

Farm Equipment

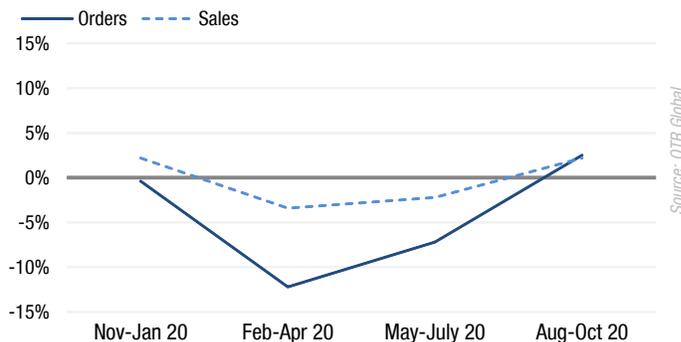
Orders, Outlook Improve

Strengthening commodity prices drove the first yy increase in global new farm equipment orders in more than a year during August–October, and dealers in the Americas were optimistic about 2021.

- August–October global new equipment orders up 1%–4% yy (vs. down 6%–9% in July); sales expected up 2%–5% yy during 2020 (vs. July forecast of down 1%–4%), up 2%–5% yy in 2021 (vs. July forecast of flat–up 3%)
- North American August–October new farm equipment orders up 2%–5% yy (vs. down 8%–11% in July) as income prospects improve; used inventories edged lower; 2021 sales expected up 2%–5% (vs. flat–up slightly in July)
- Western European August–October new farm equipment orders flat–up slightly yy (vs. down 4%–7% in July), but 2021 projections softer than prior estimate on growing uncertainty in all countries
- South American August–October new equipment orders up 5%–8% yy, limited only by inventory and production constraints; equipment prices up double digits on supply shortages; 2021 sales expected up 6%–9% (vs. up 4%–7% in July)
- Area to Watch: Long lead times remain problematic in most regions, preventing further growth near term and preventing higher projections for 2021

KEY DATA

Global Farm Equipment Demand Trends YY (weighted average)



“We have a flurry of quoting activity. All of a sudden, we have beans at \$10.50 and yields are really good — with a 70-bushel average. Some are grossing \$850 an acre, which is double a year ago. And we got government payments at \$40 per acre, so I think income will be the best we’ve seen in seven years.”

Illinois

**BY: KATHY KENT, SYLVAIN GAVARD
AND PAULA GOBBI
EDITOR: T. JARRETT HARRIS**

SOURCES & BACKGROUND

63 farm equipment dealers representing more than \$4.5 billion in annual new sales

NORTH AMERICA 30 dealers (17 Deere, 9 CNH, 4 AGCO); **WESTERN EUROPE** 14 dealers (7 Deere, 4 CNH, 3 AGCO); **RUSSIA/CIS** 9 dealers (5 Deere, 2 CNH and 1 each AGCO and Claas); **SOUTH AMERICA** 10 dealers (4 Deere and 3 each CNH and AGCO)

REPEAT SOURCES 47 (24 in North America, 11 in Western Europe, 7 in South America, and 5 in Russia/CIS) from OTR Global’s July report

INTERVIEWS Sept. 25 through Oct. 20

AVERAGES Regional averages weighted according to each source’s 2019 new equipment sales revenue; Western European averages weighted according to each country’s 2019 volume sales of tractors (France 42%, Germany 39%, United Kingdom 19%); global averages weighted according to each region’s share of equipment sales in 2019 (North America 64%, Europe 18%, Russia/CIS 5%, South America 7%)

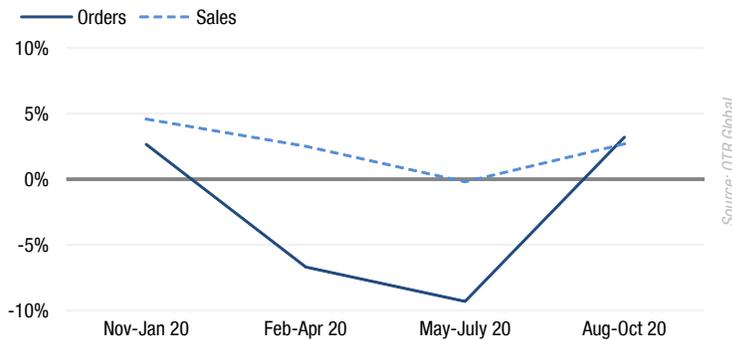
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NORTH AMERICA

Demand increases as commodities rise

North American Demand Trends YY

(weighted average)



North American farm equipment demand has improved significantly since OTR Global's July report, with 23 of 30 farm equipment dealers reporting improved outlooks during the past 90 days. Dealers said strong yields and the improvement in commodity prices drove improving farmer outlooks, with corn and soybean prices exceeding pre-pandemic levels. New farm equipment sales and orders improved; August–October sales rose an average 1%–4% yy (flat–down slightly in July) and orders increased 2%–5% yy (down 8%–11% in July). Dealers said large government payments also helped farmers' bottom line, making it easier for customers to pull the trigger on purchases they had previously been delaying. In addition, an earlier harvest yy allowed farmers to start shopping sooner. Dealers expect the momentum to continue, with November–January sales expected up an average 3%–6% yy and 2020 new equipment sales now expected up 3%–6% yy, an improvement from the July forecast of flat–down 3%.

