MacDon^{*}

PERFORMANCE

GETTING THE MOST FROM YOUR MACDON MACHINE



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MacDonPERFORMANCE

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y any measure, 2008 was a very challenging year for most agricultural manufacturers. A dramatic spike in commodity prices resulted in much higher demand for new farm machinery worldwide, sending most manufacturers scrambling to keep up.

At MacDon, the demand for product was an incredible 60% higher than in 2007. This unexpected upturn coincided with the already scheduled addition of new products to MacDon's manufacturing line, and the first full year of production for MacDon's new generation of equipment (for which demand was already high). The result was a "perfect storm" of variables which lead MacDon to embark on the largest manufacturing ramp-up in its history.

One of the largest additions was the conversion of 45,000 square feet of MacDon's 590 Moray Street Exhibition Centre's showroom into the new home of MacDon's SP Windrower assembly line. Space in another building, formerly used by MacDon Engineering, was expanded into a factory for MacDon's pick-up headers and hay products (augers and rotary discs). A new building was erected for crating and production assembly. When all was said and done, MacDon added over



138,000 square feet of manufacturing, assembly and warehousing space, bringing the total available manufacturing facilities to more than 600,000 square feet.

Of course, a ramp-up in production at this scale is not possible without the addition of personnel – including assembly line personnel and other highly skilled workers such as welders, machinists, electricians and technologists plus many other support people. Since January 1st of 2008, MacDon has added more than 500 new faces to the company, bringing total employees to over 1,100.

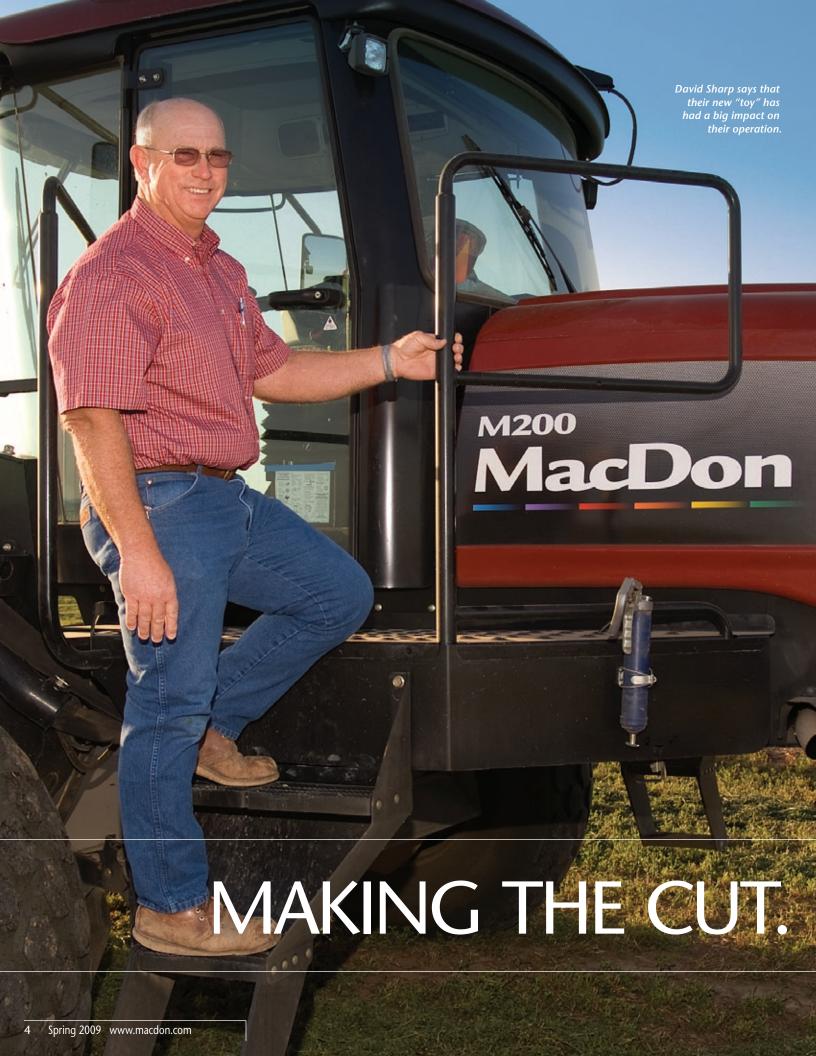
"It is really remarkable what we have achieved here over the last year or so," said Ken Ross, Vice President responsible for Manufacturing and Operations. "Not only did we add capacity and employees to our operation, but we have completely revamped our manufacturing and supply chain systems for maximum efficiency.

