

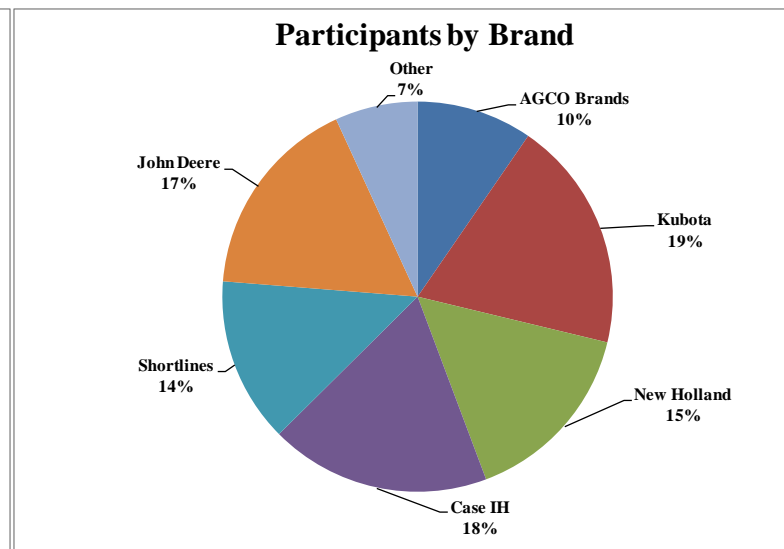
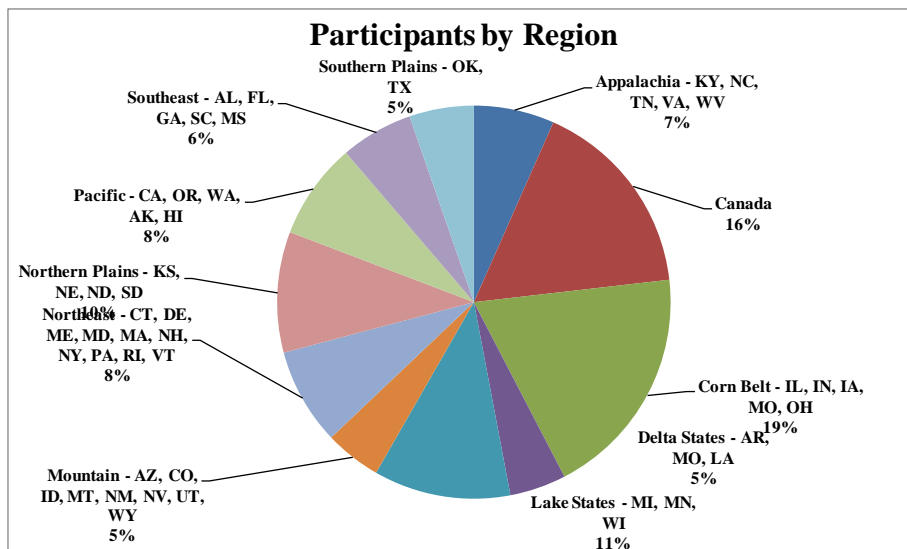
# ***Ag Equipment Intelligence***

August 2014 Dealer Sentiments &  
Business Conditions Update

# Monthly Ag Equipment Intelligence North American Dealer Survey

## Background:

- We are pleased to announce the results of the August Ag Equipment Intelligence survey conducted in partnership with Cleveland Research Company. We hope this monthly survey will provide valuable and timely insight into industry trends and fundamentals.
- The August survey had ~155 respondents representing combined annual revenues of roughly \$5.9 billion. Participants representing a broad cross section of geographies and brands are summarized in the charts below.
- It is important to note Challenger, Fendt, Massey Ferguson, and Valtra are included under AGCO while the “other” category includes manufacturers with relatively few respondents.



## Highlights / Summary Thoughts

- **Industry Sales Down 4% y/y in July** – Dealers reported sales were down 4% on avg. in July, inline with the 4% sales declines reported last month. AGCO dealers and “Other” dealers were the two brands to buck the trend, both reporting mid-single-digit growth for the month on avg.
- **Order Intake Down 9% y/y in July vs down 8% y/y Last Month** – Orders for the month were reported down 9% y/y compared to down 8% last month, the largest monthly decline in the history of our survey (April 2011). “Other” dealers were the only brand to report growth on average for the month.
- **2014 Dealer Outlook Remains at Down 6% y/y** – For 2014, dealers are expecting a 6% decline in sales vs 2013 . Deere & Co. is forecasting the N. America Ag equipment industry to be down 5-10% in units in 2014, AGCO expects down 5%, and CNH Industrial is forecasting tractor sales flat to up 5% and combine sales down 20-25%.
- **New and Used Inventories Both Slightly Higher vs. Last Month** – A net 17% of dealers reported new inventories were “too high” in July vs a net 16% last month. For used inventories, a net 39% of dealers reported levels “too high” compared to a net 37% last month, with the increase driven by mostly by large HHP tractors.

# Monthly Sales Growth

- Dealers report average sales were down 4% y/y in July, similar to last month.
- Deere dealers reported the largest declines y/y on average at down 6%, while “Other” brand dealers reported the strongest growth of up 6% y/y.
- Sales were inline with plan in July, similar to last month, as most dealers were expecting modest declines.