Quotes

"We have a flurry of quoting activity. All of a sudden, we have beans at \$10.50 and yields are really good — with a 70-bushel average. Some are grossing \$850 an acre, which is double a year ago. And we got government payments at \$40 per acre, so I think income will be the best we've seen in seven years." *Illinois*

"We were totally blindsided. Things lit up for our location in mid-August. We sold equipment — a mix of new and used — like crazy. In four weeks, we sold more than in the prior four months." *Kansas*

"We will have as good a crop as we have ever had and we've been seeing some fall harvest [price] rallies, which gives us some spring in our step. There is more confidence in the market than there has been for a long time." *Iowa*

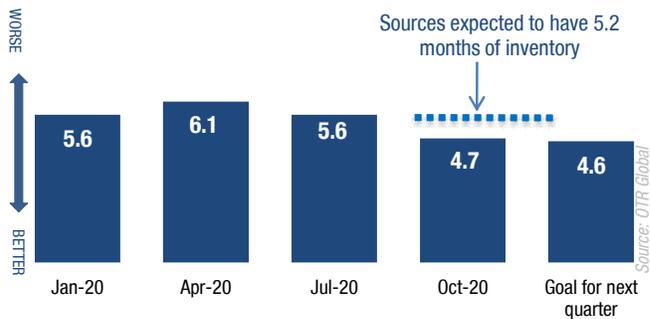
"We are still dealing with some of the oldest fleets on the farm, with a lot of seven- to 10-year-old machines out there. There are a lot of folks that aren't crazy about updating equipment, but they just have to do it because their fleet is getting older." *Multi-state South*

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Used inventories lower

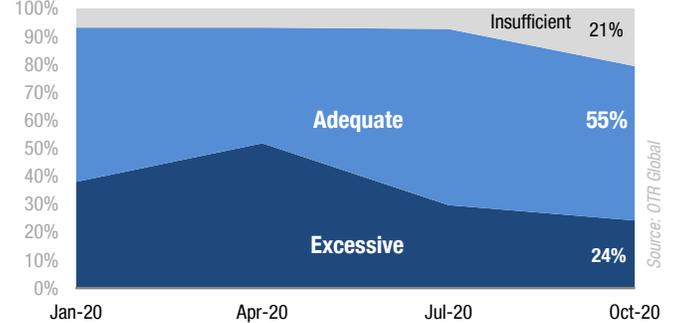
Months of Used Equipment Inventory in North America

(on average)



North America Used Equipment Inventories

(percentage of responding sources)



Dealers said used equipment inventories and prices improved qq, laying the groundwork for new equipment sales for the rest of this year and next. With low used inventory, dealers are comfortable taking trade-ins when making a new equipment sale, and stronger used pricing helps shrink the difference between the cost of new equipment and the price offered for the trade-in. Dealers had an average of 4.7 months of used equipment inventory on hand (compared with 5.6 months in July) and used prices were flat-up 3% qq on average (compared with flat-down slightly qq in July). Used combine prices improved the most, dealers said, noting they have been working on bringing down combine inventories during the past few years.

Quotes

“New equipment became scarcer with the lead time increase, and we were able to knock some high-dollar used tractors out. The table is set for a good year [in 2021] in a lot of ways, including commodity prices and [improved] used inventory.” *Deere*

“Our used equipment levels are coming down, and when that happens, people have to start trading up and buy new when the used isn’t as available.” *Deere*

“We have seen the biggest [price] increase in [used] combines. I think most dealers are through the glut, and I think we finally turned the corner.” *AGCO*

“We are cleaning out lease returns from four years ago and getting to a point where [inventory] is manageable.” *CNH*

“Our used sales have increased a fair amount. Combines are pretty decent right now, and we sold a lot of tillage and corn heads because fall has been so good. One hang-up is the late-model 9rx 4WD tractor. We have a lot of them, and they are \$400,000 apiece used.” *Deere*

Cautious optimism for 2021 sales growth

With customer interest in refreshing equipment growing and order momentum improving, dealers expect 2021 new equipment sales to increase an average 2%–5% yy. This is an improvement from July expectations of flat-up slightly, and the increase is now on top of higher yy 2020 figures.

AGCO Corp. dealers were the most optimistic for 2021, expecting to grow sales with the new Fendt lineup, including newly released tractors, the IDEAL combine and Momentum planter.

However, pandemic-related manufacturing delays and dealer inventory reductions thinned out inventories, and equipment availability is expected to be a limiting factor for sales during 4Q20 and 2021. Lead times lengthened qq for 15 of 30 dealers, and new equipment inventory levels

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were categorized as insufficient for 12 dealers, up from six in July. Availability constraints are expected to be especially pronounced with small equipment sales, which was an unexpected boost for dealers in 2Q20. Now dealers are out of inventory and lead times are into spring and summer. (This parallels findings of tight small machine availability in the [Oct. 19](#) Used Heavy Equipment report and expected supply shortages of compact equipment in the [Sept. 17](#) Heavy and Power equipment report.) Also holding back dealer estimates is uncertainty surrounding agriculture policies following the presidential election, including the possible discontinuation of government payments.

