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**A JOHN DEERE PERSPECTIVE ON FINANCING**

**Fred Midkiff**

**Proceedings of  
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**FINANCING AGRICULTURE IN A CHANGING  
ENVIRONMENT: MACRO, MARKET,  
POLICY AND MANAGEMENT ISSUES**

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Department of Agricultural Economics  
Texas A&M University  
College Station, Texas 77843-2124  
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**A JOHN DEERE PERSPECTIVE ON FINANCING**

**Fred Midkiff**

**WHY IS JOHN DEERE IN THE FINANCE BUSINESS?**

- \* CONSTANT AVAILABILITY OF FUNDS
- \* LARGE VOLUMES
- \* INCENTIVES
  - HELP EQUALIZE RETAIL PRICES
  - HELP LEVEL PRODUCTION SCHEDULES
- \* PROFIT FOR THE COMPANY

**EXPANDING INTO OTHER MARKETS**

- \* AGRICULTURAL - INSTALLMENT & REVOLVING CREDIT
- \* INDUSTRIAL - INSTALLMENT & SOME WHOLESAL
- \* CONSUMER PRODUCTS - INSTALLMENT & REVOLVING CREDIT
- \* MARINE - INSTALLMENT
- \* RECREATIONAL VEHICLES - INSTALLMENT & SOME WHOLESAL

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**Fred Midkiff is Manager, Market Development Agriculture, Deere Credit Incorporated.**

## RELATIONSHIP WITH BANKS AND FCS

- \* BANKS AND FCS PROVIDE A VITAL SERVICE TO THE FARM ECONOMY
  - OPERATING LOANS, STABILITY
  - FARM LEGISLATION (WE'RE ALL ON THE SAME TEAM)
- \* WE HAVE ENCOURAGED BANKS AND FCS TO SUGGEST JOHN DEERE EQUIPMENT AS A BETTER EQUIPMENT OPTION FOR RESALE, LESS DOWNTIME, DEALER NETWORK, ETC.
- \* THEN THERE IS COMPETITION
  - JDCC DOES COMPETE
    - FLEXIBILITY
    - NO LOAN IS TOO HIGH OR TOO LOW
    - AREA SALES MANAGERS IN THE FIELD
    - INCENTIVES
    - CONVENIENCE
      - INSTANT CREDIT
      - ENTERPRISE SYSTEM
      - PRIOR APPROVAL NOT MANDATORY
      - TOLL-FREE NUMBERS
      - IN CERTAIN MARKET CONDITIONS, IT'S TOUGH FOR JDCC TO OFFER RATES THAT MATCH
- \* SPONSORED BY THE EQUIPMENT MARKETING DIVISION
- \* WILL CONTINUE AS AN EFFECTIVE MARKETING TOOL
- \* WAIVERS AND LOW RATES