All told, over the last year or so we have increased total productivity by more than 130%."

Other recent changes at MacDon include an elevated commitment to parts production and the implementation of MacDon's P3 (People Pursuing Perfection) initiative, a continuous improvement program. Ross says that these additions and improvements prepare MacDon well for the future.

"We knew that we had some great product when we launched our new generation of equipment, but even we were surprised by the level of demand for it. Now, with these changes that we have made to our manufacturing we can go forward confident that we will be able to meet the elevated demand for our products in North America and worldwide."

Now totaling more than 600,000 square feet of manufacturing space, the MacDon factory in Winnipeg, Canada, encompasses many buildings. These include: 1 Main Factory and Draper Header Assembly, 2 SP Tractor Assembly Factory, 3 Hay Products (Augers and Rotary Discs) and Pick-Up Headers Factory, 4 Dealer Accessory Assembly and Crating, 5 Powder Coat Paint Facility, 6 Receiving and Parts Warehouse, 7 Product Support and Maintenance.



hat machine is fast!" It's a comment David Sharp and his brother Clyde hear often from their neighbors about their MacDon M200 SP Windrower with its R80 Rotary Disc Header – the first rotary disc machine to finally be bought for their operation. The brothers own Lyreedale Farms near Roll in southwestern Arizona where they grow alfalfa for sale to local dairies. With 10 cuttings a year, windrower speed is an obvious asset, and David says that the M200/R80 machine is super fast both in and out of the field.

But on Lyreedale Farms, speed alone does not make a good hay machine. More important is the machine's cutting and conditioning abilities. The hay has to be cut clean and evenly, conditioned uniformly, and handled gently if it is to achieve the quality level that local dairies demand.

"We've been looking at rotary machines seriously for a long time but we were never satisfied with the end results that they produced," said Sharp who noted that the brothers have also tested rotary machines for other manufacturers trying to introduce their machines to the area. "These were extensive tests that we did and we were never satisfied with the quality of cutting – the cut was always very ragged. If you don't do a good job, then the left over residue gets into your next cutting and that hurts the quality of the crop next time around."

"We also felt like there was damage to the crop and that there was leaf bruising and stripping with the way that the product was handled going into the machine. We weren't getting the best quality of alfalfa that we could get." But the Sharp's impressions about rotary disc machines changed, albeit not immediately, when MacDon in December, 2007, asked if they could test their new M200/R80 package on their farm.

"When you have a new toy on the place, you've gotta play with it," said David who said that they knew they were throwing the machine into a challenging situation. "Winter is one of the most difficult times for a rotary machine, because of moisture levels, lighter yields and frost damage, alfalfa is more of a challenge to cut."

"To be honest, when we started off cutting we were not happy with it, so we called MacDon and they gave us several things to try. It turns out to be counter-intuitive to anything you

felt it was time to step up and buy a rotary. We felt is was finally cost effective to go ahead and get the M200 and the R80 head because of the efficiency it could bring to our operation."

He says that going to a rotary machine required that they do some prep work to their fields first to make sure that they were as level as they could be to accommodate the much higher field speeds.

"We needed a more uniform and smooth surface. We keep our alfalfa fields three, maybe four years, and we do ten cuttings a year. That means your swather is going to make 30 or 40 passes over that field in that time, so it's worth making one more pass in your field to get it prepped right."

"WE'VE GONE FROM TWO MACHINES TO ONE MACHINE AND ONE OPERATOR."

know about putting up alfalfa. In winter conditions you slow the rotary down, slow your engine down and pick up your ground speed. Once we finally got that through our heads, then it was like 'oh wow, this is great!' That first cutting was a real learning experience."

