Farm Equipment

COMPANIES: AGCO, CNH, DE

AGCO, CNH, DE

Forward Orders Still Declining

Global farm equipment orders remained down double digits during August-October yy, and 2010 demand is expected to decline again, despite improving conditions in Latin America and a better-than-expected North American crop.

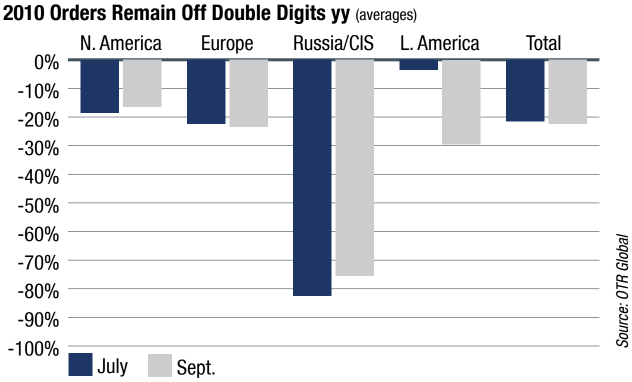
- OTR Global's reads on AGCO, CNH and DE are negative, as in the July report (AGCO reports late October, CNH 10/21, DE 11/25)
- North American orders down 16%-21% yy, demand projected to decline through 2010 as high replacement rate of last few years expected to slow
- Falling grain, dairy prices drove Western European orders below expectations for most sources as 2010 sales expected down 12%-17% yy
- Russian demand still dismal for new equipment, but inventories up just 3%-8% yy after 36%-41% increase in July; 2 sources reported loosening credit
- One-half of Latin American dealers reported improving conditions because of government stimulus plans during August-October and orders declined just 1%-6% yy, but 2010 demand remains uncertain
- Areas to Watch: Crop strength drove improved 2009 sales projections in North America, but sources expect only short-term impact; DE share loss in Western Europe continues on higher pricing/shorter warranty

EXECUTIVE SUMMARY

Falling commodity prices weighed on global new equipment orders during August–October yy, and dealers globally expect demand to fall further in FY2010. Sales estimates for 2009 moderated to less negative levels than in OTR Global's July report as Brazilian dealers reported a turnaround in equipment sales driven by government programs, and North American dealers said strong-looking crops helped offset the impact of sliding commodity prices. However, dealers in Western Europe reported continued declines in orders and offered the most pessimistic projections for 2010 new equipment sales. Only dealers in Russia/CIS expect 2010 equipment sales to increase yy, but most cited easy comparisons following a dismal 2009.

KEY DATA

2010 Orders Remain Off Double Digits yy (averages)



SOURCES & BACKGROUND

69 farm equipment dealership executives representing Deere, CNH, Claas, Agco and Agco's Challenger line with annual sales exceeding $2.4 billion

NORTH AMERICA 30 dealers (20 Deere, 9 CNH and 1 Challenger) in the United States and Canada; **EUROPE** 19 dealers (9 Deere, 6 CNH, 3 Agco and 1 Claas) in France, Germany and the United Kingdom; **CIS** 8 dealers (5 Deere, 2 CNH and 1 Agco) in Russia and the Ukraine; **LATIN AMERICA** 12 dealers (4 Deere, 5 CNH and 3 Agco) in Brazil and Argentina

REPEAT SOURCES 54 (21 in North America, 13 in Europe, 8 in the CIS and 12 in Latin America) from OTR Global's July report

INTERVIEWS Last week of September and first week of October

AVERAGES Regional averages weighted according to dealers' 2008 new equipment sales; global averages weighted according to Deere's estimated regional sales (North America 64%, Europe 18%, Latin America 7% and CIS 5%)

"If commodity prices don't increase, 2010 [sales] will definitely be lower than 2009."