Quotes

"The [early order programs] have been pretty good. [Customers] thought the world was coming to an end but it didn't, and they realized they have to replace equipment and plant next year." *Deere*

"We will probably be up 10%–15%. The Fendt portfolio keeps growing, and it is in categories where we haven't had good equipment before, like planters and front-wheel assist tractors. This fall, the 900MT and 1100MT track tractors launched." *AGCO*

"I think 2021 will be a good year, but I don't see it being a rock-star year. Sales will be flat—up 5% [in 2021]. People are trying to get financially healthy again, so I'm cautious. I don't think we will see near the amount of stimulus we saw in 2020." *Deere*

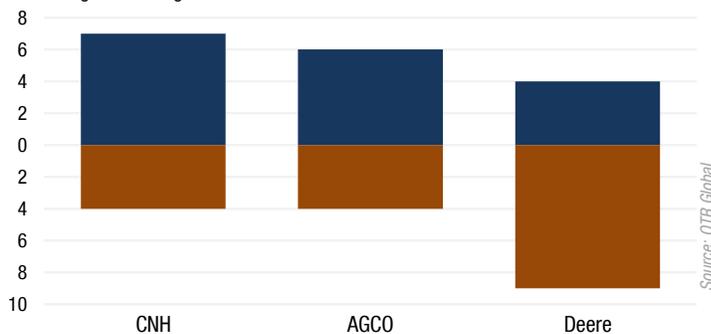
"I've run out of small inventory. We had a few months where the industry went bananas. Small tractors will rescind a bit [in 2021]." *Deere*

Deere share slips on availability, price

North American Market Share Gains and Losses

(number of mentions)

■ Gaining ■ Losing



While one-half of dealers said market share was stable, others said **CNH Industrial N.V.** gained share from **Deere & Co.** by capitalizing on having more inventory on the ground and also winning deals with lower prices. Although Deere has typically supplied dealers with higher incentives leading up to Deere's Oct. 31 year-end, this year a larger percentage of AGCO and CNH dealers reported heightened incentives qq compared with Deere dealers. Ten of 28 dealers said incentives increased qq, offsetting price increases, with August–October new equipment prices up an average 1%–4% yy (compared with up 2%–5% in July). Dealers across all OEMs said they had very little to offer customers in terms of leases, with manufacturers looking to avoid the risks associated with high residuals.

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Quotes

“Case [has gained share] based on the inventory available and Deere doesn’t make any extra. I think we are losing two to three points market share in high-horsepower tractors and harvesting equipment.” *Deere*

“We are gaining due to programs, and we have the new Magnum tractor and the new Axial-Flow 8250 combine, which is great.” *CNH*

“I don’t see a significant push from Deere at year-end. I don’t think they have a lot of inventory on the ground, and they are trying to get ready for 2021. 2020 has been a mess, and I think they are focused on 2021.” *Deere*

“AGCO is becoming increasingly opportunistic with one-off programs — rather than using a broad brush — to go after some new business. Prices are up 3% [yy], but with the discounts, it is flat.” *AGCO*

“We are at a stalemate with leasing. The bread-and-butter leases were in the 200–400-hp tractors years ago, but the higher-lease dollars and lower residuals kind of halted all of that leasing business. And we don’t feel competitive pressure on leases right now either.” *Deere*

“Case IH is not in the leasing game this year. Customers are holding off for 4Q20 thinking we will come out with some [lease deals], but I don’t think there will be anything.” *CNH*

Dealers watch technology, AGCO OEM store

Dealers were encouraged by new technology offerings by their OEMs. Deere dealers were excited by CEO John May’s Smart Industrial strategy and the continued evolution of Deere’s technology, including See & Spray and ExactEmerge. AGCO dealers said the Fendt lineup’s integrated platform would help them compete with Deere, and expect **Raven Industries Inc.**’s VSN row guidance to be popular with customers. AGCO dealers were also interested in the Xaver autonomous seeder in the AGCO pipeline. CNH dealers expect AFS Connect and MyCaseIH to help close the gap with competitors’ digital offerings, but said CNH was still lagging others.

Dealers were closely following AGCO’s acquisition of assets of a Kentucky farm equipment dealership, but dealers view the move less as a long-term strategy change and more as a way to avoid losing an AGCO presence in the area.

Quotes

“The changes at Deere are significant. I think John May will narrow their focus. I think they will be faster to market with technology. It will keep pressure on competition.” *Deere*

“We will be able to upgrade used planters to ExactEmerge technology. We can go to a guy with a 4-year-old planter and tremendously change his performance.” *Deere*

“See and Spray is a lot closer than a year ago and MyJohnDeere continues to drive more engaged acres. With ExactEmerge, you can run 12–13 miles per hour and get spacing and emergence that the competition can’t.” *Deere*

“AGCO now offers the VSN row guidance with cameras from Raven. We are selling quite a bit of aftermarket, but it will eventually be installed at the factory.” *AGCO*

“Xaver is AGCO’s individual unit, self-propelled planter. There will be robots going around field. Each unit has its own storage compartment and is self-propelled and several go

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through a field without an operator, other than the person behind the computer. It charges on its own and refills itself.” *AGCO*

“Case is refining their digital interaction with the customer with MyCaseIH, and we are hoping that works. They’ve got a lot of making up to do with their dealers with technology.” *CNH*

