At the recent Ag Executive Forum put on by AEM, Farm Journal and CropLife America, the perceptions of the audience made up of agribusiness, dealers, and farmers were captured.

I thought I’d share with you just a couple of the interesting responses and trends on topics ranging from policy issues to outlook on the future, trade, and government.

According to the audience response, environmental issues will be far and away the biggest factor impacting the future success of agriculture. Forty-seven percent of respondents felt that environmental issues would outpace hot issues like biofuels, immigration, food safety and trade. This is likely because environmental factors vary so far and wide to include water use, soil, water and air quality, greenhouse gasses and carbon footprints. These issues continue to be magnified as the urban world creeps further and further into our rural landscape.

Switching gears to trade policy, unfortunately - although not really surprisingly - the group was not very keen on what our government has been doing to benefit our industry. An overwhelming sixty-two percent of the audience felt that governments outside the U.S are more progressive than the U.S. That doesn’t bode well for keeping pace with our trading partners regardless if we are trying to export commodities, equipment, or widgets.

Almost seventy percent of the group was at least somewhat concerned about being able to attract the talent and the labor pool to continue to move agriculture forward in the next generation. This sentiment was shared by the entire audience, which represented labor needs in the field as well as distribution channels to the factories. Obviously, it is a shared struggle to find skilled labor in an industry that is

~Continued on Page 3
AEM continues to address the safeguard measure imposed on western manufactured combine harvesters entering the Eurasian Customs Union (CU) of Russia, Belarus and Kazakhstan on our members’ behalf. After Russia joined the World Trade Organization (WTO), Russia was no longer able to formally subsidize combine harvesters “made in Russia”. Soon thereafter, the CU launched a safeguard investigation into the importation of western manufactured combine harvesters in the summer of 2012.

In late October 2013, the Supreme Council of the Customs Union applied a safeguard measure in the form of an import quota for the CU in the amount of 774 units per year effective January 1, 2014 until August 21, 2016 with a 3% yearly increase for every country in the CU. AEM and member companies have stated that the imposition of this safeguard was not based on market data and is in violation of numerous provisions of the WTO Agreement on Safeguards of which Russia is a signatory.

AEM and our colleagues at European Agricultural Machinery Association CEMA and German Engineering Federation VDMA have been working together to address this for the past two years. Through direct meetings with the Russian Government, U.S. State Department, U.S. Department of Commerce, U.S. Congress, U.S. Trade Representative’s Office and the European Commission, we have been raising public awareness of the safeguard measure and advocating for the removal of the measure based on market data and international law.

AEM will continue to advocate for the removal of the safeguard measure allowing for the free flow of goods and services for the benefit of our members and our global industry. For more information on this and other international issues, please contact AEM’s Alexander Russ at aruss@aem.org.

**2014 I Make America Harley-Davidson Tour**

**GIVE YOUR EMPLOYEES A CHANCE TO WIN!**

Starting this April, I Make America will hit the road with a 2014 custom painted Harley-Davidson Road King which will be given away to a lucky winner in November, 2014. The Harley will be visiting AEM member companies around the country. A visit includes an I Make America sign-up drive at your facility where employees will have a chance to win the custom painted Harley-Davidson by either signing up for I Make America or contacting their Member of Congress through an Action Alert email provided by AEM.

Taking the I Make America Harley-Davidson around the country provides an opportunity to further engage member companies and their employees in the important issues. Some legislative issues that will be prominently addressed this year will include protecting the renewable fuel standard, establishing a comprehensive energy plan, and providing a strong national infrastructure system so that American farmers and other businesses can easily move their goods and compete on a global scale.

Holding an I Make America Harley event is a great way to get engaged in this grassroots effort and contribute to our mission of advocating for the interests of the employees, the communities and companies of the equipment manufacturing industry. AEM has prepared a list of best practices and resources to help make your event a success.

The winner of the Harley-Davidson will be drawn in October and announced at the AEM Annual Conference in November.

If you are interested in scheduling a stop at your company or would like to learn more about IMA, please contact Trisha Schoof, AEM Public Affairs Coordinator at tschoof@AEM.org | 414-298-4131.
Wisconsin Passes New Implements of Husbandry Law

In 2012, under the direction of Wisconsin State Senator Petrowski and Assemblyman Ripp, the Wisconsin Department of Transportation launched a Study Group to gather information and data regarding the regulation of agricultural equipment on Wisconsin roads. As expected, the Study Group report was taken and put into a legislative proposal that was debated and amended before final passage on April 1, 2014. The Study Group and legislation were launched after concerns surrounding the enforcement of overweight manure haulers in Marathon County.

