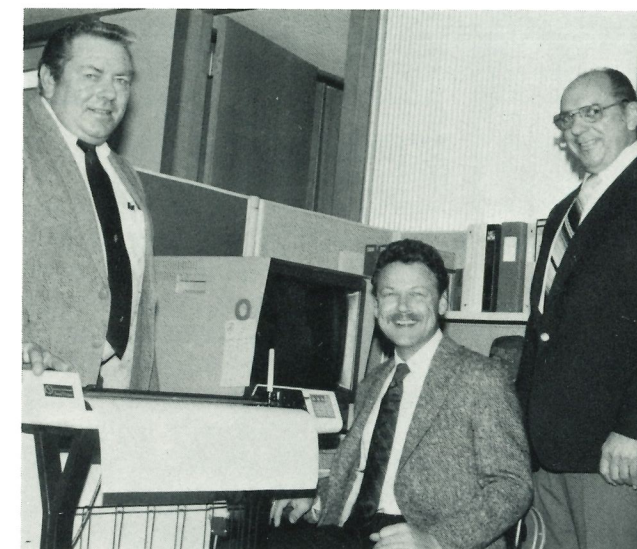
National industry happenings, along with merchandising ideas, are covered by DIY RETAILING (published by the National Retail Hardware Association) and FARM & POWER EQUIPMENT (published by the National Farm & Power Equipment Dealers Association).

## Individual Retirement Accounts:

Western offers two choices for IRA investments: Western's own IRA, designed by Lincoln National Pension Co. and Paine Webber, features guaranteed rates of interest and is free of any commission or service fees. Also available is the National Retail Hardware Association plan managed by John Hancock.

## Sales Training:

The Advanced Course in Hardware Retailing sales training tapes and workbooks and "how to" tapes and workbooks provide invaluable product information for hardware employees.



Western's three store design engineers are seen with the department's computer (C.A.D.). Left to right, they are Jon Swartz, Tom Doty and Marvin Frank.

## Tractor, Equipment Guides:

Market information and technical data on farm tractors and farm and industrial equipment are provided in two guides, published twice each year by the National Farm & Power Equipment Dealers Association. A rental guide is published annually.

## Show-How Theatre:

Show-How Theatre is a coordinated audiovisual program that offers the hardware retailer product demonstrations, employee training and consumer information films.

## Farm Plan:

Farm Plan gives the dealer immediate cash for credit sales, sends statements, saves collection time, costs little.

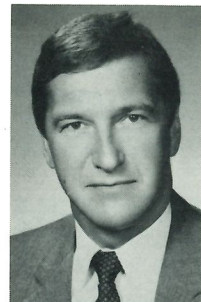
## Hardware Week Sales:

The hardware industry's two nationwide promotions, "The Great Spring Hardware Sale" and "The Great Fall Hardware Sale," increase store traffic and sales for participants. Promotion, advertising and display kits are provided to Western members at no cost. Multi-page advertisements are carried in popular national magazines and powerful spots are shown on the major TV networks.





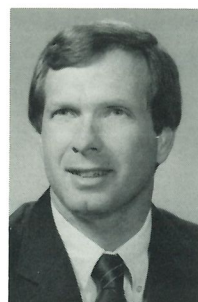
## Legislative Representation:



Haake



Mullenholz



Amick

If an Association does nothing else, it should act as a legislative voice for its members. Your Association is proud of the legislative job it does — both nationally and on the state level. Representing members in Washington D.C. are two attorneys, Timothy Haake (hardware) and John J. Mullenholz (farm equipment). Members are represented on the state level by Dale Amick, Western's legislative director. Dale is assisted by Alan Alderson and Joe C. Kemp, two attorneys.

## Convention and Farm Show:

Top industry leaders speak at Western's annual Farm Equipment Convention giving dealers valuable management and sales information. Members have an opportunity to exchange views with fellow dealers and suppliers during a weekend at a Kansas City luxury hotel. Western's Trade Market and Farm Show (largest indoor farm equipment display in the Midwest) is held immediately following the Convention. The first half day, the Trade Show, is for dealers only and allows them to examine and compare all makes and models of equipment. During the final two and one-half days exhibits are viewed by about 60,000 farmers.

## Hardware Management Seminars:

Hardware members are schooled in the latest management techniques by experts at Western's Hardware Management Seminars. Held across Western's region over a two-week period, these seminars are designed to allow members easy access to information that will help them to be better business managers and to operate more profitable stores.

## Business Forms:

Sales tickets, repair orders, speed memos, rental contracts, purchase orders, customer statements, delivery and pick-up orders, whole goods invoices — all can be furnished with the dealer's name and address imprinted.

WESTERN Retail Implement  
and Hardware ASSOCIATION  
638 W. 39th St. P.O. Box 19264  
KANSAS CITY, MISSOURI 64141  
816-561-5323



## Management Aids:

Answers to many management problems are found in "The Management Aids Handbook" for farm equipment dealers and "The Hardware-Home Center Business" for hardware retailers. Among subjects addressed are selection and training of personnel, successful promotions, acquisitions of new facilities, effective merchandising, credit management and increasing profits.

## Co-op Advertising:

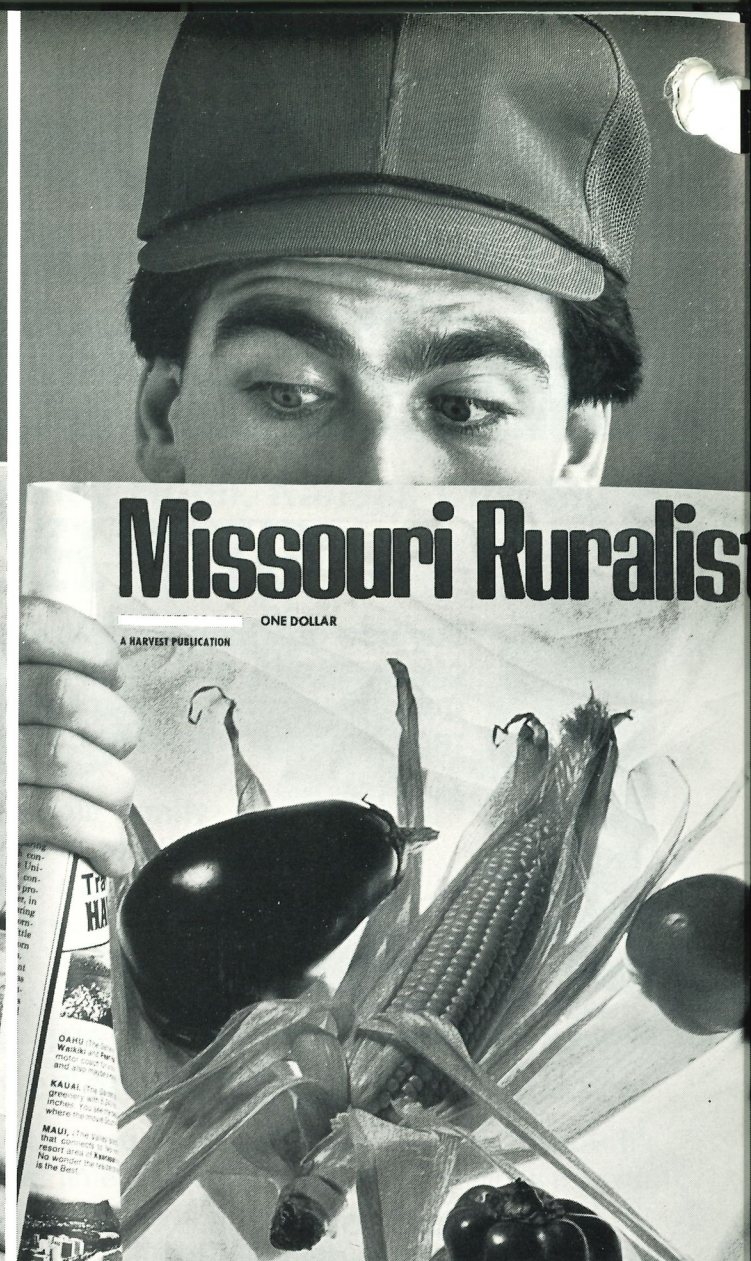
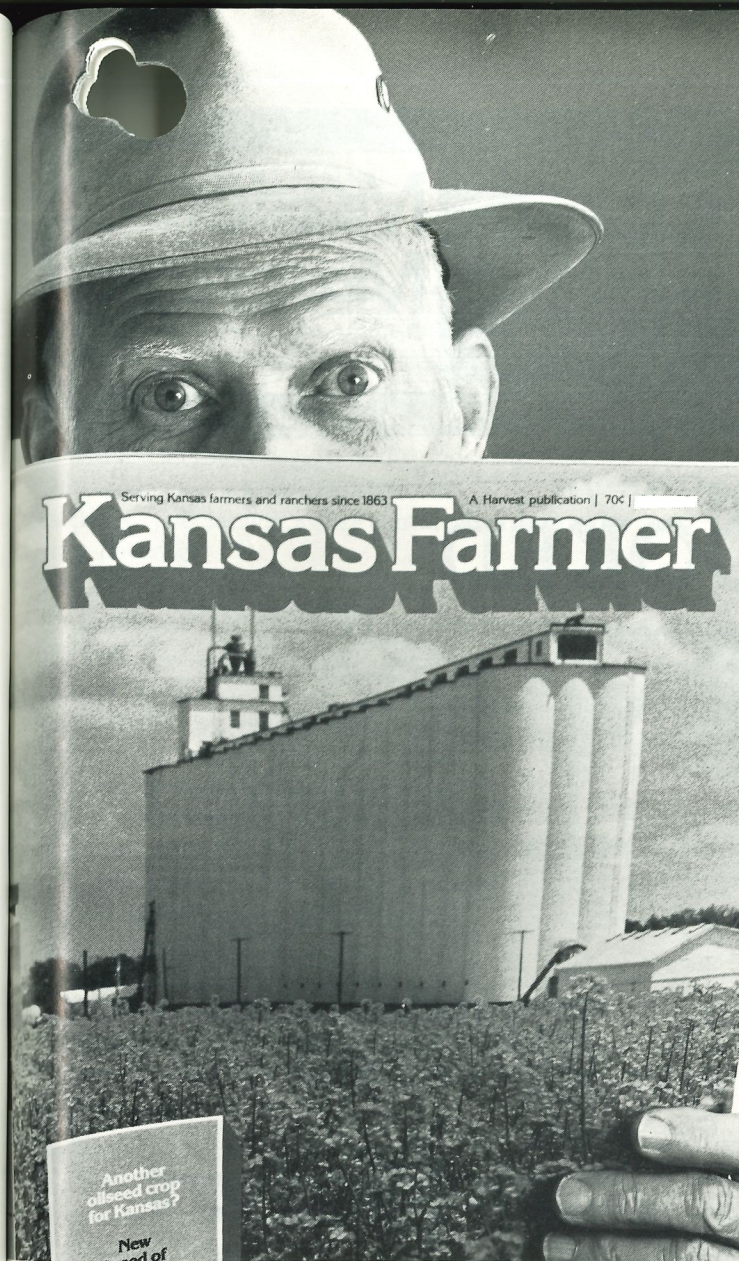
The National Retail Hardware Association Co-op Ad Program provides hardware retailers with a clearing house for processing co-op ad claims. Its object is to simplify the process for you, and it works.



Membership department personnel (left to right) are Barbara Guinn, Nancy Noyce, Sherri Roulette-Mosley, Gerald Masters and Donna Haughenberry.



Left to right are Maxine Estes, administrative assistant; Willa Cavole, insurance supervisor; Twila Crawford, executive secretary; and Barbara Seney, editor of **HARDWARE & FARM EQUIPMENT**.



**Your ad in these magazines will reach more\* Kansas and Missouri farm families than any other agricultural publication.**

And it will reach them as many as 16 times a year.

What's more, these readers ranked their state farm magazine "most useful" to them in their farm operations *five times* more often than the "next-best" publication.

Both men and women of all ages placed *Kansas Farmer* or *Missouri Ruralist* at the top of their reading list.

They spent an average of 1½ hours with the issue upon receipt, and planned to devote another hour at a later sitting.

You couldn't find a better climate for your sales message to rural Kansans and Missourians. Contact us now for rates and other pertinent information.

\*as shown in independent University Research studies as of February 4 (KS) and February 11 (MO), 1984 Western Farm Show issues.



THE HARVEST PUBLISHING COMPANY  
BOX 917 • SHAWNEE MISSION, KANSAS 66202 (913) 722-5900



February

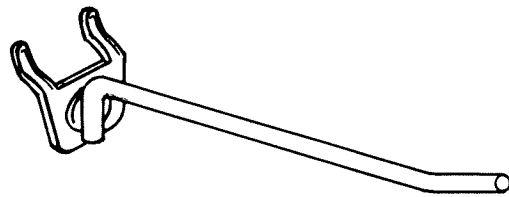
Good Deal

Master Merchant

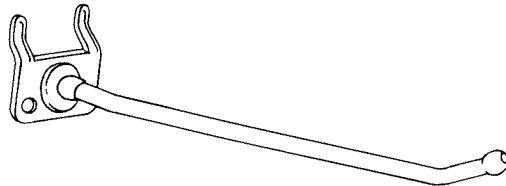
Store Planning Services and Association Fixtures

# GET HOOKED

Buy now and save. For a limited time MASTER MERCHANT is offering our most popular perfboard hooks (in bulk quantities only) at exceptional prices. Choose from our regular or heavy-duty hook in 6" or 9" length.



**425 Perfboard Hook**  
Hook is double-welded to back plate for extra strength. 3/16" diameter rod. Available in 6" or 9" lengths.



**446 Heavy-Duty Perfboard Hook**  
Used for heavy merchandise. 1/4" diameter rod. Available in 6" or 9" lengths.

### ORDER FORM

Item	Quantity	Price	Extension
425-6		\$18.10 per 100	
425-9		\$20.60 per 100	
446-6		\$15.50 per 100	
446-9		\$19.90 per 100	

FOB: Indianapolis, IN

Total

plus freight and sales tax where applicable.

PRICES GOOD FEBRUARY 1 THROUGH MARCH 15, 1986.

## Master Merchant

Store Planning Services and Association Fixtures



A Service Activity of

National Retail Hardware Association

770 N. High School Road  
Indianapolis, Indiana 46224-7690

Name \_\_\_\_\_

Address \_\_\_\_\_

Attn: \_\_\_\_\_

MAIL YOUR ORDER TO US

**Western Retail Implement and Hardware Association**

638 W. 39th St., P.O. Box 19264, Kansas City, Mo. 64141

(816) 561-5323

### Separate Pollution Policies Will Be Issued After Feb. 1

Members who carry their property and liability insurance with Federated Insurance Co. will receive separate pollution liability policies at the time of renewal, according to the company. Though pollution will be excluded on the general liability and umbrella policies at that time, the separate policies will assure continuous coverage.

#### 'Claims Made'

The new policies, to be "claims made" in nature, will be issued automatically. A "claims made" policy covers claims that are made during the policy period. Most insurance policies covering larger pollution exposures have been on a "claims made" basis in the past. Since the exposure for most equipment, hardware and lumber businesses has not been great, however, most insurance companies, including Federated, have provided pollution coverage under the basic liability policy and umbrella.

The new policies will have a limit of \$500,000 per incident, \$1,000,000 policy aggregate on renewal after Feb. 1. A higher limit of \$1,000,000 per incident, \$2,000,000 policy period aggregate is available upon request. A moderate premium charge for the separate pollution policy will be based on the number of operational locations.

#### Clean-up Coverage

The pollution policy has some characteristics different from some other insurance policies. Liability to third parties, of course, is covered. The pollution policy does not have a deductible unless the business has underground tanks that are used on a retail basis. This policy also includes coverage for clean-up costs, both on and off the premises.

Federated marketing representatives will call on policy holders as their policies renew and these separate pollution policies come into effect.

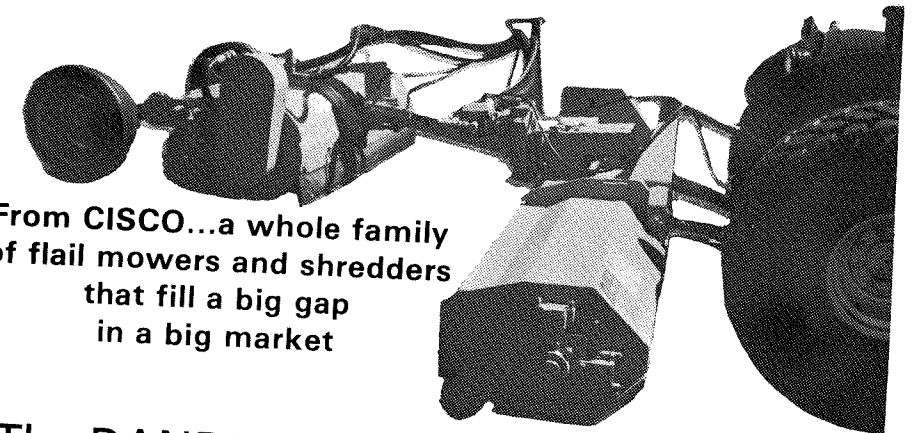
Don't Miss It!



Western's 97th Annual Farm Equipment Convention

Feb. 21-22

Hyatt Regency Hotel, Kansas City, Mo.



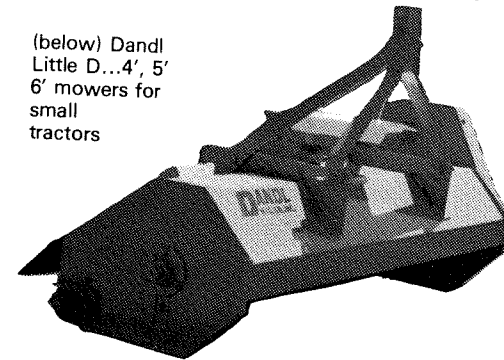
From CISCO...a whole family of flail mowers and shredders that fill a big gap in a big market

The DANDL line builds sales and good will with high performance low maintenance

Say "DAND-UL". You're going to hear that name a lot. It's because, for the first time, there's a line of flail machines that run smooth, cut smooth and stand up to the rigors of the work.