Executive at a large German dealership

See last page for Important Disclosures and Analyst Certification

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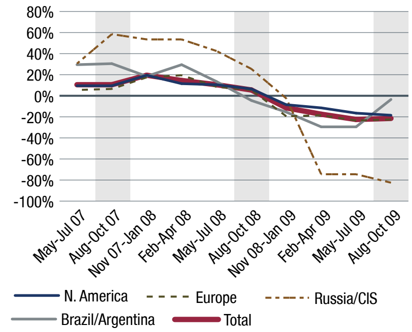
NORTH AMERICA

Orders down on expected 2010 decline

New equipment orders declined an average 16%–21% during August–October yy, and almost one-third of dealers reported worse-than-expected order rates, compared with fewer than one-fourth in OTR Global's July report. "We've definitely pulled back in our orders," a leading CNH dealer said. "I just don't think it can hold. There has been so much new stuff bought [farmers] don't need it." Although year-end buying and total 2009 sales may prove stronger than initially expected, dealers are placing new orders with great caution. "I thought demand would retract this year and that has not happened. But we have been more cautious on factory orders and more cautious on preselling," a leading CNH dealer said. Another dealer said, "My concern is how much machinery has been sold in the last two to three years. Our customers are so well updated they could shut off [purchases] just like that." Dealers expect 2010 new equipment sales to decline an average 4%–9% yy.

New Farm Equipment Orders yy



Time Series Analysis: Global new equipment orders remain weak yy but improved 100 bps from the July report, helped in particular by stronger-than-expected demand in Latin America.

Source: OTR Global

Strong crops mitigate sting of falling commodities

Although dealers expect a continued slide in demand into 2010, strong looking crops fuelled an improvement in projected year-end sales activity. Although harvesting has yet to kick into full gear in most regions, the lack of an early frost has farmers generally satisfied with projected yields. "We will have very good yields in our area here," a Great Plains Deere dealer said. "[Commodity] prices are lower than farmers would like, but they feel good about the bushels. I think we'll see quite a bit of year-end buying." New equipment sales are expected to decline an average 1%–6% during 2009 yy, an improvement from the 11%–16% decline projected in July. One-third of dealers now expect 2009 sales to increase yy, compared with only two in OTR Global's July report. "As we near the end of the year and I look at our total numbers, we're up over last year," one said. "That's certainly not what it felt like as the year went on, but it seems the carry-over orders really did just that."

However, not all dealers reported a stable or improving outlook. Dealers tied into dairy and cattle markets reported worsening conditions and deteriorating 2009 sales estimates, with one saying, "Milk, hogs and cattle [prices] are down, and of course crops are off quite a bit. I think you'll see it in next year's numbers."

Incentives keep used inventories in check

Sources said the incentive programs cited in OTR Global's July report remained in place or increased during August–October as manufacturers remained focused on keeping used equipment inventory at low levels. "I'll give them credit for coming to the table with good programs to move used equipment out," a large CNH dealer said. Another said, "[Programming] got better on the used equipment. They now offer two years interest free on used combines." Used equipment inventories increased an average 6%–11% during August–October yy, a slight deterioration from up 9%–14% in July. Dealers said combines remained the greatest concern in used inventories. "There are a lot of high-priced combines sitting around," one said. Dealers said used equipment pricing remained relatively solid — flat–down 4% on average during August–October yy — but some sacrificed margins to get used pieces out the door. "We're getting a little more aggressive on clearing out a few units to free up some cash," one said.

CNH plays hardball

CNH dealers said incentives expanded beyond the used equipment market, and several acknowledged the manufacturer's relative aggressiveness. "It is not anything that is published, but when

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it comes down to deal making, the company finds money some place," a leading CNH dealer said. A Deere dealer said, "A farmer had a new Deere 9330, and Case gave him a new machine in the same size, three years interest free and even threw in a used grain cart worth $25,000." However, 12 sources reported little shift in market share, while nine cited Deere as the top share winner compared with eight who cited CNH.

EUROPE

Sliding prices sour outlook

Western European farm equipment orders declined an average 20%–25% during August–October yy, similar to levels reported in July. However, most dealers reported a worsening outlook because of low grain and dairy prices. "Grain prices remain very low, and the milk crisis in Europe has also darkened our outlook," a French dealer said. A U.K. source said, "I did not think the situation would deteriorated this fast. Farmers have no money, the crops were poor and Deere is losing share. This is the perfect storm." Eleven of 19 dealers said orders during the period fell below expectations, but German dealers were less pessimistic. "Revenues did not decrease as much as we first feared," a German Deere dealer said. New equipment sales are expected to decline an average 10%–15% during 2009 yy, in line with expectations in OTR Global's July report.

"Grain prices remain very low, and the milk crisis in Europe has also darkened our outlook."

