

WELCOME NEW MEMBERS

**BPC Chicago/UKT Chicago
Heartland Heating & Cooling**

REGISTRATION IS OPEN 2011 Credit Congress

The 2011 Credit Congress May 22–25 in Nashville will offer an array of compelling sessions. Ranging from introductory topics to complex subjects, these sessions will present material in the following categories:

*Business and Technical Skills
Credit Management
Credit and Technology
Financial Analysis
International Credit
Leadership and Management
Legal Environment of Credit*

Based on your individual needs and interest levels, you'll be able to customize a conference agenda that's right for you and your company.

Registration is now open. Save \$150 on your full delegate registration if you register online by December 17.

Discounts are also in place for spouse and team registrations. For more information, visit <http://creditcongress.nacm.org/registration/registration-information.html>.

EVENT CALENDAR

November 2	NCS Webinar: Implementing a Lien and Bond Claim Program: Overcoming Obstacles
November 3	NACM National Teleconference – Export LCs: The Nitty-Gritty
November 4-5	Legal Workshop: Bankruptcy Issues – NACM National, Columbia, MD
November 7-12	Business Credit Principles – NACM National, Columbia, MD
November 8	Nationwide Certification (CBA, CBF, and CCE) Exam Test Date
November 9	NACM National Teleconference - Credit Applications
November 10	NACM Heartland Lunch and Learn – “Best Practices” (round table discussion to share with other NACM Heartland members your best tip), Johnston, IA
November 15	NACM National Teleconference – Having Your Own Crystal Ball – Knowing the Secrets of Forecasting
November 16	NACM National Teleconference – ABC’s, Out of Court Workouts, and other Non-Bankruptcy Alternatives
November 16	NCS Webinar: UCCs—Leasing and Conditional Sales
November 17	NACM National Teleconference – Unclaimed Property Compliance – Part III
November 18	NACM Heartland Construction Meeting – Johnston, IA
November 22	NACM National Teleconference – UCC-1 Filings: Benefits and the Required Elements
November 30	NCS Webinar: Lien Foreclosure
December 6	NACM National Teleconference – Risk Mitigation Devices When Dealing With a Troubled Company
December 8	NACM Heartland Board Meeting – Des Moines, IA
December 8	NACM National Teleconference – Advanced Contract Terms
December 13	NACM National Teleconference – Red Flags Rule & Guidelines Simplified
December 14	NCS Webinar: UCC Remedies Upon Debtor’s Default
December 15	NACM National Teleconference – Stress Management
Jan 3-April 15	NACM National – Accounting online Course
Jan 3-March 25	NACM National – Business Law Online Course
Jan 3-March 25	NACM National – Credit Law Online Course
January 10	Paperwork Deadline for Nationwide Certification (CBA, CBF, and CCE) Exams
January 23-28	Financial Statement Analysis 1 – NACM National, Columbia, MD
January 27	NACM Heartland Construction Meeting – Johnston, IA

To register for NACM National Teleconferences, visit www.nacm.org or call 410-740-5560.

HEARTLAND HEADLINER

www.nacmheartland.com

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Food Inflation Likely to Manifest Next Year

The agricultural sector has been in some flux this year and that is probably an understatement. Prices of most commodities have risen sharply due to a whole host of global issues from bad weather to bad politics. The farmer in the US has had an opportunity to make some gains but as with every crop year that depends on the local conditions and this year has been as varied as any.

The price of many staples has risen sharply – wheat is up 82%, Texas steers are up by 19%, butter is up 74% and corn is up by 54% and rising. It would be nearly impossible to find a commodity that hasn't risen – cotton is surging on the back of the floods that wiped out the Pakistani crop while sugar is hiking in response to the imminent ban on genetically modified sugar beets. The soybean crop is selling at record prices due to inflated demand from Asia and a reduction in exports from Brazil. The list goes on and on and the burning question is what all this will mean for the price of food over the next few months. The analysts are mixed as to when that inflation will make its appearance but there is no dispute that there will be a reaction. The question is not whether there will

be food price inflation but when it will appear and how high prices will go. The sense is that there are some factors in place that will limit price hikes for some foods but not indefinitely. The food manufacturers will be squeezed by some dual realities and it will come down to their level of resiliency.

Analysis: The reason for the surge in food price is obvious enough if one has been tracking all the issues that have affected global agriculture in the past year. Severe drought in Russia and Ukraine led to massive fires that contributed to an utter collapse of the crop this year. Neither of these nations was able to export anything and both were forced to buy commodities from elsewhere. Floods in South Asia destroyed vast

quantities of the cotton and rice crop and other parts of the same region failed to get any rain to speak of and that limited output. Australia saw some minor improvement in output but there has been a drought there for the better part of two decades and a single year of improved rain will not reverse the impact. Bad weather and drought affected much of Europe as well, a situation complicated by all the financial turmoil in the southern states that produce much of the farm output for the entire continent. The idiotic tax and tariff policy in Argentina kept the majority of farmers from selling their output to the rest of the world and Brazil ended up consuming more of their own output than had been expected.