Sharp says that once they figured the machine out they were finally getting the level of cutting and crop handling that they needed to make the jump to a rotary machine.

"MacDon has addressed the deficiencies of rotary machines, and made such great strides in terms of cutting and crop handling that we According to Sharp, because of the significantly faster in-field cutting speed of the M200/R80, they've been able to park their other SP Auger Windrower (a MacDon M150 with an A40-D Auger Header) and do all of their harvesting with just one machine. He says that the increased productivity of the A40-D machine had already made a big impact on their operation by reducing their harvesting from a two machine job to a one-and-a-half machine job.

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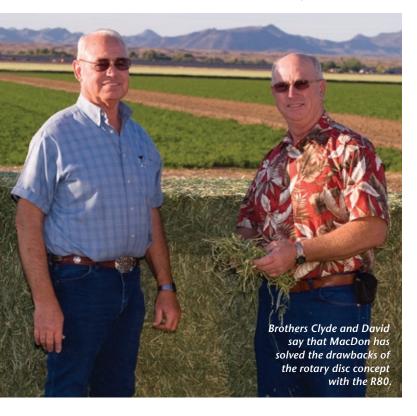
MACDON'S R80 FIRST ROTARY DISC HEADER TO MEET THE SHARP BROTHERS' HIGH EXPECTATIONS.

PRODUCTIVITY.

"Most definitely we can measure the value of the machine in terms of our bottom line. We've gone from two machines to one-and-a-half machines to one machine and one operator. That's had a dramatic impact for us."

Adding to the bottom line is the very significant benefits the Sharps have enjoyed from the AutoSteer™ GPS guidance system that they have also been testing on the machine. Custom fit for MacDon's M Series Windrowers by AutoFarm, the GPS guidance system is allowing the Sharps to squeeze every last bit of efficiency out of their machine.

"When you're operating at 12 MPH (19 km/h) and trying to watch everything, to have the guidance system do the steering for you alleviates a lot of operator fatigue. Also, with the guidance system every windrow is uniform and the same width, which is important when it



comes time to rake and bale because you don't have heavy windrows and light windrows. For example, if you have an operator that tends to overlap six or twelve inches, well you've wasted that machine and you've wasted that fuel by that much. GPS guidance eliminates that and lets you get the maximum amount of width out of every pass."

And the job they're doing with their new "toy" is starting to get noticed in their area.

"We see people out there in our field looking at what type of job that it is doing," said Sharp who added that most of their comments are positive and they like what they see. After all, what's not to like about a machine that does the job of two?

GPS AUTOSTEER™ NOW AVAILABLE FOR MACDON-BUILT SP WINDROWERS.

PRODUCERS CAN NOW ENJOY PRECISION HARVESTING AND INCREASED PRODUCTIVITY.

acDon is pleased to announce that GPS AutoSteer™ is now available for MacDon-Built M and 9000 Series SP Windrowers. Custom-fit by AutoFarm to provide a factory-installed look, GPS AutoSteer™ gives MacDon windrower owners high-accuracy machine control for greater productivity in all conditions, including fog, dust, heat and darkness. It can be used with WAAS, OmniSTAR (DGPS) or RTK signals at speeds up to 11 MPH (18 km/h).

One key benefit of the exceptional machine control obtained with GPS AutoSteer™ is that it makes it easier to maintain a continuously full header for more acres per hour – resulting in faster harvesting and reduced fuel consumption. Operators are able to quickly and easily line up for the next pass thanks to the unit's rapid line acquisition through GPS positioning. The unit's GPS capabilities also allows operators to obtain more uniform windrows, providing more predictable drying as well as easier and faster baling, chopping and consistent uniform windrows for pick up by combine.

Drivers of MacDon-Built windrowers with GPS AutoSteer™ will enjoy reduced operator stress and fatigue thanks to the unit's hands-free steering. Not only can windrowing be done hands free: all subsequent operations – such as baling,



forage harvesting and combining – may use the same heading, allowing for fully hand-free harvesting operation.

AutoSteer™ software is easily adaptable to specific field conditions – with parallel swathing or pivot applications allowing for harvesting in straight A-B lines, curved paths or circles. It features a modular design and can be easily transferred to other GPS guidable equipment using optional switch kits.