French dealer

Agco extends gains

New equipment prices were flat–up 4% yy during August–October — as in July — but more than one-half of all dealers reported increased incentives. Seven of nine Deere dealers said the manufacturer offered increased incentives late in the quarter. "Deere increased its incentives at levels not seen in 10 years. They give an additional discount of 3% for new customers," a German dealer said. A French dealer said, "Deere increased incentives so much in the last three weeks that a new tractor can be less expensive than a recent used one."

Despite aggressive programming, Deere again topped the list of market share losers as dealers said pricing remained higher than the competition. "Deere lives on another planet: they are way too expensive and they believe they can dictate prices to the rest of the industry," a U.K. dealer said. "Furthermore, several customers had reliability issues with Deere tractors and now go to Massey because they offer five years warranty whereas we only offer one year." A handful of other dealers also reported reliability problems with Deere machinery, but none offered any specifics and most attributed market share shifts to price alone. As in OTR Global's July report, Agco topped the list of share winners, followed by **Claas KGaA** and CNH. "Case now offers a good product, whereas [Agco's] Massey Ferguson offers great warranty deals," a U.K. dealer said.

Used inventories, prices edge lower

Used equipment inventories were flat–up 4% during August–October yy, down from the 8%–13% increase reported in July. "Because we do so few deals on new equipment, we don't take much used equipment in," a U.K. dealer said. "It's even becoming a bit scarce." Sources used equipment prices declined an average 2%–7% during August–October qq because of both declining demand and increased incentives on new machinery. "Because of Deere's new incentives on new equipment, used equipment is not that interesting for customers," a German dealer said. A U.K. source said, "We don't have demand from Eastern Europe anymore."

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Further declines ahead

Sources expect 2010 new equipment sales to decline an average 12%–17% yy as low commodity prices translate to lower farm incomes. “If commodity prices don’t increase, 2010 will definitely be lower than 2009,” a German dealer said. A French source said, “We expect really dark times in 2010.”

RUSSIA/CIS

Orders down but credit begins to thaw

Russian new equipment orders decline an average 80%–85% during August–October yy, a slight decline from OTR Global’s previous findings. Four of eight dealers said orders were in line with expectations for the period, but three said they were worse because of low commodity prices. “All positive expectations linked to the new crop proved wrong,” one said. “Grain prices are very low, demand is very low and farmers did not get financing from the government although they were promised.” Although credit has been a demand deterrent for the entire year, two of eight dealers reported improvement in credit availability since July. “High interest rates are the problem, not really availability of credit,” one said.

“Grain prices are very low, demand is very low and farmers did not get financing from the government although they were promised.”

Russian source

New inventories drop sharply from July

New equipment inventory levels increased an average 3%–8% during August–October yy, a significant drop from the 36%–41% increase reported in July. Sources said the decline naturally followed several quarters of extremely low new order volumes. “We sold out our excessive inventories and cut orders to Deere. Our inventory is normal at the moment,” one dealer said. However, a Ukrainian source said, “We are selling out our inventories, but they remain excessive.”

PRICING/INCENTIVES UNCHANGED IN LAST 90 DAYS

Sources said new equipment prices remain up an average 5%–10% yy, but a smaller percentage reported increased incentives than in July. However, sources did not necessarily associate this with improving conditions. “Sales decreased significantly, and the manufacturers try to keep their revenues at appropriate levels by cutting incentives and promotion programs,” an Agco dealer said.

2009 Seen as Bottom

Russian sources expect 2009 new equipment sales to decline an average 74%–79% yy, similar to expectations in July, but most expect higher sales in 2010, part as credit continues to loosen. “We expect some improvement in the Russian economy,” one said. “Grain prices are expected to increase in February, and credit availability should improve.” Dealers also expect new equipment sales to increase an average 6%–11% yy.

LATIN AMERICA

Brazilian government provides a boost, Argentine an obstacle

One-half of Latin American farm equipment dealers reported improving conditions during August–October, compared with just one source in OTR Global’s July report. New equipment orders declined just 1%–6% yy — an improvement from the 27%–32% decline in July — as Brazilian sources were surprised by better than expected demand. Overall, five of 12 dealers said orders were better than expected, compared with none in July. “The market heated up again, interest rates dropped and there are longer delays in availability," an Agco dealer said. Brazilian dealers said the turnaround in demand caught manufacturers by surprise. An **Agco Corp.** dealer said, "The production chain is overloaded, they cannot quickly turn around and produce more." Sources attributed much of the improvement to a government credit program that lowered interest, extended terms and eliminated a one-time federal credit fee. Although these special conditions will be officially valid through December, many sources expect they will last longer. "I think the government will extend it to October of next year, until just before the elections," one Brazilian dealer said.