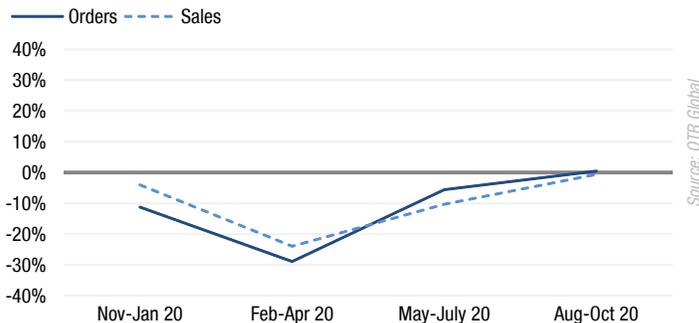
“I don’t see an agenda with [AGCO’s new] AgRevolution store for AGCO to move to [direct-to-consumer]. They didn’t want to lose momentum in that location with Fendt coming out.” *AGCO*

WESTERN EUROPE

Commodity prices boost demand

Western European Demand Trends YY

(weighted average)



Western European dealers reported new equipment orders flat-up slightly yy on average during August–October, an improvement from the May–July findings of down 4%–7%, and above sources’ July expectations of down 3%–6%. Market conditions improved qq for nine of 14 sources and deteriorated for none, an improvement from July. High commodity prices aided demand and helped offset weak yields in all countries following the summer drought. Six of seven Deere dealers also said increasing OEM incentives qq helped fuel sales, which were flat-down slightly overall, compared with down 8%–13% in July. Similar to the July findings, sources in France and the United Kingdom were the most positive, with October–January yy sales and orders expected up yy, while German dealers were slightly more pessimistic, citing the Chinese ban on German pork exports imposed on Sept. 12 because of an outbreak of African swine fever.

Quotes

“The outlook is a bit clearer now, it has improved. The harvest was down, but [commodity] prices are high, so there is more return and it roughly evens out.” *CNH, United Kingdom*

“Wheat prices are OK, with recent prices over 200€ per ton. Large farms have funds to invest, while smaller farms are cash-dry, but Deere supports sales.” *Deere, France*

“The African swine [fever] has broken out in the Brandenburg region. Farmers are wary, they do not invest much, and everyone is waiting to see if the disease will hit other regions. China — which is the biggest importer of German pork — recently put a ban on German pork.” *Deere, Germany*

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2020 outlook improves, 2021 less robust

Sources expect 2020 sales of new farm equipment to be flat—up 2% yy on average — an improvement from the 5%–8% decline sources expected in July — as eight of 13 sources revised their outlook upward. However, November–January orders are expected to be flat—down 3% yy on average because of new COVID-19 restriction measures, the swine flu in Germany, and the possibility of a hard Brexit in the United Kingdom. Sources in Germany and the United Kingdom expect 2021 sales to be flat—down 3% yy on average — a slight deterioration from July expectations — while French sources could not make any forecast for 2021, citing growing uncertainty regarding the pandemic.

Quotes

“All signs are that sales and orders in November–January will be down [yy]. The virus is still floating around, and there is Brexit. People have kind of forgotten about it, but lots of farmers will say, ‘Let’s wait and see.’” *AGCO, United Kingdom*

“Because of new curfew measures [implemented on Oct. 17], restaurants in 10 large French cities, including Paris, will have to close at 9 p.m. for at least six weeks [with a total of 20 million people in France having to comply with those curfew measures]. It will slow demand for vegetable and meat products, with potatoes most impacted because of their large consumption in fast-food restaurants. We also have farmers refusing to meet with our commercial teams because of the fear of COVID-19.” *AGCO, France*

“The global situation is unpredictable. For example, a large potato factory was planned next year in my region, but the project has been pushed back for at least two years.” *CNH, France*

“The combine harvester market seems very slow. This might be an indicator for next year’s tractor sales. The 2021 selling season has started already.” *AGCO, United Kingdom*

Lead times stable, inventories adequate

Lead times were stable for nine of 14 sources during the past 90 days, while three said they decreased from high levels following the production shutdowns in mid-March. However, two said they increased further because of pandemic-related safety measures. Most sources reported equipment inventory levels as adequate.

Quotes

“Lead times are now back to normal. Three months ago, the pandemic had affected lead times with some factory closures.” *CNH, U.K.*

“Production capacity for Deere is at 80%–90%. It was reduced when factories reopened to comply with safe-working-distance norms.” *Deere, Germany*

“Lead times can be problematic sometimes, as production in Spain is still affected by pandemic measures.” *CNH, France*

AGCO gains, Deere ups incentives

AGCO topped the list of brands gaining share during November–January, with eight sources reporting gains, up from six in July. Sources said AGCO’s Fendt brand gained on its reputation for quality, while its tier-2 brand Massey Ferguson gained on attractive pricing. “AGCO gained for sure,” a U.K.

Equipment Lead Times in Western Europe

(number of mentions)

	JULY	CURRENT
Extended	6	2
Remained the same	-	9
Shortened	7	3

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dealer said. “Massey improved its share on good prices, while Fendt benefits from good marketing and perception of the product in the market.”

