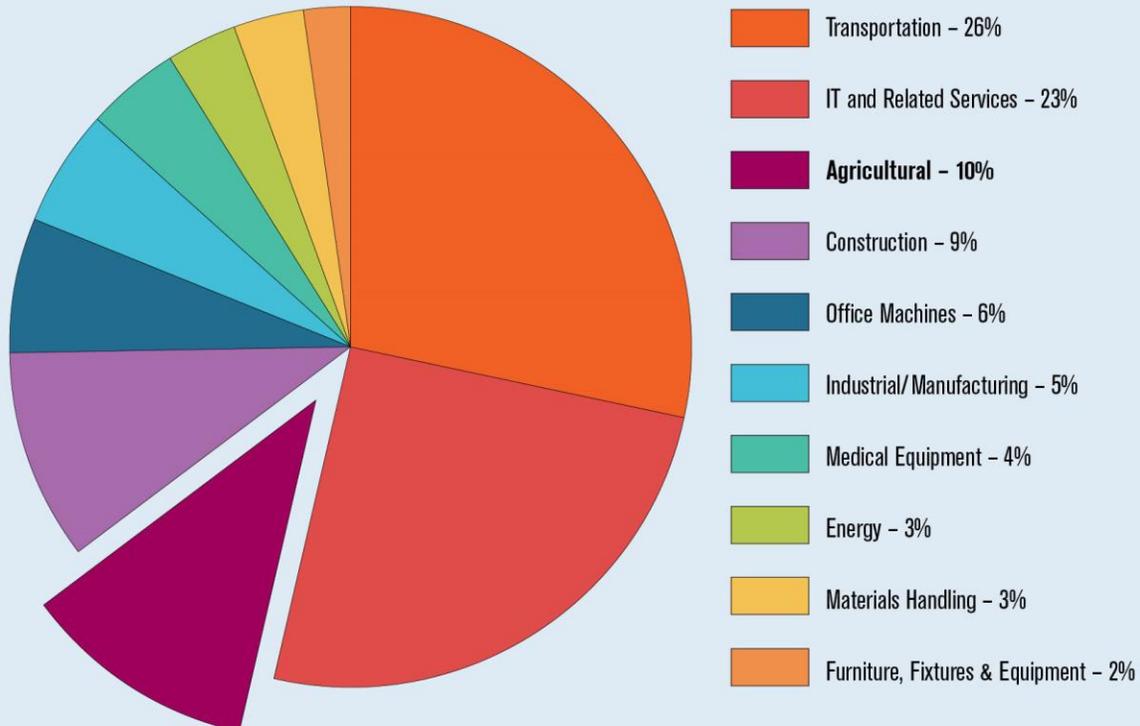


## Fact Sheet: Equipment Finance in the Agriculture Industry

### EQUIPMENT FINANCE IN THE AGRICULTURE INDUSTRY



Agricultural equipment represents 10% of equipment financing new business volume in the United States.



Source: 2017 Survey of Equipment Finance Activity.

Learn how the equipment finance industry equips your industry for success: [www.EquipmentFinanceAdvantage.org/Abt/facts.cfm](http://www.EquipmentFinanceAdvantage.org/Abt/facts.cfm)

### Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2017 Survey of Equipment Finance Activity](#), in 2016:

- Agricultural equipment represented 9.9% of equipment financing new business volume reported by ELFA member companies, down from 11.1% in 2015.
- As an end-user of equipment finance, the agriculture industry represented 11.7% of new business volume reported by ELFA member companies, down from 12.8% in 2015.

The Equipment Leasing & Finance Foundation's [U.S. Equipment Finance Market Study: 2016-2017](#) reported that in 2015:

- 78% of respondents in a survey of businesses used at least one form of financing when acquiring equipment.
- This is an increase from 72% of respondents from the 2012 Foundation market study, and represents an increase in the overall propensity to finance.
- 68% of the total value of equipment and software acquired was financed, a significant increase from the previous estimate of 55% forecast in the 2012 Foundation market study.

## **Investment**

According to the Equipment Leasing & Finance Foundation's [Q3 2017 Equipment Leasing & Finance U.S. Economic Outlook](#):

- Investment in agriculture machinery contracted in Q1 2017 at an annual rate of 13%.
- In July 2017 agriculture machinery investment was down 2.7% year over year.
- Agriculture machinery investment may grow modestly on a year-over-year basis through the end of 2017.

## **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 \$36 billion.
- Imports of agricultural equipment, primarily from countries such as Germany, China, Japan, Mexico and Canada, make up about 30% of the U.S. market. Exports account for about 30% of U.S. production.

## **Tractor and Combine Sales**

According to the [Association of American Equipment Manufacturers](#) (AEM), in July 2017:

- Total U.S. farm tractor sales were 19,115, up 0.5% from 19,027 sold during the same month in 2016.
- Year-to-date, the total of farm tractors sold was 135,267, up 5.6% from 128,105 sold through July 2016.
- Sales of self-propelled combines were 409, down 4.4% from the same month in 2016.
- Year-to-date, 2,079 self-propelled combines were sold, down 5.7% from the same period in 2016.

## **2017 Outlook**

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

- Industry sales for agricultural equipment in the U.S. and Canada are forecast to be down about 5% for 2017. The decline, reflecting weakness in the livestock sector and the continuing impact of low crop prices, is affecting both large and small equipment.
- Industry sales of turf and utility equipment in the U.S. and Canada are expected to be about flat for 2017.
- Global industry sales in forestry are expected to be down about 5% due to soft conditions in North America.

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### **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](http://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/](http://www.elfaonline.org/Data/) for additional information.

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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](http://www.EquipmentFinanceAdvantage.org)

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