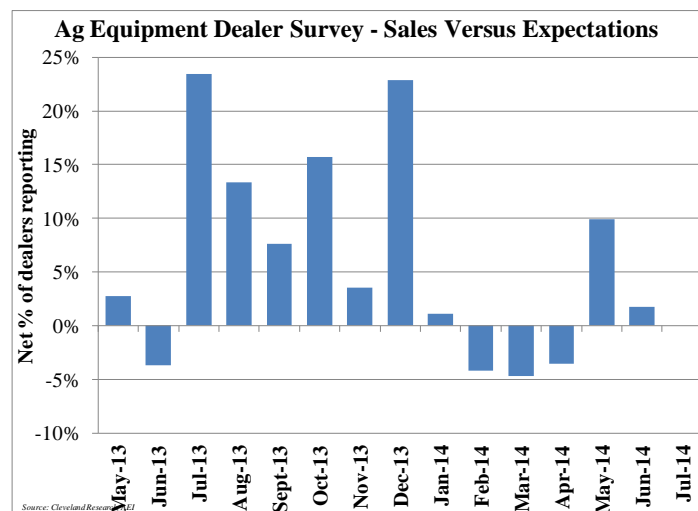
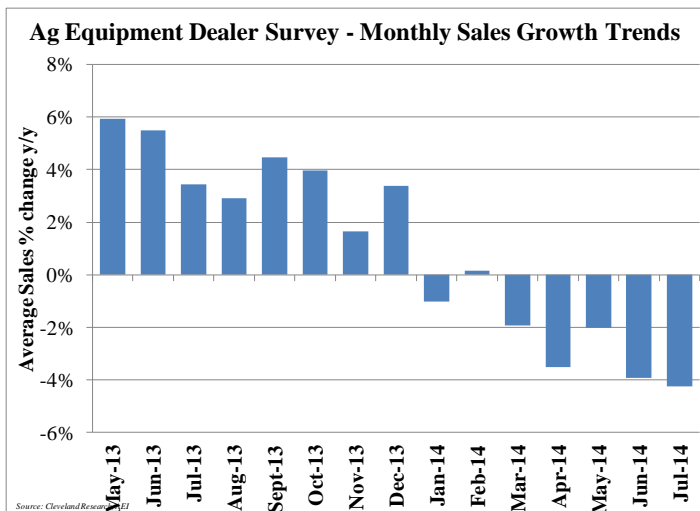
| N. American Farm Equipment Dealer Survey - Average Dealer Sales Growth |        |        |        |        |         |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| % Change y/y   | May-13 | Jun-13 | Jul-13 | Aug-13 | Sept-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
| <b>Overall</b>   | 6%     | 5%     | 3%     | 3%     | 4%      | 4%     | 2%     | 3%     | -1%    | 0%     | -2%    | -4%    | -2%    | -4%    | -4%    |
| By Brand   | May-13 | Jun-13 | Jun-13 | Aug-13 | Sept-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
| AGCO   | 1%     | 1%     | -1%    | -2%    | -3%     | -1%    | 4%     | -4%    | -3%    | 0%     | -2%    | -3%    | 1%     | -3%    | 4%     |
| John Deere   | 9%     | 6%     | 4%     | -7%    | 5%      | 7%     | 2%     | 5%     | -2%    | 2%     | 0%     | -3%    | -2%    | -3%    | -6%    |
| New Holland  | 5%     | 7%     | 2%     | 4%     | 2%      | 4%     | 5%     | 5%     | -1%    | -2%    | -2%    | -4%    | -10%   | 2%     | -2%    |
| Case IH  | -1%    | 5%     | 5%     | 12%    | 6%      | 3%     | 2%     | 3%     | 0%     | -2%    | -6%    | -5%    | -1%    | -10%   | -5%    |
| Kubota   | -2%    | 10%    | 3%     | 4%     | 4%      | 0%     | 2%     | 6%     | 6%     | -3%    | 1%     | -1%    | -1%    | 2%     | 0%     |
| Shortlines   | 5%     | 4%     | 11%    | -1%    | 11%     | 12%    | 5%     | 6%     | -2%    | 0%     | -2%    | 1%     | 3%     | -2%    | -1%    |
| Other  | 7%     | 3%     | 13%    | 0%     | 0%      | 5%     | na     | -1%    | 13%    | 0%     | 1%     | na     | na     | -2%    | 6%     |

Source: Cleveland Research

| N. American Farm Equipment Dealer Survey - Sales Versus Expectations |           |            |            |            |           |            |           |            |           |            |            |            |            |           |           |
|--|-----------|------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|------------|------------|------------|-----------|-----------|
| % of Dealers Reporting   | May-13    | Jun-13     | Jul-13     | Aug-13     | Sept-13   | Oct-13     | Nov-13    | Dec-13     | Jan-14    | Feb-14     | Mar-14     | Apr-14     | May-14     | Jun-14    | Jul-14    |
| Better than expected   | 23%       | 19%        | 38%        | 33%        | 27%       | 32%        | 24%       | 39%        | 25%       | 20%        | 21%        | 21%        | 29%        | 25%       | 26%       |
| In line with expectations  | 57%       | 58%        | 48%        | 47%        | 54%       | 51%        | 56%       | 45%        | 51%       | 55%        | 54%        | 54%        | 52%        | 53%       | 49%       |
| Worse than expected  | 20%       | 23%        | 14%        | 20%        | 19%       | 17%        | 20%       | 16%        | 24%       | 25%        | 26%        | 25%        | 19%        | 23%       | 26%       |
| <b>Net % (Better - Worse)</b>  | <b>3%</b> | <b>-4%</b> | <b>23%</b> | <b>13%</b> | <b>8%</b> | <b>16%</b> | <b>4%</b> | <b>23%</b> | <b>1%</b> | <b>-4%</b> | <b>-5%</b> | <b>-4%</b> | <b>10%</b> | <b>2%</b> | <b>0%</b> |

Source: Cleveland Research, AEI.