Five sources reported share gains for Deere — up from two in July — as most sources said the OEM increased incentives during October–January. A U.K. Deere dealer said, “Deere is no longer losing share thanks to the incentives it offered in the last 90 days. But on the other hand, because of Deere switching its strategy to keep only large dealerships, we see former small Deere dealers that lost their Deere dealership switch to [AGCO’s] Massey Ferguson.”

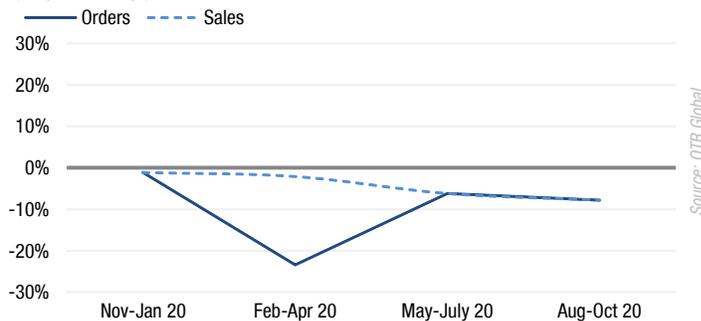
Claas KGaA mbH topped the list of the brands losing share, as it suffered from decreasing demand for combines — which is the brand’s stronghold — while its tractors are perceived as offering lower quality than premium brands. A French Deere dealer said, “As demand for combines is down, Claas is losing ground. In our region, there were only 20 new combines registered this year. If it were a good year, there should be around 60 new combines registered.”

RUSSIA/UKRAINE

Weakening ruble hurts demand

Eastern Europe Demand Trends YY

(weighted average)



Sales and orders for new equipment in Russia/CIS both decreased an average 6%–9% yy during August–October, below sources’ July expectations. Russian sources said market conditions remained equally difficult in the last 90 days despite increasing global commodity prices because the deteriorating value of the ruble affected purchases of foreign-made equipment. Sources in the Ukraine said customer income was affected by low yields following the drought in the south of the country.

Sources expect 2020 new equipment sales to decrease an average 9%–12% yy, a deterioration from July expectations of down 3%–6%. Three Russian sources expect their 2021 sales to increase yy, based on conversations they had with customers, but two Ukrainian sources expect their sales to decrease because of low farmer income in 2020 and uncertainty regarding upcoming land ownership regulations.

Quotes

“The ruble continues to go down. Some clients halted equipment purchases. The ruble depreciation causes a great deal of uncertainty.” *Russia*

“The ruble continues to go down, on global political and economic issues, such as low oil prices.” *Russia*

“Corn yields are so low per [acres] that they can hardly cover production costs. Sunflower yields are low as well, because of unfavorable weather conditions.” *Ukraine*

“Deere is no longer losing share thanks to the incentives it offered in the last 90 days. But on the other hand, because of Deere switching its strategy to keep only large dealerships, we see former small Deere dealers that lost their Deere dealership switch to [AGCO’s] Massey Ferguson.”

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Claas, Deere gain share with local production

Claas gained share for four of nine sources and lost for none, an improvement from previous findings, as Claas increased its local production and continued to benefit from its inclusion in the 1432 program, which grants easier credit to brands with local production. A Russian Claas dealer said, "According to Claas, they increased production and sales in 2020 by 20% in Russia, and they plan to increase production in 2021 by 20% as well. They doubled sales of harvesters by using RosAgroLeasing financial instruments."

Deere gained share for two sources and lost for none, in line with previous findings. Sources said Deere increased its local production and is therefore included in the 1432 program. A Deere dealer said, "Deere established domestic assembly of harvesters and tractors this year in Orenburg, Russia."

"Deere established domestic assembly of harvesters and tractors this year in Orenburg, Russia."

SOUTH AMERICA

Higher commodity prices fuel demand

Dealers reported new equipment sales up an average 8%–11% yy during August–October, up from the 1%–4% increase found in July. Mirroring trends in the [Sept. 28 Seeds - Brazil](#) report and [Sept. 10 Fertilizer](#) report, sources said ag market fundamentals improved during the past 90 days, as record high soybean, corn and cattle prices continued to boost sales beyond expectations. "Soybeans at 130 reais are a fantastic price. Farmers are increasing acreage and wanting to invest," a Deere dealer said. "Farmers have capital, and prices of soybeans, corn and beef are spectacular." A Parana CNH source said the ratio of soybean bag price to farm equipment was better than in previous years. "Farmers' money [can be expressed in] bags of soybeans. A tractor last year was approximately 8,000 bags of soybeans. This year it is 4,000–5,000."