For row-crop, turf and industrial applications, DANDL gives you the complete line from 48" Little D's for small tractors to the amazingly useful Expando that you see above. These are rugged

(below) Dandl Little D...4', 5' 6' mowers for small tractors



machines, serviceable and long-lived. Each is designed for day-in, day-out work and low maintenance. Forget everything you think or know about flail mowers and shredders. DANDL has written a new book on the subject. Let CISCO check it out for you.



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Kansas dealers call toll free 1-800-432-2790





36 years

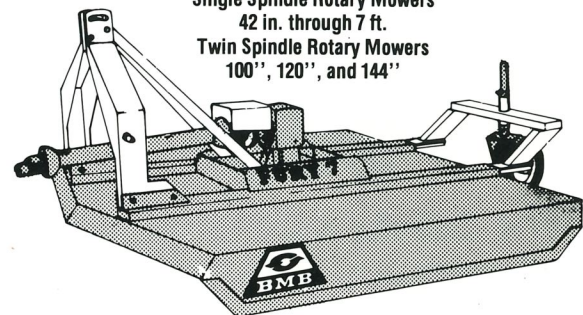
of manufacturing top quality farm equipment

ESTATE

3-Spindle Rotary Mower  
Gear Box and Belt Drive  
Available in 48", 60" and  
72" widths

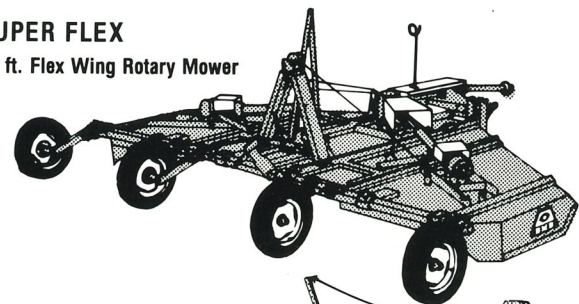


Single Spindle Rotary Mowers  
42 in. through 7 ft.  
Twin Spindle Rotary Mowers  
100", 120", and 144"



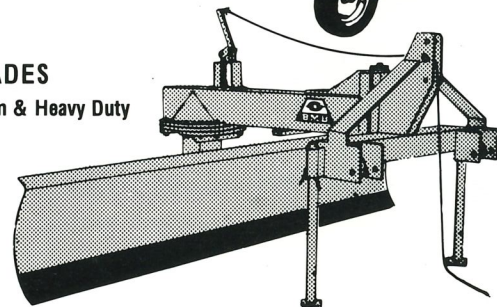
SUPER FLEX

15 ft. Flex Wing Rotary Mower



REAR BLADES

Light, Medium & Heavy Duty



For More Information On our Complete Product Line  
Phone Collect 913/364-2186



Vermont at 9th  
Holton, Kansas 66436  
913/364-2186

COMPANY, Inc.

Dealership Bill . . .

(Continued on page 35)

State of Kansas, with company personnel, employees, a subsidiary company, commissioned agent, or under a contract with any person, firm or corporation managing a store on a fee arrangement with the Farm Equipment Manufacturer may continue to operate said business only until July 1, 1988.

(b) An Equipment Manufacturer or Affiliate may own, manage or operate an Equipment Dealership for a term not to exceed eighteen months after the lawful termination or cancellation of a Farm Equipment Dealership pursuant to the terms of this chapter.

(c) An Equipment Manufacturer may participate in the ownership, management or operation of an Equipment Dealership under a written agreement with an Independent Equipment Dealer if under such an agreement, the Independent Equipment Dealer has made a significant investment in such Equipment Dealership and has the right to acquire full ownership, management and operation of such Equipment Dealership upon satisfaction of reasonable terms and conditions.

(d) A Farm Equipment Manufacturer may own and operate a retail Farm Equipment Dealership in any trade area for such time period as such Manufacturer cannot find an independent Farm Equipment Dealer to own and operate a retail Farm Equipment Dealership to represent the Manufacturer.

§ X.007 ACTION FOR DAMAGES AND INJUNCTIVE RELIEF:

If any Farm Equipment Manufacturer violates this Chapter, a Farm Equipment Dealer may bring an action against such Manufacturer in any court of competent jurisdiction for damages sustained by the Dealer as a consequence of the Manufacturer's violation, together with the actual costs of the action, including reasonable attorneys fees, and the dealer also may be granted injunctive relief against unlawful termination, cancellation, nonrenewal or substantial change of competitive circumstances. The remedies set forth in this section shall not be deemed exclusive and shall be in addition to any other remedies permit by law. The Attorney General is also empowered to enforce compliance with this chapter by institution of a civil suit for injunctive relief.



BUY U.S. SAVINGS BONDS

INDUSTRIAL EQUIPMENT CO.

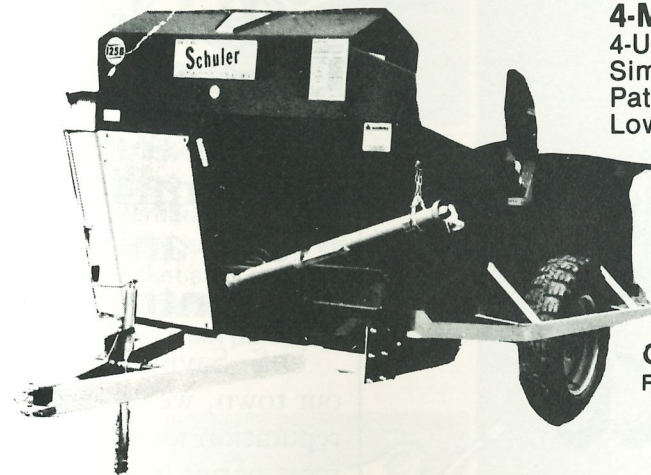
1039 International Road  
Chillicothe, Missouri 64601



DISTRIBUTORS in North Missouri for these and many more fine lines of farm equipment and supplies — see our display at Booth 43-44 at the 1986 Western retail Implementation Farm Show, February 23-25.



SCHULER MULTI-PURPOSE WAGONS

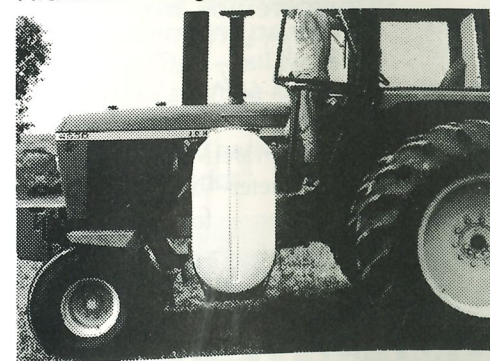


4-MODELS: 100, 120, 170, & 280 Bushels  
4-Unloading Speeds!!!  
Simple & Dependable V-Belt Drive!!!  
Patented Feed Saver Design!!!  
Low, Easy Loading Height!!!

Other "Quality Built Machines" by SCHULER  
REMIX WAGONS—multi-purpose wagons— forage boxes  
electronic scales

Snyder Slim Trim-Vue applicator tanks  
Clear the front wheels on even the tightest turns.

Available in 200-gallon capacity.



Snyder Utility Nurse tanks  
Tailored to fit most pickup beds.

Tailored to fit most pickup beds.

Available in 150, 300 & 465-gallon capacities.



INDUSTRIAL EQUIPMENT CO.  
Chillicothe, Missouri





## FEMA Spring Clinic

The Farm Equipment Manufacturers Association will hold its annual Spring Management Clinic April 13-16 at Marriott's Harbor Beach Resort at Fort Lauderdale, Fla. Speakers include Dr. Larry Steinmetz, Alvin Haerr and Jim Haughey. ■

## Bruna to Council

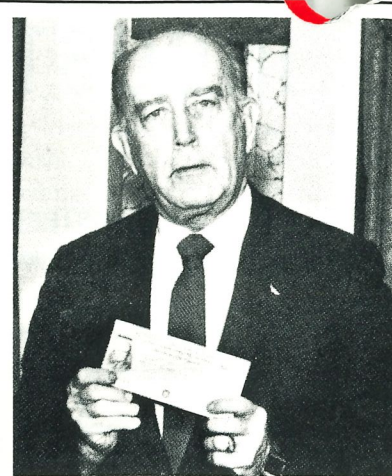
Alan Bruna, manager of Bruna Implement, Marysville, Kans., has been chosen to serve on the

13-member Gehl Co. dealer council, which represents retailers of Gehl products in the United States and Canada. ■

## Doug Flanders Dies

Doug Flanders Jr., former co-owner of Flanders Lumber, Lake Lotawana, Mo., died Jan. 26 at an Independence hospital. He was 64. His wife, Mrs. Jewell D. Flanders, and three daughters survive.

Flanders was an Army veteran of World War II and the Korean War.



Courtesy of Richard Przybylowski

**"Here's one investment that's good for our families, our city and our country . . ."**

U.S. Savings Bonds. In our town, we've earned a reputation for making the most of our investments—from dollar houses to Harborplace. That's why Baltimore's Best backs America's best. Savings Bonds now pay high interest rates to help you build a stronger financial future for your family—guaranteed.

Join me . . . buy Bonds where you work and bank.

*William Donald Schaefer*

Baltimore Mayor William Donald Schaefer—a Savings Bonds buyer for more than 20 years.

**U.S. SAVINGS BONDS**

*Paying Better Than Ever*

A public service of this publication.

**NEW HOLLAND**  
Products of SPERRY-NEW HOLLAND

**SIGN OF EXCELLENCE**

**Count on it . . . all the way to the bank!**

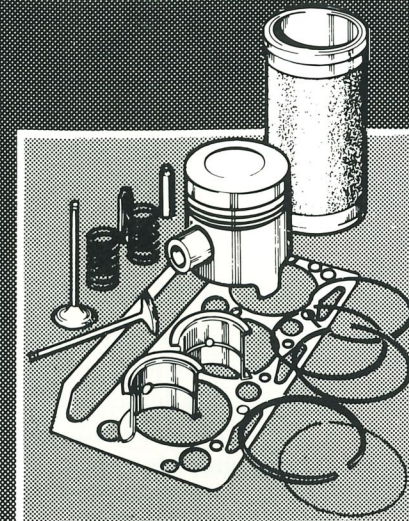
The Sperry New Holland sign at your dealership means you have one of the most valuable franchises in the agricultural market. It's a powerful, profit-producing asset backed by a team of experts dedicated to excellence in the manufacture and marketing of farm equipment. You can bank on that!

Farmer surveys rate Sperry New Holland product quality as the best in the business. And our products are backed by a confidence-building warranty; industry-leading terms and discounts; superb parts and service support; and second-to-none advertising, sales promotion and retail finance programs.

It's no wonder farmers and ranchers have made Sperry New Holland products market share leaders. We strive for excellence. We deliver it. And Sperry New Holland dealers turn it into business-building earning power every day of the week.

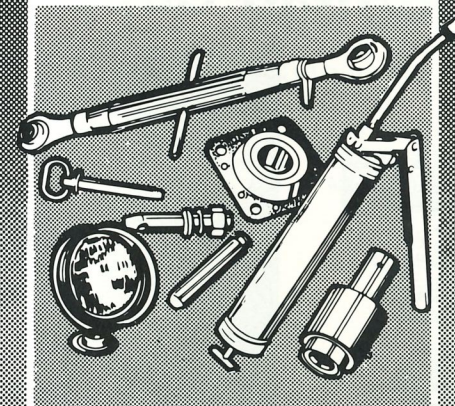
**SPERRY-NEW HOLLAND**

**NOW... More Than Ever TISCO Can Be Your Best Business Ally**



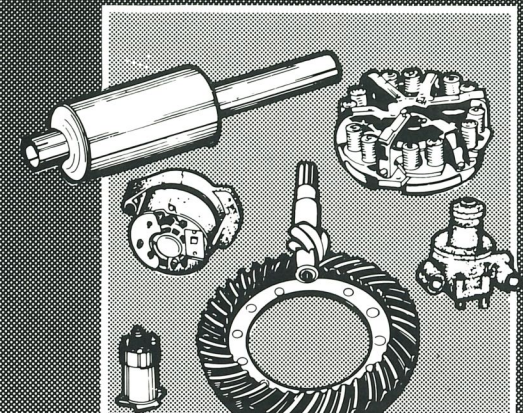
### Start with TISCO engine parts:

- Overhaul kits
- Sleeve and piston kits
- Gasket sets and seals
- Engine bearings
- Valve train parts



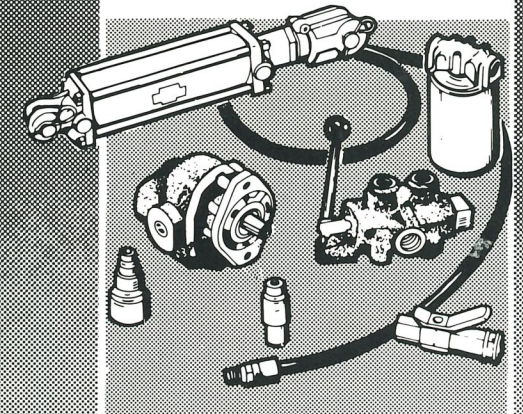
### Tractor, combine and implement parts...

- Bearings — all types
- P.T.O. shafting and repair parts
- Cutting parts
- Electrical parts
- Accessories



### Beyond the engine...

- Exhaust system parts
- Air and oil filters
- Water and oil pumps
- Steering parts
- Transmission and differential parts



### Hydraulic system parts...

- Full range of hydraulic cylinders
- Hydraulic pumps, motors and control valves
- Bulk and pre-made hydraulic hoses
- Hydraulic valve kits for many O.E.M. applications
- Fittings, couplers and hydraulic accessories

**All of these and much more at competitive prices... that will keep your customers in your dealership.**

**TRACTOR IMPLEMENT SUPPLY CO.**

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8565 23RD AVENUE  
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**MAJOR PARTS SUPPLIERS FOR EXTRA PROFIT BUYERS**







**Farm Plan™**

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**Western Retail Implement &  
Hardware Assn.**  
P.O. Box 19264  
Kansas City, Mo. 64141  
(816) 561-5323

### New Business To Open In Hiawatha, Kans.

A new farm supply and hardware store will open March 5 in Hiawatha, Kans., according to the owners, Francis Duncan and Dennis Hartter. Duncan will serve as manager, and Hartter will be assistant manager.

To be called Hiawatha Farm & Home, the business will be located in 14,000 square feet in a mini-mall at the west edge of town. It will handle small implements and a complete line of hardware in addition to farm supply items. The firm has affiliated with Ace Hardware Corp.

The staff will consist of five full time employees and several part time workers.

Store planning and merchandising is being done by Jon Swartz, one of Western's store design engineers.

### Westlake Promotions

Five Westlake Ace Hardware employees were recently promoted to assistant manager positions. The men and the Westlake stores they serve are Dick Lake, Oklahoma City, Okla.; Keith Graebert, Fayetteville, Ark.; Neal Ruby, Platte Woods, Mo.; Marvin Tobis, Olathe, Kans.; and Dave Ketterling, Shawnee, Kans. ■

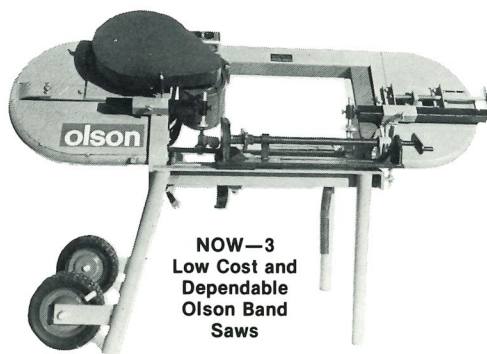
### Peerless Buys Blower

Peerless International Co. has purchased a forage blower line from Kasten Manufacturing Corp. Peerless will manufacture the blowers at its Joplin, Mo. plant. ■

Don't worry if you don't know all the answers; you probably won't be asked all the questions. ■

## Profit-Makers from Grainfield Supply

See them at  
the Farm Show  
Booths 153-154

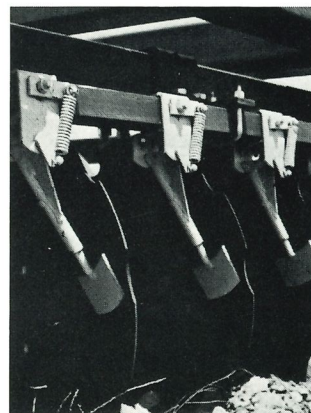


NOW—3  
Low Cost and  
Dependable  
Olson Band  
Saws

### DUDREY WIRE ROLLER



Easy To Mount On Any Pickup  
Easy To Use—Saves Time  
Big Capacity  
• Over a Mile Of Smooth Wire  
• Up To 100 Rods Of Barb Wire  
No Need To Jack Up Truck  
Just Drive To Roll Or Unroll



ROLL-IN BAND SAW  
Handles both cut-off and contour

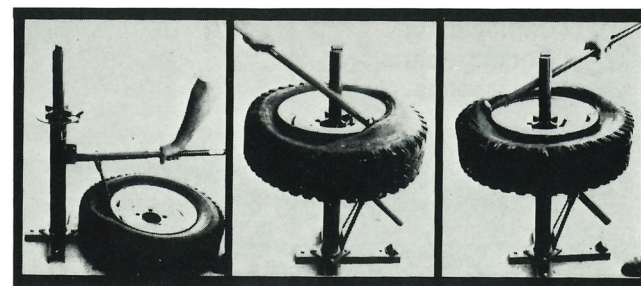
### POSI LOCK™ gear and bearing puller

The cage is the key to  
locking the jaws for a  
firm grip



The T-handle opens and closes  
the positive locking jaws held in  
perfect alignment by the outside  
cage making it easy for one man  
to attach it to the device being  
pulled.