# Monthly Sales Growth Continued



## N. American Farm Equipment Dealer Survey - Average Dealer Revenue Growth Trends

| % of Dealers Reporting        | May-13     | Jun-13     | Jul-13     | Aug-13     | Sept-13    | Oct-13     | Nov-13     | Dec-13     | Jan-14     | Feb-14    | Mar-14     | Apr-14     | May-14     | Jun-14     | Jul-14     |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------------|------------|------------|------------|------------|
| Positive Sales Growth         | 58%        | 52%        | 64%        | 53%        | 57%        | 59%        | 45%        | 63%        | 40%        | 45%       | 49%        | 39%        | 50%        | 46%        | 42%        |
| Flat Sales                    | 19%        | 21%        | 21%        | 21%        | 25%        | 20%        | 35%        | 18%        | 24%        | 17%       | 22%        | 20%        | 12%        | 18%        | 21%        |
| Negative Sales Growth         | 23%        | 27%        | 15%        | 26%        | 18%        | 22%        | 20%        | 19%        | 36%        | 37%       | 29%        | 40%        | 39%        | 36%        | 37%        |
| <b>Net % Reporting Growth</b> | <b>35%</b> | <b>25%</b> | <b>49%</b> | <b>26%</b> | <b>39%</b> | <b>37%</b> | <b>26%</b> | <b>44%</b> | <b>3%</b>  | <b>8%</b> | <b>20%</b> | <b>-1%</b> | <b>11%</b> | <b>11%</b> | <b>5%</b>  |
| <b>Average % Change y/y</b>   | <b>6%</b>  | <b>5%</b>  | <b>3%</b>  | <b>3%</b>  | <b>4%</b>  | <b>4%</b>  | <b>2%</b>  | <b>3%</b>  | <b>-1%</b> | <b>0%</b> | <b>-2%</b> | <b>-4%</b> | <b>-2%</b> | <b>-4%</b> | <b>-4%</b> |

