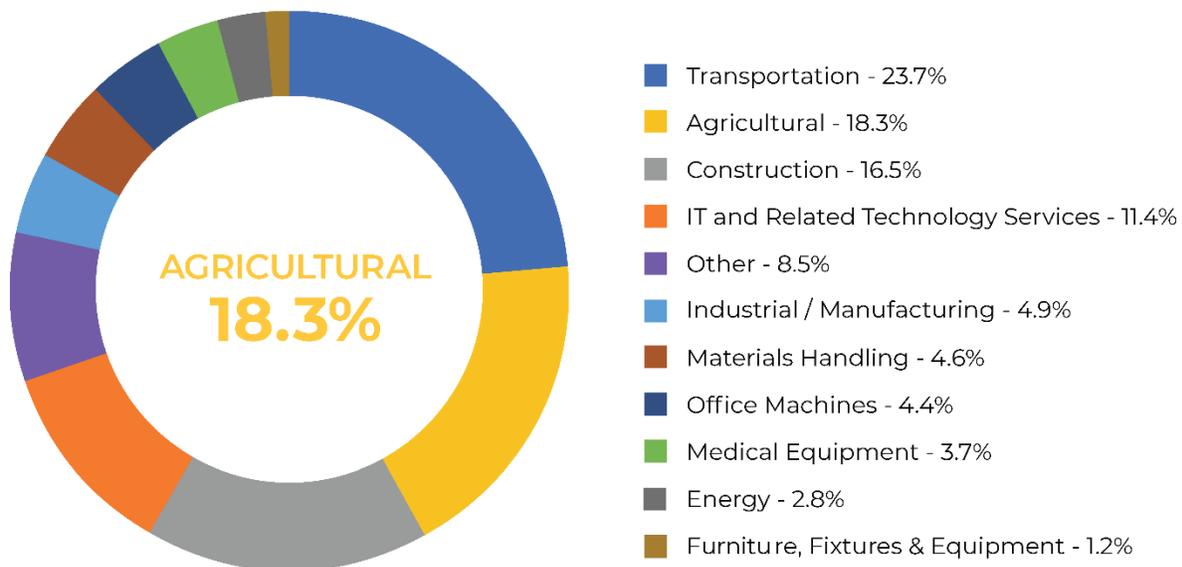


Fact Sheet: Equipment Finance in the Agriculture Industry



EQUIPMENT FINANCE IN THE AGRICULTURAL INDUSTRY

Agricultural equipment represents 18.3% of equipment financing new business volume in the United States.



Source: 2024 Survey of Equipment Finance Activity.

www.elfaonline.org/SEFA

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2024 Survey of Equipment Finance Activity](#), in 2023:

- Agricultural equipment represented 18.3% of equipment financing new business volume reported by ELFA member companies, up from 16.3% in 2022.
- As an end-user of equipment finance, the agriculture industry represented 20.2% of new business volume reported by ELFA member companies, up from 18.4% in 2022.

- 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 [2024 Equipment Leasing & Finance Industry Horizon Report](#):

- More than 8 in 10 businesses (82%) 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 \$2.3 trillion in nominal terms. Approximately 58% of this investment was financed, yielding an industry size estimate of about \$1.34 trillion.
- Of private sector equipment and software investment, 64.2% was financed.
- Leasing was the most common financing method (used by 26%), followed by secured loans (16%), lines of credit (14%) and unsecured loans (8%).
- The top reasons end-users chose to finance their equipment and software acquisitions were “optimization of cash flow” (62%), “protection from equipment obsolescence” (55%), and “tax advantages” (51%).

Investment

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

- Agriculture machinery investment decreased 7.9% annualized in Q3 2024.
- In November 2024 agriculture machinery investment was down 5.1% year over year.
- Agriculture machinery investment growth is likely to weaken through the end of Q2 2025.

Agricultural Machinery Manufacturing Industry

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

- In 2023, agricultural machinery investment was \$35.6 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.

According to [ResearchandMarkets.com](#):

- The U.S. agriculture equipment market is
 - expected to grow (by shipments) at a CAGR of 3.62% from 2023 to 2029
 - experiencing a significant uptick in the adoption of mechanization.
 - expected to grow in the coming years, driven by increasing population, rising urbanization and changing dietary patterns.
- John Deere, AGCO Corporation, CNH Industrial, and Kubota dominated the U.S. agriculture equipment market with a collective market share of over 60% in 2023.

- The shift toward sustainable agricultural practices is fueling demand for precision farming technologies like GPS-guided equipment and drones, which can improve crop yields while reducing inputs such as water and fertilizers.

Tractor and Combine Sales

According to the [Association of American Equipment Manufacturers](#) (AEM), in October 2024:

- Total U.S. farm tractor sales were 21,354, down 14.2% from 24,902 sold during the same month in 2023.
- Year-to-date, the total of farm tractors sold was 189,094, down 13.3% from 218,215 sold through October 2023.
- Sales of self-propelled combines were 516, down 34.6% from the same month in 2023.
- Year-to-date, 4,977 self-propelled combines were sold, down 23.1% from the same period in 2023.

About ELFA

The Equipment Leasing and Finance Association (ELFA) represents financial services companies and manufacturers in the \$1 trillion U.S. equipment finance sector. ELFA's 575 member companies provide essential financing that helps businesses acquire the equipment they need to operate and grow. Learn how equipment finance contributes to businesses' success, U.S. economic growth, manufacturing and jobs at <http://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.

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