CHOPS SET-UP  
TIME TO JUST SECONDS  
Jaw can't snap back to injure operator



WIKCO Self-Change 100 Tire Changer

Some Choice Dealership Areas Open

— National Sales Office —

**Grainfield Supply**

Phone (913) 673-4321 — Grainfield, Kansas 67737

1868-1986

# 118 Years of Service

(More than 60,000 items in stock)

*We represent with pride*

- AUTOLITE
- BARK-BUSTER LOG SPLITTERS
- BLACK & DECKER POWER TOOLS
- BOSCH SPARK PLUGS
- BOWER/BCA BEARINGS
- BROYHILL SPRAYERS
- CAMPBELL-HAUSFELD COMPRESSORS
- CHICAGO PNEUMATIC AIR TOOLS
- CROSS HYDRAULICS
- CYCLONE SEEDERS
- DELAVAN SPRAYER EQUIPMENT
- DEVILBISS PAINT EQUIPMENT
- FRAM FILTERS
- GATES AUTOMOTIVE & INDUSTRIAL PRODUCTS
- HYPRO PUMPS
- HUB CITY PTO ADAPTERS
- HUTCHINSON AUGERS
- IGLOO COOLERS
- KNIPCO HEATERS
- KONDEX MOWER PARTS
- LINCOLN LUBRICATING EQUIPMENT
- LUBRIPLATE GREASES & OILS
- LACLEDE TRACTOR & TIRE CHAINS
- LYON METAL PRODUCTS
- MARK-MASTER (MTD) LAWN & GARDEN EQUIP.
- MID-STATES SPRING DEVIL CULTIVATORS
- MOTORCRAFT BATTERIES
- NEAPCO UNIVERSAL JOINTS
- NORTON ABRASIVES
- OWATONNA (OTC) TOOLS
- PERMATEX-LOCTITE
- PIONEER COUPLERS
- REXNORD CHAIN
- ROBIN GENERATORS
- RUST-OLEUM PAINT
- SIOUX POWER TOOLS
- S-K TOOLS
- SPECO 3-POINT EQUIPMENT
- STIHL CHAIN SAWS & SAW CHAIN
- WESTERN INTERNATIONAL (AMF) PARTS
- WIRE ROPE CORP. OF AMERICA

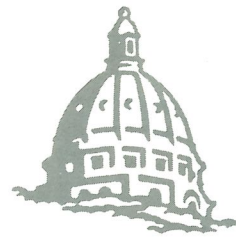
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## WATCH ON THE STATE CAPITOLS

By Dale Amick  
Director of Government Relations

### MISSOURI

The Western Association has joined a coalition of Missouri business organizations seeking to reform the state's civil justice system, including the area of product liability litigation.

The group is known as the Missouri Business Coalition for Litigation Reforms.

The ever-increasing flood of civil lawsuits has caused essential insurance coverage for many businesses to skyrocket, hurting consumers as well as businessmen.

Civil lawsuits have grown more complex too, with fault playing less of a role in determining final responsibility. The ability to pay, conversely, has become increasingly important in civil lawsuits, especially in the product liability field.

The number of civil lawsuits has risen dramatically in Missouri state courts over the last decade. A major contributor to that rise often cited by lawyers is the appeal of large compensation awards that have become so commonplace in recent times.

Numerous bills have been filed in the Missouri legislature to reform various areas of the state's civil justice system. The coalition has urged the legislature to adopt appropriate legislation to cure the current liability explosion.

### NEBRASKA

A shortfall in state revenue continues to plague state government as Nebraska's lawmakers swing into the heart of their 1986 session.

At the time of this writing, it appears that without added revenue, state budget cutbacks are mandatory.

The talk of a tax hike to ease the financial crunch has slowed. But that is not to say a push for some kind of tax increase may heighten as the legislature moves into its closing weeks.

Senate Speaker William Nichol in a discussion with Western Association's legislative director indicated he felt the legislature would be sympathetic to the small businessmen and doubted any business tax hikes would receive serious mention this year.

Sen. John DeCamp, chairman of the Senate Banking Commerce and Insurance Committee, is one of many senators who believes there is enough revenue to support the state budget without a tax increase.

### KANSAS

Tough financial times are shadowing Kansas too, much like Nebraska.

At the time of this writing, Gov. Carlin's call for a one cent sales tax increase appears in deep trouble in the legislature, especially in this an election year for all members of the House of Representatives.

While the lack of state revenue means budget cuts, economic development programs may not feel the budget knife this year. Look for more state economic development efforts to come from the legislature. The governor has tied his sales tax hike to help finance renewed economic development efforts.

Western's legislative efforts to help ease the property tax crunch hitting many dealers continue to proceed. A special legislative bulletin to Western's Kansas members will outline more specifics in this area.

Another legislative priority for Western is a fair dealership act for farm equipment dealers. The text of that legislative proposal is outlined elsewhere in this magazine.

### OKLAHOMA

Economic development has grabbed the Oklahoma legislative spotlight this year, with reform of the state workers compensation laws the most important issue.

Lawmakers know the ever-increasing cost of worker compensation insurance is a major factor in scaring business away from Oklahoma.

Numerous changes in the state workers compensation laws have been proposed in the legislature, but a compromise may be more difficult that first anticipated.

It appears any thought of a tax increase in Oklahoma is out the window. Gov. Nigh and legislative leaders seem in agreement that no major tax increase will be passed this year.

A variety of bills are on file to bring more equity into the state's property tax system. But it's too early to tell what property tax changes, if any, will survive the legislative session this year.

For more information about legislation in your state, contact Western's legislative office at 421 E. McCarty, Jefferson City, Mo. or call (314) 634-3637. ■

Insanity is hereditary; you can get it from your children. ■

A mistake at least proves somebody stopped talking long enough to do something. ■

KANSAS CITY

## IMPLEMENT, HARDWARE AND TRACTOR CLUB

### ANNUAL CONVENTION 1986

## WELCOME DEALERS . . .

The Kansas City Implement, Hardware and Tractor Club extends a most hearty welcome to the Western Retail Implement and Hardware Association dealers attending the 97th Annual Convention, Trade Market and Farm Show, February 21-25.

We endorse this year's Convention theme —



Enjoy your stay in our great city.

*Cordially,  
All Members*



## Student Applications Being Taken For Ag People to People Program

Applications are being accepted for the People to People Agricultural Student Ambassador Program, in which participants will spend a month visiting farms in Europe and the Soviet Union.

High school and college students are eligible for the program, which is operated under the auspices of People to People International, a non-political, private sector organization founded by President Dwight Eisenhower in 1956.

Young Americans have served as student ambassadors since 1963. President Ronald Reagan serves as honorary chairman of People to People International, and the student programs are administered by eminent educators from throughout the country.

No governmental funds are used in the program, and students are responsible for their own expenses. They are eligible for college scholar-

ships and may obtain both high school and college credit through participation.

All who apply to the program are required to complete an application and screening process; and, finally, those accepted must complete pre-travel orientations, studying background materials on the countries and organizations they will visit.

The aim of the People to People Agricultural Student Ambassador Program is to help students acquire the agricultural, economic, political and cultural knowledge that will benefit their own educations as well as the cause of world peace.

More information may be obtained by contacting People to People Agricultural Student Ambassador Program, Dwight D. Eisenhower Building, Spokane, Wash. 99202, telephone (509) 534-0430.



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### Record Sales

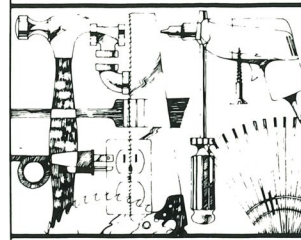
American Hardware Supply Co. has reported record sales in excess of \$100,000,000 at its fall market in Baltimore, Md. The market was the culmination of the company's celebration of its 75th year in business.

We are not put on this earth to see through each other but to see each other through.

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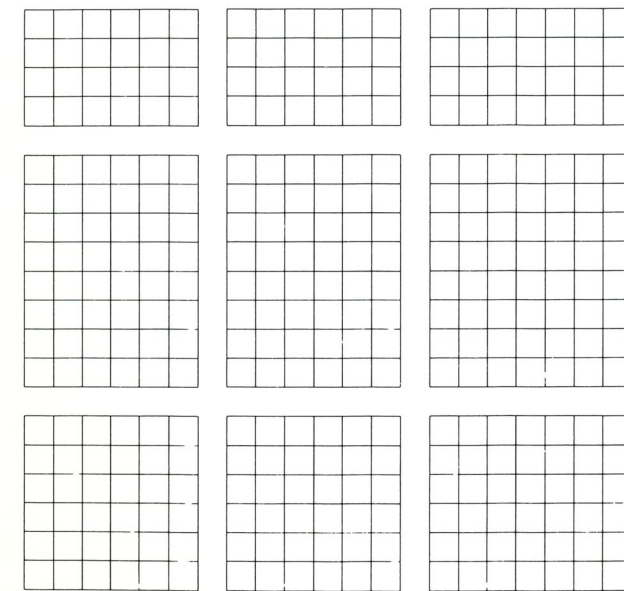
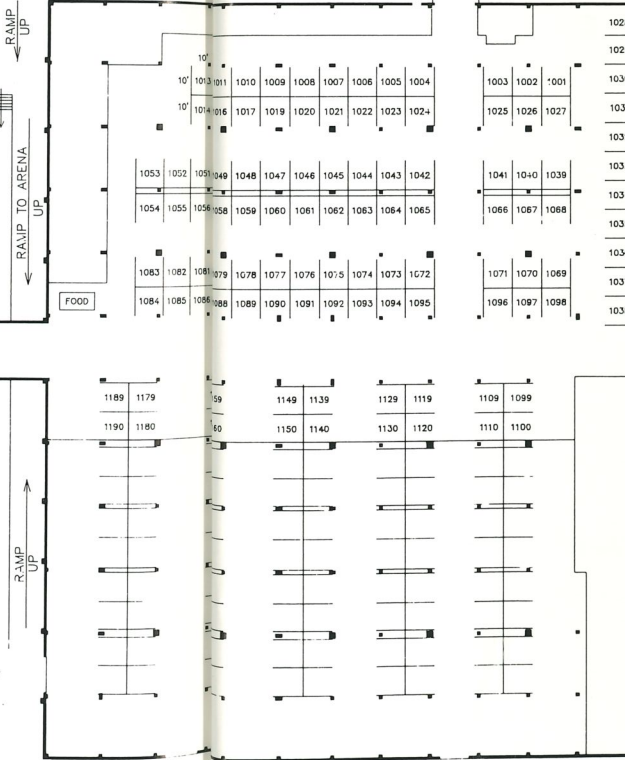
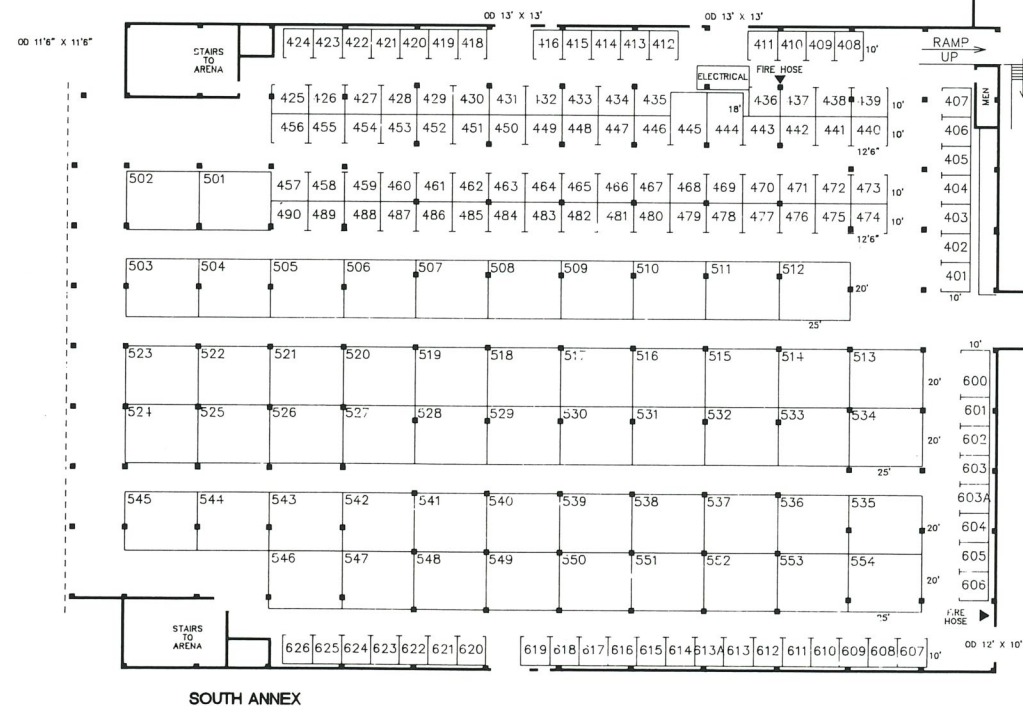
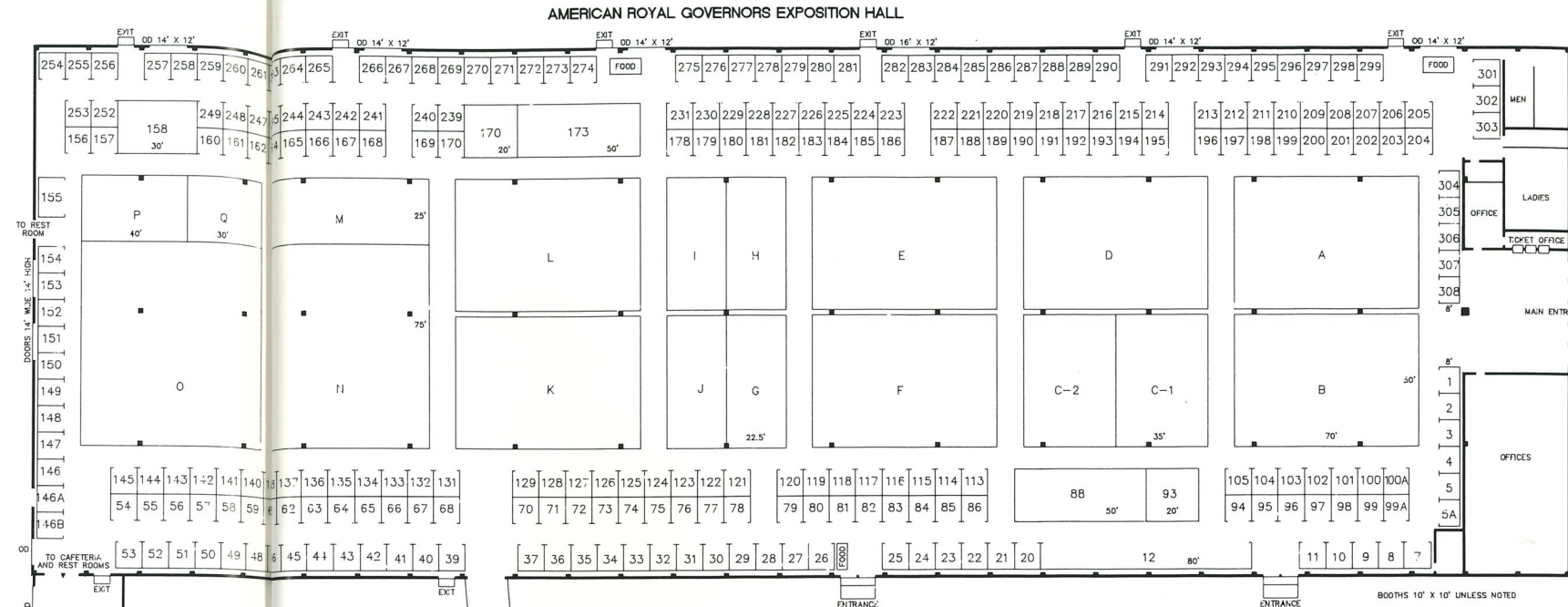
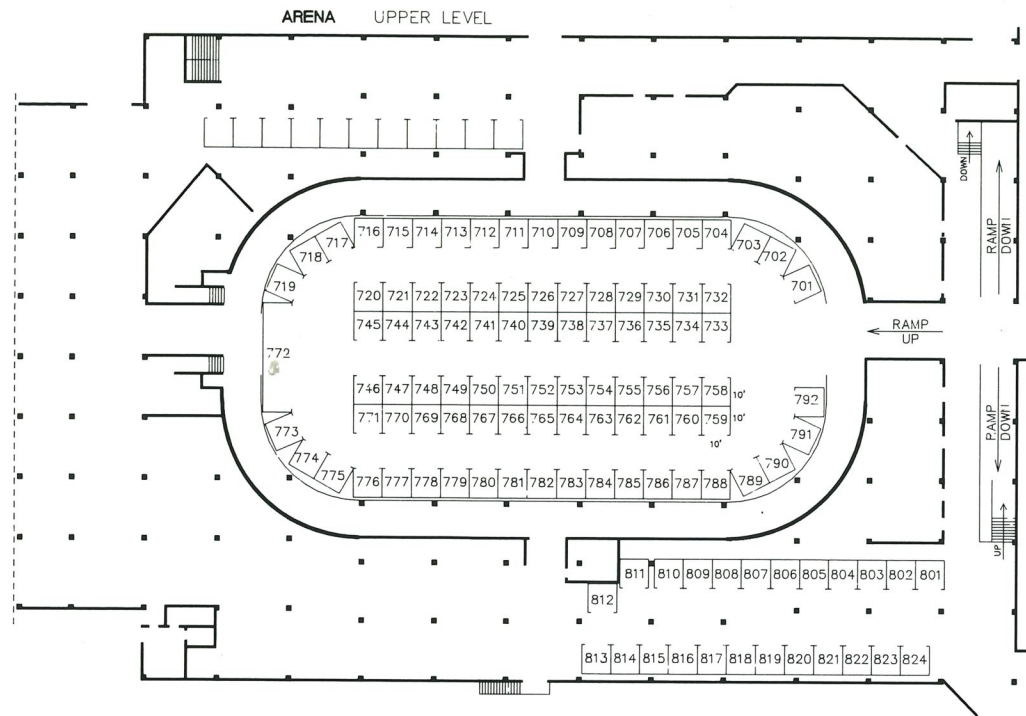
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# "Take This 15-Second Management Quiz"

**Question 1:** "If the morning is your best time to make sales calls, but it is also the best time to collect on past-due accounts . . . which activity should you choose?"

**Question 2:** "Do you ask a customer to pay his past-due bill before or after you ask him to buy a new piece of equipment?"

**Question 3:** "Would you prefer to avoid dilemmas like those in questions #1 and #2?"

You can! Let Farm Plan be your credit policy. It is a profitable alternative to accounts receivable—providing cash flow, record keeping, billing assistance, and collection assistance. Best of all, it eliminates situations like those in questions #1 and #2.