However, Argentine sources reported worsening conditions because of government policies much less conducive to farm equipment demand. Sources said the government recently began restricting or delaying foreign farm equipment imports to promote "made in Argentina" machinery. "We had to re-plan our sales goals because all the import licenses are on hold," a **CNH Global N.V.** dealer said. "We are monitoring the situation day by day, but no one has a clear scenario of what will happen."

CNH picks up share

Fewer sources reported increased incentives than in OTR Global's July report, but more than one-half reported share gains for CNH compared with just two of 12 sources in July. "Our market share dropped a bit in August due to competition's more aggressive marketing strategy," a Brazilian **Deere & Co.** dealer said. Others attributed CNH's share gains to government contracts rather than competitive pricing. "CNH is gaining market share in the 75-horsepower tractor market due to the government plan," one said.

Strength drives improved 2009 outlook; 2010 uncertain

Dealers expect new equipment sales to decline an average 4%–9% during 2009 yy, an improvement from the 10%–15% decline expected in July and driven by the uptick in Brazilian demand. "We thought this would be a bad year, but it is surprising us," one dealer said. "Everyone expected a slow year with a drop of 15% year to year; that is why there is the lack of equipment." One-half of Latin America dealers expect 2009 new equipment sales to be up yy, compared with just one-fourth in July, but continued weakness in Argentina prevented further gains. "[Sales will be down] due to farmer liquidity, three consecutive crop losses, high input costs and low commodity prices," one dealer said. Most sources were unable to offer expectations for 2010 new equipment sales.

This report was researched and written by **T. Jarrett Harris**, **Sylvain Gavard** and **Paula Gobbi**, with additional research by **Dieter Daenzer**, **Julie Dinatale**, **Denise Jordan**, **Daisy Olivo**, **Fabrice Pozzoli-Montenay**, **Inge Schlaile** and **Eugenia Vlasova** for OTR Global LLC.

Farm Equipment

North America

ON CURRENT DEMAND

"Farmers are not as optimistic as they were, but not as pessimistic as they could be." *Mid-South U.S.*

"We're actually going to be up for the year, but only because of carryover orders from '08. Our actual activity for '09 is much lower than '08, much closer to the down 35% we talked about a few months ago." *U.S. Midwest*

"Buying has slowed but people talking has not slowed. We are looking for decent sales and deliveries for next year. People are sitting on money." *Eastern U.S.*

"I cannot remember when it has been this late, and I can't believe the markets have not responded better." *U.S. Midwest*

"August was a monster month for us. We usually do good business there, but it was a monster. We know November and December will probably not be as good." *U.S. Midwest*

ON USED EQUIPMENT

"Combine inventories are up a bit. I guess it would behoove us in the next three to six months to move as much as we can." *Eastern U.S.*

"My used inventory is pretty flat, but I'm hearing from neighboring dealers that used combines are becoming a problem." *U.S. Midwest*

"We've probably given some margin up to move it." *U.S. Midwest*

"Used Class 6 and 7 machines are selling real well, but class 8 not at all. The big operator at that level doesn't want a 1,500-hour machine, he wants new or a 300-hour machine." *U.S. Midwest*

ON INCENTIVES

"[CNH] has some lucrative marketing programs on used combines because they know how quickly those will slow down their business." *Eastern U.S.*

"Case is very aggressive. They know used equipment is out there." *U.S. Midwest*

Europe

ON DEMAND

"There was a sharp drop of orders in September." *France*

"The milk crisis, lower farmer incomes, CAP policies … too many negative factors impacting the industry right now." *France*

"Second- and third-tier buyers' activity decreased because Eastern Europe does not buy anymore." *Germany*

ON MARKET SHARE

"SAME Deutz has been very aggressive on price lately." *France*

"Deere is no longer at its zenith." *U.K.*

"Deere displayed a serious lack of reactivity." *France*

ON INCENTIVES

"We have solid support from Massey Fergusson to sell our inventories." *France*

"Deere is offering more discounts, but it is happening too late, the crop season is over." *United Kingdom*