“The bill sponsors were very committed to getting a bill approved,” notes Nick Yaksich, AEM’s Vice President of Government and Industry Affairs. “We partnered early with the Farm Equipment Manufacturers Association (FEMA) on hiring a local lobbyist and were guided by the active involvement of Wisconsin based association members. While much attention was focused on the size and weight of equipment, in the end there were limited restrictions and the burden is on local governments to implement a permitting process for the safe movement of equipment for a limited time and distance, a goal we all supported from the outset.”

Study Group
AEM was invited and participated in the majority of Study Group meetings and attended four of the seven public hearings the Study Group held across the State. The overwhelming majority of public hearing attendees were farmers concerned about restrictions and the recommended permitting process.

Meetings with Bill Sponsors and Farm Bureau Meeting
AEM and several member companies met with Assemblyman Ripp and Senator Petrowski in November 2013. Stated primary concerns were the proposed axle weight limits, the weight chart, the lighting and marking requirements and the proposed cumbersome permitting process. In meeting with the Wisconsin Farm Bureau staff, we learned that they supported the bill as the best option available for changing existing law. AEM and member company representatives also met with Assemblyman Ripp in January at the State Agricultural Rural Leaders Summit.

AEM and FEMA Hire Top Wisconsin Lobbyist
In November, AEM and FEMA hired former Wisconsin Manufacturer Association’s executive, James Buchen, to lead and coordinate our lobbying effort. Almost weekly calls were convened with representatives of AEM, FEMA, AGCO, CNH, Deere, Kuhn, Midwest Dealers Association and Meyer Manufacturing. This group also returned to Madison to meet with Senator Petrowski in December.

Recognizing that we were up against the Wisconsin Farm Bureau - who stated their early support for the bill - one of the keys to our legislative strategy

Ag Executive Forum Audience Insights

I have mentioned many times in these editorial articles that there is no better industry to be in than agriculture. I am glad to see that I have good company in that perception. In spite of all the challenges that lie ahead, the sky truly is the limit.

Charlie O’Brien, AEM Senior Vice President and Ag Sector Leader cobrien@aem.org | 414-298-4157.

How would you characterize your general sentiment about agriculture for the next generation?

- Concerns on the industry's lack of income
- Will I be 20 years younger to get in this industry now
- Concerns on consumers' misunderstanding of ag
- The sky is the limit
- Uncertainty due to regulations

0% 10% 20% 30% 40% 50% 60%
AEM Executive Insights

Two generations of service in Washington DC. Three generations of lawyers. Five generations of running and growing the family business. Few companies can claim a history as richly steeped in family tradition as that of Miller-St. Nazianz, Inc. Having experienced significant growth over the past five years, the business obviously continues to flourish under the leadership of President and CEO John W. Miller, the fifth generation Miller to head up the company.

John grew up within ten miles of the factory. His earliest childhood memories include playing hide 'n seek with his sister among the parts bins. He worked on the factory floor while earning his BA in Political Science at Marquette. Then, following the unwritten family rule, John went off to make his own way. His passion for politics took him to Washington DC where he spent 7 years as chief tax and budget policy advisor and Deputy Chief of Staff to a member of the House Ways and Means Committee. In true family tradition, he went on to earn a law degree before starting work at Miller in 2006. Two years later, his dad proudly announced that he was handing the business over to John W. John C. continues to provide guidance as Chairman of the Board and spends time in the office connecting directly with employees.

Since 1899, Miller has evolved from a country store to a dealership (including a time as a dealership/law office allowing farmers to buy a plow and do their estate planning at the same time) to an equipment manufacturer along with implement sales, to a leading sprayer manufacturer. Did you make any changes in direction when you took the helm?

One of the first things I did was to narrow our focus. We had sold the dealership side of the business, but were still manufacturing a vast line of hay & forage equipment along with our application equipment so I began to re-evaluate and refine our product line. We sold the hay & forage legacy line (with the exception of Ag-Bag) and focused on the application side, which is now 96% of our business. Signing an agreement with CNH to manufacture a New Holland brand sprayer helped provide a steady work flow every month of the year. At the same time the Miller brand has grown both domestically and internationally, with international sales increasing from 10% at the time I took over to 50% in the last three years. The growth has allowed us to expand and renovate the factory for increased capacity and better flow. And we’ve been able to remodel the office as well to provide a better work environment for office staff.

How do you think your time in DC influenced your management style?

Well, for one thing I think that if you start your career in the family business and stay there, you can be lulled into complacency. I appreciate that my dad never even approached me about getting into the business until I was in my 30’s. In DC, I learned that being effective is all about listening to the people – in our business it’s the voice of the customer - something that is not being done in Washington today. ~Continued on Page 10

Will Bee Health Resolutions Affect You?