Currently, GPS AutoSteer™ is optional on all MacDon-Built M and 9000 Series SP Windrowers and is available through AutoFarm. A factory-installed remote engage switch will be standard on all 2009 models and optional on prior year models.



COMINGTO A FIELD NEAR WOULD

Tours happening **NOW!** Register today for a field demonstration.

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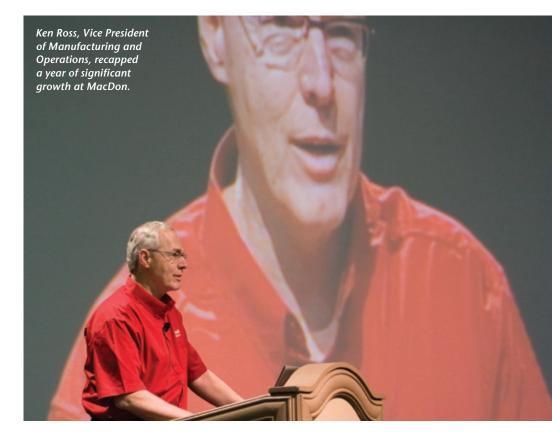


ho says that you can't mix business with pleasure? After one of the more eventful years in the company's history, MacDon dealers from across North America met at the Mandalay Bay Resort and Casino in Las Vegas on February 26th and 27th for what would become MacDon's largest dealer meeting and training session ever. The event coincided with MacDon's 60th anniversary, making the Vegas location a fitting venue for a "working celebration."

The event provided an opportunity for dealers to see the latest products and innovations available from MacDon, as well as hear first hand about MacDon's recent expansion of its manufacturing capabilities. In total, more than 700 people attended the event.

The event opened with a flourish at a welcome reception and show on the 26th, and got down to business the next day with production and product presentations in the morning and a product showcase with training sessions in the afternoon. It closed with an anniversary dinner that allowed guests to reflect on and celebrate MacDon's 60 years in business.





"This event gave our dealers an opportunity to find out first hand about the many changes and improvements that have been made at MacDon over the last year," said Gene Fraser, MacDon's Director of Marketing. Fraser says that 2008 had been a particularly challenging year for MacDon, as it had for most agricultural manufacturers, as it ramped up production to meet increased demand for its products worldwide as well as added new products to its line-up.

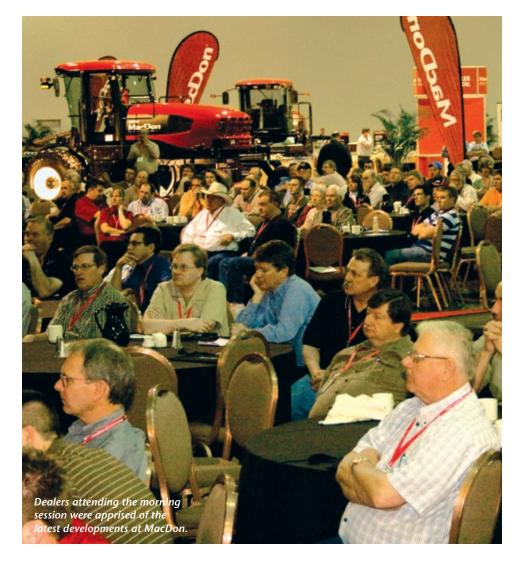
In the event's morning session dealers were told that MacDon had grown both its manufacturing capacity and its workforce significantly over the last two years. According to Fraser, this growth positions the company well as it continues to find new markets in North America and worldwide for its products. The morning



session closed with a question and answer session during which dealers had an opportunity to speak to MacDon's product managers, senior engineers, product support specialists, marketing personnel and senior management about anything that was on their mind.

Continued

"THIS IS A COMPANY THAT BUILT ITS SUCCESS ON THE PRINCIPLE OF BEING RESPONSIVE TO THE MARKET."





"You never know what is going to come up in a session like that," said Fraser who stressed that MacDon values open discussions with its dealers and its customers.