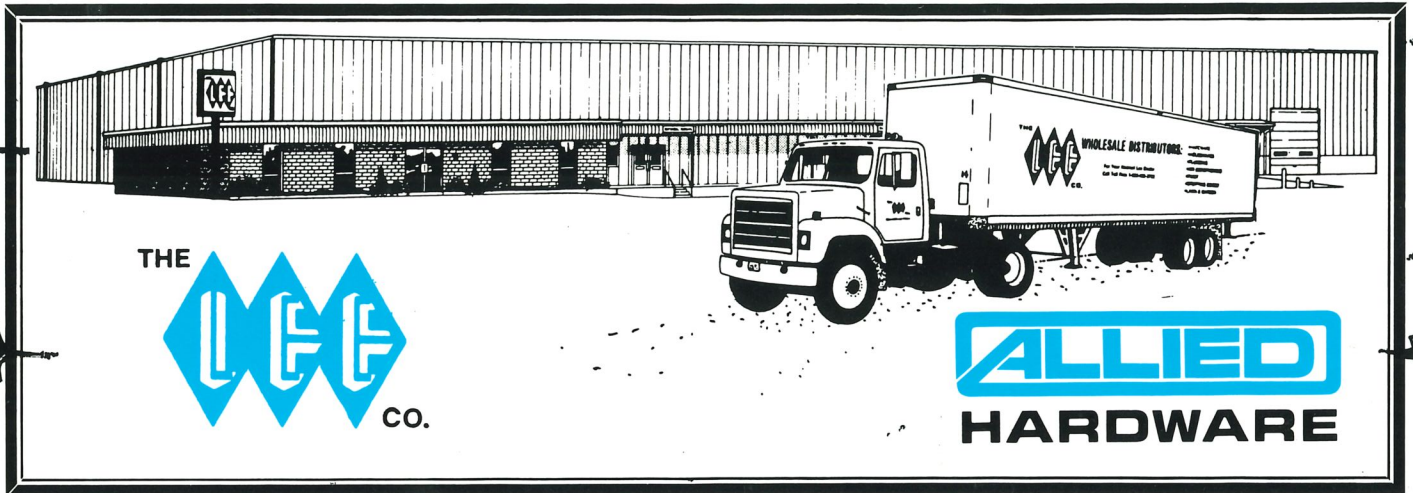
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**Western Retail Implement and Hardware Association**

638 W. 39th St., P.O. Box 19264, Kansas City, Mo. 64141



# WANTED



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- SALES REPRESENTATIVES TO SERVICE DEALER ACCOUNTS REGULARLY •

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meetings of such board shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto. In no event shall any member be paid compensation or allowances for more than 90 days in any calendar year.

(e) Meetings of the board may be called by the director, the chairperson of the board or any three members of the board, after first giving notice, in writing, at least 10 days prior to such meeting. The notice of any meeting of the board shall state the time and place of such meeting which special meeting may be held at any place within the state of Kansas. Additionally, such notice of the meeting shall state the purpose thereof.

(f) The director of vehicles may either appoint or designate a secretary for the board. The secretary shall perform, among other things, the following duties: Prepare the agenda for the meetings of the board; prepare notice of all meetings and cause the same to be mailed to all board members; take minutes of all meetings of the board and thereafter cause copies thereof to be distributed to all board members; arrange for meeting places within the state of Kansas at the direction of the chairperson; prepare vouchers for each board member to submit for expense of attendance at meetings; and, such other duties as requested by the board.

(g) All records of the dealer review board established by K.S.A. 8-2311 shall be and are hereby transferred to the board created by this section.

(h) The board shall be attached to the department of revenue and shall be within the department of revenue as a part thereof. All budgeting, purchasing and related management functions of the board shall be administered under the direction and supervision of the secretary of revenue. The division shall serve as the administrative and enforcement agency of the board in all respects and shall perform such services and duties as it may be legally called upon to perform. In the event the board fails to perform any of its official duties within the time prescribed herein, the division may perform such duties and certify its action to the board for review.

History: L. 1980, ch. 36, § 12; L. 1982, ch. 49, § 2; July 1.

Source or prior law:  
8-2311 and 8-2313.

Law Review and Bar Journal References:

"Survey of Kansas Law: Consumer Law," 29 K.L.R. 483 (1981).

**8-2413.** Injunctions; jurisdiction and venue of courts. Upon application of the board, the director or any person having any interest in the subject matter, the district courts of this state may enjoin any person from violating any of the provisions of this act, any order or rule and regulation issued or adopted pursuant thereto. The district court of Shawnee county shall hold concurrent venue with the district courts of this state for all civil and injunctive actions instituted by the board or the director for the enforcement of the provisions of this act, or such final orders or rules and regulations issued or adopted pursuant thereto.

History: L. 1980, ch. 36, § 13; July 1.  
Source or prior law:  
8-2315.

**8-2414.** Cancellation of agreements between dealers and manufacturers or distributors; cause; hearing; compensation upon termination; effect of noncompliance by manufacturer or distributor. (a) No franchise agreement entered into between a vehicle dealer and a first or second stage manufacturer or distributor may be cancelled, terminated or not renewed by the first or second stage manufacturer or distributor unless 60 days' notice has been given to the vehicle dealer and the director, which notice must state in full the reasons and causes for the cancellation, termination or nonrenewal of such sales agreement, except that in the event of a showing of fraud, insolvency or failure to perform in the ordinary course of business, a notice of less than 60 days may be approved by the director, with notice thereof to such vehicle dealer and upon written application by such first or second stage manufacturer or distributor.

(b) A vehicle dealer, within a sixty-day period, may file a complaint with the director against a first or second stage manufacturer or distributor challenging the reasons and causes given for the proposed cancellation, termination or nonrenewal of the franchise agreement. Upon a complaint being filed, the director shall promptly set the matter for public hearing, in accordance with K.S.A. 8-2411 for the purpose of determining whether there has been a violation of K.S.A. 8-2410 or whether reasonable justifi-



cation exists for cancellation, termination or nonrenewal of the franchise agreement.

(c) The franchise agreement shall remain in full force and effect pending the determination by the director of the issues involved as provided by this act. If the director determines that the first or second stage manufacturer or distributor is acting in violation of this act or that no reasonable justification exists for the proposed action, the director shall order for the franchise agreement to be kept in full force and effect.

(d) The director shall order that the franchise agreement may be cancelled, terminated or not renewed if the director finds, after a hearing that the licensed vehicle dealer is acting in violation of this act or that the judgment of the first or second stage manufacturer or distributor is reasonable and the vehicle dealer's default is material.

(e) In the event of cancellation, termination or nonrenewal of a franchise agreement, the first or second stage manufacturer or distributor shall repurchase or otherwise reasonably compensate the vehicle dealer for all new, unused and undamaged vehicles, parts and accessories which are in saleable condition and remain in such vehicle dealer's inventory at the time the cancellation, termination or nonrenewal becomes effective if such vehicles, parts and accessories were supplied to the vehicle dealer by such first or second stage manufacturer or distributor.

(f) Failure of the first or second stage manufacturer or distributor to give proper notice or maintain the franchise agreement in full force and effect pending determination by the director pursuant to the provision of this act, or to abide by the final order of the director, shall be cause for the director to refuse to issue a license to a replacement vehicle dealer or to a dealership which would be conducting business in the same trade area and selling the same make of vehicles where the vehicle dealer in question was engaged in business.

History: L. 1980, ch. 36, § 14; L. 1981, ch. 48, § 10; Jan. 1, 1982.

Source or prior law:  
8-2316.

**8-2415.** Correction of warranty defects; compensation to dealer. (a) A first or second stage manufacturer or distributor shall pay reasonable compensation to any

authorized new vehicle dealer who performs work to rectify warranty defects in the first or second stage manufacturer's or distributor's product.

(b) In the determination of what constitutes reasonable compensation under this act, among the factors to be considered shall be: The rate or charge which the authorized vehicle dealer in good faith is charging other customers for the same type of service or repair work, the compensation being paid by other first or second stage manufacturers or distributors to their vehicle dealers for the same work or service, and the prevailing wage or labor rate being paid or charged by all vehicle dealers licensed to operate in the city or community in which said authorized vehicle dealer is doing business.

(c) A first or second stage manufacturer or distributor shall not require unreasonable proof to establish compensation under subsection (b) of this section, nor act unreasonably to delay payments or adjustments in the rate or charge for particular warranty work as circumstances or changes may justify or require such adjustments.

History: L. 1980, ch. 36, § 15; July 1, 1981.  
Source or prior law:  
8-2317.

**8-2416.** Sale, transfer or assignment of dealer's business; approval by manufacturer or distributor; review by director; effect of noncompliance with orders of director. (a) A vehicle dealer desiring to sell, transfer or assign all or any portion of his or her business, and to assign any agreement to the purchaser thereof, shall submit a written proposal of such sale, transfer or assignment to the first or second stage manufacturer or distributor, and approval of said proposal shall not be arbitrarily or unreasonably withheld. The proposed purchaser of such dealership also shall furnish to the first or second stage manufacturer or distributor all of the information customarily required of applicants for an agreement.

(b) The refusal of the first or second stage manufacturer or the distributor to approve a proposed sale, transfer or assignment shall be subject to review by the director if a written application therefor is filed with the director by the vehicle dealer desiring to sell, transfer or assign, with notice thereof to the first or second stage manufacturer or distributor, within thirty (30)





**Motor Company**  
**Ford Tractor Operations**

**DEALER SALES AND SERVICE AGREEMENT**  
**STANDARD PROVISIONS**

**1. DEFINITIONS**

As used herein, the following terms shall have the following meanings:

1. (a) "Dealer Locality" shall mean the geographic area designated in writing to the Dealer by Ford from time to time as the area of the Dealer's sales and service responsibility for each respective Product Line covered by this Agreement pursuant to paragraph F (i).
1. (b) "Dealer Price" shall mean, with respect to each Company Product to which it refers, the price to the Dealer established by Ford from time to time exclusive of any holdback, deposit or charge, any charge by Ford for taxes, handling, delivery, transportation or special items or services.
1. (c) "Branch" shall mean a division or wholly-owned subsidiary of the Dealer established by the Dealer, with the prior written approval of Ford, for the sale and service, under this Agreement, of Company Products at a location separate from the Dealer's principal place of business but within the Dealer Locality.

**2. OPERATION OF BUSINESS**

**2. (a) Sales Responsibility**

The Dealer shall promote vigorously and aggressively the sale of Company Products at retail to customers in the Dealer Locality and shall develop energetically and satisfactorily the potentials for such sales and obtain a reasonable share thereof; but the Dealer shall not be limited to the Dealer Locality in making such sales. To this end, the Dealer shall develop, maintain and direct a trained, quality sales organization and shall conduct aggressive advertising and sales promotion activities, making use to the greatest reasonable extent of Ford's advertising, sales promotion and merchandising material.

The Dealer's performance of his sales responsibility shall be measured by the Dealer's sales of Company Products both overall and with respect to each Product Line to customers within the Dealer Locality in volumes satisfactory to Ford with reference to such reasonable criteria as Ford may develop from time to time.

**2. (b) Service and Warranty Responsibility**

(1) The Dealer shall develop, maintain and direct a trained, competent service organization and shall render prompt, workmanlike, courteous and willing service, including warranty service as described below and any other services as may be directed by Ford, with respect to Company Products, all in accordance with such standards and procedures as from time to time may be established by Ford. To assist in accomplishing this, the Dealer shall keep on hand at all times a sufficient and representative stock of Genuine Parts for immediate service use.

(2) The Dealer shall not sell or offer for sale or use in the repair of any Company Product, as a Genuine Part, any part or accessory that is not in fact a Genuine Part.

(3) The Dealer shall perform warranty and policy service on Company Products, whether or not purchased from the Dealer. The warranties applicable to Company Products sold by Ford and resold by the Dealer under this Agreement shall be those set forth in the Ford Tractor Operations Warranty and Policy Manual covering such Company Products. The Dealer agrees to extend such warranties to the purchaser at the time of sale. Ford and the Dealer



shall promptly fulfill their respective obligations under such warranties. There shall be OTHER WARRANTY, express or implied, including any implied warranty of MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE or any other obligation on the part of Ford to the Dealer or customer with respect to any Company Product except the warranty extended pursuant to this subparagraph 2 (b) (3). The performance and administration of each warranty extended hereunder and the payment of claims under such warranty shall be as set forth in said Warranty and Policy Manual.

(4) The Dealer shall perform such predelivery preparation of Product Lines and issue to the purchasers such Warranty and Limitation of Liability forms as Ford may specify from time to time.

**2. (c) Place of Business, Facilities**

(1) The Dealer shall establish and maintain within the Dealer Locality at a location approved by Ford a place of business which, in the opinion of Ford (i) is of satisfactory size, layout, appearance and condition, (ii) contains adequate space for display, sales and service of Company Products, the sale of used products, customer parking and waiting, office functions and storage, and (iii) is equipped with adequate tools and equipment, all as will enable the Dealer to meet his sales and service responsibilities under this Agreement.

(2) As Ford may request, the Dealer shall establish and maintain Branches for the sale and/or service of Company Products at locations approved by Ford within the Dealer Locality. The Dealer shall require each of his Branches to provide facilities, tools and equipment adequate to meet the needs of each such Branch in light of the portion of the Dealer Locality to be served by it. The obligations and responsibilities assumed by the Dealer under this Agreement shall apply to any such Branch.

(3) The Dealer shall not move, substantially modify or alter his place or places of business or establish any other place of business, including Branches, for the sale or service of Company Products without the prior written consent of Ford.

**2. (d) Hours of Business**

The Dealer shall keep his place or places of business open for business during all hours and days customary in the trade and lawful for such operations in the Dealer Locality.

**2. (e) Capital**

The Dealer shall at all times employ in connection with his business and operations under this Agreement such total investment, net working capital, lines of credit and retail financing plans as may be necessary to enable the Dealer to meet his sales and service responsibilities under this Agreement.

**2. (f) Signs**

The Dealer shall acquire, erect and maintain signs of good appearance, compatible with design standards established by Ford from time to time and adequate to identify his place or places of business as an authorized dealer in Company Products. Such signs shall be subject to Ford's approval with respect to the display of any trademark or trade name used or claimed by Ford. Fulfillment of any separate Dealership Identification Agreement between the Dealer and Ford shall be deemed fulfillment of this subparagraph 2 (f). Ford will make available, at the request of the Dealer and at a mutually convenient time and place, personnel to provide counsel and advice regarding signs and identification.

**2. (g) Personnel**

The Dealer shall employ and train a sufficient number of competent personnel of good character, including, without limitation, managers, salesmen and mechanics, to fulfill all of the Dealer's responsibilities under this Agreement, and he shall cause such personnel to attend such training programs as Ford may conduct from time to time.



## 2. (r) **Accounting System**

The Dealer shall install and use in his operations in the sale and service of Company Products hereunder, an accounting and record keeping system acceptable to Ford; provided, however, that such system need not be exclusive of any other system the Dealer may wish to use.

## 2. (i) **Reports**

The Dealer shall furnish to Ford each month at the time and on the forms prescribed by Ford, a complete statement reflecting the true financial condition and the month and year-to-date operating results of the Dealer's business in Company Products and trade-ins thereon as of the end of the preceding month. The Dealer also shall promptly furnish to the Company a copy of any adjusted annual statement that may be prepared by or for the Dealer and submit such sales reports, registration cards, and other business, sales and service reports and documents as Ford may require from time to time. All such statements and reports shall set forth information with respect to the Dealer's Branches, if any, and shall be based, whenever applicable, upon the accounting system referred to in subparagraph 2 (h) hereof. Financial information furnished by the Dealer shall be handled on a confidential basis by Ford except as required by law or offered in evidence in judicial or other hearings, or included as an unidentified part of a composite or coded report.

## 2. (j) **Stocks**

The Dealer shall maintain at all times stocks of Company Products of an assortment and in quantities adequate in the opinion of Ford to meet current and anticipated demand therefor and to fulfill his sales and service responsibilities under this Agreement.

## 2. (k) **Orders**

The Dealer shall furnish Ford on forms designated by Ford (i) orders at times designated by Ford covering the numbers and models of Product Lines required by the Dealer and his Branches, if any, and (ii) orders on a monthly stock order or regular seasonal basis covering Genuine Parts.

## 2. (l) **Customer Handling**

The Dealer shall promptly investigate and handle satisfactorily all matters brought to his attention relating to the sale and servicing of Company Products, shall make regular contact with owners and users of Company Products in the Dealer Locality and shall report promptly to Ford the details of each inquiry or complaint relating to any Company Product which he cannot handle satisfactorily. The Dealer shall not make directly or indirectly any false or misleading statement or representation to a customer as to any Company Product or other item of purchase, as to the source, condition or capabilities thereof, as to the prices or charges therefor or the charges made by Ford for distribution, delivery, taxes or other items.

## 2. (m) **Trade Practices and Advertising**

The Dealer shall conduct business in a manner that will reflect favorably at all times on the good name and reputation of the Dealer, Ford, Company Products and other authorized dealers in Company Products and shall avoid in every way any "bait," deceptive, misleading, confusing or illegal advertising or business practice.

## 2. (n) **Inspection and Tests**

The Dealer shall allow persons designated by Ford, at reasonable times and intervals and during normal business hours, to examine his place or places of business, stocks of Company Products and all other tractors and equipment on his premises, to test equipment, to check and instruct the Dealer and his employees in the proper handling of warranty and other repairs and claims based thereon and to examine, copy and audit any or all of his records and documents relating in any way to the Dealer's operations in the sale and service of Company Products



hereunder. The Dealer shall maintain all records and documents relating to claims made upon or paid by Ford for a minimum of one (1) year in the case of warranty and policy claims and for a minimum of two (2) years in the case of any other claims. In addition to other remedies provided in this Agreement, failure to maintain records in compliance with Ford policy as herein provided or submission of improper claims may result in a chargeback against the Dealer's accounts at the option of Ford.

**2. (o) Compliance With the Law**

The Dealer shall comply with all applicable federal, state and local laws, rules and regulations in the ordering, sale and service of Company Products and used products, including without limitation those related to safety, emissions control and customer service.

**2. (p) Bulletins**

Ford from time to time will issue to the Dealer bulletins providing such details as to terms of sale including prices, resale or other incentives, guides for facilities, tools, equipment, capital, personnel, stocks and customer handling procedures and criteria for sales and service performance as may be appropriate in the circumstances.

