

## Getting to Know Your DAB Larry McFarland Schafstall Inc.

Thirty years in the grain business have taught Larry McFarland that teamwork is what success is all about.

That's why this charter member puts so much stock in the GSI Dealer Advisory Board (DAB). "I was really pushing GSI to institute a Dealer Advisory Board because I think it's the best way for the company and the dealer network to work together."

Decades in the business, including more than 20 years at Farm Fans before buying into Columbus, Indiana-based Schafstall Inc. in 1996, convinced Larry that a great team with a great strategy wins every time. There must be something to it—this GSI-exclusive Eastern Region dealer has doubled in size since Larry joined the five-man partnership.



**Larry  
McFarland**

To Larry, Schafstall's success underscores GSI's need for a DAB. The group's main purpose as far as he's concerned? Promote an atmosphere of teamwork. Is it working? Larry says you can see direct results. "I can see better communication coming from GSI, which is one weak point," he says. "I

can see better quality; I can see shipments coming more complete. There's still a lot of work to be done, but they've come light years ahead."

To help GSI improve and succeed, dealers need to do more than just run bins through. "Be loyal," says Larry, "not just sell product but also say, 'Hey you've got a problem' or 'Hey you did a great job.'"

Perspective like this is one of the main things Larry believes he can bring to the DAB table. As a representative for fellow Eastern Region dealers, he's been through ups and downs and changes, both with the industry and GSI. "I started from the ground up pouring concrete," he says. "Now we do it all, from design to installation to millworking to service."

Which means he understands every aspect of the business, from building a simple 30 ft. bin to designing and constructing a \$2.5 million feed mill. And that means when Larry speaks, he's truly bringing your voice to the DAB table.

Have a comment or feedback to share with Larry? Reach him at 812-342-6010 or [sandy@schaftall.net](mailto:sandy@schaftall.net).

## Dealer Advisory Board: Dealers Speak, We Listen

When dealers gathered at the Grain Group Dealer Meeting in Orlando January 12-15, your Dealer Advisory Board (DAB) spoke for you loud and clear: GSI is making some progress, but some isn't enough.

The group—representing a good cross-section of GSI's dealer population—meets three times a year to provide feedback on successful initiatives as well as opportunities for improvement. GSI also uses them as a sounding board for proposed product and system improvements. In short, they're giving you a voice throughout the dealer network and GSI.

Here's what they said and how GSI is answering to help our dealer network succeed.

What are we doing right? You said our material handling is some of the best in the industry. Our product engineering is first class, our equipment is well designed. And our product availability, though it still has room for improvement, is the best in the industry.

You said: Quality is a major concern, particularly on motors, thermistor sensor bolts and dryers.

We are: Making quality a renewed focus in 2009. We're making every effort to ensure we ship only quality product every time,



prioritizing to address the most critical issues first and creating more robust testing and shipping documentation processes.

You said: We need accurate, complete technical manuals and parts books for all products.

We are: Identifying missing and incorrect information and working to modify and improve. Product Managers now have accountability for product manuals, putting key knowledge behind them.

You said: We need more service techs in the field and more knowledgeable phone support.

We are: Ramping up to serve you better. That means adding resources to provide farm/commercial service support and expanding our Technical Services team.

You said: We need better communications and more marketing.

We are: Creating new channels for more detailed regular communications. This includes the monthly *Dealer Dispatch* newsletter with product news, market updates, DAB reports, sales tools and more.

At GSI, we truly understand the value of our dealer network. That's why we're constantly working to serve you better.

Have more feedback? E-mail us at [newsletter@gsiag.com](mailto:newsletter@gsiag.com) or contact your nearest DAB member—they're here to make your voice heard. (See page 4 for DAB Directory.)

## Marketing in Today's Market— Thoughts from the Dealer Meeting

While selling in any climate presents challenges, today's world presents a completely uncharted road for us to navigate. At the January Dealer Meeting in Orlando, experts offered their insights and suggestions for succeeding.

