

SouthWestern Flash

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*Mark your calendar and plan to attend
these events!*

SouthWestern Association Announces Fall Area Meetings

The SouthWestern Association has set the following area meetings for Fall 2004:

Kansas/Oklahoma/Missouri

Monday, Oct. 11	Colby, KS	4:30 - 8:00 p.m.
Tuesday, Oct 12	Great Bend, KS	8:00 - 11:30 a.m.
	Wichita, KS	5:30 - 9:00 p.m.
Wed., Oct. 13	Oklahoma City, OK	11:30 - 3:00 p.m.
Thursday, Oct. 14	Springfield, MO	8:00 - 11:30 a.m.
	Columbia, MO	4:30 - 8:00 p.m.
Friday, Oct. 15	Kansas City, MO	8:00 - 11:30 a.m.

Texas

Monday, Nov. 8	Harlingen, TX	11:30 - 3:00 p.m.
Tuesday, Nov. 9	San Antonio, TX	8:00 - 11:30 p.m.
	Houston, TX	5:30 - 9:00 p.m.
Wed., Nov. 10	Dallas, TX	11:30 - 3:00 p.m.
Thursday, Nov. 11	Lubbock, TX	8:00 - 11:30 a.m.
	Amarillo, TX	5:30 - 9:00 p.m.

Highlighting the agenda for the area meetings will be information on two new programs for SouthWestern Association members: Toolchex Tool Reimbursement Program and the OSU-Okmulgee Technician Education Program. A presentation of Jerkins Creative Consulting services and training opportunities will also be included on the agenda.

All morning meetings will include a continental breakfast. Meetings beginning at 11:30 a.m. will include a light lunch. Meetings beginning at 4:30 and 5:30 p.m. will include hors d'oeuvres. There is no cost to members to attend the area meetings.

Dealers with questions are asked to contact Donna Haughenberry at the Association office - 1-800-762-5616.

SouthWestern Association

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www.swassn.com/register-email.htm*

Mark Your Calendar

Annual Western Farm Show

Feb. 26-28, 2005

American Royal Complex
Kansas City, MO



Product Category Trends

Lumber production in the U.S. rose 5 percent through the first six months of the year, according to the Western Wood Products Association. Lumber capacity utilization in the West reached 90 percent in July, which is the highest rate in nearly four years.

Economic Picture

The Consumer Confidence Index, as measured by the Conference Board, dropped 7.5 points to 98.2 in August – its lowest measure since May.

Americans' real household income declined slightly in 2003, from \$43,381 to \$43,318. The most disconcerting trend was the fact the country's largest minority group – Hispanics – saw their household buying power drop 2.6 percent during the year.

Housing Market Overview

Home prices rose at strong levels in most metro areas during the second quarter. The National Association of Realtors (NAR) metro area home price report, which covers 128 metropolitan statistical areas, reveals that 49 areas enjoyed double-digit annual increases in median existing-home prices while only 11 experienced small declines. Strongest price increase was in Las Vegas, where the median price jumped 52.4 percent to \$269,900. The national median existing-home price was up 9.1 percent compared to the second quarter of 2003. All four regions of the country experienced price increases, with the Northeast and West leading the way.

NAR is predicting existing-home sales in 2004 will set a record for the fourth straight year, with projected home sales of 6.50 million. Housing starts increased 8.3 percent in July, with the West experiencing the highest increases (15.8 percent).

Source: Home Center Institute, Sept. 28, 2004

Regional Meeting Dates Announced

In 2005, the SouthWestern Association will offer five regional meetings for members in place of one large annual meeting. The dates and locations for these meetings are:

January 24 - San Antonio, Texas

January 25 - Dallas, Texas

January 26 - Oklahoma City, Oklahoma

January 27 - Amarillo, Texas

February 25 - Kansas City, Mo. (in conjunction with the Western Farm Show)

October 7-8 – Austin, Texas

Dealer of Tomorrow Program

Registration Extended!

The dealers - and managers - of tomorrow must understand the financial and operational needs of their business to be successful. That understanding begins today.

This workshop is for owners, mid-level managers and department managers, as well as those new to the equipment industry, and will teach participants how a dealership's operating and financial parameters can affect the dealership on a day-to-day basis.

Presenter Bill Bohmer will provide a financial review that will cover the most common operating indicators that nearly all dealerships should review on a monthly basis to develop sound financial returns. We will discuss departmental expense categories to illustrate the interdependency between all departments and how these affect the dealership as a whole.

Dealership tours are an important part of the training seminars. Selected companies have generously agreed to open their doors so that participants can tour their facilities and see how they operate. Participants will come away with numerous ideas you can implement at your own company.

Lanford Equipment Co. is pleased to host the facility tour portion of the Dealers of Tomorrow program in Austin. Lanford Equipment Company in Austin, Texas began in 1948 as a vision of two brothers. The company occupied its third location in 1981, which was situated on nearly 14 acres. The ownership as well as location has changed over the years and currently Jerry Rutledge and Bob Lanford share the responsibilities of the Austin location and a second store in Marble Falls, Texas.

Hotel Information

The headquarters hotel is the Crowne Plaza Austin Hotel and Executive Meeting Center, 500 North IH 35, Austin, TX 78701. Call 800-684-7241 for reservations. A special room rate of \$99 single/double occupancy has been arranged for this meeting. Indicate you are part of the SouthWestern Association meeting to secure the special rate.

For more information just call Olivia at SouthWestern Association - 816-561-5323 or 800-762-5616.