## Optimism/Sentiment vs. Last Month

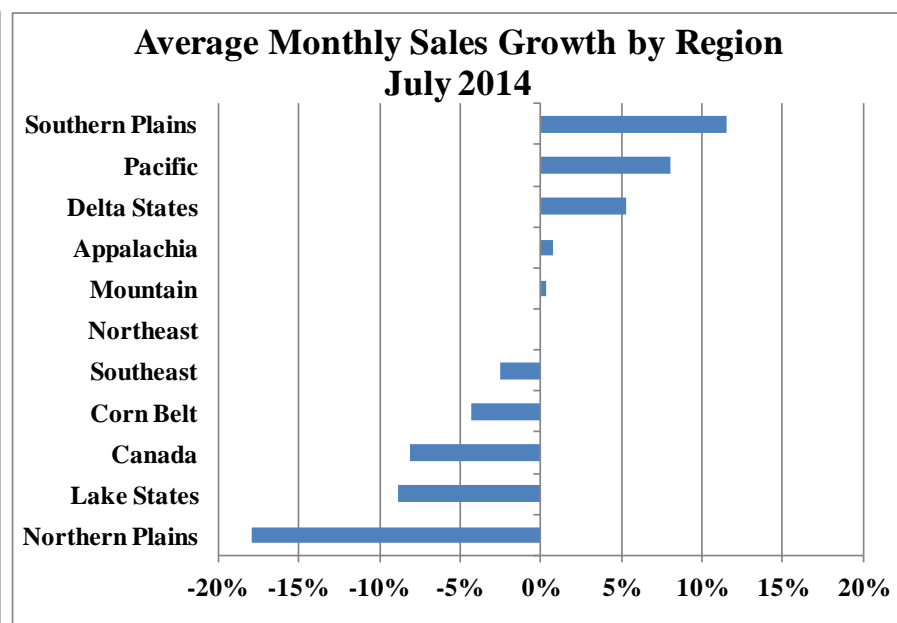
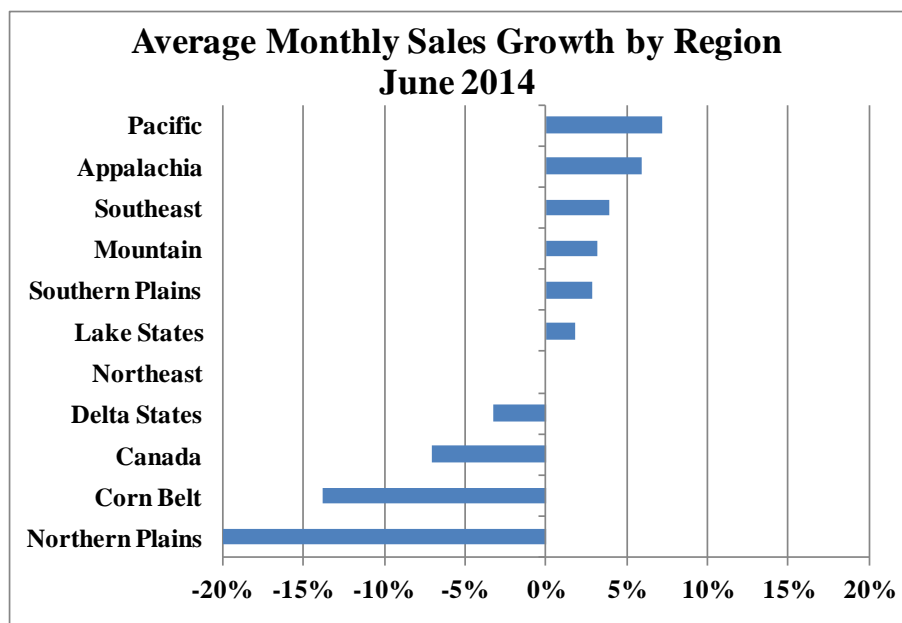
|                              | May-13    | Jun-13    | Jul-13    | Aug-13      | Sept-13    | Oct-13      | Nov-13      | Dec-13      | Jan-14      | Feb-14     | Mar-14    | Apr-14     | May-14     | Jun-14      | Jul-14      |
|------------------------------|-----------|-----------|-----------|-------------|------------|-------------|-------------|-------------|-------------|------------|-----------|------------|------------|-------------|-------------|
| More Optimistic              | 27%       | 26%       | 21%       | 19%         | 14%        | 15%         | 14%         | 9%          | 12%         | 24%        | 26%       | 24%        | 25%        | 23%         | 13%         |
| Same                         | 52%       | 50%       | 58%       | 50%         | 62%        | 60%         | 45%         | 52%         | 52%         | 50%        | 51%       | 44%        | 45%        | 42%         | 45%         |
| Less Optimistic              | 21%       | 24%       | 21%       | 31%         | 23%        | 25%         | 41%         | 39%         | 36%         | 26%        | 23%       | 32%        | 30%        | 35%         | 42%         |
| <b>Net % Dealer Optimism</b> | <b>6%</b> | <b>2%</b> | <b>1%</b> | <b>-12%</b> | <b>-9%</b> | <b>-11%</b> | <b>-27%</b> | <b>-30%</b> | <b>-23%</b> | <b>-1%</b> | <b>3%</b> | <b>-9%</b> | <b>-5%</b> | <b>-11%</b> | <b>-28%</b> |

Source: Cleveland Research

Source: Farm Equipment Magazine Survey

# Monthly Sales Growth by Region

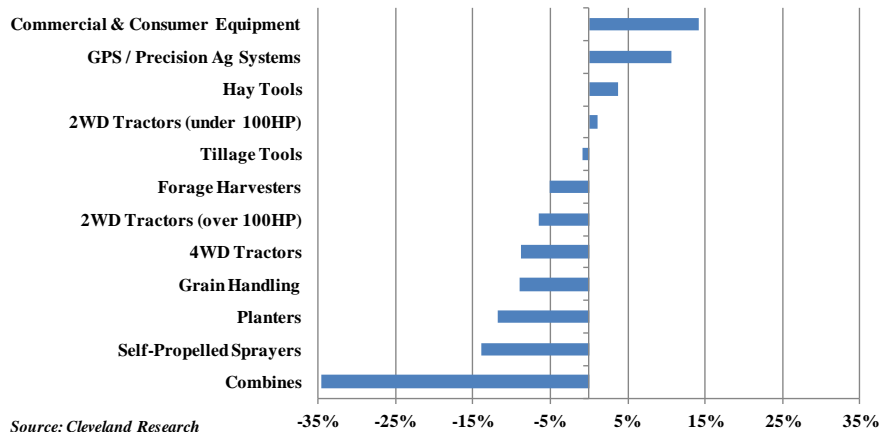
- Four out of eleven regions showed positive average monthly sales growth in July compared to six reporting growth in June. The Southern Plains, Pacific and Delta States were the strongest performing regions, while the Northern Plains reported the largest sales declines on avg. for the 4<sup>th</sup> month in a row.
- Compared to last month, the Delta States and Southern Plains saw the strongest pick up in growth going, while the Lake States saw largest deceleration in sales growth this month vs last month.