AEM continues to represent our members’ perspective to Canadian officials on the issue of what role equipment manufacturers should play regarding bees and bee health.

On March 6, 2014, AEM joined three other industry groups in an appearance before the Senate of Canada Standing Committee on Agriculture and Forestry, which is studying this issue.

Joining AEM’s Canadian Public Policy Advisor, Howard Mains, were:
- Stephen Denys, past president, Canadian Seed Trade Assoc.
- Peter Entz, president, Canadian Seed Trade Association
- Paul Thiel, vice president, innovation and public affairs, Bayer CropScience
- Dr. Maria Trainer, regulatory affairs director, CropLife Canada

Mains was accompanied by Mark Hackett, Quebec territory sales manager for CNH Industrial.

In his testimony, Mains spoke about the steps that AEM members are taking to deal with the issue of fugitive dust from pneumatic planters. As relates to the questions regarding equipment, Senators were primarily interested in the development and availability of deflectors/diffusers.

The Canadian government is still exploring the use of deflectors for the 2015 planting season and AEM remains deeply engaged in this discussion.

For more information, contact Nick Tindall in AEM’s Washington, D.C., office at ntindall@aem.org | 202-898-9064.
Commodity Classic, AEM Ag Leadership Come Together

AEM and Commodity Classic leadership re-affirmed their commitment to join the AG CONNECT Expo experience with Commodity Classic for a bigger, better joint event in March of 2016. AEM Ag Sector Chair Leif Magnusson of CLAAS, Vice Chair Jim Walker of CNH Industrial and several other Ag Sector board members joined Commodity Classic farmer leaders at a special reception held at the March Commodity Classic. Commodity Classic 2015 will be held in Phoenix, with the launch of the new joint event taking place in New Orleans in 2016.

Farm Safety Net Rebooted in New Farm Bill

The 2014 Farm Bill made sweeping changes to our nation’s agricultural policy beyond the very public repeal of ‘direct payments’ to producers. Below is a brief run down of a few of the reforms in the critical 1st and 11th titles dealing with commodity programs and crop insurance that change the safety net for farmers and ranchers. AEM worked to ensure the final version of the Farm Bill maintained our country’s historic commitment to production agriculture.

Title 1. Commodity Programs
•Producers have a one-time opportunity to pick between Price Loss Coverage (PLC) or county Agricultural Risk Coverage (ARC) on a crop by crop basis. The producer may also elect individual farm ARC, but this option applies to the entire farm. If no choice is made, the farm defaults to PLC. All producers on a farm must make the same choice or face potential loss of payments for the 2014 crop.
•The Dairy Product Support and MILC programs are replaced with a Dairy Production Margin Protection Program based on the difference between the price of milk and feed cost of producing milk. A producer elects a coverage level between $4 and $8 per cwt. No premium is paid for the $4 coverage level; premiums are paid for higher coverage levels.
•A Supplemental Agriculture Disaster Assistance program is funded permanently. It includes a Livestock Indemnity Program for livestock losses from adverse weather or attacks by federally reintroduced animals; a Livestock Forage Program for losses resulting from drought or fire; a program of emergency relief to producers of livestock, honey bees, and farm raised fish not covered by the two previous programs; and a Tree Assistance Program for natural disasters.
•Payments under Title 1 are limited to $125,000 per person, $250,000 including spouse. A separate payment limit for peanuts is retained.

Title 11. Crop Insurance
•Supplemental Coverage Option (SCO) provides farms the option to purchase county level insurance that covers part of the deductible under their individual yield and revenue loss policy. Coverage level cannot exceed the difference between 86% and the coverage level in the individual policy. Subsidy rate is 65%. SCO is not available if enrolled in ARC. A slightly different Stacked Income Protection Plan (STAX) is offered for cotton. Implementation begins the 2015 crop year.
•Insurance plug yields are increased from 60% to 70%. A producer may exclude a yield for a crop year in which the county planted acre yield was at least 50% below the average county yield over the previous 10 consecutive crop years.
•Beginning farmers and ranchers are eligible for a higher subsidy rate on insurance.
•The Risk Management Agency is given a clear mandate to focus on developing insurance products for underserved commodities. Immediate priorities are revenue insurance for peanuts, margin insurance for rice, and a specialized irrigated policy for grain sorghum.

