

## **Brief History of Peel Valley Machinery**

Peel Valley Machinery Service commenced operations in September, 1965, at 91 Kable Avenue, Tamworth. The business started as sub dealers for NSW state John Deere agricultural machinery distributors, W & J Farm Equipment. Peel Valley Machinery Service was started by Dungowan farmers and harvesting contractors David John and his brother Barry.

David & Barry John's father, Allan, came to the Tamworth district from Newcastle in 1938 to take up a position as General Manager of T J Treloar and Co, the Tamworth retailers, who at the time were also involved in farm machinery with the J I Case franchise. Allan's wife was a Kennedy from the Bithramere area so the family already had many relatives in the Tamworth district.

David and Barry, who both attended Farrer Agricultural High School in Tamworth, operated two family farms at Loomberah and Dungowan, producing lambs, wheat, corn and lucerne hay. They were also involved in contract harvesting. Both were very interested in farm machinery, and in particular the John Deere brand. When the opportunity came up to act as sub dealers for the NSW state distributor, they took it and acquired premises in Kable Avenue, Tamworth. In 1968 Peel Valley was appointed a direct dealer to John Deere Limited, Wynyard House, Sydney as the first direct dealer for the John Deere company in NSW. The John brothers continued to operate the Dungowan and Loomberah properties and the contract harvesting business, and in fact became large-scale contractors for the time.

In October 1970 John Deere, a Moline, Illinois (USA) company which was started by a blacksmith named John Deere in 1837, bought out most of the assets of Chamberlain Holdings of Perth, WA, and a new Australian subsidiary, Chamberlain John Deere, was born. Peel Valley Machinery became direct dealers for the new company, and in 1972 expanded into Quirindi with a new purpose built facility in Loder Street.

At this time the wheat industry, although having some difficulties with the quota system, was going through a huge growth spurt. John Deere combine harvesters were in such short supply that Peel Valley Machinery turned to Sperry New Holland as an alternative combine harvesters supplier. Through the next few years the company would sell on average around fifty five combine harvesters a year. The harvester operating skills of the John brothers, plus the emphasis on product support which had characterised their company since its early days, led to a virtual domination of the combine harvester market in Northern NSW and generated the revenue that financed the company's expansion.

Chamberlain John Deere (CJD) had continued to operate company stores that it inherited from Waugh & Josephson in Gunnedah and Wee Waa. An old existing

Chamberlain dealer, Amos Smith & Sons, was the dealer for Narrabri.

CJD realised in 1976 that as manufacturers they had no place in the retail market – their company stores were performing very poorly. So the stores at Gunnedah and Wee Waa were offered to Peel Valley Machinery Service to buy and operate, and in June 1976 Peel Valley Machinery effectively doubled its size in one go. The entry into the Wee Waa market coincided with the beginning of the cotton boom in that town – cotton had been grown commercially in the area since the late 1960's. John Deere manufactured a range of cotton pickers as well as its row crop tractors, and was in a very good position with product to service the growing cotton industry.

Peel Valley Machinery Service continued to grow. Highlights around this time included the purchase of an IBM System 34 computer in 1979. This computer system had terminals in each branch of the company linked by Datel lines, which had been installed by Telecom specifically to carry computer data. Peel Valley Machinery were the first multi outlet John Deere dealers in Australia to install such a computer. The company also had in place a two way radio network that linked all of its branches and vehicles. It had also started to operate a fleet of trucks to pick up new machinery from Sydney or Brisbane, and to deliver and pick up machinery from farms.

The 1982 drought slowed the farm equipment industry down, but it expanded strongly again in 1983 and 1984. 1982 also saw the first of David & Barry John's children, David's eldest son Steve, start work for the company. Steve's brother Andrew started in 1983, and their sister Libby, a chartered accountant, returned from working in Sydney to become Administration Manager in 1985.

In 1984 Peel Valley Machinery bought the Narrabri John Deere dealership, Amos Smith & Sons, which also included the Subaru franchise – this represented PVM's first entry into the motor vehicle market.

During 1984 construction of a new headquarters, showroom and Tamworth dealership building took place at 501 Peel Street Tamworth. At this time the company numbered around 125 employees. The building was completed in 1985.

In 1986 the beginning of what would be an eight year general recession in agriculture started. PVM, like many other rural companies, had to slash expenditure and try to ride out the recession. At its worst the company was reduced to 54 employees. One thing the company did was to make an entry into the truck market, with the Mercedes-Benz truck franchise in 1986, plus the car franchise for the Narrabri dealership. The Subaru franchise was added to the Quirindi dealership in 1987 – these were the years when the Subaru Brumby, a tough 4WD utility, was to prove a runaway success in the bush. The company added to its line up with International Trucks in Tamworth in 1987, and in the late 1980's was selling around 30 new trucks a year. In 1990 the company was awarded the Mercedes-Benz car franchise for the Tamworth area, and was immediately

successful.

Grain and cotton started to re-emerge in the early 1990's, as the massive restructuring of the rural economy began to take effect. Cotton started a run of golden years from 1993. In 1994 the Peel Street, Tamworth holdings of Peel Valley Machinery were sold to retire debt, and the company had a purpose built dealership erected on the outskirts of Tamworth at 97 Gunnedah Road which opened for business in August 1995.

The last large scale capital expenditure by the company was on a showroom in 1995 – this time it was on a workshop. The Tamworth workshop incorporated a full length overhead gantry crane, eight tonne truck hoist, separate car workshop, full length truck service pit with power, water, air, light, oil and grease. The oil and grease digital dispensary systems for both workshops was state of the art.