# Equipment Category Sales Trends

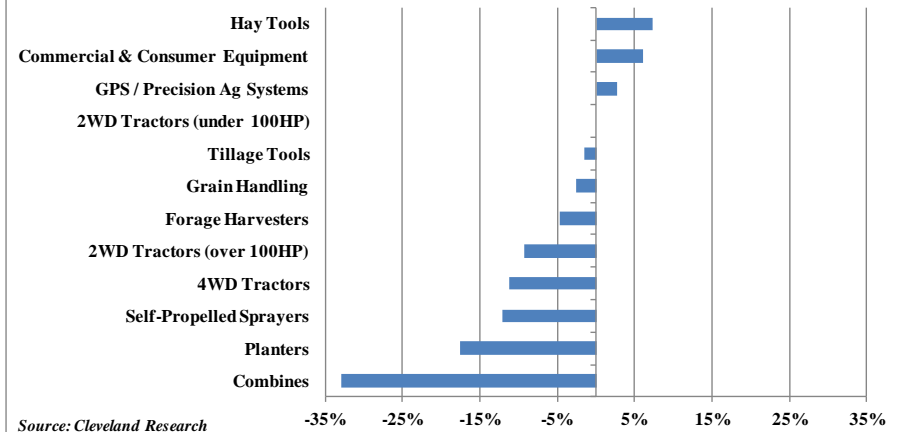
- Three out of twelve product categories ranked in net positive territory in July vs four last month. Hay Tools was the strongest category (net 7% reporting strength). Combines were the weakest category for the 15<sup>th</sup> straight month (net 33% reporting weakness).
- Comparing July to June, Grain Handling Equipment saw a 6 point improvement (largest of the group) going from down 9% y/y to down 3% y/y.

**Product Category Ranking (Net % Strong - Weak)**  
**June 2014**



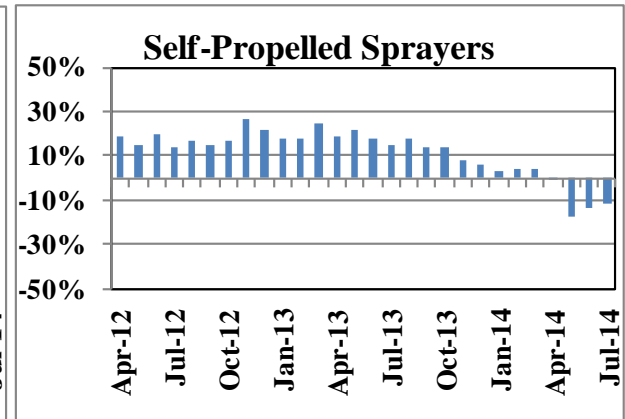
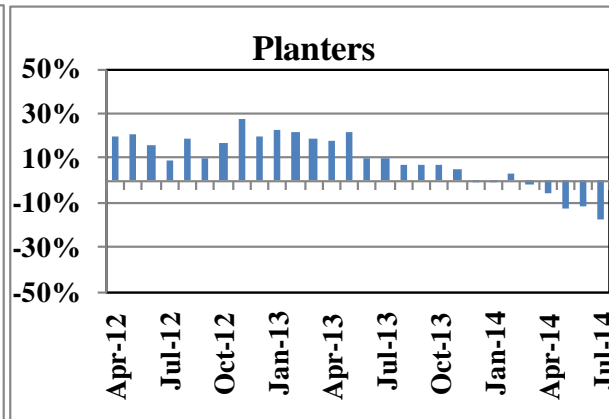
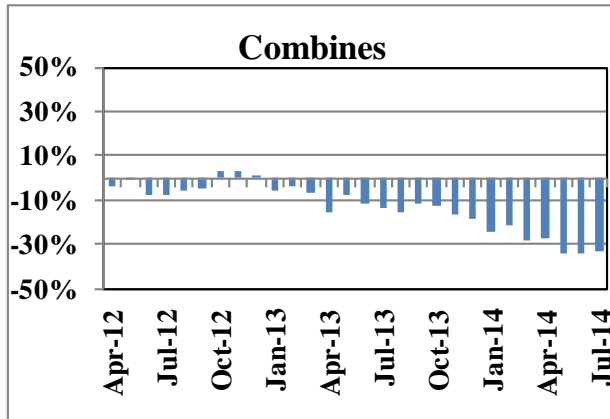
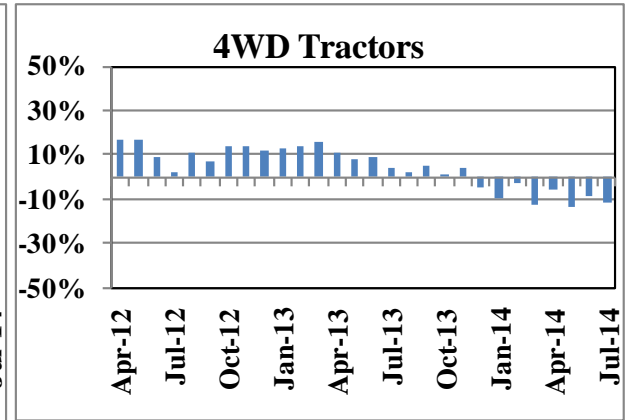
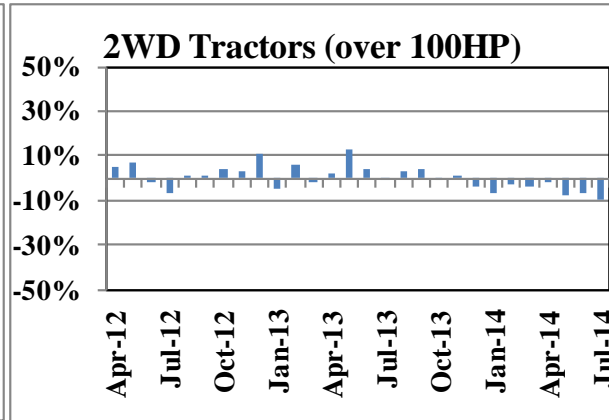
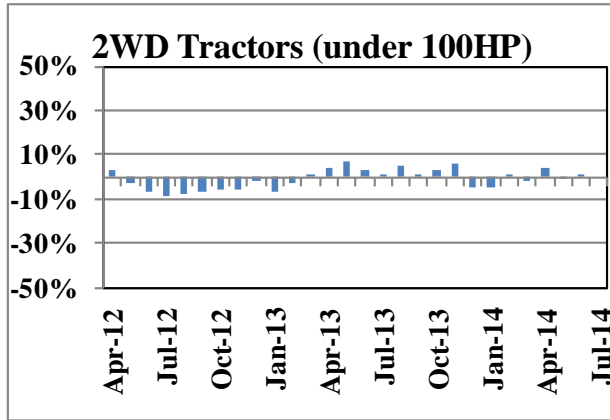
Source: Cleveland Research