Quotes

"Soybean prices are up from 70 reais last year to 140 reais now, making twice as much per bag. Corn prices have gone from 25–50 reais. Farmers are very excited and investing, opening new areas, buying land. In our region, planted acreage is expected to increase 20%." *Goiás CNH dealer*

"Soybean prices have increased tremendously in the past three months, driving up demand. Farmers are crazy to buy new machines, soybean prices have jumped. Brazil has a need to renew its farm equipment." *Minas Gerais Deere dealer*

"Soybean prices are excellent, corn prices are excellent, beef prices are excellent. Here, farmers also plant manioc, and prices have doubled in the last 60 days." *Parana Agco dealer*

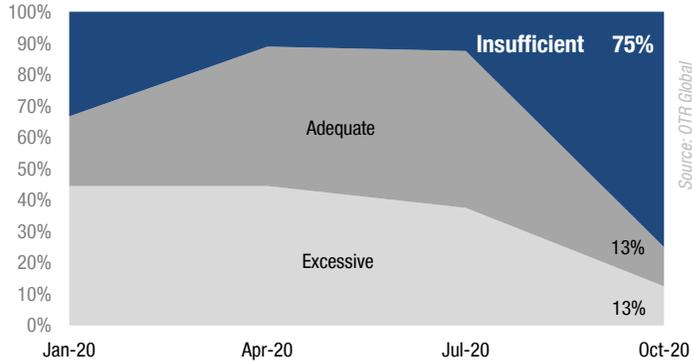
"Farmers are closing deals of soybeans at 130 reais per bag versus 70 reais last year. Some are even closing deals for 2022 at 100 reais to cover their crop costs." *Parana Agco dealer*

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Prices soar, shortages limit orders

Latin America Used Equipment Inventories

(percentage of responding sources)



Sources reported new equipment prices up an average 20%–23% yy during August–October, a steep increase from the 7%–10% increase in May–July. Sources said pricing increased as demand outpaced supply — all 10 sources reported insufficient inventory — and costs for steel and imported components rose. Orders for new equipment increased just 5%–8% yy during August–October, a slight softening from July, as sources said orders were limited by production capacity. All 10 sources said lead times extended on new equipment orders.

Quotes

“Demand is hot, but production has not kept up. There is a chain of production that is affected by COVID-19 and can’t pick up fast enough. Production hasn’t stopped, but the supply chain has been affected.” *Parana AGCO dealer*

“My orders of 40 tractors per month are programmed for the year, but we only received 30.” *Parana CNH dealer*

“We cannot increase our orders now because the plant cannot increase capacity. Equipment shortages are a drag on sales. Demand has jumped, but production has stalled. New sales are only available for March or April 2021.” *Minas Gerais Deere dealer*

2020, 2021 outlooks up, but challenges remain

Even with production limitations, dealers expect 2020 new equipment sales to increase an average 11%–14% yy, a significant increase from the 3%–6% forecast in July. Strong crop prices and increased farm income have boosted customer demand beyond expectations, and sources said buyers have not been deterred by steep equipment price increases. Equipment availability remains the main issue going forward, with factory production levels curtailed by component shortages.

Based on current farm income trends and favorable credit and interest rates, dealers expect new equipment sales to increase another 6%–9% yy in 2021, up slightly from July forecasts. However, in addition to equipment availability, sources said a potential credit crunch could deter demand. The 2020/2021 Modernfrota program launched in July 2020 with FINAME interest rates at 7.5% could start to run dry of funds at the end of the year, according to four sources. Sources said the unexpected jump in farm equipment sales in 2H20 may burn all the funding allocated for 12 months ending July 2021. “The credit available by the BNDES program through July 2021 will dry up by the end of this year. That is proof of how hot sales are,” one dealer said. A Parana CNH source

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said, “The government plan [FINAME] is due to run out of funds in the next two months unless they allocate more capital. Agriculture is the only sector of the economy doing well so they should, but we don’t know. Some lines of credit have already dried up.”

In Argentina, sources said uncertainty has increased as the tighter foreign exchange controls announced in September have resulted in a shortage of imported equipment and components. Credit lines in pesos that appeared as positive earlier this year now face stronger headwinds, and adverse political and economic uncertainty will likely continue to keep farmers from investing.

Quotes

“We will sell what is delivered. We could be selling much more, but the plant can’t produce fast enough.” *Minas Gerais Deere dealer*

“Our limit is availability, we could be selling 20% more.” *AGCO Parana dealer*

“Pronaf credit lines have run dry of funds. ... We are hoping to get more funding by the end of the year. I have a lot of clients whose credit line is approved, just waiting for funds to close the sale.” *Parana AGCO dealer*

“We have used up 70% of the Modernfrota credit line. I think it will hold until December. It was meant to be until July 2021, but demand has been so strong. I think the government will provide more funding as Brazil’s agriculture is what holds up the country’s GDP.” *Mato Grosso Deere dealer*

“Due to exchange restrictions, the manufacturer cannot transfer capital abroad, we cannot import components due to import restrictions. There is no equipment available. Economic policy is not favorable to the agricultural sector. Everyone is very tired — this is a hard year.” *Argentine CNH dealer*

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1. Has your outlook on the farm equipment market improved, remained the same or worsened during the past 90 days?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Improved:	23	9	1	3	36
No change:	7	5	7	5	24
Worsened:	-	-	1	2	3
OTR Comparative Index:	77	64	0	10	52
July Index:	11	23	11	50	20

Note: The OTR Comparative Index is a quantitative representation of qualitative responses. The Index is calculated by subtracting the "worse" from the "better" responses, dividing by the total responses and multiplying by 100. An Index below zero indicates a negative trend; above zero indicates a positive trend

