



Harvest Equipment knows what you need to get the job done

Date: January 22, 2016

To: Senate Economic Development, Housing & General Affairs Committee
Chairman Kevin Mullin

Members of the Vermont Economic Development, Housing & General Affairs Committee

From: Scott Miller, General Manager, Harvest Equipment

Subject: S 224: Equipment Dealer Agreements – **Opposition**

Dear Chairman Mullin and Members of the Vermont Senate Economic Development, Housing and General Affairs Committee:

On behalf of the management and our 48 Vermont employees of Harvest Equipment, I am writing in **opposition to the passage of S 224: Equipment Dealer Agreements**. Harvest Equipment was started in 2002 and today is Vermont's largest John Deere Dealer with 4 locations including Newport, Swanton, Montpelier and Williston. For over 15 years, Harvest Equipment has been providing high quality agriculture and turf care products and services for our customers in a business footprint that stretches throughout northern and central Vermont. Today, our customers include large agriculture operations, commercial customers, residential land owners, small agricultural producers and governments.

Throughout the years we have collaborated with our manufacturing partner, John Deere, to enhance the total customer experience by making the necessary business capital expenditures, building new locations, fulfilling our contractual obligations and providing highly trained equipment technicians and salespeople so that our agriculture and turf care customers can be as productive and efficient as possible. The passage of S 224 would significantly detract from all that Harvest Equipment has worked hard to achieve in partnership with John Deere. The legislation modifies standards for equipment dealers in Vermont than what is currently contained in our John Deere contract today. SB 224 would negate

Harvest Equipment's past and current efforts to become a recognized John Deere dealer, while providing exceptional products and services. Customers benefit greatly from the focus that John Deere requires of our Vermont dealers in representing separate lines of equipment. Under John Deere's approach, the additional investment required for separation to another facility, the product, parts supply, services support, sales and operator training and machine optimization support enhances the customers' benefits from the expertise the brand focus delivers. For example, agricultural customers do not want their dealer to decide not to carry a particular John Deere part in inventory because they decided to carry a part for a competing brand. The same rationale applies to technical training, repair facilities and sales support. Also if a dealership carries all brands, the actual costs of equipment may be less competitive because of overall price control in the market by a single entity in a given area. The Competitive Lines' provision in S 224 is actually detrimental to customers and reduces the overall value that they receive. If enacted into law, this provision would not only be an issue at the time of equipment purchase but could also impact the after sales relationship.

The legislative provisions contained in S 224 would ultimately have an adverse effect on customers and their total experience with the product. Specifically regarding the contract process, Harvest Equipment also supports two approving parties being able to negotiate private contracts without governments "stepping in" and ultimately establishing provisions that might not be in the dealers' and / or manufacturers' best interests relating to their relationships.

Thank you very much for your consideration of Harvest Equipment's position of opposition to S 224. Please contact me if I can be of further assistance on this legislation. I also sincerely appreciate your public service on behalf of the citizens of Vermont and wish you the very best in your legislative deliberations.

All the best,

Scott Miller
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