"Case is offering a finance program of 0% for 48 months." *France*

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Russia/CIS

ON DEMAND

"Credit availability improved for imported farm equipment thanks to the government." *Russia*

ON MARKET SHARE

"We see no obvious winner in Ukraine." *Ukraine*

"Deere is building two new factories in Russia. It will allow them to avoid the new import taxes." *Russia*

"We have customers now buying from us because they had quality issues with Deere tractors manufactured in Germany." *Ukraine*

ON OUTLOOK

"We have subtle hopes that 2010 sales will increase year to year." *Russia*

Latin America

ON DEMAND

"Farmers are losing the fear of investing again." *Brazil*

"Sales are slow; the market is not reacting to drop in interest rates. Farmers are coming out of three years of ag crisis. Many are in debt, and few are thinking of investing." *Brazil*

"The government tractor plan for family farming saved the year." *Brazil*

ON AVAILABILITY

"The problem is availability. Most models are delayed more than 90 days, and some are only available for next year." *Brazil*

"Larger machines are available only next January." *Brazil*

ON MARKET SHARE

"We lost market share in August but are selling at a larger profit margin and with the guaranty of payment." *Brazil*

"Farmers want productivity, technology, support and an excellent network of dealers. That makes the difference." *Brazil*

ON OUTLOOK

"We don't have a sales plan for next year. Sales will depend on government policies, weather, yields and commodity prices." *Argentina*

"If the government extends the Finame Special [program], sales could continue to grow. But it is uncertain; soybean prices continue to be low, and that could reduce farmer's capital." *Brazil*

Farm Equipment

1. **Has your outlook for the farm equipment market improved, worsened or remained the same during the last 90 days?**

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Improved:	3	1	3	6	13
No change:	18	7	2	2	29
Worsened:	9	11	3	4	27

2a. **What factors helped or hurt the farm equipment market in your region during August–October? (Some sources gave more than one answer while others did not respond.)**

POSITIVE

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Good crops:	13	4	2	-	19
Interest rates:	1	-	-	5	6
Good weather:	3	-	-	2	5
Low input costs:	-	5	-	-	5
Credit availability:	1	1	-	2	4
Alternative financing:	1	-	1	-	2
Steady commodity prices:	1	-	1	-	2
Steady farm income:	1	-	1	-	2
Financially sound farmers:	-	-	2	-	2
Governmental support:	-	-	1	1	2
Other:	4	6	2	2	14

NEGATIVE

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Low commodity prices:	21	15	6	2	44
Low milk prices:	6	5	-	-	11
Economic uncertainty:	1	1	3	3	8
Credit tightening:	-	1	3	4	8
Poor weather:	3	2	-	1	6
Equipment availability:	1	1	-	3	5
Low farmers' income:	-	1	1	3	5
Low live stock prices:	4	-	-	-	4
High used inventories:	3	1	-	-	4
Poor crops:	1	3	-	-	4
Input costs:	1	1	-	-	2
High new inventories:	-	1	1	-	2
Currency rate:	-	-	1	1	2
Growing uncertainty:	-	-	1	1	2
Competition:	-	-	-	2	2
New customs regulations:	-	-	-	2	2
Other:	2	3	-	1	6

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3a. Have your new farm equipment orders increased, decreased or remained the same during August–October yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 26%–30%:	-	-	-	1	1
Up 21%–25%:	-	1	-	-	1
Up 16%–20%:	-	-	-	4	4
Up 1%–5%:	2	-	-	-	2
Flat:	4	-	-	3	7
Down:	-	1	-	-	1
Down 1%–5%:	2	-	-	-	2
Down 6%–10%:	3	-	-	-	3
Down 11%–15%:	3	3	-	-	6
Down 16%–20%:	7	3	-	-	10
Down 21%–25%:	2	3	-	-	5
Down 26%–30%:	3	1	-	1	5
Down 31%–40%:	1	3	1	-	5
Down 41%–50%:	2	1	-	-	3
Down 51%–60%:	-	1	-	-	1
Down 61%–70%:	-	1	2	-	3
Down 71%–80%:	1	1	2	-	4
Down 81%–90%:	-	-	3	-	3
Down 91%–100%:	-	-	-	3	3
Weighted average:	**Down 16%–21%**	**Down 20%–25%**	**Down 80%–85%**	**Down 1%–6%**	**Down 19%–24%**
July average:	**Down 14%–19%**	**Down 21%–26%**	**Down 73%–78%**	**Down 27%–32%**	**Down 20%–25%**