2. What factors have been affecting the farm equipment market in your region during the past 90 days?

POSITIVE

Commodity prices:	18	9	5	9	41
Yields/yield potential:	15	-	-	-	15
Government policies:	11	1	2	-	14
Pent-up demand:	11	2	-	1	14
Farm income:	8	1	-	4	13
Confidence in the market:	6	-	-	2	8
Manufacturer incentives:	1	7	-	-	8
Used equipment demand:	5	2	-	-	7
Small equipment sales:	4	2	-	-	6
Weather:	5	1	-	-	6
New technology:	5	-	-	-	5
Crop diversity:	1	2	-	-	3
Used equipment inventory:	3	-	-	-	3
Credit availability:	-	2	-	-	2
Equipment availability:	-	2	-	-	2
Interest rates:	1	-	-	1	2
Other:	2	2	-	-	4

NEGATIVE

Equipment availability:	12	3	2	9	26
Uncertainty in the market:	6	9	1	1	17
Yields/yield potential:	3	9	1	-	13
Weather:	7	2	2	1	12
Credit availability:	2	2	1	4	9
Exchange rate:	-	-	7	1	8
Farm income:	1	3	1	1	6
Equipment prices:	-	2	-	2	4
Leasing terms:	4	-	-	-	4
Commodity prices:	2	1	-	-	3
Used equipment demand:	-	3	-	-	3
Delayed purchases:	-	1	1	-	2
Government policies:	-	-	-	2	2
New equipment inventory:	2	-	-	-	2
Other:	1	2	-	-	3

Note: Some sources gave more than one answer.

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3. Did August–October new farm equipment orders increase, remain the same or decrease yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 21%–25%:	-	-	1	-	1
Up 16%–20%:	2	-	1	-	3
Up 11%–15%:	-	-	1	2	3
Up 6%–10%:	3	3	1	3	10
Up 1%–5%:	9	2	-	-	11
Up:	1	-	-	-	1
Flat:	12	6	1	5	24
Down:	-	-	1	-	1
Down 6%–10%:	2	3	-	-	5
Down 16%–20%:	1	-	-	-	1
Down 26%–30%:	-	-	1	-	1
Down 31%–40%:	-	-	1	-	1
Down 41%–50%:	-	-	1	-	1
Weighted average:	Up 2%–5%	Flat–up slightly	Down 6%–9%	Up 5%–8%	Up 1%–4%
May–July average:	Down 8%–11%	Down 4%–7%	Down 5%–8%	Up 6%–9%	Down 6%–9%

4. Did lead times for new equipment extend, remain the same or shorten during the past 90 days?

Extended:	15	2	-	10	27
Remained the same:	13	9	8	-	30
Shortened:	2	3	1	-	6

5. Did August–October new farm equipment sales increase, remain the same or decrease yy?

Up 21%–25%:	-	-	1	-	1
Up 16%–20%:	-	-	1	-	1
Up 11%–15%:	3	-	1	3	7
Up 6%–10%:	5	2	1	3	11
Up 1%–5%:	9	2	-	1	12
Up:	1	-	-	-	1
Flat:	9	6	1	3	19
Down:	-	-	1	-	1
Down 1%–5%:	1	1	-	-	2
Down 6%–10%:	-	2	-	-	2
Down 11%–15%:	1	1	-	-	2
Down 16%–20%:	1	-	-	-	1
Down 26%–30%:	-	-	1	-	1
Down 31%–40%:	-	-	1	-	1
Down 41%–50%:	-	-	1	-	1
Weighted average:	Up 1%–4%	Flat–down slightly	Down 6%–9%	Up 8%–11%	Up 1%–4%
July expectation:	Flat–down slightly	Down 3%–6%	Down 3%–6%	Flat–up slightly	Flat–down 3%
May–July average:	Flat–down slightly	Down 8%–13%	Down 5%–8%	Up 1%–4%	Down 1%–4%

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6. Do you expect November–January new farm equipment sales to increase, remain the same or decrease yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 16%–20%:	-	-	1	1	2
Up 11%–15%:	1	-	1	2	4
Up 6%–10%:	11	2	-	2	15
Up 1%–5%:	12	3	-	-	15
Up:	-	1	1	-	2
Flat:	4	3	1	3	11
Down:	-	-	3	1	4
Down 6%–10%:	-	4	-	-	4
Down 21%–25%:	1	-	-	-	1
Down 31%–40%:	-	-	1	-	1
Don't know:	1	1	1	1	4
Weighted average:	Up 3%–6%	Flat–down slightly	Not averaged	Up 8%–11%	Up 2%–5%

7. Are new equipment inventory levels excessive, adequate or insufficient relative to demand?

Excessive:	1	1	-	-	2
Adequate:	17	12	7	-	36
Insufficient:	12	1	2	10	25

8. Are August–October new equipment prices higher, the same or lower yy?

Up 26%–30%:	-	-	-	1	1
Up 21%–25%:	-	-	-	1	1
Up 16%–20%:	-	-	-	5	5
Up 11%–15%:	-	-	-	1	1
Up 6%–10%:	1	3	-	-	4
Up 1%–5%:	22	9	8	-	39
Up:	-	-	1	-	1
Flat:	5	2	-	2	9
Down 1%–5%:	1	-	-	-	1
No response:	1	-	-	-	1
Weighted average:	Up 1%–4%	Up 3%–6%	Up 1%–4%	Up 20%–23%	Up 3%–6%
May–July average:	Up 2%–5%	Up 9%–12%	Flat–up 3%	Up 7%–10%	Up 3%–6%