This left the US and Canada as the last men standing but there was trouble in these states as well.

The USDA had been predicting bumper crops in almost every category – wheat, corn, soybeans, rice and so on. In many cases this was an accurate assessment but the corn numbers proved to be far from correct as it turned out that the corn crops looked ok from a distance but when they were actually harvested the yields were very low and the estimates for output were slashed drastically. Now the US was facing a shortage of corn as opposed to a surplus. This situation has been made more complicated by the fact that a considerable amount of that corn had already been promised to buyers outside the US. These purchases had been made when it became obvious that other nations were going to be in trouble and the US was expected to be a big producer again. Now that it seems that the US is going to have far less to sell, the domestic squeeze is on and that will affect everything from ethanol prices to cattle feed.

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JOIN US FOR A LUNCH AND LEARN Best Practices of a Credit Department

Wednesday, November 10

Okoboji Grill

8481 Birchwood Court, Johnston

**Cost: \$35/members or
\$45/non-members**

**RSVP to Maggie Bessenbacher at
888.222.1447 no later to Monday, Nov 8.**

The NACM Heartland board of directors will be facilitating a best practices roundtable.

Bring your questions and your own best practices for a lively conversation about topics such as collection call tips, staying organized, inventory, credit applications, the ever-changing payment landscape, taxes, customer visits and much more!



CREDIT MANAGERS TOOLBOX

United Tranz*Actions

Earlier this year, we announced the merger of American Check Management (ACM) and National Check Trust, Inc. (NCT) to form a new financial services company known as United Tranz*Actions, LLC, or UTA for short. Like our partnership with ACM, UTA works to save businesses time and money in all their back office money management tool areas.

If you haven't visited www.utallc.net in awhile, go today and check out UTA's leading edge products to appreciate the quality and savings that UTA provides.

Electronic Funds Transfer – UTA brings the bank to your desktop. Cost effectively increases speed of payment.

Online Bill Pay – Empowers your company to accept customer initiated payments on your website.

Credit Card Services – Aggressively priced credit card services for merchants backed by one of the nation's largest processors: Fifth-Third.

e-mmediate(sm) – Guaranteed electronic processing at 40% less than the cost of most credit cards.

Check Guarantee Services – Accept checks without the risk: a simple and economical way to reduce bad debt

As a member of the NACM you will receive all of UTA's great products and support as well as additional benefits including:

- Special Rates for NACM Members
- No Application, No Reprogramming & No Statement Fees
- No Membership & No Monthly Maintenance Fees
- No Call Charges
- No Software to Purchase
- Unlimited Tech Support
- No Voice Authorization Fee
- No Return Fees

For more information, contact Maggie Bessenbacher at 888.222.1447.



Happy Retirement, Ron Mayberry!

Ron Mayberry, Credit Manager – Specialty at Helena Chemical will be retiring. He has been an asset to the credit industry and he will be missed. Good luck in retirement!

How long have you been at Helena Chemical?

21 years in separate stints

How many years in the credit field? 34 years total, of which 19 were with Helena

What is one thing you are proud of during your career? Winning the Marubeni Award this past year with Helena and serving about five years on three occasions as Chairman of the Southeastern NACM and the National Turf & Ornamental NACM Heartland group.

What will you miss the most? I will miss the friendship and involvement on a regular basis with many good people within Helena and throughout the industry.

What are your plans post-retirement? I plan to travel more to places I want to go, visit more with family, follow my Cubs in baseball and Illini in basketball and football, do some fishing, golfing, and gardening. I also enjoy pinochle, chess, Sudoku and crossword puzzles. I plan to get more involved in mission work through my church and I will probably continue to teach Sunday School. The best part will be doing things at my own pace and when I want to.

NACM Archived Teleconferences

NACM National offers a variety of teleconferences each month about topics that are important for credit professionals. Now, these teleconferences are available as digital audio replays of our past teleconferences. The digital replays are offered at the same price as the live teleconferences: \$74.95 for the 60 minute teleconferences and \$99.95 for the Added Advantage 90 minute teleconferences. Visit www.nacm.org to learn more.

Teleconferences that are currently available:

The Use and Abuse of Customer Financial Statement Analysis Including Ratio Analysis

October 20, 2010

Presenter: Michael Dennis, CBF

Preferences

October 18, 2010

Presenters: Deborah Thorne, Esq.