**Product Category Ranking (Net % Strong - Weak)**  
**July 2014**



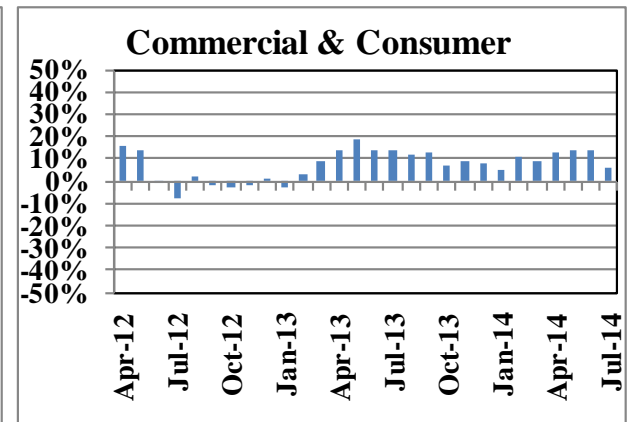
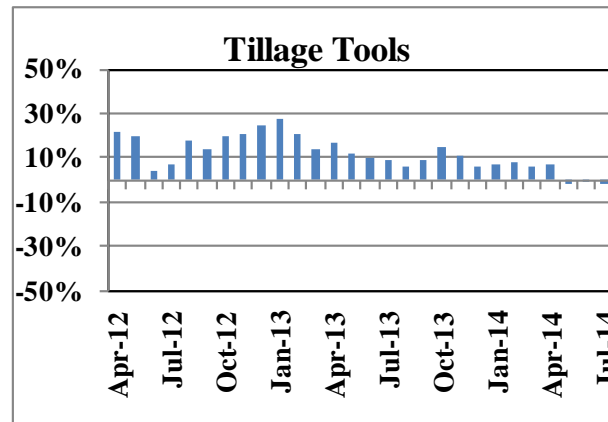
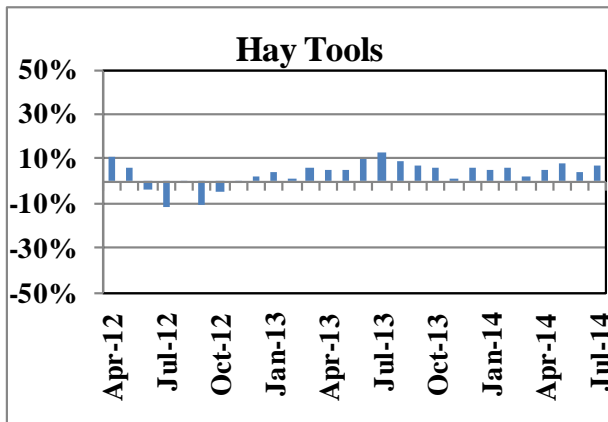
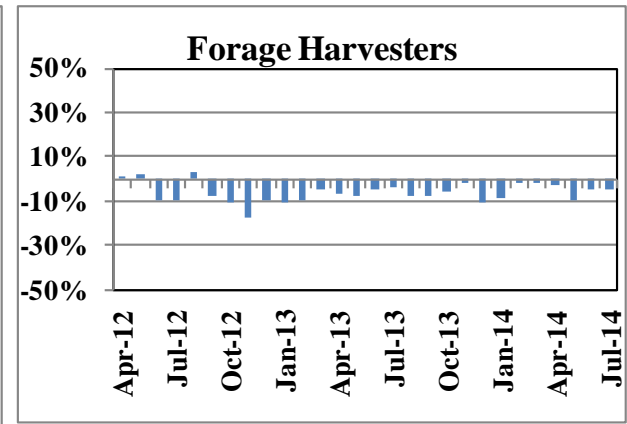
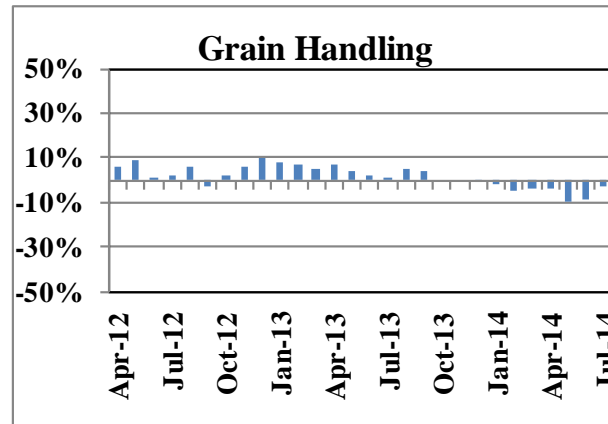
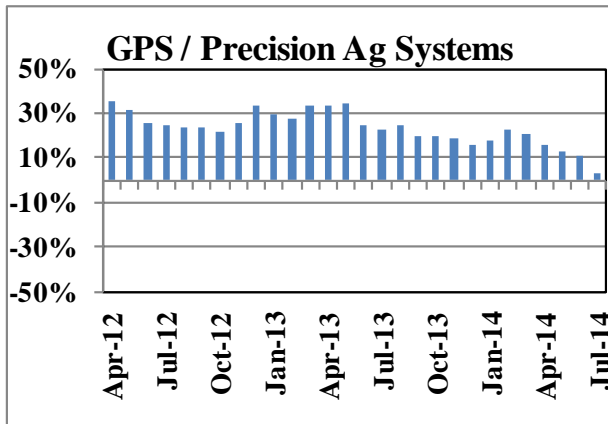
Source: Cleveland Research