**3. SALES TO OTHERS AND PURCHASES FROM OTHERS**

The Dealer reserves the right to make purchases from others without liability of any kind to Ford; provided, however, that the Dealer shall not be relieved of any of his responsibilities as set forth in this Agreement. Ford reserves the right to make sales, loans or leases to others (including without limitation to other dealers) and to appoint others or additional dealers to sell Company Products, in any case, without liability of any kind to the Dealer.

**4. CONSIDERATION OF ORDERS**

Ford shall make reasonable efforts to fill each order for Company Products that is accepted by Ford but shall not be liable in any respect for failure or delay in shipping any accepted order if such failure or delay is due wholly or in part to (i) a shortage of Company Products or a shortage of material, labor, transportation or utility service, (ii) any labor or production difficulty of Ford, any source supplying Company Products or components to Ford, or their suppliers, (iii) any governmental action, or (iv) any cause beyond Ford's reasonable control or without Ford's fault or negligence.

**5. DELIVERY OF COMPANY PRODUCTS**

Ford reserves the right to determine the method and routing for delivering Company Products sold to the Dealer under this Agreement. Where specific shipping instructions are not stated in the order, Ford will endeavor to ship over the best and most economical route. Ford shall not be responsible for guaranteeing rates or for delays in shipments. In cases where the order submitted by the Dealer specifies a date for Dealer pick-up at a Ford depot or other designated location and Company Products are not called for within ten (10) days of such date, Ford reserves the right to ship such Company Products via common carrier and the cost therefor shall be borne by the Dealer.

**6. PRICES AND CHARGES**

The Dealer shall pay Ford the Dealer Price for each Company Product purchased from Ford by the Dealer, plus any holdback, and Ford's charges, if any, for reimbursement for taxes, duties, transportation, handling, delivery or special items or services. Ford may change such Dealer Price, holdback, reimbursement or other charges at any time and from time to time without prior notice. Except as otherwise specified in writing by Ford, prices and charges shall be those in effect, and delivery to the Dealer shall be deemed made and the order filled, on the date of delivery to the carrier or to the Dealer, whichever occurs first. If Ford increases the Dealer Price



for any Company Product, the Dealer may cancel, by notice to Ford within ten (10) days after his receipt of notice of the increase, any orders for any such Company Product placed by him prior to receiving notice of the increase and unfilled at the time Ford receives his notice of cancellation.

## **7. TERMS AND TITLE**

### **7. (a) Payment**

Payment for each Company Product purchased by the Dealer shall be made in cash unless the invoice or Ford's then current and applicable payment plan provides otherwise, in which event the terms of the invoice or such plan shall govern. Receipt of any check, draft or other commercial paper shall not constitute payment until Ford has received cash in the full amount thereof. The Dealer shall pay all collection charges.

### **7. (b) Title**

Title to each Company Product purchased by the Dealer shall pass to the Dealer, or to the finance institution designated by him, upon delivery by Ford to a carrier or the Dealer, whichever occurs first, but Ford shall retain a security interest in and right to repossess any such Company Product until paid therefor.

### **7. (c) Risk of Loss and Claims**

Ford shall assume all risk of loss or damage to any Company Product purchased by the Dealer from Ford which is not borne by the carrier while the Company Product is in the possession of the carrier, provided the Dealer properly inspects and records any loss or damage of the Company Product upon receipt thereof. The Dealer shall cooperate with Ford in processing all claims for loss or damage of the Company Product in accordance with Ford's then current Warranty and Policy Manual.

### **7. (d) Demurrage and Diversion Liability**

The Dealer shall be responsible for and pay any and all demurrage, storage and other charges accruing after arrival of any shipment at its destination. In the event the Dealer shall fail or refuse for any reason (other than labor difficulty in the Dealer's place of business or any cause beyond the Dealer's control or without the Dealer's fault or negligence) to accept delivery of any Company Product ordered by the Dealer, the Dealer shall also pay Ford the amount of all expenses incurred by Ford in shipping such Company Product to the Dealer and in returning such Company Product to the original shipping point or diverting it to another destination; but in no event shall the Dealer pay Ford more for any such diversion than the expense of returning such Company Product to its original shipping point.

### **7. (e) State and Local Taxes**

The Dealer hereby represents and warrants that all Company Products purchased from Ford are purchased for resale in the ordinary course of the Dealer's business. The Dealer further represents and warrants that the Dealer has complied with all requirements for his collection and/or payment of applicable sales, use and like taxes, and has furnished or will furnish evidence thereof to Ford. These representations and warranties shall be deemed a part of each order given by the Dealer to Ford.

The Dealer agrees that, as to any Company Product put to a taxable use by the Dealer, or in fact purchased by the Dealer other than for resale, the Dealer shall make timely and proper return and payment of all applicable sales, use and like taxes, and shall hold Ford harmless from all claims and demands therefor.



## **8. CHANGES WITH RESPECT TO COMPANY PRODUCTS**

Ford may change the design of any Company Product, or add any new or different Company Product at any time, and from time to time, without notice or obligation to the Dealer, including any obligation with respect to any Company Product theretofore ordered or purchased by or delivered to the Dealer. Ford, at any time and without notice, may discontinue any Company Product without liability to the Dealer.

## **9. OWNER LITERATURE**

The Dealer shall complete, execute and deliver to his retail purchasers of Company Products such Warranty Facts Booklet, Owner's Manual and other literature as may then currently be furnished by Ford or other suppliers, as the case may be. The Dealer shall promptly fulfill all of the terms of any such literature.

## **10. DEALER NOT AGENT OF FORD**

This Agreement does not in any way create the relationship of principal and agent between Ford and the Dealer and under no circumstances shall the Dealer be considered to be an agent of Ford. The Dealer shall not act or attempt to act, or represent himself, directly or by implication, as an agent of Ford or in any manner create or attempt to create any obligation on behalf of or in the name of Ford.

## **11. TRADEMARKS AND TRADE NAMES**

### **11.(a) Limitations on Use**

The Dealer shall not use, or permit the use of, the word "Ford" or any other trademark or trade name used or claimed by Ford or any of its affiliates, or coined words or combinations containing the same or parts thereof, in any way whatsoever without Ford's prior written approval. The Dealer further agrees that he shall discontinue any approved use, as herein provided, upon the request of Ford.

### **11.(b) Protection and Non-Contest**

The Dealer shall promptly carry out all instructions issued from time to time by Ford, or by any of its affiliates or by other suppliers to protect and promote any trademark or trade name used or claimed by them, respectively, and the Dealer agrees that he shall not contest their respective rights to exclusive use of any such trademark or trade name.

## **12. USE OF FORD'S SERVICES**

The Dealer may avail himself of such promotional, business management, procurement and financial services and assistance as may be extended from time to time by Ford.

## **13. PRICE REDUCTION**

If Ford reduces the Dealer Price for any new, current model of a Product Line (except with respect to any current model of a Product Line being discontinued by Ford and except Dealer Price reductions resulting from the application of any law, government regulation or order), Ford shall refund or credit to the Dealer, on each new, unused and unsold unit of a Product Line of the same current model which is in the possession of the Dealer on the effective date of such price reduction, the difference between such reduced Dealer Price and the Dealer Price at which the Dealer purchased such unit of a Product Line (less any amount previously credited or refunded to the Dealer) provided it was purchased from Ford during the twenty-four (24) months next preceding such effective date. The Dealer shall be entitled to the refund or credit described in this paragraph only if a claim for such adjustment is made to Ford in writing within ten (10) days after the effective date of such Dealer Price reduction. In case any unit of a



Product Line is the subject of any trust instrument or similar agreement, Ford shall have the right to pay all or part of any refund or credit thereon to the holder of such instrument or agreement.

Ford shall have no obligation to make any payments under this paragraph with respect to (i) any reduction in Ford's charges for distribution, handling, delivery, advertising, or taxes, (ii) any change in discounts that may be offered, or (iii) any sales incentive or other similar payments offered by Ford to the Dealer.

#### **14. TERMINATION OR NONRENEWAL**

##### **14.(a) By the Dealer**

The Dealer may terminate, or not renew, this Agreement at any time at will by written notice given to Ford at least thirty (30) days prior to the effective date of such termination or non-renewal.

##### **14. (b) By Ford Due to Events Controlled by the Dealer**

The following represent events which are substantially within the control of the Dealer and over which Ford has no control, and which are so contrary to the intent and purpose of this Agreement as to warrant its termination or nonrenewal by Ford:

- (1) Any transfer or attempted transfer by the Dealer of any interest in, or right, privilege, or obligation under, this Agreement, or any transfer by operation of law or otherwise of the principal assets of the Dealer that are required for the conduct of his business under this Agreement, or any change, however accomplished, in the direct or indirect ownership or operating management of the Dealer as set forth pursuant to paragraph E hereof, without Ford's prior written consent;
- (2) Any misrepresentation in applying for this Agreement by the Dealer or any person named pursuant to paragraph E; the submission by the Dealer to Ford of any false or fraudulent application or claim or statement in support thereof for warranty, policy or campaign adjustments or for wholesale parts or sales incentives or for any other refund, credit, rebate, incentive, allowance, discount, reimbursement or payment under any program of Ford, or the acceptance by the Dealer of any payment for any work not performed by the Dealer in accordance with the provisions of this Agreement or the Warranty and Policy Manual;
- (3) Insolvency of the Dealer, inability of the Dealer to meet debts as they mature, filing by the Dealer of a voluntary petition under any bankruptcy or receivership law, adjudication of the Dealer as a bankrupt or insolvent pursuant to an involuntary petition under any such law, appointment by a court of a temporary or permanent receiver, trustee or custodian for the Dealer or the Dealer's assets, or execution of an assignment by the Dealer for the benefit of creditors, dissolution of the Dealer, or failure of the Dealer for any reason to function in the ordinary course of business or to maintain the Dealer's place or places of business open for business for a period of ten (10) consecutive days or more;
- (4) Conviction in a court of original jurisdiction of the Dealer or any person named pursuant to paragraph E for any violation of law, or any conduct by any such person unbecoming a reputable businessman, or disagreement between or among any persons named pursuant to paragraph E, which in Ford's opinion tends to affect adversely the operation or business of the Dealer or the good name, goodwill or reputation of the Dealer, Ford, other authorized dealers of Ford, or Company Products; or
- (5) Failure of the Dealer to fulfill any provisions of paragraph 7 (as to terms and title, including payment for Company Products), or paragraph 11 (as to trademarks or trade names), or to pay Ford any sum due pursuant to any agreement between Ford and the Dealer.

Upon occurrence of any one or more of the foregoing events, Ford may terminate this Agreement by giving the Dealer written notice of termination, effective immediately.



**14. (c) By Ford for Nonperformance by Dealer of Sales, Service, Facilities, or Other Responsibilities**

If the Dealer shall fail to fulfill any of his responsibilities with respect to sales and service of any Product Line, or in maintaining a place of business and proper facilities, or if he shall fail to discharge any of the other responsibilities set forth in paragraph 2 of this Agreement, Ford shall notify the Dealer of such failure or failures, shall offer to review promptly with the Dealer the reasons or grounds which, in Ford's opinion, establish such failure or failures on the part of the Dealer and shall provide the Dealer with a reasonable opportunity to cure the same. If the Dealer fails or refuses to cure the same within a reasonable time after such notice, Ford may terminate or not renew this Agreement by giving the Dealer at least thirty (30) days prior written notice thereof.

**14. (d) By Either Party**

Either party may terminate or not renew this Agreement by written notice given to the other, not less than fifteen (15) days prior to the effective date of such notice, in any of the following events:

(1) If Ford or the Dealer requires a license for the performance of any responsibility under this Agreement in any jurisdiction where this Agreement is to be performed and if either party shall fail to secure and maintain such license, or if such license is suspended or revoked, irrespective of the cause or reason; or

(2) In the event of the death or physical or mental incapacity of any owner of the Dealer named pursuant to paragraph E; provided, however, that in order to facilitate orderly termination and liquidation of the dealership, Ford shall defer for a period of three (3) months to one (1) year, as Ford may determine, the exercise of its right to terminate in such event if the executor or representative of such deceased or incapacitated owner shall so request and shall demonstrate the ability to carry out the terms and conditions of this Agreement.

**14. (e) By Ford at Will**

If this Agreement is not for a stated term as may be provided in paragraph G hereof, Ford may terminate this Agreement at will at any time by giving the Dealer at least sixty (60) days prior written notice thereof. If this Agreement is for a stated term, as provided in paragraph G hereof, Ford may elect not to renew this Agreement upon giving the Dealer written notice to such effect at least sixty (60) days prior to the expiration of the stated term hereof.

**14. (f) By Ford Upon the Offer of a New Agreement**

Ford may terminate this Agreement at any time by giving the Dealer at least thirty (30) days prior written notice thereof in the event Ford offers a new or amended form of agreement to its authorized dealers in Company Products.

**14. (g) By Ford Upon Termination of Another Ford Tractor Operations Dealer Sales and Service Agreement**

The Dealer acknowledges that, where Ford has issued the Dealer more than one (1) Ford Tractor Operations Dealer Sales and Service Agreement, Ford, in order to be fully competitive, must have the right to terminate or not renew this Agreement in the event the Dealer ceases for any reason to hold any one of such other agreements with Ford. Accordingly, the Dealer agrees that, in the event the Dealer for any reason shall give or be given notice of termination or non-renewal of any other Ford Tractor Operations Dealer Sales and Service Agreement, Ford, within a reasonable time thereafter, may terminate or not renew this Agreement by written notice given to the Dealer, effective after fifteen (15) days or upon the same date as of the effective date of such other notice of termination or nonrenewal, whichever is later.

**15. RIGHT OF FORD TO APPOINT DEALERS**

The Dealer agrees that Ford has the right to select the persons it shall appoint as dealers in Company Products or to distribute Company Products and that it may decline to appoint as an



authorized dealer in Company Products any purchaser or prospective purchaser of any of the assets or capital stock of the Dealer upon the termination or nonrenewal of this Agreement or otherwise.

## **16. OBLIGATIONS UPON TERMINATION**

Upon the effective date of any termination or nonrenewal of this Agreement, all orders from the Dealer for Company Products that have not been shipped by Ford shall be deemed cancelled without liability to either party, and the Dealer shall promptly (i) pay Ford all sums owed by the Dealer to Ford, (ii) remove all signs owned or controlled by him which bear any trademark or trade name of Ford, (iii) discontinue the use of stationery, sales literature and the like bearing any trademark or trade name of Ford, and (iv) cease to represent in any way that he is or was an authorized dealer in Company Products.

## **17. REACQUISITION OF CERTAIN COMPANY PRODUCTS UPON TERMINATION OR NONRENEWAL**

### **17. (a) Ford Reacquisition Obligation**

If this Agreement is terminated at will by Ford pursuant to subparagraph 14 (e) or if terminated or not renewed by the Dealer pursuant to subparagraph 14 (a), Ford shall reacquire from the Dealer, and the Dealer shall return to Ford, forthwith upon the effective date of such termination or nonrenewal, each new, unused and undamaged Company Product in the Dealer's stock and unsold on such effective date, provided the same (i) is in first-class salable condition, (ii) is listed in Ford's then current Price and Data Book or Parts Price List, and (iii) was purchased from Ford. The price for any reacquired unit of a Product Line shall be the price paid therefor by the Dealer to Ford, exclusive of any charges for distribution, delivery, handling, advertising and taxes, less any amount previously credited or refunded to the Dealer thereon. The price for any reacquired Genuine Part shall be the lower of (i) 90% of the price paid therefor by the Dealer to Ford, or (ii) 90% of the current Dealer Price therefor less all allowances or discounts paid or applicable allowances or discounts currently offered thereon by Ford and less the percentage of such price representing the freight currently being prepaid by Ford on stock orders.

### **17. (b) Ford Reacquisition Option**

If this Agreement is terminated or not renewed by Ford pursuant to paragraph 14 (b), (c) or (d), or by the Dealer pursuant to paragraph 14 (d), Ford shall have the option, but not the obligation, to reacquire Company Products as described in subparagraph 17 (a) above; provided, however, that (i) Genuine Parts shall be limited to those listed in the current "Dealer Parts Return Program" and (ii) the price for Company Products reacquired under this subparagraph shall be negotiated by the Dealer and Ford, but in no case shall they be more than the prices as computed under subparagraph 17 (a). Such option may be exercised by written notice to the Dealer given within thirty (30) days after the effective date of termination or nonrenewal.

### **17. (c) Additional Option**

If this Agreement is terminated by Ford or not renewed under any provision of paragraph 14, Ford shall have the option, but not the obligation, to reacquire from the Dealer any or all products previously sold by Ford Tractor Operations and not described in subparagraph 17 (a); in such circumstances Ford shall have the option to purchase, or to retake without payment if originally furnished to Dealer without charge, any or all sales promotion, advertising and training materials, tools and signs, in the possession of the Dealer. Such option may be exercised by written notice to the Dealer given within thirty (30) days after the effective date of termination or nonrenewal. If payment is to be made for any item reacquired under this paragraph, the price shall be negotiated by the Dealer and Ford.



**17. (d) Packaging of Reacquired Goods**

All items reacquired or purchased by Ford pursuant to subparagraph 17 (a), (b) or (c) above shall be packed, boxed and/or crated and shipped freight prepaid at the Dealer's expense to Ford at the destination specified by Ford, shall be delivered, sold and paid for free and clear of all claims, liens and encumbrances after compliance with all applicable bulk sales or similar acts and shall be transferred by warranty bills of sale satisfactory to Ford. Upon the Dealer's signing and delivering a general release to Ford in a form satisfactory to Ford, the Dealer will be presented with a check from Ford in payment of such items, less any sums due to Ford.

**18. NEW AGREEMENT**

The termination or nonrenewal of this Agreement by Ford in connection with the offer by Ford of a new Ford Tractor Operations Dealer Sales and Service Agreement for one or more Company Products to the Dealer or the Dealer's successor in interest shall not give rise to the rights and obligations provided in paragraphs 16 and 17 hereof with respect to the Company Products covered by such new agreement, unless otherwise specified by Ford in writing.

**19. ACKNOWLEDGMENT**

This Agreement terminates and supersedes all other agreements concerning the Dealer's business in Company Products and constitutes the entire agreement between the parties with respect to the subject matter hereof.