"We've always encouraged open and honest discussions like that at MacDon. This is a company that built its success on the principle of being responsive to the market, and we're not going to change that anytime soon."

"IT WAS ALSO **IMPORTANT** FOR US TO SHARE WITH OUR FRIENDS AN IMPORTANT **1ILESTONE IN OUR COMPANY'S**

"In fact many of the product improvements announced during the show for 2009 were the result of ideas and requests that came from MacDon's customers and dealers. At MacDon we've always made it a policy to listen closely to the people that use and sell our products for, ultimately, they are the true experts in what the farmer needs."

The afternoon's product showcase provided dealers with an opportunity to talk to MacDon's engineers, product managers, product support specialists and marketing personnel about MacDon's full product line-up for 2009 and the new innovations and features for each product. In some cases the changes were significant and it was important that dealers understood their benefits so that they could convey their importance to customers.

During the event MacDon was able to showcase its new relationship with AutoFarm, whose advanced AutoSteer™ GPS guidance system has been custom fit for MacDon-built M and 9000 Series SP Windrowers. Fraser says that MacDon chose AutoFarm for its industry leading technology and its extensive experience applying GPS guidance systems for agricultural









The morning session allowed dealers to ask questions directly of MacDon's engineers, product managers, senior management, product support specialists and marketing personnel, including the MacDonald brothers themselves: (left to right) Allan, Gary and Scott.

applications. Fraser reports that producers who have tested the new system on MacDon SP Windrowers describe benefits in terms of increased accuracy and significantly reduced operator fatigue.

"All in all, we're very pleased with the way the event turned out," summed up Fraser. "From a business perspective it was of course important to get everyone together to meet on a number of topics, and allow our dealers to have access to the people responsible for the products they represent. But on a personal level it was also important for us at MacDon to gather together part of the larger MacDon family to share with our friends an important milestone in our company's history – our 60th anniversary. Such accomplishments should always be shared with your friends – especially when they are the ones that helped you get there."







armers looking for a better way to harvest their soybeans were the ones responsible for pushing MacDon to pursue a flexible draper, and no farmer championed the idea more than Bruce Nelson of Clark, South Dakota.

"You've got to understand how much I hated flex heads. I just absolutely detested them," recalls Nelson about what started him looking at his MacDon draper header as a possible solution for harvesting his soybeans. Nelson, who farms about 4,800 acres of corn, wheat and soybeans, said that his frustration with his flex heads lead him to think that the solution lay in his MacDon draper header, a header that he just loved to use.

OF HATE, LOVE AND SOYBEANS.

MACDON'S **FLEXDRAPER®** WAS BORN IN THE SOYBEAN FIELDS OF SOUTH DAKOTA.



"In this area our beans tend to be short. and the flex heads just wouldn't cut them off properly - just a real raggy job. The reel wouldn't work right because it was in the way of the auger so we were shelling the beans and having to run slow. Even though we had this big combine with a 30' head on, we just couldn't utilize our capacity. It became a chore, a job where you hated to go to the field in the morning, because it was just another day of doing a job that you weren't proud of."

Nelson remembers that his neighbors shared his irritation with the flex heads; regardless of color they were all having the same experience.

Continued

"We were always trying stuff with our flex heads to try to improve them like trying different sickle combinations. Initially we would be excited to go to the fields to see if anything had changed, but we were always disappointed."

Then Nelson had a brain wave. Why not try his MacDon 962 Draper Header, which performed so well in his wheat, on his soybeans. He already knew that the MacDon draper was great for cutting low and feeding the crop gently into his combine.

"IF IT WASN'T
FOR MACDON
I'D STILL BE
OUT HERE
ON MY OWN,
UPSET AND
FRUSTRATED."

"I can remember to this day the first time I took it to the field, just how much cleaner the cut was, how there was no shelling and how it just fed fantastically. Unfortunately, we just couldn't keep it out of the dirt. But there were enough good things going on there that made me believe it would work."

That's when Nelson started badgering MacDon to think about developing a flexible draper platform.

"I really don't think they took me seriously at first, at least until I cut the guard bar off my own header with a torch to see if I could make this thing work by myself. Once they saw that this crazy guy is serious, it probably convinced them that there might be a market out there for these after all."