The new Farm Bill is also a major victory in protecting the interests of forestry equipment manufacturers. Language in the legislation reaffirms the 38-year policy of the U.S. Environmental Protection Agency (EPA) of managing forestry activities according to state best management practices and permanently eliminates the need for permits, as well as prohibits citizen lawsuits for forest roads and forestry activities under the EPA’s storm water program.
Since 2013, AEM Market Intelligence staff have been working to develop a white paper that analyzes the economic footprint of agricultural equipment manufacturers on the U.S. economy. The paper describes the broad economic impact of the manufacture, distribution, and use of agricultural equipment and machinery.

The convergence of high world-wide food demand, liberalized trade, and rapid technological change provides an important opportunity to enhance American leadership in agriculture as a whole. Agriculture policy needs to be determined with this broader perspective in mind.

While the white paper is available in the AEM store, the Market Intelligence department wanted to share its Top Ten Take-Aways:

1) Over the past century, agricultural production in the U.S. has increased by more than 500 percent, while the share of agricultural employment fell from 30 to less than 2 percent, freeing up labor to support growth in high-value industry sectors such as manufacturing.

2) In the 1960s, one U.S. farmer supplied food for 25.8 persons. Today, it is estimated a single U.S. farmer supplies food for 144 people in the U.S. and abroad. This growth would not have been possible without a productivity explosion driven by farm machinery and equipment.

3) Over the past 65 years, labor productivity on the farm grew almost 2.5 times as fast as in the economy as a whole. In the 1930s a farmer could harvest an average of 100 bushels of corn by hand in a nine-hour day. Combines produced today can harvest 100 bushels of corn in under seven minutes.

4) In 2011 domestic manufacturers realized $36.6 billion in sales, and of the 280 manufacturing industries identified by the U.S. Bureau of Economic Analysis, agricultural equipment is ranked 30th by revenues.

5) The total economic footprint of the agricultural equipment industry, including upstream and downstream industries, came in at $51.0 billion in 2011.

6) The total value added for the ag equipment sector is equal to 0.34 percent of GDP, about the same contribution to GDP as that of the state of Alaska.

7) U.S. agricultural equipment manufacturing recovered relatively quickly from the “Great Recession.” After domestic output fell by 8 percent in 2009, the value of agricultural equipment shipments expanded by over 31 percent by 2013, compared to the overall economy, which increased by only 17 percent.

8) In 2011, 78,200 people were directly employed in U.S. farm equipment manufacturing, while another 52,300 were indirectly employed in other manufacturing activities to support materials and parts used by the industry.

9) The agricultural equipment cluster employed almost 377,000 workers in 2011, representing a footprint of more than half of the total population of Washington, D.C.

10) This total employment is 0.27 percent of the economy-wide total, representing a total labor compensation of $25.3 billion. These jobs are highly paid, with the average compensation of $67,200 per worker, which is 15 percent greater than the economy-wide average of $58,700.

For a complete, in-depth analysis of the Economic Footprint of the Agricultural Equipment Industry, please see AEM's white paper, now available for purchase at aem.org/MarketInfo/MarketIntel.
Lithuania and Uruguay Continue High Growth

Exports continued their downward trend and declined 5.9% worldwide in the last 4 quarters compared to the previous 4 quarters. Uruguay was the strongest grower as they more than doubled exports by 59.1% to US$ 97.5 million. Peru and Korea are still amongst the fastest growers looking at the past 4 quarters. Interestingly enough, Canada, the US’s largest trading partner also grew 5.6%.

Largest declines: Kazakhstan, Sweden and Romania

The largest decreases could be found in Sweden, Nicaragua and Kazakhstan. Kazakhstan is now experiencing the 3rd consecutive largest decline in the last 4 quarters compared to the previous 4 quarters.

Amongst the other biggest decliners are several Latin American countries. Trade Data courtesy US Census Dept.

THE BELOW CHARTS ILLUSTRATE A ROLLING 4 QUARTERS VS. PREVIOUS 4 QUARTERS FOR COUNTRIES WITH > $25 MIL./YR IN EXPORTS
Ag Flash Equipment Sales Data

Small Tractors Continue Growth

Sales of tractors below 40hp represented roughly 44.9% of total tractor sales in February 2014, up from 43.3% in the same period last year. In May 2013, unit sales reached a seven year high.

Like the large tractors, above, small tractors have seen increases nearly every month since March, 2012.

AEM Ag Flash Sales Trends and Analysis

2WD Tractors Off to Strong Start

YTD February 2014, 100+ 2WD tractors increased by 2.8% to 4,987 units. While this is a strong start for the beginning of the year, the retail sales did experience a -5.4% decrease in February compared to last year.

This decrease could be the result of the colder winter weather earlier this year. Nonetheless, the February numbers are still up from February 2012.