**Grain Market Outlook.** John Roach, a consultant with more than 30 years of ag commodity marketing under his belt, had this to say about the market: Tell your farmers they need to build storage for a record crop, not an average crop. Otherwise, with a record crop, there will not be storage space, only "selling" space at elevators, and they will take seasonally lowest prices on their large harvest.

With 2009 production acreage for U.S. corn projected down, wheat up and soybeans looking at a slight uptick in the U.S. but a cut in South America, it's important to understand storage potential. World stocks are tight for '09, particularly for corn and wheat. He expects corn prices to peak in March-June and bean prices to stay strong thanks to Chinese buying and dry weather in Argentina. So storage options are there. In particular, says John, don't underestimate opportunities for storing wheat.

In fact, one of his biggest grain marketing tips is making sure you have enough owned storage to hold the undelivered percentage of a record crop.

**Producer Buying Habits.** Dr. Dave Downey, an economist with Purdue University's Center for Food and Agricultural Business, interviewed over 2,500 large commercial grain and livestock producers from all over the country to find out how they make their buying decisions.

When buying equipment, commercial producers tend to make more decisions after extensive discussions than their midsize counterparts. High growth producers are more likely to have extensive discussions but care less about convenience and more about service. Large



**John Roach**



**Dr. David  
Downey**

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# Quality First—Challenges & Issues Update

In 2009 and beyond, we're committed to taking quality up a notch, with a renewed focus on delivering only the finest, most reliable products on the market. As part of our commitment, you'll see regular updates on the issues you've identified as the most critical.

## CONDITIONING

### Centrifugal Fans

#### New Crimp connectors and wire insulators on motor wires.

Crimp-style wire connectors with mechanical crimp tools have been put into place. The new wire insulator is heat shrunk over the crimp connection. Its inner lining melts to seal the connection from moisture and elements.

**Spade terminals** have been added to all wires connecting to overload, contactors and relays. New tooling is in process for installing spade terminals on wires.

**Overloads and contactors** are all being converted to Telemecanique from GE.

**Overloads and contactors** are being separated and made into individual mountings.

**Electrical components** are undergoing vibration testing in the Research & Design Lab.

### Portable Dryer Bolt Sensor

Please return bolt sensors (Thermisters part number HF-7236) that fail in the field so we can evaluate and address the quality issue.

### Baldor Motors

We're evaluating and collecting information on 15 HP 1 Phase motors, capacitors and contacts failing. Please send any information to [gsifixt@gsiag.com](mailto:gsifixt@gsiag.com). A cross functional team has been established to work with the field and the supplier to address the issue.

We're also reviewing other motor issues, specifically on the 7.5 HP 1 Phase and the 10 HP 1 Phase. We still need additional information; send any details to [gsifixt@gsiag.com](mailto:gsifixt@gsiag.com).

### Portable Dryer Fan Blades

To address issues on fan blades in Portable Dryers, we've

established a cross-functional team.

We're reviewing the fan blade area, tightness of the blades, clearance of the blades, any marks or rubs on the fan housing and other various components associated with the fan blade assembly.

Technical crews are analyzing products in our Research & Design Lab, and we've made field visits to North Dakota, South Dakota, Minnesota and Iowa. The team uses Six Sigma® practices emphasizing the 5 Why tool. A summary will be complete soon.

## GRAIN STORAGE

### White Rust Avoidance

Automated sidewall lines have had an integrated line shutoff installed in the oil reservoir to shut it down if the oil level falls below acceptable level.

### Ship Complete

In an effort to reduce shortages, we're conducting 100% compliance checks after hardware packaging, as well as 100% compliance audits at sidewall, roof and stiffener bundle lines. In addition, random audits are performed.

## MATERIAL HANDLING

### Model 84 Grain Flow Floor Augers with Cut-Lok Flooring

Unloading and conditioning issues have been identified when using Model 84 Grain Flow floor augers with Cut-Lok flooring. To optimize the Model 84's operation we recommend that Cut-Lok flooring not be used with it. Customers trying to pair the Model 84 Grain Flow with the Cut-Lok flooring will be notified of the issue, and alternate recommendations will be provided.