Federal Legislative Outlook

Democrats and some Republicans continue efforts to upset the Department of Labor's (DOL) new rules on who is eligible to receive overtime pay. The House of Representatives and the Senate Appropriations Committee approved amendments to DOL's 2005 appropriations bill to prevent the department from enforcing new white collar exemptions to overtime but allow enforcement of the higher minimum salary threshold for overtime of \$23,660. This bill is expected to become part of an omnibus appropriations bill where the overtime amendment is expected to be dropped. President Bush has threatened to veto any bill containing an overtime amendment. The new rules went into effect Aug. 23.

- Rep. Phil English (R-PA) introduced legislation to link small business tax cuts to any increase in the minimum wage. It would make the \$100,000 small business expensing limit permanent and allow businesses with up to \$500,000 in assets qualify as small businesses. It would let small businesses use tax credits including the welfare to work and work opportunity credits as offsets to the alternative minimum tax. It would also raise the dollar volume test for exemption from the Fair Labor Standards Act to \$1 million.
- The Environmental Protection Agency took the final step in banning lawn care and other residential pesticide products containing diazinon when it officially cancelled the chemical's registration. The sale and distribution of these residential products will not be allowed after Dec. 31, 2004, except for buy backs in which manufacturers and distributors remove existing products from the market. A notice in the *Federal Register* said, "Use of existing stocks may continue until stocks are exhausted."
- Sen. Judd Gregg (R-NH) is drafting legislation to require states to develop standardized health insurance products, including a preferred provider organization product, a health maintenance organization product and a health savings account product, that could be offered across state lines. It would be his alternative to association health plans (AHPs). Gregg is chairman of the Senate Health, Education, Labor & Pensions Committee which would consider AHP legislation. He has said he does not like existing AHP legislation because it would result in insurers and businesses offering health insurance only to "young, healthy employees. Businesses that tend to employ older workers or have employees with costly conditions would be forced to buy outside the AHP group."
- The Federal Communications Commission released a rule implementing the Can-Spam Act to prohibit individuals from sending commercial messages to wireless phones

without prior authorization. The commission said it would create a "wireless domain names list" to differentiate between general e-mail addresses and wireless e-mail addresses. The list will be available on the agency's Web site.

In other action relating to the Can-Spam Act, the Federal Trade Commission submitted a report to Congress indicating that an anti-spam bounty system which would reward individuals providing information about possible violations of the Can-Spam Act would be helpful in enforcing the law. The report does not recommend creation of such a bounty system, but informed Congress that it has the potential to work if designed properly.

Source: National Retail Hardware Association

Could Be a Record Year For Farmers

U.S. agriculture may be on its way to harvesting another record year in net cash farm income, according to AgriNews. Crop production is forecast to be very large this year, at record or near-record levels for several crops. That will offset some of the recent price decline, said Secretary of Agriculture Ann Veneman in a recent teleconference with farm reporters.

Veneman noted livestock markets remain especially tight. She said cattle and broiler prices are expected to be at record highs and milk prices are averaging will above last year's levels. "Even though feed, fuel and fertilizer prices are up this year, strong cash receipts will likely mean a good income year for farmers again in 2004," Veneman said.

The U.S. Department of Agriculture's final export forecast for fiscal year 2004, indicates sales are expected to reach \$62 billion, \$5.8 billion more than last year. This represents the highest sales ever, eclipsing the old record set in 1996.

Corn Yields Set For Big Increase

Yield of the U.S. corn crop is projected at 153.6 bushels per acre (bu/ac), according to a new estimate by Global Weather Services (GWS). The mark is a sharp jump from the company's August 1 estimate of 145.8 bu/ac. Total corn production was boosted to 11.3 billion bushels, up from 10.7 billion bushels on August 1, according to *@gricuture Online*.

The GWS weather/crop model pegged soybean yields at 41.9 bushels per acre, up from 41.2 on August 1. Total production rose slightly from 3,033,218 bushels to 3,087,195.

The big rise in the corn estimate was produced by cool temperatures and adequate August rainfall, says Vic Cook, GWS managing director.

Source: The Farm Equipment Manufacturers Association for the above two articles.

Employer-Sponsored Health Insurance Premiums

The Kaiser Family Foundation has released the results of its 2004 annual survey of employer-sponsored health insurance premiums. Key findings of the survey are:

- Between the spring of 2003 and spring of 2004, employer sponsored health insurance premiums rose by 11.2 percent, down from 13.9 percent the previous year, but the fourth consecutive year of double-digit premium growth;
- The average premium for family coverage was \$9,950 annually (\$829 per month) and the average premium for single coverage was \$3,695 (\$308 per month);
- Premiums for this period increased five times the general rate of inflation (2.3 percent) and wage increases (2.2 percent);
- Since 2001, premiums for family health insurance coverage have increased by 59 percent.
- The number of small employers (3-199 employees) providing health insurance fell from 68 percent in

2001 to 63 percent in 2004;

- The number of all workers receiving health coverage from their employer was 61 percent in 2004, down from 62 percent the previous year and from 65 percent in 2001;
- Based on the survey results, KFF estimates that there are 5 million more jobs that do not provide health insurance in 2004 over the previous year.

This information is further evidence of the need for Association Health Plan legislation. The U.S. House of Representatives has passed Association Health Plan legislation, however the Senate has failed to pass the legislation. Members are asked to include these points when talking to Senators about passage of S. 545. President Bush has said that he will sign the legislation once it passes the Senate.

More detailed information on the KFF survey can be located at the following web site: www.kff.org/insurance/7148/index.cfm

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