U.S. Unit Retail Sales

<table>
<thead>
<tr>
<th>Tractor Type</th>
<th>2013</th>
<th>2014</th>
<th>% Chg.</th>
<th>2013</th>
<th>2014</th>
<th>% Chg.</th>
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<td>2WD Farm Tractors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>&lt; 40 HP</td>
<td>4,603</td>
<td>4,720</td>
<td>2.5%</td>
<td>8,773</td>
<td>8,744</td>
<td>-0.3%</td>
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<tr>
<td>40 &lt; 100 HP</td>
<td>3,343</td>
<td>3,303</td>
<td>-1.2%</td>
<td>7,076</td>
<td>6,961</td>
<td>-1.6%</td>
<td>65,268</td>
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<tr>
<td>100+ HP</td>
<td>2,163</td>
<td>2,047</td>
<td>-5.4%</td>
<td>4,849</td>
<td>4,987</td>
<td>2.8%</td>
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<td>Total 2WD Farm Tractors</td>
<td>10,109</td>
<td>10,070</td>
<td>0.4%</td>
<td>20,698</td>
<td>20,692</td>
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<td>228,180</td>
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<td>4WD Farm Tractors</td>
<td>523</td>
<td>455</td>
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<td>1,097</td>
<td>995</td>
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<tr>
<td>Total Farm Tractors</td>
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<td>10,525</td>
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<td>21,687</td>
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<td>Self-Prop Combines</td>
<td>533</td>
<td>414</td>
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<td>1,071</td>
<td>1,068</td>
<td>0.3%</td>
<td>3,764</td>
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2WD Farm Tractors < 40 HP

2WD Farm Tractors 100+ HP

2WD Tractors Off to Strong Start

Small Tractors Continue Growth

U.S. Sales, Units

2WD Farm Tractors 100+ HP

2WD Farm Tractors < 40 HP

U.S. Sales, Units
Surveys & Economy

Equipment Sales Growing
AEM’s latest quarterly Industry Conditions Trend Report showed solid improvement in the agricultural equipment market as demand expanded in Q4 2013, although not quite as briskly as in Q3 2013. In Q3 2013, the net rising index for the Unit Volume of Demand y/y came in at +31.9, down from +37 in Q3. One respondent wrote: “Orders have had some ups and downs, but overall are ahead of last year.” The acceleration of demand is welcome news after a year or more of relatively anemic growth. The outlook for agricultural equipment for the next 12 months also remained optimistic as the net rising index was +40.7. As one respondent wrote: “We are fairly optimistic as to the first half of 2014.”

Final Net Farm Income Estimates are Inn
In 2014, net farm income is forecast to be $95.8 billion, the lowest since 2010, down 26.6% from 2013’s forecast of $130.5 billion. The forecast does remain $8 billion above the previous 10-year average. The main drivers behind the lower forecast are smaller crop cash receipts, but also a change in the value of crop inventories and reduced government farm payments. The decline in crop cash receipts is attributable to a $11 billion and $6 billion decline in corn and soybean receipts respectively. Net cash income, which measures the difference between cash expenses and the combination of commodities sold during the calendar year plus other sources of farm income, is forecast at $101.9 billion, down almost 22% from 2013. This decline is less than the decline in net farm income because it reflects the sale of more than $6 billion in carryover stocks from 2013.

Profit Margins and Inventory Levels
Among the many areas of business covered by AEM’s quarterly industry conditions survey are profit margins, prices paid for materials, and prices charged for equipment. Respondents are asked if each item has risen, fallen, or stayed the same over the last 12 months.

For the past years, the net rising index for prices paid has been larger than that of prices charged, indicating that the number of members that are experiencing increases in the prices paid for materials outnumber those that are able to increase the amount they are charging for equipment. The net rising index for prices charged came in at only +9.1, down from +14.8 in the 3rd quarter. As the chart shows, the industry has experienced four years in a row where prices for agricultural equipment have been on the upswing, but the downward slope to the line suggests this may be coming to an end. The net rising index for prices paid for input materials came in at +27.3, up from +22.2 in the 3rd quarter.

Profit margins showed a bit of improvement during the 4th quarter. For the industry as a whole, the net rising index was +13.6, resulting in the fourth consecutive quarter where reports of rising margins exceeded reports of falling margins, an unusual situation as the chart shows. The two industry segments moved in different directions, however, as the index for wholegoods/capital equipment fell and the index for parts/supplies rose.

These data and much more are available to AEM members participating in the Industry Conditions Survey. If you would like to participate, please contact bduyck@aem.org for details.
## Global Monitor: Countries of Interest

The data on this page was compiled from data provided by Business Monitor International.