When MacDon finally brought around a prototype for him to test on his operation, Nelson says that he was completely surprised by the solution that MacDon's engineers had come up with.

"I've always been impressed by MacDon and how clever these guys are and the many neat ideas they come out with – easier, more efficient ways of doing stuff. But if they had told me how they were going to end up, I would never have believed them. I would have never thought this flex draper thing would work the way it does by hinging the three platforms."

Once he was able to get it out in the field, Nelson says that he quickly became a fan of the unique design.

"It was different than I imagined, but the job it did was everything I had hoped for; much easier and less fatiguing to run. We were also 20% wider right away, and were able to operate at the same speed, if not more. More important, the cut and the job was significantly better with much less shatter than a flex head running at the same speed."

Nelson says that the biggest difference has been in how he now thinks about harvesting his soybeans. For him it's transformed from a job that he hated to one that he really enjoys.

"It's truly been a life changing deal with these flex drapers. Now, when I look back at the end of the day at this big area I've covered, and the beans I've cut look beautiful, and I'm not dead tired because I've not been on the edge of my seat all day, well, it's very gratifying."

And Nelson is quick to add that he has a lot of gratitude to MacDon for making days like that possible, as well as for making it possible to now do all of his cutting, wheat and soybeans, with just one header.

"If it wasn't for MacDon I'd still be out here on my own, upset and frustrated and trying to make something work by myself. In fact, the flex draper concept would have never happened without MacDon. The majors would never have invested in this idea. I cannot begin to fathom the trust that was put into their engineers, and people like myself, to actually pursue this concept."





here are more than 60 for the U.S. alone, a similar number for Canada, and many more worldwide. Placed back to back to back, they make for a fairly impressive collection that tells a major part of the story of the progress of harvesting over the last 60 years. They are the patents of MacDon and they are, in many ways, the life-blood of the company.

"As a shortline manufacturer that specializes in harvesting, our products can't be me-too machines," says Bernie Penner, MacDon's Director of Engineering (pictured above). They have to be better than the competition's - more productive, more flexible and more efficient."

Penner, who can trace his employment with the company back to the 1960s, says that MacDon itself can trace its very origin to a

"OUR **PRODUCTS** CAN'T **BE ME-TOO MACHINES."**

1949 patent that gave MacDon's predecessor, Killbery Industries Ltd., the right to manufacture and distribute some of the world's first SP windrowers in Canada. Since then the company has made a name for itself by focusing its creative energies on advancing harvesting technology.

One of the more important milestones in that progression was when MacDon revisited the draper header concept for combine direct cutting back in the early 80s.

"Back then farmers in Western Canada were starting to direct cut and they wanted to use the same draper header that they were using on their windrower on their combine. To make the idea work, MacDon had to develop several advances in draper technology, and many of those advances ended up as MacDon patents."

A more recent addition to MacDon's patent showcase is one that Penner thinks may be the most important in the company's history, as it has the opportunity to improve harvesting for so many farmers.

"The FlexDraper® concept has the potential to make a big difference for farmers and our company. Once farmers see one in the field running up against a conventional flex head they quickly become believers."

We believe you'll





when we say we'll give you \$250 to buy our competitor's pull-type mower conditioner.



That's right. Take the MacDon Challenge and we'll give you \$250 towards your next mower conditioner, even if you buy the competition's machine.*

The catch? You must first demo one of MacDon's new pull-type mower conditioners – either the R80 Pull-Type Rotary Disc or A30 Pull-Type Auger. Now that's an easy \$250! Better still, if you choose to buy a MacDon-built machine (and we know you will) we'll give you \$1,000.

THAT'S \$1,000 TO BUY MACDON! See your dealer today.



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Register today for a field demonstration, call 1-877-622-3668.

Offer subject to purchase of a MacDon-built or competitor's new mower conditioner within 30 days of dealer demo. The competitive machine that you purchase must be equivalent to the MacDon machine that you demo. Note: the A30 auger is sold under the MacDon and Premier brands. Proof of purchase and demo form is required to qualify. Offer expires June 30, 2009, Maiorical Advances.



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