1994 also saw the retirement of the company's generation 2 IBM System 36 computer network. This system, purchased in 1984 for \$ 250,000, was taken to the Tamworth rubbish dump in 1994, completely outmoded. A new system built around a Pentium server, with a mix of Personal Computers and VDU terminals and running on Telstra's new ISDN lines, took its place. ISDN connections were also obtained to link with John Deere in Brisbane.

1994 also saw the first of Barry John's children, Tony, start to work for the company.

The years from 1995 to 1998 were boom years for the agricultural machinery industry, and PVM used those years to consolidate, and to expand its service capabilities in Wee Waa, with nearly \$ 1 Million spent on a huge new workshop there in 1998. Like the Tamworth workshop it is state of the art, with a travelling craneway, digital oil and grease dispensary systems, hoists, electric roller doors etc.

In May 1999 PVM shot a television commercial based on its product support (service and parts) core business ethic. Of the 109 employees in the shot, 82 were either parts or service personnel, with more than sixty mechanics and apprentices. There were 37 service vehicles, Toyota Landcruisers & Hi Luxes, Subaru Brumby's etc, and two semi trailers with low loaders. There were also nine members of the John family.

In November 1999 the company was awarded the Subaru franchise for Tamworth and the region, after purchasing the business of the existing Tamworth dealer. The business name "Peel Valley Motors" was registered to facilitate the motor vehicle trading in Tamworth.

In August 2000 David John's youngest son, Philip, started with the company as manager of the Narrabri operation.

A parts and service outlet was established in Walgett, west of Wee Waa in September 2000.

A new motor vehicle showroom for the Tamworth operation was opened in late October, 2000, to house Mercedes and Subaru product.

In November, 2000, flooding rains destroyed much of the ripe wheat crop, of which harvest had just commenced. Whilst the floods throughout the Namoi Valley caused some destruction of irrigation crops and infrastructure, the damage to the dryland crop was by far the most severe. The crop in general lost 50% of its yield, and a further 50% of its quality. This calamity was followed by an extensive irrigation water reform process throughout the Namoi Valley, and then the one in one hundred year drought that was in full cry from early 2002. These events had a major impact on farmers and machinery suppliers over the period, and the Peel Valley Group was no exception. In 2003 it was forced to withdraw from the drought ravaged Walgett district, and shut down much of its Narrabri operation.

In 2001 Barry John retired from active duty at the Peel Valley Group, leaving David John to continue to operate the company.

An expansion into the truck industry was made in 2003 with the acquisition of the leading Isuzu franchise. This was followed by the DaimlerChrysler Sterling brand of heavy trucks in November 2003.

In September 2003 Phil John became the General Manager of the Group's Liverpool Plains dealerships at Gunnedah and Quirindi, with his brother Andrew managing the group's Wee Waa dealership and Narrabri parts store.

The company had been early adopters of John Deere's Precision Farming products and sales of these products grew dramatically from 2004. Phil John established four precision farming base stations on the Liverpool Plains from 2006 to 2009 with further coverage planned.

In 2004 John Deere made available a new line of ride-on mowers that were well priced and the company's mower sales rose steeply as a result. In the six years to the end of the 2008/09 financial year the company sold over 1,600 of these mowers throughout its trading territory.

Senior management were delighted to be able to appoint the first local person to the General Car Sales management role, with Mathew Wilson, originally from Dungowan, taking on the position in August 2008. This coincided with the company's appointment in Tamworth as Isuzu Ute dealers, a most complementary franchise to the existing Mercedes-Benz and Subaru ranges.

After ownership by a partnership of nearly 44 years between David and Barbara John

and Barry & Margaret John, the Peel Valley group of companies transitioned to new ownership from the 1st July, 2009.

David John and his family purchased the interests of Barry John and his family, and as from July 1, 2009 the business will operate as Peel Valley Group Pty Ltd, trading under the business names Peel Valley Machinery Service, Peel Valley Motors, Peel Valley Trucks, Peel Valley Isuzu, and Peel Valley Mowers (inactive at present).

The members of the David John family in senior management positions have all had extensive experience in dealership management. David John and his family have been managing the business since Barry John retired in 2001, so the transition is seamless in terms of management.

David's eldest son Steve John, who has a degree in Financial Administration from the University of New England, started in the industry working for Deere & Co in the US in 1981, and joined Peel Valley as company bookkeeper in 1982, closely followed by his younger brother Andrew in sales in 1983. Their sister Libby Khan, who has a Bachelor of Commerce degree from the University of New South Wales, worked in the accounting industry in Sydney for several years before returning home to Tamworth to take over the role of Administration Manager in 1984. Steve John moved to Quirindi to manage the branch in 1985, and Andrew John took up the role of salesman at the Narrabri/Wee Waa operation the following year. Steve returned to Tamworth in 1988 and then took on the role as Sales & Marketing Manager for the Group. Andrew was appointed General Manager of the group's western operations at Narrabri and Wee Waa in 1993. David's youngest son, Phil John, who has a degree in Business Management from Charles Sturt University and had spent twelve years working as a rigging inspector and trainer for mining giant BHP, took on the management of the Narrabri branch in 2000, and on its partial closure in 2003 moved to Gunnedah to manage the two Liverpool Plains dealerships, at Quirindi and Gunnedah. Along the way the family has been greatly assisted by a terrific team of people, several of whom have been with the company for two or even three decades.

Peel Valley Machinery are now one of the largest John Deere dealer groups by volume in Australia, as well as substantial regional truck and car dealers. David John and his family are looking forward to continuing to grow the business, to providing great value to its customers, and to giving its staff an enjoyable and rewarding place of work.