### Wheat Production, '000 tonnes

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<tr>
<th>Countries</th>
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<th>2015</th>
<th>2016</th>
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### Wheat Production, y/y growth (%)

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### Corn Production, '000 tonnes

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### Corn Production, y/y growth (%)

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<td>18.3</td>
<td>10</td>
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</table>

### Soybean Production, '000 tonnes

<table>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
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<td>53000</td>
<td>53500</td>
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<td>12370.7</td>
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### Soybean Production, y/y growth (%)

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Agrievolution Alliance Expands Globally

Two new members have joined the Alliance so far this year—JAMMA (Japan Agricultural Machinery Manufacturer’s Association) and CAMDA (China Agricultural Machinery Distribution Association). This brings the total number of members to thirteen and broadens the Alliance’s reach into these important world regions.

The Alliance’s objective is to collaborate globally on industry issues, support of political activities and information exchange for the benefit of the members of the Alliance associations as well as for the industry.

Proposed Latin American Ag Stats Program Offers Market Data

AEM is moving ahead with a proposal for a new Latin America agricultural equipment statistics program that would provide eligible members better data for sales forecasting and production planning.

The Agriculture Latin America Regional Management Committee (AG LA RMC) directed AEM to put together a proposal for the new program prior to their next scheduled meeting in May 2014.

The program will use AEM standards to report shipments of agricultural equipment for all Latin America countries at the country level and for Argentina, Brazil and Mexico at the state level. The program’s focus will be on tractors, combines, planters, balers, sugar cane harvesters and forage equipment.

Committee members working in Brazil will discuss AEM’s proposal with the Brazilian Association of Industrial Machinery and Equipment (ABIMAQ) and the National Association of Automobile Manufacturers (ANFAVEA), both of whom currently provide their members with some market statistics information.

The committee would seek the collaboration and cooperation of ABIMAQ and ANFAVEA in developing and implementing AEM’s proposed program and/or expanding/integrating their existing programs into one offered by AEM.

In other actions, the committee discussed financing mechanisms for the region, fulfilling the action item stemming from its September 2013 meeting.

Requested that AEM provide market intelligence through a Latin America Agriculture Advisor newsletter.

Agreed to explore three additional priorities — improving labor qualifications, obtaining reliable 5-10 year market forecasts, and addressing patent and copyright issues — at subsequent meetings.

The next meeting of the AG LA RMC will be held on May 22, 2014 in conjunction with the Annual Spring Statistics Conference in Fort Lauderdale, Florida.

For information, contact AEM’s Arnold Huerta at ahuerta@aem.org | 414-298-4119 or Vanessa Radlinger at vradlinger@aem.org | 414-298-4103.
We at Miller go out and ask people very pointed questions like, “what do you like and dislike about our product?” Then we listen and admit, when we need to, that there may be two ways to build a mouse trap. But we always relish the opportunity to make the case for our approach.

Are you concerned about the predicted downturn?
In spite of what the “doomsayers” are saying, we’re excited about the future. While farm income will be down this year, it will still be $8 billion higher than the ten year average. Even without the astronomical commodity prices we’ve had over the last few years, farmers should still be able to do well. If our growth slows to single digits from double, we will still be happy and could comfortably weather a few flat years if it comes to that.

Miller has been an AEM member for sixteen years. Can you give a specific example of how you’ve benefitted from AEM services in that time?
Your stats program helped us determine our course of business. We’ve been reporting with a variety of products since the 90’s to learn where the markets are going. Getting down to the county level was exciting - a huge asset. We used that data to help us decide which businesses to move away from, which to focus on, where that business is and where the dealer networks were strong and where we need to focus our attention.

You currently serve on the AEM Ag Sector Board and the Membership Committee. What do you gain from that?
Working together with peers. We are competitors, but that’s healthy. We have a lot in common, we are all trying to make farmers more productive and can all learn from each other. I also think that as U.S. manufacturers, it’s important that together we ensure that U.S.-made ag equipment remains dominant on the world market.

From its humble beginnings serving one small Wisconsin town, Miller has grown into a company whose products serve farmers across the nation and around the world. When not off on international travels, John makes his home in a northern Milwaukee suburb with his wife Brigid and their three young children. John admittedly spends his spare time chauffeuring his kids around to their many events. And he says he’s pretty good at it.

New from AEM Statistics

Earlier Data Available to Program Participants
AEM has added eight new flash reports to its agriculture statistics program to give participating companies an earlier look at important industry-wide sales results.

