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**Robert B. Crain**  
Senior Vice President & General Manager, Americas

March 13, 2018

Senator Petersen  
Chairman, Senate Transportation Committee  
Statehouse  
300 SW 10th Avenue  
Topeka, KS 66612-1586

Dear Chairman Petersen and members of the Senate Transportation Committee:

*Re: Opposition to Kansas SB 426, An Act Concerning Contracts: Relating to Dealership Agreements for Farm Equipment, Outdoor Equipment and Lawn and Garden Equipment.*

I am writing to set forth AGCO's opposition to SB 426. AGCO is a global manufacturer of well-known farm equipment brands, such as Massey Ferguson, and has manufacturing facilities in Hesston and Beloit, Kansas which employ over a thousand people as well as several large dealers in the state.

AGCO believes that SB 426 is unnecessary. Frankly, AGCO was surprised to see this legislation introduced in Kansas as we are unaware of any existing issues that SB 426 would effectively address. And while legislation often seems to be the suggested remedy for every "problem," in this case, the legislation does not appear to have any problem to solve. Worse, if enacted, SB 426 would create new problems where none previously existed.

Over the years AGCO has developed mutually-beneficial business relationships with its dealers. These relationships are governed by mutually-agreed-upon dealer agreements that set forth the obligations of the parties while taking into account the characteristics of the farm equipment industry and the value that each party brings to the relationship. Enactment of SB 426 would disrupt this existing free market framework by substituting a legislative "solution" that would override these longstanding existing arrangements. This would not only be an unwise legislative overreach but it would also likely be an unconstitutional one as it would improperly impair existing contracts between equipment manufacturers and their dealers in a variety of areas, such as transfers of ownership, warranty reimbursement, and changes in competitive circumstances.

SB 426 is also bad public policy as it would not provide benefits to the end customers of our products in Kansas, but instead would simply provide benefits to dealers at the expense of both equipment manufacturers and the end customers.

For the above reasons, AGCO opposes SB 426 and respectfully requests that you reject the legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert Crain".

Robert B. Crain  
Senior Vice President & General Manager, Americas