3b. Have your orders during August–October been better, worse or in line with expectations?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Better:	3	2	1	5	11
In line:	18	6	4	2	30
Worse:	9	11	3	5	28

4. Did tightening credit deter customers from making equipment purchases during the last 90 days?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Yes:	5	4	6	5	20
No:	22	15	2	1	40
Too soon to tell:	1	-	-	-	1
No response:	2	-	-	-	2
Not applicable:	-	-	-	6	6

Farm Equipment

5. Have your new equipment inventory levels increased, decreased or remained the same during August–October yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 51%–60%:	1*	-	-	-	1
Up 41%–50%:	-	-	1	-	1
Up 31%–40%:	1	-	-	-	1
Up 26%–30%:	-	1	-	-	1
Up 16%–20%:	-	3	1	-	4
Up 11%–15%:	3	2	-	-	5
Up 6%–10%:	3	5	2	-	10
Up 1%–5%:	1	1	-	-	2
Up:	2	-	-	-	2
Flat:	17	2	-	7	26
Down:	1	1	-	3	5
Down 1%–5%:	1	-	-	-	1
Down 6%–10%:	-	-	1	-	1
Down 16%–20%:	-	1	-	-	1
Down 21%–25%:	-	1	-	-	1
Down 26%–30%:	-	-	2	-	2
Down 41%–50%:	-	1	1	-	2
No response:	-	1	-	-	1
Other:	-	-	-	2	2
Weighted average:	**Up 4%–9%**	**Up 5%–10%**	**Up 3%–8%**	**Flat–down**	**Up 3%–8%**
July average:	**Up 3%–8%**	**Up 6%–11%**	**Up 36%–41%**	**Flat**	**Up 5%–10%**

** Outlier excluded from the averages*

6a. Has 2009 equipment pricing increased, decreased or remained the same yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 16%–20%:	-	1	2	-	3
Up 11%–15%:	-	2	-	-	2
Up 6%–10%:	3	-	-	2	5
Up 1%–5%:	22	5	-	1	28
Flat:	3	6	5	7	21
Down:	1	1	-	-	2
Down 1%–5%:	-	2	-	-	2
Down 6%–10%:	-	1	-	1	2
Down 11%–15%:	-	-	-	1	1
Down 21%–25%:	-	-	1	-	1
No response:	1	1	-	-	2
Weighted average:	**Flat–up 5%**	**Flat–up 4%**	**Up 5%–10%**	**Flat–down 4%**	**Flat–up 5%**
July average:	**Up 1%–6%**	**Flat–up 4%**	**Up 6%–11%**	**Flat–down 5%**	**Flat–up 5%**

6b. Has manufacturer incentive activity increased, decreased or remained the same during the last 90 days qq?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Increased:	7	11	2	1	21
Remained the same:	22	7	5	11	45
Decreased:	1	1	1	-	3

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7a. Who has been gaining market share in your region? (Some sources gave more than one answer while others did not respond.)

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
CNH:	8	6	1	7	22
Deere:	9	2	-	2	13
Agco:	1	10	-	1	12
Claas:	-	7	2	-	9
SAME Deutz-Fahr:	-	2	-	-	2
Other:	-	-	1	1	2
All the same:	12	4	4	4	24

7b. Who has been losing market share in your region? (Some sources gave more than one answer while others did not respond.)

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Deere:	6	11	4	2	23
CNH:	7	5	2	-	14
Agco:	5	-	2	1	8
Claas:	-	2	-	-	2
Other:	-	1	-	3	4
All the same:	12	4	4	4	24