Flash reports provide companies with a preliminary estimate of a particular product’s sales for the previous month. The new reports are the result of an Agriculture Statistics Committee review of all products to determine which programs would benefit most from the addition of this type of report. New flash reports include:
- Cornheads
- Rigid Draper Heads
- Flexible Draper Heads
- Forage Harvester Heads
- Rigid Combine Platform
- Flexible Combine Platform
- Rotary Rakes
- Tedders

“While many large companies are able to close their month quickly and report all their data early, flash reports allow companies requiring extra time to report their preliminary sales numbers first,” Rex Spriestma, AEM senior director statistics and market information said.

“The value of the flash reports are in providing a reliable and consistent indication of what the industry-wide results were by product, for the previous month,” he said.

Flash report data is sent before the 9th of each month, reporting estimated unit totals only. Actual numbers are due on the 13th and include final retail numbers along with dollar values and customer-type information for selected products.

New Data Available to All AEM Members
Ag Equipment Indexes are now available by subscription exclusively to AEM member companies. The Ag Index graphs provide trend information along with an overall dollar value index for all agricultural product programs that report dollar value. Indexes will be published twice a year in January and July and will include Main Line Products, Implements, Tillage, Ag Equipment. Parts Dollar Value will be available once each year. For info: Deb Carson at dcarson@aem.org
AEM-Led Coalition Urges FCC to Invest in Rural Wireless System

In order to boost agricultural equipment ROI by improving wireless access in rural areas, AEM is leading a coalition of member companies and other stakeholders on our members’ behalf.

The Rural Broadband Coalition includes AEM and its members and producer groups including the American Farm Bureau Federation (AFBF). The coalition advocates for increased public and private investment in rural wireless systems.

AEM and coalition members John Deere and the AFBF met with Federal Communications Commission (FCC) officials on February 25, 2014 to make them aware of agriculture’s new and growing need for wireless access for Machine 2 Machine (M2M) communications. Meetings were held with FCC Chairman Tom Wheeler, Commissioner Michael O’Reilly and the Chief of the Office of Strategic Planning and Policy, Jonathan Chambers.

Coalition members told the FCC that today’s agricultural equipment features cell phone modems with the ability to upload critical operation information that can result in greatly improved producer productivity.

However, inadequate cell phone coverage in rural America threatens the use of this increasingly important added-value feature, they said.

For more information, contact Nick Tindall in AEM’s Washington, D.C., office at ntindall@aem.org | 202-898-9064.
What’s New in Standards

The American Society of Agricultural and Biological Engineers (ASABE) has revised its previous adoption of an international standard, ISO 5687:1999, Equipment for harvesting — Combine harvesters — determination and designation of grain tank capacity and unloading device performance.

The new standard, ANSI/ASAE AD5687:1999, Equipment for harvesting — Combine harvesters — determination and designation of grain tank capacity and unloading device performance, replaces the previous adoption, which was without deviations, to one with specific technical deviations. The revised adoption clarifies the standard by removing all subjectivity from the testing procedure. The deviations include additional bounds on test parameters to improve test repeatability and robustness, with the goal of achieving greater reliability and consistency of the reported results regardless of facilitator.

ASABE has completed a new safety standard for post-hole diggers. ANSI/ASABE S619 DEC2013, Safety for Tractor-Mounted, Boom-Type Post Hole Diggers, establishes safety recommendations for use and operation of boom-type post hole diggers designed for attachment to the three-point hitch of agricultural tractors.

The need for the standard was brought forward by the Post Hole Digger Council of the Farm Equipment Manufacturers Association (FEMA). Previous ASABE standards applied to implements attached to and powered by agricultural tractors, but none pertained exclusively and specifically to boom-type post hole diggers. In filling that void, the new standard meets the needs of those who design, manufacture, and use such implements.

ASABE announces that the international community has approved four new International Organization for Standardization (ISO) projects to develop or revise documents in the ISO 4254 series of standards for agricultural machinery safety.

The projects are as follows:
- a new standard specific to portable agricultural grain conveying equipment
- a revision to Part 5, the standard for power-driven soil-working machines used in agriculture
- a revision to Part 8, the standard for solid fertilizer distributors
- a revision to Part 9, the standard for mounted, semi-mounted, trailed or self-propelled seed drills

These four standards prescribe specific safety requirements and means for their verification.

Those individuals, companies, or organizations wanting to participate in the development of the documents or wanting additional details regarding the projects may contact Kristopher Schock at ASABE, schock@asabe.org.

For standards information, contact Scott Cedarquist at cedarq@asabe.org. A listing of ASABE standards projects may be found at http://www.asabe.org/projects.