Taking the Fear Out of Financial Statements

October 13, 2010

Presenter: Toni Drake, CCE

Utility Customer Bankruptcy Issues

October 6, 2010

Presenters: Bruce S. Nathan, Esq., Vincent D'Agostino, Esq. and Scott Cargill, Esq.

False Corporate Bookkeeping and Reporting

October 4, 2010

Presenter: Scott Blakeley, Esq.

Accounting ABCs

September 27, 2010

Presenter: Meredith Mostochuk, CBA

Economic Update

September 20, 2010

Presenter: Chris Kuehl

Best Practices in Granting Credit To Small Businesses

September 16, 2010

Presenter: Pamela Krank

► Food Inflation continued from page one

There are other issues in the US – the imminent ban on GMO sugar beets is just one example of poor timing. There had been no expectation that the current seed crop would be deemed unacceptable as it had been approved by the USDA several years ago but now the EPA is engaged and the ban is on the immediate horizon – affecting next year's planting decisions. The fact is that there is not enough non-GMO seed available to meet demand so not only will there be a sharp rise in the cost of the seed but many farmers will be unable to get any seed at all. To make matters even worse, there is the solid block against the import of sugar from outside the US. The companies that need the sugar will be hard pressed to find the quantities needed. Granted, there are reasons enough to reduce the sugar intake of the average American but it doesn't appear that this is the best mechanism available to control that consumption.

Will all this cause food prices to rise? The answer is a clear yes but the bigger question is when and by how much. If there were no other salient factors in the equation, the price hike would be steep and swift but this is the middle of a slow dragging economic recovery and the consumer is still pretty shell shocked and unwilling to take big price hikes on food. The majority of the big food processors are well aware that they

This is taken from the Oct. 26 issue of Business Intelligence, a publication distributed by Armada Corporate Intelligence. Chris Kuehl, managing director, is a frequent speaker at NACM events and provides the monthly Credit Manager's Index.

can't simply hike prices to match the hikes in cost if they expect to hang on to their consumers. It has been made pretty clear by the grocers that they will not accept any further squeeze in their own profit margins and are more than willing to dump products from their shelves if the consumer is showing consistent price resistance. The tension in the food community rises as the analysts project what happens as far as weather for the rest of the year.

Last year the cold weather that seeped far south wreaked havoc on fruits and vegetables and drove those prices up in the grocer's aisle. Consumers reacted with sharp reductions in their weekly purchasing and stores were strained to keep up. The real money in a given grocery is in the prepared and packaged convenience foods and these are the very products that could be hit hard by the overall hike in farm commodities. There will be an impasse of sorts for the bulk of this year but by early in 2011 the pressure will start to build and the producers will have to make a move. The expectation is that food price inflation will show up in the beginning of the second quarter at the latest and for some products the increase will occur much earlier. Look for hikes that are between 2% and 5% across the board but with some even sharper hikes in some areas and with specific foods.

NACM Heartland Member Profile: Sioux Chief Manufacturing Co.

Who is Sioux Chief Manufacturing Co.?

We are a manufacturer of diverse, innovative plumbing products.

Where are you located?

In Peculiar, MO approximately 25 miles south of Kansas City, MO.

Who are your customers?

We sell to plumbing wholesalers/distributors.

How long have you been in business?

We were founded and incorporated in August 1957.

How long have you been members of NACM Heartland?

I believe we have been members about 4 years.

What value does NACM Heartland bring to your company?

Because of the type of business we are, NACM Heartland allowed us to join as an associate member since I could not find a trade group to belong to.

What is one thing other credit professionals should know about NACM Heartland?

Belonging to NACM provides resources to be better as credit professionals, such as education, the exchange of credit data and trade groups.

Do you have any advice for other credit professionals?

Try to maintain a good relationship with customers and sales and try to stay positive.

Thanks to Shawn Ismert, A/R – Credit of Sioux Chief Manufacturing Co., who took time to answer these questions. If you have a suggestion for an upcoming profile, please contact Maggie Bessenbacher at 888.222.1447.

Possible Mechanic's Lien Legislation

Each year NACM Heartland advocates for business credit and financial management professionals in the state of Iowa.

The upcoming legislative session is less than three months away, and we are already working hard to ensure we have a voice. There are several groups, including the Iowa Finance Authority (IFA), that are proposing changes to Chapter 572 Mechanic's Lien law. The primary recommendation proposes that the registry be placed online. As we have spoken to a variety of members about the implications of the proposed changes, there continues to be concerns about the ramifications if the changes are passed into law. On October 28 we met with members of IFA as well as Bill Wimmer, a local lobbyist. At the time of this printing, we don't have the results of this meeting. We will update members through the monthly update and upcoming newsletters about the status of this possible legislation. If you have questions or thoughts, please contact Maggie Bessenbacher at 888.222.1447.