9. Have manufacturer incentives or discounts increased, remained the same or decreased during the past 90 days?

Increased:	10	8	-	-	18
Remained the same:	17	6	9	3	35
Decreased:	1	-	-	7	8
No response:	2	-	-	-	2

10. Which equipment manufacturers are gaining or losing market share in your region?

GAINING

AGCO:	6	8	1	3	18
Deere:	4	5	2	2	13
CNHI:	7	3	-	2	12
Claas:	2	2	4	-	8
Versatile:	-	-	3	-	3
Mahindra:	2	-	-	-	2
Other:	1	-	1	3	5
None:	15	2	2	4	23

Farm Equipment

LOSING	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Deere:	9	3	-	2	14
CNH:	4	2	1	2	9
AGCO:	4	1	-	1	6
Claas:	-	4	-	-	4
Kubota Corp.:	3	-	-	-	3
Deutz Fahr:	-	2	-	-	2
JCB:	-	1	-	-	1
None:	16	2	2	5	25

Note: Some sources gave more than one answer while others did not respond.

11. Are used equipment inventory levels excessive, adequate or insufficient relative to demand?

Excessive:	7	6	-	1	14
Adequate:	16	8	-	1	25
Insufficient:	6	-	-	6	12
No response:	1	-	-	-	1
Not applicable:	-	-	9	2	11

12. Are used farm equipment prices higher, the same or lower compared with 90 days ago?

Up 26%–30%:	-	-	-	1	1
Up 21%–25%:	-	-	-	1	1
Up 11%–15%:	-	-	-	2	2
Up 6%–10%:	2	-	-	1	3
Up 1%–5%:	11	1	-	-	12
Up:	4	-	-	2	6
Flat:	9	9	-	1	19
Down 1%–5%:	1	4	-	-	5
Down 11%–15%:	-	-	-	1	1
No response:	3	-	-	-	3
Not applicable:	-	-	9	1	10
Weighted average:	Flat-up 3%	Flat-down slightly	Not averaged	Up 19%–22%	Up 1%–4%
July average:	Flat-down slightly	Down 4%–7%	Not averaged	Up 3%–6%	Flat-down 3%

13. Do you expect 2020 new equipment sales (in local currency) to increase, remain the same or decrease yy?

Up 21%–25%:	-	-	-	1	1
Up 16%–20%:	1	-	-	-	1
Up 11%–15%:	4	-	1	3	8
Up 6%–10%:	6	3	2	2	13
Up 1%–5%:	6	3	-	1	10
Up:	-	1	1	-	2
Flat:	6	3	1	2	12
Down:	-	-	1	-	1
Down less than 1%:	1	-	-	-	1
Down 1%–5%:	4	1	-	-	5
Down 6%–10%:	1	2	-	-	3
Down 11%–15%:	-	1	-	-	1
Down 16%–20%:	-	-	1	-	1
Down 21%–25%:	1	-	-	-	1
Down 31%–40%:	-	-	1	-	1
Down 41%–50%:	-	-	1	-	1
Don't know:	-	-	-	1	1
Weighted average:	Up 3%–6%	Flat-up 2%	Down 9%–12%	Up 11%–14%	Up 2%–5%
July average:	Flat-down 3%	Down 5%–8%	Down 3%–6%	Up 3%–6%	Down 1%–4%

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14. Do you expect 2021 new equipment sales (in local currency) to increase, remain the same or decrease yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 16%–20%:	-	-	-	1	1
Up 11%–15%:	1	-	-	-	1
Up 6%–10%:	6	-	1	2	9
Up 1%–5%:	12	2	-	1	15
Up:	-	-	2	1	3
Flat:	7	3	-	2	12
Down:	1	1	2	-	4
Down 1%–5%:	1	1	-	-	2
Down 6%–10%:	-	1	-	-	1
Don't know:	2	6	4	3	15
Weighted average:	Up 2%–5%	Flat–down 3%	Not averaged	Up 6%–9%	Up 2%–5%
July average:	Flat–up slightly	Flat–up 3%	Not averaged	Up 4%–7%	Flat–up 3%

North America

15. How many months of used equipment inventory do you have on hand? How many do you expect to have on hand in three months?

	CURRENT	IN 3 MONTHS
12 months:	2	-
10 months:	1	3
9 months:	1	-
8 months:	1	-
7 months:	1	2
6 months:	4	3
5 months:	4	6
4 months:	4	5
3 months:	8	7
2 months:	1	1
Don't know:	2	2
No response:	1	1
Weighted average:	4.7 months	4.6 months
July expectation:	5.2 months	
July average:	5.6 months	

Europe, Russia and Latin America

16. Do you expect November–January new farm equipment orders to increase, remain the same or decrease yy?

	EUROPE	RUSSIA/CIS	LATIN AMERICA
Up 16%–20%:	-	1	-
Up 11%–15%:	-	-	2
Up 6%–10%:	2	-	3
Up 1%–5%:	2	-	-
Up:	2	2	-
Flat:	3	1	4
Down:	-	2	1
Down 6%–10%:	4	-	-
Down 11%–15%:	1	-	-
Down 31%–40%:	-	1	-
Don't know:	-	2	-
Weighted average:	Flat–down 3%	Not averaged	Up 6%–9%

Farm Equipment

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Additional information available upon request.