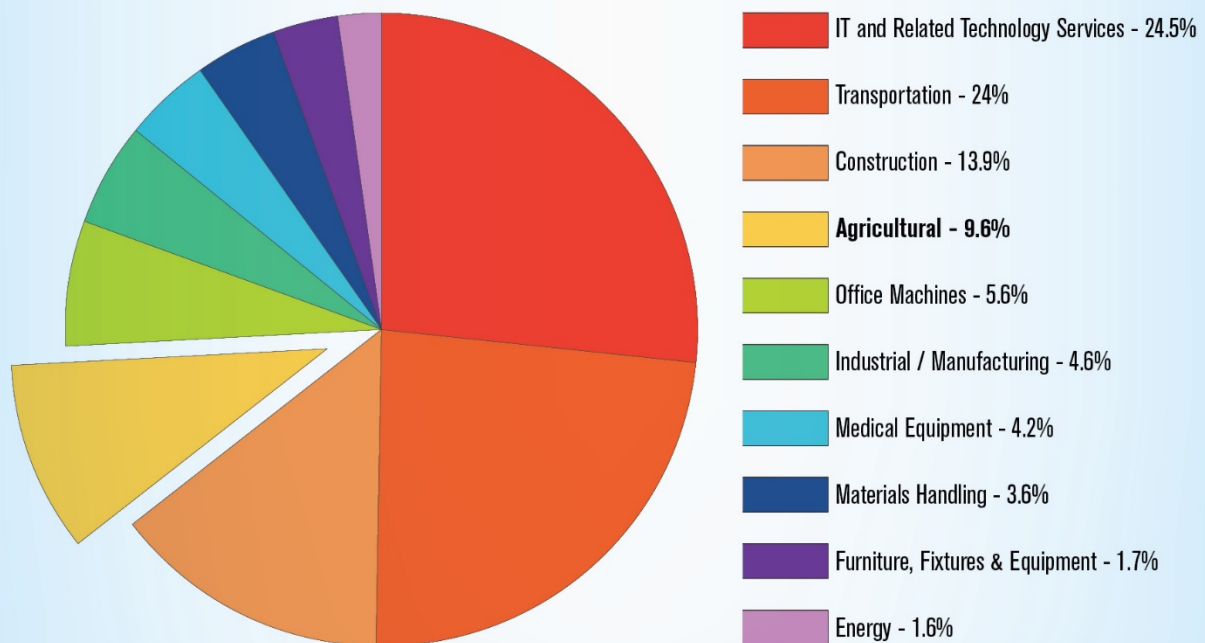


Fact Sheet: Equipment Finance in the Agriculture Industry

EQUIPMENT FINANCE IN THE AGRICULTURE INDUSTRY



Agricultural equipment represents 9.6% of equipment financing new business volume in the United States.



Source: 2019 Survey of Equipment Finance Activity.

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

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2019 Survey of Equipment Finance Activity](#), in 2018:

- Agricultural equipment represented 9.6% of equipment financing new business volume reported by ELFA member companies, up from 8.8% in 2017.
- As an end-user of equipment finance, the agriculture industry represented 11.9% of new business volume reported by ELFA member companies, up slightly from 11.8% in 2017.

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 Equipment Leasing & Finance Foundation's [Q3 2019 Equipment Leasing & Finance U.S. Economic Outlook](#):

- Investment in agriculture machinery contracted in Q1 2019 at an annualized rate of 2.8%.
- In July 2019 agriculture machinery investment was up 11% year over year.
- Agriculture machinery investment growth is likely to remain modestly positive through the end of 2019.

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.
- 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 June 2019:

- Total U.S. farm tractor sales were 25,713, down 3.5% from 26,648 sold during the same month in 2018.
- Year-to-date, the total of farm tractors sold was 128,680, up 4.3% from 123,370 sold through June 2018.
- Sales of self-propelled combines were 355, down 23% from the same month in 2018.
- Year-to-date, 2,098 self-propelled combines were sold, up 4.5% from the same period in 2018.

2019 Outlook

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

- Industry sales for agricultural equipment in the U.S. and Canada are forecast to be flat to up to 5% for 2019
- Industry sales of turf and utility equipment in the U.S. and Canada are also expected to be flat to up to 5% for 2019.
- Global industry sales in forestry are expected to be flat to up to 5% mainly as a result of improved demand throughout in EU28 countries 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/packagegers 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

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