# Equipment Category Sales Trends





# Equipment Category Sales Trends (Continued)



## Most Interesting Commentary - Monthly Sales and Outlook

- *Lower commodity prices are a concern in our area.*
- *Budget was set prior to commodity prices taking a dive.*
- *We are going out of business at the end of the calendar year and are trying to move all of our used equipment so we do not have to have an auction. Thus we have reduced are prices and have several promotions to sell our used equipment.*
- *Tractor sales off because of forecasted continuing drought and slow payment for crop. Any significant rain would change that overnight.*
- *We had a wet, colder July than normal Strong dairy prices should help in the coming months.*
- *I thought we would be off 10%, but I think that is coming yet in the future.*
- *We have had very favorable weather conditions. Our hay equipment, tractor and outdoor power equipment sales have been excellent this season.*
- *Farmers lack of interest and the depressed grain prices.*
- *Unexpected summer rains coupled with high oil, cattle and hay prices have put our sales way above budget for wholegoods.*
- *We expect the fall season to be quiet. Customers are waiting to see the crop final.*
- *Commodity prices and a "fair" crop in our market leaves me less optimistic than last month.*
- *Corn and soybean prices have had a negative impact, However, we see the strong dairy prices make up for it.*
- *Lower corn prices and Federal Government indecision!*
- *Great looking crops in our area*
- *Our main hope is for some year end buying if they sold crops at higher prices early in the year.*
- *I still think there is going to be a slowdown in sales over the next few months.*

# Monthly Order Trends

## Overall Orders

- Incoming orders declined 9% y/y on average in July, slightly below the 8% avg. decline y/y in June.
- All dealer brands saw declines in orders compared to last year with the exception of “Other” brand dealers. Deere dealers reported the largest decline on avg. at down 11% y/y.

## New Combine Order Intentions

- Combine order intentions decreased again vs last month, with a net 50% of dealers now planning to order fewer combines than last year.

| N. American Farm Equipment Dealer Survey - Average Orders Growth |        |        |        |        |         |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| % Change y/y   | May-13 | Jun-13 | Jul-13 | Aug-13 | Sept-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
| <b>Overall</b>   | 2%     | 0%     | 0%     | 2%     | 1%      | 1%     | -2%    | -3%    | -3%    | -2%    | -4%    | -5%    | -4%    | -8%    | -9%    |
| By Brand   | May-13 | Jun-13 | Jul-13 | Aug-13 | Sept-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
| AGCO   | -1%    | 0%     | -7%    | -2%    | -5%     | -2%    | -2%    | -5%    | 1%     | -4%    | 0%     | -1%    | -5%    | -8%    | -3%    |
| John Deere   | 3%     | 2%     | 2%     | 7%     | 2%      | 2%     | -2%    | -3%    | -4%    | -1%    | -5%    | -6%    | -5%    | -8%    | -11%   |
| New Holland  | -1%    | -1%    | -1%    | -12%   | 0%      | 0%     | -3%    | -1%    | -6%    | -3%    | -4%    | -8%    | -5%    | -8%    | -5%    |
| Case IH  | 0%     | -2%    | 1%     | 3%     | 1%      | 4%     | -1%    | -1%    | -4%    | -1%    | -7%    | -4%    | -6%    | -8%    | -9%    |
| Kubota   | 1%     | 0%     | -5%    | -1%    | 0%      | 0%     | -4%    | 1%     | -6%    | -2%    | -3%    | -7%    | -8%    | -6%    | -4%    |
| Shortlines   | 0%     | 1%     | 9%     | 15%    | 5%      | 5%     | -3%    | -1%    | -8%    | 0%     | -6%    | -2%    | -5%    | -13%   | -10%   |
| Other  | 1%     | 0%     | 0%     | -1%    | 0%      | 0%     | na     | 1%     | 6%     | 0%     | 3%     | na     | na     | -6%    | 1%     |