Implements of Husbandry

was to build an industry coalition to collectively raise our concerns. Midwestern Dealer Association and the Dairy Business Association were early partners who stood together and successfully pushed for major changes in the Assembly.

What’s next?
The AEM/FEMA Coalition has agreed to work together to monitor the implementation of the legislation and work together on possible legislative changes if necessary. “It is critical that the industry monitor the implementation of this new law to ensure that it does improve the safety of the roads and not force an undue burden on the State’s agriculture economy,” says Yaksich. “Wisconsin’s Study Group and bill have also launched important broader discussions between manufacturers and other stakeholders on standards for on road use and best practices.”

To view a chart illustrating a comparison of new height, weight and length limits versus the old, go to aem.org/Advocacy/Advocacy/Issues/ For more on this and other public policy issues being handled at AEM’s Washington D.C. office, contact Nick Yaksich at nyaksich@aem.org.

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AEM Ag Executive Advisor
Thought-Provoking Forum

2014 Ag Executive Forum

Highest ever ratings and some very provocative concepts defined this year’s *Ag Executive Forum*. It was held in conjunction with Farm Journal’s Top Producer Seminar in Chicago this past January and CropLife America joined as a third host of the event. Mixed panels of progressive farmers, government leaders and agribusiness executives from the U.S. and abroad (including AEM ag sector board member Thierry Krier of Kuhn Group) explored tomorrow’s critical issues from their varied perspectives. Keynote speakers Dr. Michael Boehlje, Distinguished Professor of Ag Economics at Purdue University and Dr. Simon Atkins, Climate Risk Economist, rounded out the very stimulating and sometimes controversial program. I’d like to share a few of the more notable nuggets that I believe would apply to you and your business:

Producers, manufacturers, and agribusiness cannot depend on just knowing their own intellectual seed-bed. Success now relies heavily on seeing and grasping “what’s out there.” Innovation and ideas from outside agriculture (one example was fracking) can and will have a significant influence on your business.

Climate change results not from rising levels of carbon dioxide, but from electromagnetics, solar flares and solar storms and there is nothing we can do besides prepare for emergencies like disruptions in the grid or cell phone usage which could result from these phenomena.

There are still major barriers to business in China where U.S. companies encounter issues such as the mandate to have all of their computers approved by the government.

China also has a serious water problem, and has gone to the extreme of building a pipeline thousands of kilometers long to pump in water from the Tibetan plateau, one of the world’s largest sources of fresh water.

Latin America, especially Brazil, is looking like the next California when it comes to producing value-added, high-nutrition, high-value crops. Because of climate and resources, Brazil can move from growing millions of acres of soybeans to producing in huge volume the same crops the San Joaquin Valley is known for. Brazil also has the advantage of being in between the jet streams of the northern and the southern hemispheres. That is important, when one considers the continuing fallout from the nuclear reactor damaged in Fukushima, Japan during the March 2011 tsunami. Radiation continues to follow the jet stream across the Pacific to the west coast of the U.S. In the not-so-distant future, grocery store food displays may well include notices of the radiation level in products.

Environmental policy influences capital markets, and those capital markets decide which businesses receive loans. Capital markets determine where agribusiness operations may have funds to expand and where they may not. In the U.S., we are taking property rights from the individual and giving those rights to “society” as we apply urban zoning rules to rural life.

The combined messages from the speakers created a sense that in spite of the many risks and challenges that are emerging now and over the next few years, great opportunities continue to be in store for the agriculture industry.

JUNE 6 DEADLINE FOR 2014 HALL OF FAME NOMINATIONS

AEM members have the opportunity to honor leaders, living or deceased, who contributed to the industry’s growth and strength by nominating them for the AEM Hall of Fame. Hall of Fame awards are presented at AEM’s November Annual Conference, and candidates are evaluated on:

- Innovation
- Industry contributions
- Leadership
- Corporate citizenship/social responsibility
- Sustainability

There is no limit to the number of nominations that may be submitted. It is recommended that nominations include supporting documentation, i.e. historical company newsletters, press releases, patent information, published articles about the nominee. All documentation must be uploaded as one attachment to the online nomination form.

For more information and to submit your nominations, go to www.aem.org/HallofFame.
WELCOME NEW AEM AG MEMBERS!
(4th QUARTER 2013)

ARI-Hetra
Diamond Chain Company
Duo Lift Manufacturing Company
Envano
Global Equipment Marketing
LE - Light Engineering Inc
Maschio-Gaspardo NA
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OTR Wheel Engineering
Pathway Polymers
PT Tech Inc
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Rev B
Rinstrum
Sampierana spa
Sevcon