The Dealer represents that (i) no statements have been made by Ford which in any way modify any of the provisions of this Agreement or would prevent this Agreement from being fully effective in accordance with its terms, and (ii) he has decided to become an authorized dealer in Company Products and to make the investments necessary to become such a dealer, solely in reliance on his own investigation and appraisal of present and future conditions and expectations in the Dealer Locality and not in reliance on any statements made or documents exhibited to the Dealer by any of Ford's representatives. The Dealer further acknowledges that he has voluntarily entered into this Agreement and that each of its provisions is reasonable, fair and equitable.

**20. NO IMPLIED WAIVERS**

Except as expressly provided in this Agreement, the waiver by either party, or the failure by either party to claim a breach, of any provision of this Agreement shall not constitute a waiver of any subsequent breach, or affect in any way the effectiveness, of such provision.

**21. TRANSACTIONS AFTER TERMINATION NOT A RENEWAL**

In the event either party has any business relations with the other party after termination of this Agreement, such relations shall not constitute a renewal of this Agreement or a waiver of such termination, but all such transactions shall be governed by terms identical with the provisions of this Agreement unless the parties execute a new and different agreement.

**22. LIMITATIONS OF FORD'S LIABILITY**

This Agreement contemplates that all investments by or in the Dealer shall be made, and the Dealer shall purchase and resell Company Products, in conformity with the provisions hereof but otherwise in the discretion of the Dealer and the Dealer's owners. Except as herein specified, nothing herein contained shall impose any liability on Ford in connection with the Dealer's operations under this Agreement or otherwise or for any expenditure made or incurred by the Dealer in preparation for performance, or in performance, of the Dealer's responsibilities under this Agreement.



### **23. NOTICES**

Any notice or designation required or permitted by this Agreement shall be in writing and shall be by personal delivery or by first class mail, postage prepaid. Notices to Ford shall be delivered or mailed to the District Manager of the area in which the Dealer is located. Notices to the Dealer shall be delivered or mailed to any person designated pursuant to paragraph E as having managerial authority or to the Dealer at the Dealer's principal place of business as described herein. Notices given by mail shall be deemed given when deposited in any letter box of the U.S. Postal Service.

### **24. AMENDMENT**

Notwithstanding anything in this Agreement to the contrary, Ford shall have the right to amend, modify or change this Agreement in case of legislation, government regulation or changes in circumstances beyond the control of Ford that might affect materially the relationship between Ford and the Dealer.

### **25. MICHIGAN AGREEMENT**

The parties intend this Agreement to be a Michigan agreement and to be construed in accordance with the laws of the State of Michigan.

### **26. SEPARABILITY OR TERMINATION**

If any provision of this Agreement is invalid or unenforceable under the law of the place where it is to be performed, Ford may elect to terminate this Agreement in its entirety, or to consider this Agreement divisible as to such provision and such provision inoperative, and to continue the remainder of this Agreement in full force and effect as if such provision had not been included herein.



## AGRICULTURAL DEALER AGREEMENT

J. I. CASE COMPANY, a Delaware corporation, (hereinafter called "Company"), and the undersigned dealer (hereinafter called "Dealer") agree as follows:

- |   |  |
|---|--|
| <b>Appointment of Dealer</b>              | 1. Company hereby appoints Dealer an authorized Company Dealer to be primarily responsible for the development of the Dealer's Trade Area as hereinafter defined. Dealer accepts this appointment and agrees that the relationship between Dealer and Company shall be governed by the terms and conditions of this Agreement.   |
| <b>Trade Area</b>                         | 2. Dealer's Trade Area shall be that area defined as such in writing by the Company as soon as practical after the Dealer's agreement to the terms hereof.   |
| <b>Products</b>                           | 3. Products covered by this Agreement are those items listed in Exhibit A, attached hereto, together with attachments and repair parts therefor, all of which are collectively referred to herein as "Products".<br><br>Company grants to Dealer the right to purchase Products, subject to the terms and conditions of this Agreement and to Company's applicable Schedule of Discounts and Terms as published from time to time.   |
| <b>Facilities</b>                         | 4. Dealer agrees to provide and maintain at the location(s) specified in Exhibit A, attached hereto, suitable facilities for the sale, service, display and proper storage of products. Dealer will establish and maintain facilities at such other location(s) as may be mutually agreed upon by the Company and Dealer. Dealer agrees not to change the location(s) of Dealer's place of business as listed in Exhibit A without the prior written consent of Company.   |
| <b>Sales and Service</b>                  | 5. Dealer agrees to use Dealer's best efforts in the promotion and sale of Products in order to achieve sales objectives and market penetration within Dealer's Trade Area satisfactory to Company. Dealer further agrees to maintain at all times a high standard of service in Dealer's Trade Area.<br><br>In order to carry out these responsibilities, Dealer agrees to: (a) employ and maintain an efficient staff of sales, service and other personnel, adequately trained to carry out Dealer's responsibilities under this Agreement; (b) purchase, display, demonstrate, properly store and actively promote the sale of all of the Products; (c) participate in Company's advertising and sales promotion programs; (d) display Company identification signs of the type and in a manner and in places approved by Company; (e) maintain an adequate inventory of each of the Products; (f) render prompt, workmanlike, courteous and willing service, including warranty and non-warranty service, with respect to all Products in Dealer's Trade Area, regardless of when, where or by whom sold; (g) provide service equipment and an adequate supply of spare parts necessary to meet promptly the service needs of users of Products in Dealer's Trade area; (h) at all times meet Company certification standards; (i) send Dealer personnel to conference and schools provided by Company; (j) deliver Products only after they have been properly set up, adjusted and inspected, a copy of the operator's manual has been furnished to the purchaser, and the purchaser or anyone he designates has been instructed as to the sale and proper operation of the Products; (k) abide by and cooperate with Company's Equipment Transfer Policy; (l) submit pre-delivery, warranty registration and customer information documents promptly to Company; (m) meet such other reasonable standards of performance as may be established by Company. |
| <b>Operating Standards, Certification</b> | 6. Dealer agrees to comply with operating standards and certification requirements for the sales, service, and other dealer functions which are determined by Company to be necessary to provide adequate representation of Company's Products. These operating standards and certification requirements will be communicated by Company in writing to Dealer from time to time.   |



**Dealer  
Performance  
Review**

7. In order that a satisfactory level of Dealer performance in meeting the operating standards and certification requirements defined by Company be maintained, Company shall conduct an annual review of Dealer's performance in Dealer's Trade Area. Dealer agrees to make available upon the occasion of such review those of Dealer's employees whose attendance would contribute to the overall value of the review. Specific deficiencies which are noted, together with conclusions and recommendations developed from the review, will normally be incorporated into a written report which shall be supplied to Dealer for study and initiation by Dealer of appropriate corrective action. Dealer will be expected to make reasonable progress toward correcting any deficiencies noted during the review.

**Sales To  
Dealer**

8. All orders for Products shall be considered accepted only if accepted by Company in writing or by shipment. All orders will be subject to the Company's applicable Schedule of Discounts and Terms in effect when order is placed by Dealer. Dealer agrees to order Products on Company's order forms when such forms are made available to Dealer. Company agrees that it will at all times use its best efforts to ship promptly, but it shall not be responsible for failure to ship on time or fill orders where prevented by any cause beyond Company's reasonable control, or if the demand for any Products shall exceed Company's available supply.

The prices which Dealer shall pay for the Products shall, unless otherwise agreed to in writing, be established by Company and in effect on date of shipment of Products, such prices to be determined by then current Price Lists, Price Bulletins, and applicable Schedule of Discounts and Terms as published and amended from time to time. Delivery of Products by Company to any carrier for transportation to Dealer shall constitute delivery to Dealer and Dealer shall bear all risk of physical loss or damage thereafter.

**Warranty**

9. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS), EXCEPT THOSE SET FORTH IN COMPANY'S CURRENT APPLICABLE PUBLISHED WARRANTY POLICIES AND PROCEDURES. Dealer agrees to deliver to purchasers at the time of each retail sale the document containing the ~~Case~~ Express Limited Warranty to Retail Buyer prescribed by Company and in force at the time of such sale. Dealer is not authorized to assume for Company any additional obligations or liabilities in connection with the sale of Products covered by this Agreement, and Dealer agrees not to do so. Company and Dealer shall promptly fulfill their respective obligations with respect to any warranty claims.

Company will reimburse Dealer for all warranty service performed on Products in accordance with Company's warranty reimbursement policies and procedures in effect at the time warranty work is performed.

**Duration and  
Termination**

10. This Agreement shall continue in effect until termination by one or both of the parties as hereinafter provided.
- A. This Agreement may be terminated any any time for any reason upon thirty (30) days' written notice by Dealer to Company, or upon ninety (90) days' written notice by Company to Dealer, or as mutually agreed upon in writing by both parties, provided that, prior to any notice of termination hereunder, Company shall provide to Dealer a written statement of the specific reasons which may lead to Dealer's termination, or
- B. Company may terminate this Agreement immediately upon the occurrence of any of the following events:
1. Dealer's failure to pay debts as they mature, or making any assignment for benefit of creditors, or becoming subject to any receivership, insolvency or bankruptcy proceedings.
  2. Cancellation, suspension or other revocation of licenses, permits or authorizations necessary to conduct a business in accordance with this Agreement.
  3. Sale, lease or other transfer of Dealer's assets which in Company's opinion may affect the ability of Dealer to operate the business pursuant to this Agreement.



4. Any false statement, representation or claim by Dealer to Company.
5. Dissolution or liquidation if Dealer is a partnership or corporation.
6. Change in the ownership or control of Dealer, whether due to death or otherwise. As used herein, "change in ownership" shall refer to any event which may affect the control of Dealer's business, and shall without limitation include any addition to or subtraction from the partners involved in ownership of Dealer's business and any change in the ownership of Dealer's stock if Dealer is a corporation.
7. Default in any indebtedness by Dealer to Company or J. I. Case Credit Corporation, or notification to Company of a termination of significant lines of credit or the withdrawal of a guarantee of indebtedness by a personal guarantor.
8. Dealer's failure to perform or violation of any provision of this Agreement.

Dealer agrees to notify Company in writing of the occurrence of any of the events described in this paragraph 10-B.

**Succession in  
the Event of  
Termination Due  
to Death**

11. In the event of termination because of the death of a Dealer owner, Company will:
  - A. For a period of thirty (30) days from date of death complete delivery of available Products to retail customers, provided such customers are, in Company's opinion, acceptable credit risks.
  - B. Defer the termination and continue to operate under the provisions of this Agreement for a period of 180 days from date of death, provided that:
    1. written request therefore is made within thirty (30) days of the date of such death by the court-appointed representative(s) of the deceased person and all other persons having an ownership interest in the business; and
    2. necessary approval to continue to operate the business is obtained from the proper legal authorities.

In the event Dealer, prior to death, shall have in a signed and written document sent to Company designated one or more persons as nominees to succeed Dealer, and Company shall not have rejected such designee(s) in writing prior to Dealer's death, Company shall not object to operation of the dealership by such persons during the period of deferral of termination provided for herein, and shall give due consideration to offering a new Dealer Agreement to such designee(s) during or at the conclusion of such period. If the effective date of termination is deferred as provided herein, this Agreement shall automatically terminate:

- (a) upon the execution of a new Dealer Agreement with a new owner or owners of Dealer's business if such persons have successfully reorganized the business and are acceptable to Company as Dealer principals; or
- (b) at the expiration of said 180-day period, whichever occurs first.

However, Company at all times retains its termination rights under paragraph 10-B of this Agreement.

**Effect of  
Termination**

12. Upon termination of this Agreement:
  - A. Company is relieved of any obligation to make any further shipments hereunder except as provided for in paragraph 11-A above, and may cancel, without liability, Dealer's unshipped orders for Products.
  - B. Neither party shall be released from the payment of any sum then owing to the other.
  - C. All indebtedness of Dealer to Company and J. I. Case Credit Corp. shall become immediately due and payable, and shall be paid immediately by Dealer to Company and J. I. Credit Corp.
  - D. On any Products which may be shipped after termination or notice thereof, Company may establish terms of cash on delivery or cash prior to shipment.



- E. Dealer will cease to operate as or represent that Dealer is an authorized Company Dealer and will discontinue use of any identification which associates Dealer with Company.
- F. Dealer will remove all signs and advertising displays bearing the name "J. I. Case" or "Case" or "International" or "International Harvester" or any other trade names or trademarks of Company or any of its affiliated companies from Dealer's business establishment, and thereafter will not use such names and trademarks in connection with any business conducted by Dealer.
- G. Dealer will return and deliver to Company all catalogs, price lists, service manuals, bulletins, owner's manuals and current advertising material, and other material or literature relating to the sale, merchandising, operating or servicing of Products which were furnished to Dealer by Company. Any charges (except for transportation) paid by Dealer to Company for such material which is current will be credited to Dealer when such material is received by Company.
- H. Dealer agrees to deliver to Company all sales records, ownership lists, service history records and any other material of any kind relating to the sale, operation or servicing of Products, including repair parts, covered by this Agreement.
- I. Neither Company nor Dealer shall be liable to the other for any damages caused by the termination of this Agreement, whether based upon loss of anticipated sales or prospective profits, expenditures, investments or other matters related to the business of the parties.

**Repurchase of  
Inventory And  
Equipment By  
Company Upon  
Termination**

13. If Dealer, within twenty (20) days of the effective date of termination of this Agreement, notifies Company in writing that it desires to resell to Company any of the following items purchased by Dealer from Company, or if Company, at its option, desires to repurchase such items, Company will purchase and Dealer will sell, pursuant to the terms of this paragraph 13, the following:
- A. All new, current, undamaged, salable and unused Products and attachments thereof, provided they contain all parts and accessories as shipped to Dealer. The price to be paid by Company shall be the net price charged to Dealer (but not more than the current net price) plus transportation cost previously paid or incurred by Dealer, less any cash or other discounts which may have been allowed or paid thereon by Company.
  - B. All new, current, undamaged, salable and unused parts. The return of and payment for all such parts is subject to and shall be made in accordance with the applicable provisions in the latest Parts Return Policy issued by Company. Dealer shall be responsible for proper identification of all such parts.
  - C. Any business signs in good condition, which were sold to Dealer by Company, bearing trade names or registered trademarks of Company. The amount allowed for each such sign will be the amount paid by Dealer to Company for such signs less annual depreciation of 20%. In the case of signs more than five years old, the amount allowed shall be that amount agreed upon by Company and Dealer.

Dealer will return all such items, within thirty (30) days after notification to return is given by Company to Dealer. All items returned to Company pursuant to this paragraph 13 shall be packed and loaded by Dealer, at no cost to Company, and returned to destinations specified by Company. Upon receipt of said items, Company shall inspect the same and shall as soon as practicable issue credit for all such items so returned which, in its judgment, meet the requirements specified herein.

Dealer, under this Section, shall not be entitled to payment or credit until Dealer furnished evidence satisfactory to Company that Dealer has complied with all Bulk Sales and other applicable laws and that such Products are free and clear of all claims, liens and encumbrances.



**Transactions  
After Notice  
Of Termination  
And After  
Termination**

14. Company or anyone it may designate shall be privileged to do the following without being required to wait until the effective date of termination, and without incurring any liability or responsibility to Dealer: (a) negotiate and/or consummate arrangements for another dealer to take over some or all of Dealer's Trade Area after the termination of this contract; and (b) supply any of Dealer's customers with Products and service during the termination notice period.

In the event the parties have any business transactions between Dealer's receipt of notice of termination and termination or after termination of this Agreement, such transactions shall not be construed as renewal of this Agreement nor as a withdrawal or waiver of such termination, but all such transactions shall be governed by terms identical to the provisions of this Agreement.

**Change of  
Trade Area**

15. In the event Dealer inadequately promotes or services the Products in any portion of Dealer's Trade Area, Company shall have the right to withdraw any such portion of Dealer's Trade Area, upon thirty (30) days' written notice to Dealer.

**Responsibility**

16. Company assumes no responsibility and shall not be liable for any commission or damages should any Products be shipped into or sold in Dealer's Trade Area by another dealer. The term "dealer" as used in this Agreement shall also include Company owned retail stores.

**Applications  
of Dealer  
Credit**

17. While this Agreement is in effect, and following its termination, Company may apply any amount which it or its subsidiaries or affiliates owe Dealer to any obligations of Dealer to Company or to any subsidiary or affiliate thereof.

**Reports,  
Accounting  
Records, and  
Inspections**

18. In order that Company may anticipate future requirements for Products, Dealer agrees that when requested by Company it will submit estimates of its anticipated future requirements for Products. Such estimates shall not constitute orders by Dealer and shall not be binding on Dealer.

Dealer will install, maintain and keep current an accounting system acceptable to Company, and will submit such financial reports and records as Company may request from time to time. Dealer will also submit to Company within 75 days after the end of its fiscal year certified and audited balance sheets and operating statements for the year. Dealer will maintain and submit current reports of sales, owner registration and inventory, service and warranty reports and such other reports as may be requested by Company.

Dealer will permit Company or its authorized representatives during business hours to enter and inspect Dealer's place of business and facilities, and to examine dealer's inventory, records, accounts and all supporting data of Dealer's business, and to make copies of any such records of accounts.

**Indemnification  
and Insurance**

19. Dealer shall keep all Products and other items in which Company has a security interest, and which are under the Dealer's direct or indirect control, insured against all risk of physical loss or damage to such items, in an account which shall be sufficient to prevent Company from sustaining any financial loss. This insurance policy will name Company as additional insured, and provide that in the event of loss the insurer will pay to the insureds as their interest may appear, and Dealer will furnish to Company certificates of such insurance which shall provide for ten (10) days' prior written notice to Company of cancellation.

Dealer shall carry public liability insurance with bodily injury and property damage limits satisfactory to Company. Dealer shall furnish to Company certificates of such insurance, which shall provide for ten (10) days' prior written notice to Company of cancellation.