### Farm Duty Bin Sweeps

Between September and late November of 2008, customers who ordered 6" Farm Duty Bin Sweeps were shipped 5" O.D. flitting instead of the 4.25" flitting historically sold. GSI is working to verify the capacity of the sweep at a new proposed RPM. Field testing is ongoing to verify the proposed RPM will not plug the 6" unload. Upon verification a PNOT will be issued.

find more at [portal.gsiag.com](http://portal.gsiag.com) 

# Field Service Update

## SERVICE SCHOOLS

Service Schools are beginning the week of February 16. Below is the listing of school locations and dates. If you have questions or need more information, please email to [gsifixt@gsiag.com](mailto:gsifixt@gsiag.com).

Location	Meeting Dates	Hotel	Reservation Number	Address
Blytheville, Arkansas	February 17- 19	Holiday Inn	870-763-5800	1124 E. Main St. Blytheville, AR 72315
Decatur, Illinois	February 24- 26	Decatur Conference Center and Hotel	877-352-8800	4191 US Highway 36 West Decatur, IL 62522
Aurora, Colorado	March 3-5	Hilton Garden Inn	303-371-9393	16475 E. 40th Cir. Aurora, CO 80011
Worthington, Ohio	March 10-12	Holiday Inn	614-885-3222	7007 N. High St. Worthington, OH 43085
Ft Wayne, Indiana	March 17-19	TBA		
Burnsville, Minnesota	March 24-26	Holiday Inn	888-463-7200	14201 Nicollet Ave. Burnsville, MN 55337

## PNEGS (MANUALS)

A team has been put in place to begin review of service & installation manuals. This team will review current status of manuals and prioritize manual updates/creation.

You will be able to find manuals on the GSI external website at [www.grainsystems.com/docs/english/manuals/mancateg.htm](http://www.grainsystems.com/docs/english/manuals/mancateg.htm). Use

the search feature at the bottom of the page within this link to find manuals.

## LATEST PNOT (PRODUCT NOTIFICATION) #349

**Subject:** Sudden shutdown of Zimmerman Dryer Control

**Problem:** The Dryer control will consistently shut down without warning after approximately 6 minutes of drying. PLC fault light FLT will be on indicating the presence of a fault.

**Cause:** The resettable run time counter has reached its maximum value of 3276.7 hours. Drying for an additional 6 minutes (0.1 hours) will cause the PLC to fault due to a counter overflow.

**Solution:** The resettable run time counter must be reset.

Step 1. Start the dryer and begin drying grain. The operator interface displays the normal status screen.

Step 2. Press the NEXT key in the upper right corner of the operator interface.

Step 3. Press the RST key in the lower right corner of the operator interface.

See PNOT #349 for additional detail and pictures.

## WARRANTY PROCESS IMPROVEMENTS

During the January Dealer Meeting, the Dealer Advisory Board (DAB) provided feedback that our warranty process is difficult with inconsistent processes at every turn. Review and improvements have been assigned to Jeff Fjelstul & two DAB members, Schafstall Inc. & Vandevoorde Sales. To date the team has made on-site visits to understand dealer processes by interviewing owners and office staff to capture information. Internal GSI processes are under review, and updates will be provided as progress is made. If you have any comments, please e-mail [jfjelstul@gsiag.com](mailto:jfjelstul@gsiag.com).

# Pricing Updates

## Farm Pricing

The last Early Order Max Discount of 14% will end on Friday, February 20.

New List Price Catalogs are being mailed that Friday.

Over that weekend, we will update the Portal with the new list prices.

We are continuing a 5% bin+accessory package program until March 13.

## Steel Pricing

Scrap prices have held steady three months in a row after increasing 200% from November '08 to December '08.

Steel mills are running at less than 45% capacity—they are reducing supply to better manage pricing.