8a. Have your used equipment inventory levels increased, decreased or remained the same during August–October yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 91%–100%:	1*	1*	-	-	2
Up 71%–80%:	-	-	1	-	1
Up 31%–40%:	1	-	-	-	1
Up 26%–30%:	1	-	-	-	1
Up 21%–25%:	1	-	-	-	1
Up 16%–20%:	2	3	-	-	5
Up 11%–15%:	6	-	-	-	6
Up 6%–10%:	3	1	-	-	4
Up 1%–5%:	3	1	-	-	4
Up less than 1%:	1	-	-	-	1
Up:	4	2	-	-	6
Flat:	1	4	-	12	17
Down:	1	1	-	-	2
Down 1%–5%:	-	1	-	-	1
Down 6%–10%:	3	3	-	-	6
Down 11%–15%:	1	-	-	-	1
Down 26%–30%:	1	-	-	-	1
Down 31%–40%:	-	-	1	-	1
Down 41%–50%:	-	1	-	-	1
Down 71%–80%:	-	-	1	-	1
No response:	-	1	-	-	1
Not applicable:	-	-	5	-	5
Weighted average:	**Up 6%–11%**	**Flat–up 4%**	**Not averaged**	**Flat**	**Up 4%–9%**
July average:	**Up 9%–14%**	**Up 8%–13%**	**Not averaged**	**Flat**	**Up 8%–13%**

** Outlier excluded from the averages*

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8b. Have used farm equipment prices increased, decreased or remained the same compared with 90 days ago?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 1%–5%:	-	1	-	-	1
Flat:	19	7	2	6	34
Down:	4	2	-	6	12
Down 1%–5%:	6	5	-	-	11
Down 6%–10%:	1	3	-	-	4
Down 11%–15%:	-	1	1	-	2
Not applicable:	-	-	5	-	5
Weighted average:	**Flat–down 4%**	**Down 2%–7%**	**Not averaged**	**Flat–down**	**Flat–down 5%**
July average:	**Flat–down slightly**	**Down 1%–6%**	**Not averaged**	**Down 2%–7%**	**Flat–down 4%**

9. Has buying activity from second- and third-tier buyers increased, decreased or remained the same qq?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Increased:	2	-	-	1	3
Remained the same:	18	8	-	-	26
Decreased:	7	2	-	2	11
Don’t know:	-	-	-	1	1
No response:	3	4	-	8	15
Not applicable:	-	5	8	-	13

10. Do you expect 2009 new equipment sales to increase, decrease or remain the same yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 31%–40%:	1	-	-	-	1
Up 21%–25%:	-	-	-	1	1
Up 16%–20%:	-	-	-	3	3
Up 11%–15%:	2	-	-	-	2
Up 6%–10%:	2	-	-	2	4
Up 1%–5%:	4	-	-	-	4
Up:	1	-	-	-	1
Flat:	7	1	-	-	8
Down:	1	3	-	-	4
Down 1%–5%:	1	2	-	-	3
Down 6%–10%:	3	6	-	-	9
Down 11%–15%:	4	1	-	-	5
Down 16%–20%:	2	1	-	2	5
Down 26%–30%:	-	2	-	1	3
Down 31%–40%:	-	1	1	-	2
Down 41%–50%:	2	1	1	-	4
Down 51%–60%:	-	-	-	1	1
Down 61%–70%:	-	-	1	-	1
Down 71%–80%:	-	-	3	2	5
Down 81%–90%:	-	-	2	-	2
No response:	-	1	-	-	1
Weighted average:	**Down 1%–6%**	**Down 10%–15%**	**Down 74%–79%**	**Down 4%–9%**	**Down 7%–12%**
July average:	**Down 11%–16%**	**Down 10%–15%**	**Down 72%–77%**	**Down 10%–15%**	**Down 14%–19%**

Farm Equipment

11. Do you expect 2010 new equipment sales to increase, decrease or remain the same yy?

	NORTH AMERICA	EUROPE	RUSSIA/CIS	LATIN AMERICA	TOTAL
Up 31%–40%:	-	-	-	1	1
Up 26%–30%:	-	-	-	1	1
Up 11%–15%:	-	-	2	-	2
Up 6%–10%:	-	-	3	-	3
Up:	1	1	-	1	3
Flat:	10	6	2	-	18
Down:	6	4	-	-	10
Down 1%–5%:	1	-	-	-	1
Down 6%–10%:	1	-	-	-	1
Down 11%–15%:	3	2	-	-	5
Down 16%–20%:	2	2	-	-	4
Down 26%–30%:	1	2	-	-	3
Down 41%–50%:	-	1	-	-	1
Don't know:	5	1	1	9	16
Weighted average:	**Down 4%–9%**	**Down 12%–17%**	**Up 6%–11%**	**Not averaged**	**Down 4%–9%**

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