- Taxes** 20. Dealer shall pay all license fees, sales, use, personal property, and excise taxes, duties, and any other fees, assessments or taxes which may be assessed or levied by governmental authority against any Products which are shipped to, or are in the possession of Dealer, and will hold Company harmless therefrom.
- Trademarks and Names** 21. Dealer agrees not to use the names "J. I. Case", "Case", "International", or "International Harvester", or any other trademark or trade name of Company or any of its affiliated companies in connection with Dealer's business except as specifically approved in writing by Company. Such approval is not required where items containing such marks or names are furnished by Company.
- Sale To Others** 22. It is understood that Company retains the right to select those to whom it will sell, loan or lease Products, including such parties as the following:
- A. Any government or any agency, institution or subdivision thereof;
  - B. Manufacturers for use by them in equipment of their manufacture;
  - C. Education, charitable and religious institutions or agencies;
  - D. Company National Account Customers;
  - E. Authorized rental yards.
- Discontinuance and Modification** 23. Company may discontinue the manufacture of any Product and make changes and improvements at any time in the specifications, construction or design of Products without incurring any obligation to Dealer or customers of Dealer. Products so changed or improved will be accepted by Dealer in fulfillment of existing orders.
- Insecure** 24. If Company shall deem itself insecure it may refuse to accept orders or make shipments, unless satisfactory arrangements for payment are made.
- Notice** 25. The deposit of written notice in the mails, in an envelope certified or registered with postage prepaid and addressed to the Dealer at the address shown below, or to Company at the address shown below, shall constitute notice pursuant to this Agreement.
- Marginal Notes** 26. The marginal notes are inserted for convenience only and shall not be deemed to form part of the Agreement or to govern or affect the meaning of any of the terms thereof.
- Dealer Not An Agent** 27. Nothing in this Agreement shall be construed as constituting Dealer an employee, agent or legal representative of Company for any purpose whatsoever. Dealer has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of Company, or to bind Company in any manner whatsoever, except to the extent provided for in paragraph 9 hereof.
- Assignment** 28. Dealer may not sell, assign, delegate, convey or otherwise transfer in any way whatsoever this Agreement or any Dealer's rights or obligations under this Agreement without the prior written consent of Company.
- Entire Agreement** 29. This Agreement is and shall be deemed the complete and final expression of the agreement between the parties as to matters herein contained and relative thereto, and supersedes all previous agreements between the parties pertaining to such matters. It is clearly understood that no promise or representation not contained herein was an inducement to either party or was relied on by either party in entering into this Agreement.



- Alteration** 30. Except as otherwise provided for herein, this Agreement cannot be amended or altered or any of its provisions waived on behalf of Company except in writing signed by one of Company's duly authorized officers.
- Severability** 31. Any part of this Agreement which is held to be invalid or unenforceable under the laws of any place where this Agreement is to be performed or is sought to be enforced shall be enforceable to the maximum extent permitted by law, without invalidating its effect elsewhere or the remainder of this Agreement.
- Performance** 32. Any failure of Company to insist upon strict compliance with any provision of this Agreement shall not constitute a waiver thereof for the future, and all provisions herein shall remain in full force and effect.

This Agreement shall become effective as of \_\_\_\_\_, 19\_\_\_\_.

**COMPANY**  
**J. I. CASE COMPANY**  
 By \_\_\_\_\_  
 (Title) \_\_\_\_\_  
 Date \_\_\_\_\_

**DEALER**  
 (Firm Name) \_\_\_\_\_  
 By \_\_\_\_\_  
 (Title) \_\_\_\_\_  
 Date \_\_\_\_\_

Signatures of other partners or owners  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Company's address for notices under this Agreement:  
 Street \_\_\_\_\_  
 City \_\_\_\_\_  
 State \_\_\_\_\_  
 Zip Code \_\_\_\_\_

Dealer's address for notices under this Agreement:  
 Street P.O. Box #7  
 City CARROLLTON  
 State MISSOURI 64633  
 Zip Code \_\_\_\_\_



**EXHIBIT A**  
to  
**AGRICULTURAL DEALER AGREEMENT**  
**PRODUCTS**

The Products referred to in Section 3 are the following, together with attachments and repairs parts therefor:

**FACILITIES**

Dealer will maintain facilities at the following location(s) in accordance with Section 4:

~~\_\_\_\_\_~~ ~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~ ~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

This Exhibit shall become effective

Dealer ~~\_\_\_\_\_~~  
(Firm Name)

as of \_\_\_\_\_, 19\_\_



and hay processing implements. Except for the overlay of the dealership relationship, the Court is presented, therefore, with a classic tying agreement controversy, in which the hay-related implements are being used to achieve economic leverage, and to which Hesston seeks to tie its new line of tractors.<sup>1</sup>

One way of stating the question is whether Hesston is entitled to enforce its contract rights and to insist on loyalty from its dealers. Viewing the matter as essentially a sales arrangement, however, the facts presented at a preliminary injunction hearing persuade the Court that Earley has a good chance to prevail ultimately on its contention that the antitrust laws are being violated and that the pertinent equities authorize and indeed require issuance of a preliminary injunction maintaining the supply arrangement during the course of litigation. It is believed by the Court that the injunctive aspects of the litigation can probably be brought to a final hearing within three to nine months, depending on the scope of discovery and the sweep of issues deemed pertinent to a final ruling. There is very little indication that the Court will be faced with complex contested facts.

In considering the present posture of the case, the Court relies on the following facts, in addition to the basic facts stated above:

1. Earley was established in 1968 as a Ford tractor dealership (with "Ford Tractor" as part of its name) and thereafter added other lines of farm equipment.

2. Earley first purchased machinery from Hesston in 1970 and has purchased machinery and parts from Hesston continuously since that time under consecutive dealership agreements, the most recent being the "Hesston Agricultural Sales and Service Agreement" dated November 13, 1980. The agreement provides, in part:

Dealer agrees to order, keep on hand and display a representative sample of each type of Hesston products applicable to dealer's trade area.

3. Earley was the first dealer to introduce Hesston machinery to its trade area, being the Missouri counties of Daviess, DeKalb, Caldwell, Clinton and portions of Clay and Ray.

4. The Hesston trademark and Hesston machinery bearing the Hesston trademark used in harvesting and processing of hay have become popular with farmers in Earley's market area and are perceived to be unique and superior machines by the

farmers in that trade area who have purchased them.

5. At this time Hesston machinery has strong economic power in Earley's trade area.

6. Earley's sales of Hesston products constitute the following percentages of the following markets in Earley's trade area:

a) 50% of the large round hay baler market;

b) 25% of the mower-conditioners for hay;

c) 50% of the hydro swing hay conditioners; and

d) 50% of the self-propelled windrowers, also used for hay.

7. Hesston machinery sales by Earley were approximately \$320,000 during 1982; over 90% of those sales proceeds were attributable to the four types of Hesston products referred to in paragraph six above.

8. Earley sells and services practically all the equipment necessary to provide the farmers in its market area with all of their crop farming requirements.

9. When customers come to Earley to purchase Hesston machinery they often purchase then, or at a later date, other manufacturers' products from Earley in addition to the Hesston machinery. Loss of the Hesston line will thus result in loss of sales over and above the lost Hesston sales.

10. Hesston salesmen have told Robert D. Earley, president of Earley, that the dealer is one of the most successful retailers of Hesston products in the state of Missouri; in 1976-77 Earley had more large round hay baler sales than any other Hesston dealer in North America.

11. In 1979, Fiat Corporation acquired controlling interest in Hesston and started marketing in the United States, through Hesston, its Italian-made line of tractors, which were marketed in the United States as Hesston tractors.

12. Initially Hesston's salesmen encouraged Earley to purchase the Hesston tractor through conventional marketing techniques consisting primarily of sales meetings where the salesmen attempted to convince Earley of the merits of carrying the Hesston tractor.

13. Earley resisted the efforts of Hesston salesmen to sell Hesston's tractors to Earley through conventional sales techniques and did not purchase any of the tractors.

14. In 1981, or early 1982, the salesmen from Hesston began threatening that

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Hesston might have to find another dealer to market the Hesston line of machinery if Earley did not market their tractors.

machinery but Hesston has re take such orders.

15. Don Kothe, Hesston's district salesman, stated on several occasions in the spring of 1982 that "things will happen" to Earley if Earley continued to refuse to buy and stock the Hesston tractor. This was reasonably believed to refer to a termination of the dealership, as purportedly authorized on 30 days' notice by the dealership agreement (increased to 90 days by R.S.Mo. §407.405).

20. It is essential to the continued viability and success of Earley's Hesston business that Earley be allowed to place orders now for machinery to be delivered for sale to customers in 1983.

21. The Hesston tractors that Hesston has tried to force upon Earley would cost about \$20,000 per tractor. To successfully market the tractor Earley would need to carry a representative sample, which would be at least eight of the tractors, plus parts, for a total cost of at least \$210,000. Earley currently has 16 new Ford tractors in its inventory.

16. Although available to testify, Kothe was not called by defendant at the hearing on the preliminary injunction to deny the testimony of Robert D. Earley.

22. Carrying a representative sample of the Hesston tractors would foreclose a not insignificant amount of Earley's other tractor sales because of the capital Earley would have invested in the Hesston tractors.

17. Earley's decision not to purchase the Hesston tractors was based upon a number of reasons, including:

a) Earley would have to divert capital from its Ford tractor sales operation to finance the purchase of the Hesston tractors and an inventory of parts, the training of sales and service personnel and the marketing effort to sell the Hesston tractors;

23. On November 9, 1982, an advertisement appeared in the *Cameron Shopper*, a Cameron, Missouri newspaper, announcing the establishment of Sharp Implement and Tractor Company as the new Hesston dealer in Earley's trade area.

b) any sales of Hesston tractors would not be likely to increase Earley's total tractor sales but would more probably decrease the total number of sales of Ford tractors, in which Earley has already made a substantial investment;

24. Loss of the Hesston dealership would preclude Earley from obtaining parts for servicing Hesston products previously sold by Earley, would increase the cost of obtaining such parts through Hesston dealers, and would delay parts delivery and interfere with servicing, thus causing loss of income and loss of good will and credibility of Earley as a new equipment dealer and source of servicing.

c) Earley believes the Hesston tractor is neither innovative nor an improvement over other tractors on the market; and

d) adding the Hesston line would foreclose the possibility of Earley adding some tractor line that later may be available and may be an innovation or improvement over the Ford tractors carried by Earley, for it would not be feasible to carry more than two competing tractor lines.

25. Hesston may not be insisting on Earley's purchasing and stocking more than two of its tractors. While this would reduce portions of Earley's financial commitment it would probably not be feasible in that it would greatly increase the ratio of fixed and incidental costs per tractor, including transportation, parts, and training of personnel. While there is testimony that other dealers have stocked as few as two such tractors, this does not establish economic feasibility of such tractor sales methods, in that other dealers may, if not pressured, have preferred not to do business in Hesston tractors. Stocking two tractors may simply have been considered the lesser of two evils by the other dealers.

18. After being informed that the dealership would be terminated, and receiving a letter to that effect dated September 20, 1982, Earley, through counsel, sought a statement of reasons for the termination. Hesston's attorney referred solely to Earley's failure to buy and stock Hesston tractors, as confirmed by letter dated October 26, 1982. Although other minor disputes may have arisen during the period of the dealership, the failure to purchase and stock Hesston tractors was clearly the reason for termination.

26. Hesston has adopted a policy of cancelling dealerships when the dealer refuses to stock Hesston tractors in addition to other Hesston implements. Approximately 600 dealers throughout the

19. Since the termination letter, Earley has asked to place orders for Hesston



country have agreed to stock Hesston tractors. Approximately 150 dealers have refused; most of the latter group have been terminated.

27. Hesston has gross sales of \$250 million annually and ranks seventh or eighth in sales in the farm implement industry. A decision was made in the early 1970's that Hesston's long-term future in the industry depended upon its adding a tractor line. The Fiat tractor is just beginning to penetrate the tractor market. Four were sold in Missouri in 1981 and eleven in 1982. Hesston's share of the tractor market remains slightly under 1%.

28. Hesston's practice is to establish one dealer in each market area, which simplifies distribution and sales contracts. The testimony did not establish, however, that designation of two dealers in an area would appreciably increase costs or otherwise produce inefficiencies in the short-run, for example, during one marketing year.

Turning to legal analysis, the Court is guided by the Eighth Circuit's most recent formulation of tests to be used in considering an application for preliminary injunction. *Dataphase Systems, Inc. v. C.L. Systems, Inc.*, 640 F.2d 109 (8th Cir. 1981). The Court is required to consider "(1) the threat of irreparable harm to the movant; (2) the state of the balance between this harm and the injury that granting the injunction will inflict on other parties litigant; (3) the probability that movant will succeed on the merits; and (4) the public interest". *Id.* at 113. "[N]o single factor is determinative" and the ultimate question is "whether the balance of equities so favors the movant that justice requires the court to intervene to preserve the status quo until the merits are determined". *Id.*

Questions of irreparable harm and the balancing of harms in cases challenging dealership cancellations under the antitrust laws have proved troublesome. If appellate decisions can be reconciled, it would appear that deference to district court analysis is perhaps the most common feature of such decisions. See *Rittmiller v. Blex Oil, Inc.*, 624 F.2d 857, 861 (8th Cir. 1980). In the present case, it might be surmised that treble damages would adequately compensate plaintiff, and would serve in effect as liquidated damages for good will loss, servicing problems, and the like. But plaintiff has satisfied the Court that certain losses would occur that probably cannot be established satisfactorily for recovery as damages; at this point it would seem that the burden of going forward on the balance

of harms issue would shift to the defendant. Not unexpectedly, defendant has not mapped out with any particularity how plaintiff would go about establishing sufficient damages from cancellation of the dealership so that the sufficiency of such damages, trebled, would clearly outweigh losses in future income that cannot be satisfactorily traced to the cancellation. In this case, as in some others, the Court might speculate that its granting of a preliminary injunction may ultimately rebound to defendant's favor, in that treble damages might ultimately prove to be stronger medicine than an injunction. But certain inadequacies of the legal remedy being apparent, it cannot be ruled with any assurance that the ultimate legal remedy would be adequate.

Balancing harms rather clearly favors plaintiff in this case. While a dual distributorship may be less than the ideal method of selling in the Cameron, Missouri, market area, there is no indication that a relatively brief doubling up of distributors will be materially harmful to defendant. The Court would suppose that a \$10,000 bond would more than adequately cover the harm to defendant, and such a bond will be required.

The public interest in this case is not a significant factor, either way.

[*Probable Success on Merits*]

The Court's decision in this case turns on "probable success on the merits." If the likelihood of success were minimal, that would suffice to deny interim relief here. But if, as is now concluded, plaintiff has a very substantial case, with the likelihood of success probably exceeding 50%, the Court's granting of a preliminary injunction seems clearly mandated. As shown below, the odds presently favor plaintiff, although the Court disclaims any intention of prejudging the case or going beyond the tentative evaluation necessary in this posture of the case. See *Rittmiller, supra*, at 863 n. 6.

[*Per Se Violations*]

Tying agreements have been repeatedly ruled restraints of trade that are *per se* violations of the Sherman Act, *Fortner Enterprises, Inc. v. United States Steel Corp.*, 394 U.S. 495 (1969); *Northern Pacific Ry. v. United States*, 356 U.S. 1 (1958); *International Salt Co. v. United States*, 332 U.S. 392 (1947), and stand generally condemned under the declaration of Justice Frankfurter that they "serve hardly any purpose beyond the suppression of

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competition." *Standard Oil Company v. United States*, 337 U.S. 293, 305 (1949).<sup>2</sup> To the extent that a seller has an attractive tying product, giving it economic power over the buyer, the seller can, through a tying agreement, obtain leverage to overcome sales resistance in a tied product, thereby achieving an artificial advantage vis-a-vis sellers of products competing with the tied product. Competition on the merits of the products is thereby substantially hampered.

Three prerequisites must be satisfied to invoke *per se* treatment of an alleged tying agreement. First, there must be two distinct products or services. Second, the defendant must have sufficient economic power with respect to the tying product to appreciably restrain competition in the market for the tied product. Third, the amount of interstate commerce affected in the tied product must be not insubstantial. *Northern Pacific Ry. v. United States*, *supra*, at 5-6; *Rosebrough Monument Co. v. Memorial Park Cemetery*, 666 F.2d 1130, 1140-41 (8th Cir. 1981).<sup>3</sup>

The first requirement is satisfied in the instant case by the clear differences between the farm tractors and the haying equipment. As to the question of economic power in the tying product, this was established by the showing of market penetration in the order of 30-50% achieved by the Hesston haying equipment in Earley's trade area, presumably indicating a good product and a strong sales commitment by Earley. Earley's commitment to Hesston's haying equipment should be emphasized. Having strongly endorsed the product, Earley's credibility will be seriously damaged in seeking to sell competing products after an involuntary termination. At Hesston's invitation, Earley has tied itself firmly to the tying product. The third element is perhaps the most debatable of the three, especially if one were to limit consideration to the two Hesston tractors that Hesston claims to be in issue. But the Court concludes that more is involved. Robert Earley testified credibly that a token purchase would not be feasible, and that stocking of some eight Hesston tractors, at a total cost exceeding \$200,000 would result from enforcing the demand. Moreover, Hesston's course of conduct has national impact. Hesston claims that its approximately 1% of the market for tractors is insubstantial, but this contention is not well taken. As pointed out in *Fortner Enterprises, supra*, "the controlling consideration is simply whether a total amount of business, substantial enough in terms of dollar-volume so as not to be merely *de*

*minimis*, is foreclosed<sup>4</sup> to competitors by the tie . . ." 394 U.S. at 501. *Fortner* itself allegedly involved sales in the tied product of less than \$200,000. *Id.* at 401-02. Hesston's tractors, with a resale price of \$24,000 each (test. of R.D. Earley), and a 1% market share constitute a much larger dollar volume.

#### [Small Business Exception]

Despite Earley's satisfaction of the three prerequisites set forth above, Hesston argues that certain "exceptions" to *per se* treatment justify its actions in this case. Hesston's most appealing argument is that tying agreements should be permitted when a new product is being introduced, in order to overcome the inertia of reliance on old products. This position is not without tangential support in dicta in the cases. In *Rosebrough Monument, supra*, the Court indicated that a "compelling business justification" might allow use of tying agreements in limited circumstances, such as "when a small company has been compelled to use tying arrangements to scale high barriers of entry into a new capital intensive market." 666 F.2d at 1145. *Rosebrough* relies on almost identical language used by Chief Justice Warren in *Brown Shoe Co. v. United States*, 370 U.S. 294, 330 (1962), which relies, in turn, on a "small business" distinction made by the Federal Trade Commission almost thirty years ago. *Harley-Davidson Motor Co.*, 50 F.T.C. 1047, 1066 (1954). From *Harley-Davidson* forward, however, the Court is unable to find significant successful use of the theory. In particular, no well-established company such as Hesston or Fiat has taken advantage of the "small business" exception. Moreover, Hesston has not established in this case that it faces the necessary "high barriers of entry" referred to in *Rosebrough*. The product can apparently be produced in the world market without using a tying agreement in the United States. Thus, it seems unlikely that this exception to *per se* illegality will be recognized in this case.

