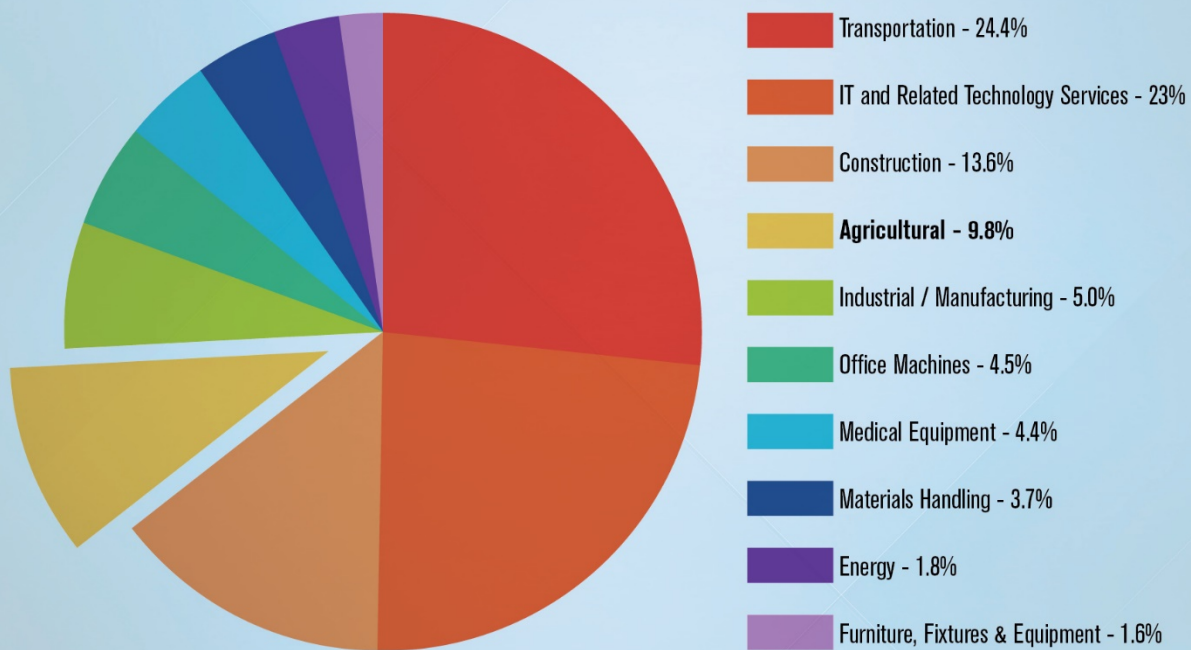


Fact Sheet: Equipment Finance in the Agriculture Industry

EQUIPMENT FINANCE IN THE AGRICULTURE INDUSTRY



Agricultural equipment represents 9.8% of equipment financing new business volume in the United States.



Source: 2020 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) [2020 Survey of Equipment Finance Activity](#),* in 2019:

- Agricultural equipment represented 9.8% of equipment financing new business volume reported by ELFA member companies, up from 9.5% in 2018.
- As an end-user of equipment finance, the agriculture industry represented 12.2% of new business volume reported by ELFA member companies, up from 11.8% in 2018.

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

*The SEFA does not reveal the impact of the COVID-19 pandemic on the equipment finance industry as it focuses on data from fiscal year 2019.

The Equipment Leasing & Finance Foundation's [2019 Equipment Leasing & Finance Industry Horizon Report](#) end-user survey, which focused on private sector investment, revealed that among businesses that acquired equipment and software in 2018:

- Nearly 8 in 10 (79%) used at least one form of financing to do so (i.e., lease, secure loan or line of credit).
- Leasing was the most common financing method (used by 24%); 16% used lines of credit, 12% used secured loans and 3% used other forms of finance.

Investment

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

- Investment in agriculture machinery declined in Q2 2020 at an annualized rate of 43%.
- In August 2020 agriculture machinery investment was down 17% year over year.
- Agriculture machinery investment growth is expected to remain negative through the end of 2020.

Agricultural Machinery Manufacturing Industry

According to First Research, Inc.:

- The U.S. agricultural machinery manufacturing industry includes about 1,000 companies with combined annual revenue of about \$23 billion.
- The U.S. industry is highly concentrated with the 50 largest companies generating nearly 85% of revenue.
- Imports of agricultural equipment, primarily from countries such as China, Germany, Mexico, Japan and Canada make up about one-third of the U.S. market. Exports account for about one-third of U.S. production. Major export markets include Canada, Mexico and Australia.

Tractor and Combine Sales

According to the [Association of American Equipment Manufacturers](#) (AEM), in July 2020:

- Total U.S. farm tractor sales were 28,994, up 34.1% from 21,628 sold during the same month in 2019.
- Year-to-date, the total of farm tractors sold was 171,537, up 14% from 150,416 sold through July 2019.
- Sales of self-propelled combines were 553, up 33.6% from the same month in 2019.
- Year-to-date, 2,614 self-propelled combines were sold, up 4.1% from the same period in 2019.

2020 Outlook

According to [information from John Deere](#):

- Industry sales for agricultural equipment in the U.S. and Canada are forecast to be down about 10% from 2019.
- Industry sales of turf and utility equipment in the U.S. and Canada are also expected to be down about 10% from 2019.
- Global industry sales in forestry are expected to be down 15-20% due to weaker demand in North America and Russia.

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 575 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. For more information, please visit www.elfaonline.org. Follow ELFA on Twitter @ELFAonline.

ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ 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

Media Contact:

Amy Vogt, Vice President, Communications and Marketing, ELFA
202-238-3438
avogt@elfaonline.org