Lead times for steel are back up to six to eight weeks.

Work with your farmers to get their orders in to ensure they're ready for harvest 2009.

# Market Updates

Since December 8, corn and soybean markets seem to have stopped their global downtrends and have staged a few decent rallies with sustained price gains.

The fundamentals of the corn market remain strong: The effect of negative livestock/poultry margins has been priced into the levels we now see; ethanol is again profitable (using sorghum at a few locations); export sales are moderate, and ending stocks projections remain tight.

Some expected U.S. corn usage declined, resulting in ending stocks as high as 2 billion bushels, but the USDA report February 10 left ending stocks unchanged at 1.79 billion bushels—a surprise to traders. Further declines in corn usage are not expected. In fact, global corn usage was raised in the USDA report and results in a continuing tight stocks-to-usage ratio of 17% for '09-'10.

In the 1980s, that number was as high as 40%, and the 25-year average is 27%. (Corn doesn't sit around in an environment like this but keeps on the move. Have you noticed ground piles being picked up already? Think about what that implies for your business.) The world still needs corn, and 2009-10 revenue and ROI per acre calculations are telling that to the farmer.

Global rice production is expected to be up 1.2% in 2009 but exports down 5%. The benchmark Thai rice price continues to be lackluster until renewed export demand surfaces. Prospects for it to kick in are good as total rice demand has consistently grown 2.3% year over year, and it's an indispensable staple in developing regions.

A good measure of global commodity demand and trading is the Baltic Dry Index, an index of ocean bulk-carrier shipping rates. It began bottoming a month ago and is rallying on increased iron ore and grain movement. Maybe we've found the bottom.

# Product Update

At GSI we're constantly innovating and improving. That means new products, enhancements and sales tools to help your business grow. Here's what's coming down the pipe.

## STORAGE

The first **1 Million Bushel Bin** is currently scheduled to ship in June. Specs are now available through your District Manager.

The **Ladder Safety Door** will be available in March.

**Shipping Improvement Focus.** To meet our dealers' high expectations and our own commitment to quality, we're focused on improved shipping in 2009.

Beyond enhanced accuracy and timeliness, that also includes:

- Increased side kits for trailers
- Standardized load procedures
- Improved packaging

## MATERIAL HANDLING

Training has begun on the **Bucket Elevator Configurator**; look for the full version coming this summer. The Chain Conveyor Configurator will follow. Faster, easier quoting is coming your way!

The **U-trough Conveyor** will be ready by December.

## CONDITIONING

The **Honeywell Thermostat** replacement will be available in July.

The **10'6" Modular Tower Dryer** will be ready to ship by May.

**Vision software updates** will be in by June.

The **Watchdog Monitoring System** will be available in May.

# Product Focus : Modular Tower Dryers

Designed for speed, simplicity and efficiency, GSI's new T-Series Modular Tower Dryers can be built and wired in just two days.

They're easy and intuitive to operate, with minimal moving parts. Plus, energy-efficient T-Series dryers are rated to dry at lower temperatures than most dryers, ensuring the best quality grain possible.

Each T-Series dryer features the easy-to-use Vision dryer control system, designed for the widest, most advanced range of controls. With a large color touch screen, it easily mounts up to 1,000 feet from the dryer.

Additional features of the T-Series include:

### Efficient Vacuum Cooling

Reduces BTUs with fans mounted between cooling and heated sections to pull cool air through hot grain.

### Patented Grain Exchangers

More efficiently dries grain by inverting hot grain from inside the column to outside the column (optional feature but highly recommended).

### Patented Accutrol Metering Unload

Keeps columns free of restriction by providing positive grain flow from columns while self-cleaning the floor.

### Heavy Galvanized Screens

Retain maximum particulate matter with standard 0.0625 diameter perforation (stainless steel available).

### Vane Axial Fans

Consistent dryer operation and optimum airflow with highly efficient low speed direct drive units.

### Platforms and Ladders

Easy access with available inside/outside catwalks, platforms, ladders and cages.