#### [Full Line Forcing]

Hesston also places great reliance on the claimed current soundness of a statement by Chief Judge Nordbye of the Minnesota District in a 1951 decision that what the Government called "full line forcing" of farm implements "is not violative of any law." *United States v. J.I. Case Co.*, 101 F.Supp. 856, 867 (D.Minn. 1951). In our view, little weight can be placed on the *J.I. Case* decision. Although Judge Nordbye was



a distinguished district judge in this circuit, the modern law of tying agreements was only beginning to be formulated in 1951. The statement that full-line forcing is permissible is unsupported by legal citation and has itself been cited only once, *Sherman v. British Leyland Motors, Ltd.*, 601 F.2d 429, 446 n. 29 (9th Cir. 1979), for the proposition that a full-line contractual requirement may not violate the law under some circumstances. In this Court's view, those circumstances probably do not include cases in which coercion is applied to secure compliance with the full-line requirement. Cf. *United States v. Parke, Davis & Co.*, 362 U.S. 29, 40-44 (1960); *Colorado Pump & Supply Co. v. Febco, Inc.*, 472 F.2d 637, 641 (10th Cir. 1973). In this case, plaintiff has already introduced uncontested evidence that coercion was applied by defendant.<sup>5</sup>

Having determined that plaintiff demonstrated likelihood of success on the merits and that the other *Dataphase* factors favor plaintiff as well, it is hereby

Ordered that defendant is enjoined pending litigation from terminating plaintiff's dealership agreement and from refusing to sell and provide Hesston products to plaintiff, effective upon plaintiff's posting an injunction bond in the amount of \$10,000. It is further

Ordered that any necessary discovery proceed without delay. It is further

Ordered that, within fourteen (14) days from the date of this order, the parties submit a proposed preliminary or final discovery plan pursuant to Local Rule 15.

#### [Footnotes]

<sup>1</sup> Hesston has been acquired by the Italian firm, Fiat, which is seeking to introduce Fiat tractors into the American market.

<sup>2</sup> The Court recognizes that the "leverage" and "freedom of choice" theories underlying the law's treatment of tying agreements have been strongly questioned. *Shop & Save Food Markets, Inc. v. Pneumo Corp.*, 683 F.2d 27, 31 (2d Cir. 1982) (Feinberg, C.J., concurring) (citing R. Bork, *The Antitrust Paradox* 365-81 (1978)); *Hirsh v. Martindale-Hubbell, Inc.*, 674 F.2d 1343, 1349 n. 19 (9th Cir. 1982). *Hirsh* cites the Supreme Court's decision in *Continental T.V., Inc. v. GTE Sylvania Inc.*, 433 U.S. 36 (1977) as being inconsistent with a *per se* ruling. *Hirsh, supra*, at 1349 n. 19. To the extent that *GTE Sylvania* may have induced expectations that the Supreme Court was likely to expand Rule of Reason analysis, that perception may have faded somewhat as a result of more recent decisions, such as *Arizona v. Maricopa County Medical Society*, 102 S.Ct. 2466 (1982), (*per se* rule applies to horizontal agreement to fix maximum prices). Moreover, the Court of Appeals for the Eighth Circuit has recently rejected the proposition "that *GTE Sylvania* precludes the use of the *per se* rule for any vertically imposed restraint except those expressly retained by the

*GTE Sylvania* decision, i.e. price fixing and resale price maintenance." *Battle v. Lubrizol Corp.*, 673 F.2d 984, 988 (8th Cir. 1982). See also: *Cernuto, Inc. v. United Cabinet Corp.*, 595 F.2d 164, 167 n. 15 (3d Cir. 1979). The Court will, therefore, follow the orthodox tests for analyzing tying agreements in ruling this motion.

<sup>3</sup> Failure to establish the latter two elements does not preclude a plaintiff from prevailing on the merits, but merely prevents the application of the *per se* doctrine. *Fortner Enterprises v. United States Steel Corp.*, *supra*, at 499-500.

<sup>4</sup> Defendant argues that there is no "foreclosure" of purchases of Ford tractors or other tractors. But the Court concludes that it may rely on economic probabilities rather than on the lack of formal restrictions in conjunction with a hypothetical expansion of the tractor market.

<sup>5</sup> Defendant also relies on *McElhenney Co. v. Western Auto Supply Co.*, 269 F.2d 332 (4th Cir. 1959). That decision, however, dealt with pleading requirements under section 3 of the Clayton Act and section 2 of the Sherman Act. The case contained no allegation or analysis of tying agreements as a violation of section 1 of the Sherman Act.

## [¶ 7941] New York Disclosure/Registration Law Claim Was Arbitrable

*Klein Sleep Products, Inc. v. Hillside Bedding Co.*

U.S. District Court, Southern District of New York. No. 82 Civ. 4014 (RWS). Filed February 17, 1983.

### New York Franchise Sales Act

**Disclosure/Registration—Arbitrability of Franchise Law Claims—Federal Arbitration Act—State Public Policy.**—Public policy did not render a franchisee's New York disclosure/registration law claim nonarbitrable under the Federal Arbitration Act,

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## 7940] Full-Line Force of New Product Probably A *Per Se* Tying Arrangement

Earley Ford Tractor, Inc. v. Hesston Corp.

U.S. District Court, Western District of Missouri, St. Joseph Division. No. 82-6089 CV-SJ. Filed January 31, 1983.

**Antitrust Law—Tying Arrangements—Full-Line Forcing—*Per Se* Illegality.**—A manufacturer's "full-line force," requiring a farm equipment dealer to sell the manufacturer's new line of tractors or lose its right to deal in the manufacturer's other farm equipment, might constitute an unlawful tying arrangement. The dealer was held to have a likelihood of success on the merits of the tying claim because the three prerequisites for *per se* treatment of the alleged tie-in—separate products, market power, and an effect on a not insubstantial amount of commerce—were satisfied. Two distinctive products—hay processing equipment and tractors—were involved. The manufacturer had economic power in the tying product, since it had market penetration of between 30% and 50% in the dealer's trade area. Further, the amount of interstate commerce affected in the tied product was not insubstantial because stocking eight of the manufacturer's tractors would cost the dealer more than \$200,000 and the manufacturer's course of conduct had national impact in a market in which it had a 1% share. Back reference: ¶ 1635.

**Antitrust Law—Tying Arrangements—Full-Line Forcing—New Product Justification—Small Business Exception.**—Although tying arrangements have been allowed "when a small company has been compelled to use [them] to scale high barriers of entry" into a new market, this "small business exception" has never been granted to a well-established business. Since the manufacturer requiring a "full-line force" of farm equipment was well established and did not prove the existence of high barriers of entry, the small business exception probably would not be available. Back reference: ¶ 1635.

**Antitrust Law—Tying Arrangements—Full-Line Forcing—Farm Implements.**—A manufacturer's contention that full-line forcing of farm implements, in and of itself, was permissible was rejected because precedent to that effect had been issued prior to the formulation of the modern law of tying arrangements. Further, any circumstances under which full-line contractual requirements may be lawful probably did not include instances where coercion was applied to secure compliance with the requirement. Back reference: ¶ 1635.

**Antitrust Laws—Tying Arrangements—Full-Line Forcing—Preliminary Injunctive Relief—Balance of Hardships.**—A farm equipment manufacturer was preliminarily enjoined from terminating a dealership for refusal to accept a new product line, since the dealer showed a likelihood of success on the merits of a tie-in claim and the balancing of hardships clearly favored the dealer. The balance of hardships favored the dealer, since harm to the dealer resulting from termination outweighed harm to the manufacturer resulting from temporarily having two dealerships in the same market. Back reference: ¶ 1635.

### Memorandum and Order Granting Preliminary Injunction

[In full text]

SACHS, D.J.: This antitrust case brought under Section One of the Sherman Act, 15 U.S.C., was filed by a farm implement dealer ("Earley") against one of its major suppliers ("Hesston"), which is in the process of terminating the dealership agreement because the dealer refuses to take on a new product of the supplier. The "sales and service agreement" requires that dealers stock substantially a full line of the

supplier's products. Hesston is seeking to expand into the tractor market, and its salesman, on several occasions, has threatened Earley with termination if Earley declined to purchase tractors. Earley prefers to continue its established practice of selling Ford tractors exclusively but remains on the lookout for another supplemental tractor line more to its taste than the Hesston tractor. Earley also wants to continue with its successful marketing of other Hesston products, which it has stocked for about a decade. These may be generally categorized as hay mowers, balers

PROPOSED AMENDMENT TO SB 544

BY: ALAN F. ALDERSON, WESTERN RETAIL IMPLEMENT AND HARDWARE ASSOCIATION

On page 3, in line 89, by striking "reflecting upon" and inserting "affecting";

On page 6, in line 196, by striking all after "law"; by striking all of line 197; by striking all of line 198 before the period and inserting in lieu thereof the following: ", including proceedings under the Kansas consumer protection act";



TO: Kansas Senate Agriculture Committee  
FROM: Ron Shouse, Shouse Implement Inc., Abilene, Ks.  
RE: Senate Bill 544  
DATE: February 19, 1986

Mr. Chairman, Members of the Committee, I'm Ron Shouse of Shouse Implement Inc. in Abilene. I'm here today as a representative of the some 300 farm equipment dealers still operating in Kansas.

I'm typical of the farm equipment dealer in Kansas today. Our business employs 16 persons and serves a large trade area. And our business is off some 33 percent compared to only three years ago.

In earlier testimony, you were told of the large number of farm equipment dealers that have gone out of business in Kansas.

There are dealers today in your districts hanging on by a thread. They may not be in business a year from now either.

Besides the obvious...the depression in our agriculture economy... other factors are involved in helping to shove farm equipment dealers out the door and out of business in Kansas today.

Our inventory tax laws, of course, are a nightmare for us. Hopefully, something tangible will occur this session in the legislature to help us in that area.

But another concern for some farm equipment dealers is the potential for problems in their business relationship with farm equipment manufacturers. Don't get me wrong, many of us have good working relationships with our manufacturers. But the reverse situation occurs too often for us, as an association, to sit back and do nothing.

*attachment 3  
2/19/86 Sen. Ag.*

Right now in our industry, many of the rights are in the hands of the manufacturers. And that's the problem Senate Bill 544 addresses. It codifies important, basic rights that farm equipment dealers are entitled to in their dealings with farm equipment manufacturers.

All we want is a fair shake. Some of us are not getting it from our manufacturers. Plain and simple, too many potential coercive practices are available to manufacturers should they want to use them. We, as independent businessmen, should not have to worry about such coercive practices when we're working as hard as we can simply to keep the doors open and serve our farmer customers.

We should not have to worry about manufacturers trying to prohibit us from ordering equipment from other manufacturers that our farmer customers need and request. That has happened.

We should not have to worry about "company stores" across the street undercutting the prices of independent dealers in a trade area simply because they have the almost unlimited financial resources of the manufacturer. That has happened.

We should not have to worry about manufacturers forcing us to take on extra equipment into our inventory when our business judgment says we simply cannot sell that extra equipment. We don't want the manufacturer telling us to take this extra equipment as a prerequisite to obtaining an order of necessary equipment we can sell to our farmer customers. That has happened.

We don't want our dealerships pulled out from under us without good cause. That's only fair.



These are the type of concerns addressed in Senate Bill 544. What we want is a fair shake in our dealings with farm equipment manufacturers. And that's what Senate Bill 544 can help do. It will help independent farm equipment dealers remain in business in Kansas to serve our farmer customers.

Thank you for the opportunity to appear here today. I'd be happy to answer any questions.

Statement  
 of  
 Iron W. Wyatt, President, Kansas Farmers Union  
 before  
 The Senate Committee on Agriculture  
 on  
 Senate Bill No 544  
 (Agricultural Equipment and Retail Dealers)  
 Feb 19, 1986

Mr. Chairman, Members of the Committee:

I am Iron Wyatt, President of the Kansas Farmers Union. In the past few weeks I have appeared before this committee numerous times in support of bills related ~~to~~ to the issue of farmers losing their land - their homes and the multitude of problems arising out of these situations.

You've also heard me say, what we have now is not just a farm problem, - but what we have <sup>now</sup> is a rural community problem facing not just farmers, but also the businessmen of our rural towns and cities. Whether that be the local banker, The farm machinery Dealer, The hardware store operator, and yes our churches and schools.

So when we of the Kansas Farmers Union rise in support of SB-544, we are being consistent with all of our other statements on the issue of the crisis facing the rural community facing this state and nation.



I will be traveling to Colorado Thursday for a series of meetings dealing with this very issue of the need for farmers, the rural community, church and schools to work in coalition towards the solution of this crisis of the rural community.

In these adverse times in the stampede to survive, too often as we have heard from numerous people before this committee, it appears it is easier to trample over those we deal with every day, rather than deal with the real root problem of declining farm income.

In this situation too often, the individual, the independent operator, whether it be a farmer or rural businessman finds himself at a distinct disadvantage dealing with a large corporate type entity.

This bill does not give anyone an advantage - it simply sets out some guidelines to hopefully provide a little order in this present day, stampede, so another segment of the rural community might have an opportunity to survive.

Because as one business fails - or is forced out in a community - it has a domino effect on every other business in that community, - the community school, the community church, and the community as a whole.

In closing - on a personal note that now affects many farmers.



I now find if I have a major breakdown at harvest time - I can expect to have to travel well over 100 miles for repairs.

If we can't - or won't provide some stability or security for agricultural machinery dealers now - that trip could soon become a trip of well over 200 miles.

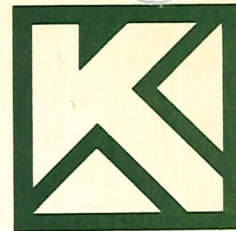
Thank you



# LEGISLATIVE TESTIMONY

## Kansas Chamber of Commerce and Industry

500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the  
Kansas State Chamber  
of Commerce,  
Associated Industries  
of Kansas,  
Kansas Retail Council

SB 544

February 19, 1986

### KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the  
Agriculture Committee

by

Rob Hodges  
Executive Director  
Kansas Industrial Council

Mr. Chairman, members of the committee. My name is Rob Hodges, Executive Director of the Kansas Industrial Council of the Kansas Chamber of Commerce and Industry. I am here today to express the chamber's concern about the provisions of SB 544.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

SB 544 would establish a dangerous precedent for Kansas businesses. It would prohibit farm equipment manufacturers from opening retail farm equipment dealerships, and would force existing manufacturer-owned dealerships out of business on July 1,

*attachment 5  
2/19/86 Sen. Ag.*

1988, without regard to whether or not those dealers' customers are being well served under the existing procedure.

KCCI's Statement of Principles states, in part: "It is believed in respect to business that the future well-being of America requires the maintenance of an economy of private enterprise. Government limitation on private enterprise should be confined to such regulation and control as are truly necessary to insure free enterprise and protect public interest."

SB 544 appears to violate that principle in that it does not permit examination of the current operating practices of manufacturer-owned dealerships. Neither does it encourage review of how well the "farmer consumer" is being served under those practices. The bill presupposes less than appropriate services are being provided to farmers than would be available after SB 544 takes effect, and further it assumes that government control should be imposed in that area of the economy represented by farm equipment distribution.

Such regulation would establish the bad precedent I mentioned before. There are manufacturer-owned retail establishments throughout the Kansas economy. To order farm equipment dealerships to be treated differently than other areas is to invite future government interference in those areas. Here in Kansas, retail tire outlets are owned by tire manufacturers, clothing stores are owned by clothing manufacturers. It is not uncommon in this country for auto dealerships to be owned by the major car companies.

If there were a great hue and cry within the retail membership of the Kansas Chamber of Commerce and Industry, my testimony today might be different. As our input to date indicates, there is no such sympathy from our members for a proposal such as SB 544.

We are opposed to the bill, and ask that you recommend it not be passed.



STATEMENT OF TERRY MOSIER

DIVISION SALES MANAGER  
STATE OF KANSAS

JOHN DEERE COMPANY

PRESENTED TO

KANSAS SENATE AGRICULTURE COMMITTEE

19 FEBRUARY 1986

My name is Terry Mosier, Division Sales Manager for John Deere Company in the State of Kansas. Deere & Company is the manufacturer of the John Deere line of farm, construction and lawn and garden equipment, and John Deere Company distributes the John Deere line.

We are opposed to Senate Bill 544 now pending before this committee. This bill would regulate the manner by which farm equipment dealers are selected by manufacturers, as well as procedures for terminating contractual relationships with dealers.

It is our belief that if this bill is passed it would be an unnecessary intrusion by the State of Kansas into the affairs of our 149 year old Company that for many years has been successful in working out problems with its dealer organization without government help.

We are proud of the tremendous loyalty we receive from our John Deere dealers and our customers -- most of whom are farmers. We hope we have earned this loyalty through our constant attention to their needs. We have concentrated on working with dealers to help them upgrade all phases of their businesses because we want to build long-term dealers.

Based on this relationship and our contractual agreements with dealers, we believe there is no demonstrated need for this proposed legislation regulating dealer selection and dealer termination. In regard to dealer termination, not one involuntary termination has occurred in Kansas in the last year.

On occasion we do find it necessary to terminate a dealer, but this does not demand state regulation. If a dealership deteriorates and fails to take care of customer needs we hear it first in no uncertain terms from our farmer customers. Farmers who invest large sums of money in today's sophisticated equipment have a right to expect prompt, efficient and quality service. We must be able to respond promptly to farmers' complaints and this bill will greatly hinder our efforts. We must retain the ability to work directly with our dealers in order to take care of the needs of the Kansas farmers.

attachment 6  
2/19/86 Sen. Ag.

Additionally, Sec. 4 of Senate Bill 544 prohibits certain types of coercive activity. We strongly resent any implication of coercive business practices on the part of John Deere Company. Section 4 of Senate Bill 544 is duplicative of Federal law already regulating fair business practices and anti-competitive activities. John Deere Company has always complied with these laws. Again, there is no need for this legislation.

Sec. 4 of Senate Bill 544 would severely hinder our ability to take care of the equipment and service needs of the farmers in this State. We hope you will vote against the bill.