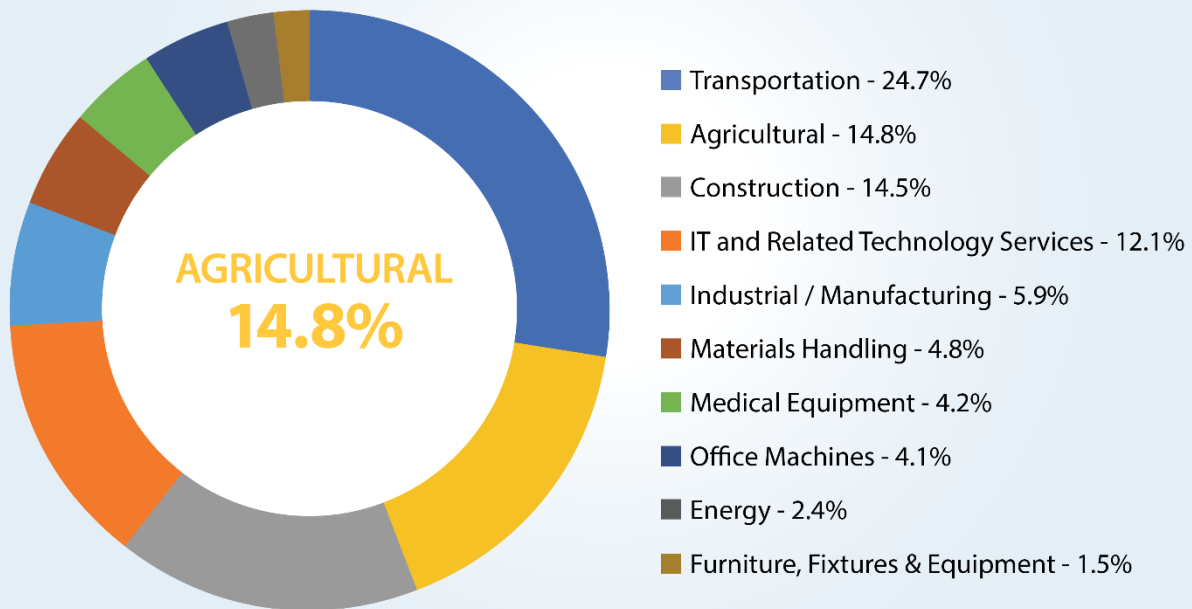


Fact Sheet: Equipment Finance in the Agriculture Industry



EQUIPMENT FINANCE IN THE AGRICULTURAL INDUSTRY

Agricultural equipment represents 14.8% of equipment financing new business volume in the United States.



Source: 2023 Survey of Equipment Finance Activity.

Learn how the equipment finance industry equips your business for success at www.EquipmentFinanceAdvantage.org

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2023 Survey of Equipment Finance Activity](#), in 2022:

- Agricultural equipment represented 14.8% of equipment financing new business volume reported by ELFA member companies, up from 14.4% in 2021.
- As an end-user of equipment finance, the agriculture industry represented 16.4% of new business volume reported by ELFA member companies, down from 16.6% in 2021.

- Agricultural equipment was the second most-financed equipment type and the agriculture industry was the second ranked end-user industry in share of new business volume reported by ELFA member companies.

According to the Equipment Leasing & Finance Foundation's [2022 Equipment Leasing & Finance Industry Horizon Report](#):

- Nearly 8 in 10 businesses (79%) that acquired equipment and software used at least one form of financing to do so (i.e., lease, secured loan or line of credit).
- Total public and private sector equipment and software investment expanded to \$2.0 trillion in nominal terms. Approximately 57% of this investment was financed, yielding an industry size estimate of about \$1.16 trillion.
- Of private sector equipment and software investment, 61.8% was financed.
- Leasing was the most common financing method (used by 26%), followed by secured loans (19%) and lines of credit (17%).

Investment

According to the [Foundation-Keybridge Equipment & Software Investment Momentum Monitor](#):

- Agriculture machinery investment improved 29% annualized in Q2 2023.
- In October 2023 agriculture machinery investment was down 25% year over year.
- Agriculture machinery investment growth is likely to remain weak or negative through the end of Q1 2024.

Agricultural Machinery Manufacturing Industry

According to the U.S. Bureau of Economic Analysis:

- In 2022, agricultural machinery investment was \$41.8 billion.

According to Dun & Bradstreet First Research:

- The U.S. agricultural machinery manufacturing industry includes about 1,000 companies with combined annual revenue of about \$25 billion.
- The U.S. industry is highly concentrated with the 50 largest companies generating about 80% of revenue.
- Imports of agricultural equipment, primarily from countries such as China, Germany, Mexico, Japan and Canada, make up about 60% of the U.S. market.

According to [ResearchandMarkets.com](#):

- The U.S. agriculture equipment market increased by 2.8% in 2022 year over year.
- U.S. farmers have been able use federal government initiatives to facilitate credit and improve operations on agricultural machinery purchases.
- The share of the second-hand agriculture equipment market in the U.S. increased as commodity crop prices fell and loans to farmers tightened.
- John Deere, CNH Industrial, and AGCO dominated the U.S. agricultural equipment market with a collective market share of over 40% in 2022.

Tractor and Combine Sales

According to the [Association of American Equipment Manufacturers](#) (AEM), in September 2023:

- Total U.S. farm tractor sales were 21,008, down 4.3% from 21,959 sold during the same month in 2022.
- Year-to-date, the total of farm tractors sold was 193,278, down 8.2% from 210,511 sold through September 2022.
- Sales of self-propelled combines were 896, down 0.9% from the same month in 2022.
- Year-to-date, 5,694 self-propelled combines were sold, up 25.3% from the same period in 2022.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 580 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packageers and investment banks, as well as manufacturers and service providers. ELFA has been equipping business for success for more than 60 years. For more information, please visit www.elfaonline.org.

ELFA's **Knowledge Hub** is *the* source for business intelligence on the equipment finance industry. This one-stop, online library provides easy access to ELFA's wide range of industry data and information. Visit <https://www.elfaonline.org/KnowledgeHub> for additional information.

ELFA believes that information and education about available options regarding investment in equipment are important to all businesses. ELFA offers resources, including a loan/lease comparison, a glossary of terms, an analysis to help determine suitable financing options, videos and topical articles available for reprint free of charge, at www.EquipmentFinanceAdvantage.org

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