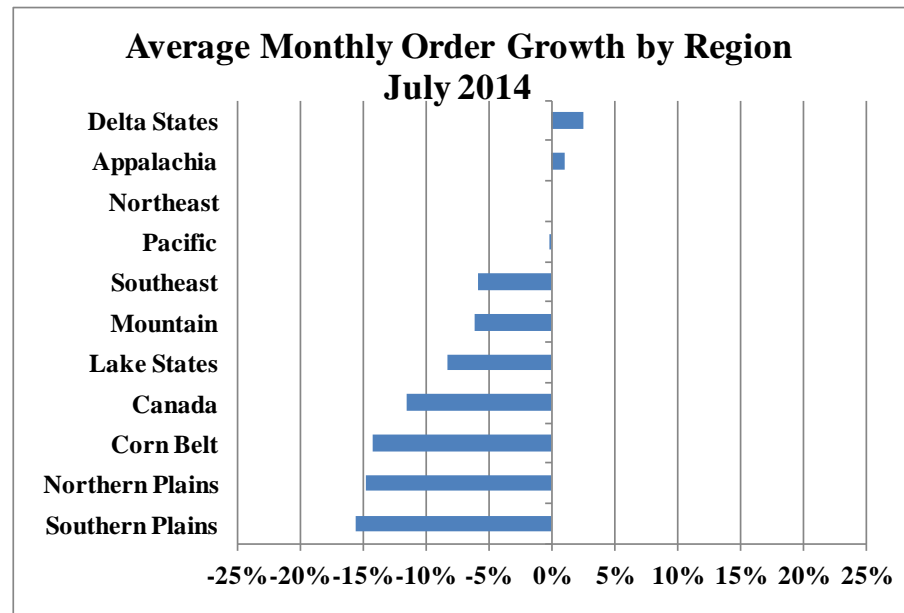
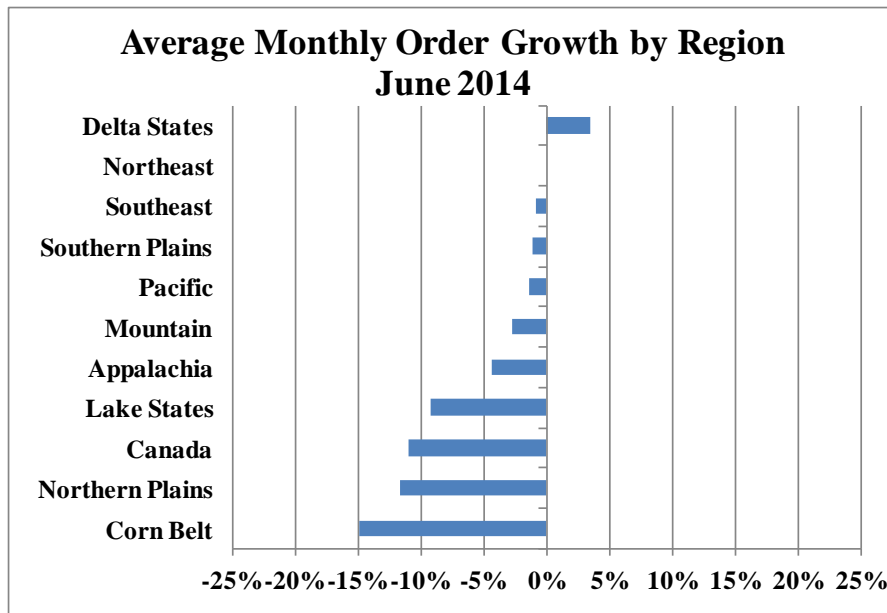
Source: Cleveland Research

| New Combine Order Intentions vs. Last Year |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | May-13      | Jun-13      | Jul-13      | Aug-13      | Sept-13     | Oct-13      | Nov-13      | Dec-13      | Jan-14      | Feb-14      | Mar-14      | Apr-14      | May-14      | Jun-14      | Jul-14      |
| More                                       | 9%          | 9%          | 14%         | 8%          | 16%         | 10%         | 11%         | 17%         | 8%          | 10%         | 7%          | 9%          | 11%         | 6%          | 6%          |
| Same                                       | 68%         | 62%         | 46%         | 49%         | 45%         | 39%         | 38%         | 44%         | 48%         | 44%         | 51%         | 50%         | 46%         | 43%         | 38%         |
| Less                                       | 23%         | 29%         | 41%         | 43%         | 39%         | 51%         | 52%         | 39%         | 44%         | 46%         | 42%         | 41%         | 43%         | 51%         | 56%         |
| <b>Net % (More- Less)</b>                  | <b>-14%</b> | <b>-20%</b> | <b>-27%</b> | <b>-35%</b> | <b>-22%</b> | <b>-40%</b> | <b>-41%</b> | <b>-22%</b> | <b>-36%</b> | <b>-37%</b> | <b>-35%</b> | <b>-32%</b> | <b>-32%</b> | <b>-44%</b> | <b>-50%</b> |

Source: Cleveland Research

# Order Trends by Region

- The Delta States and Appalachia region were the only geographies to show positive order growth in July. Southern Plains dealers reported the most significant decline in orders at down 16% y/y.
- Compared to last month, the Appalachia region saw the largest improvement in orders while the Southern Plains saw the most significant deceleration in orders on average.



## 2014 Sales Outlook

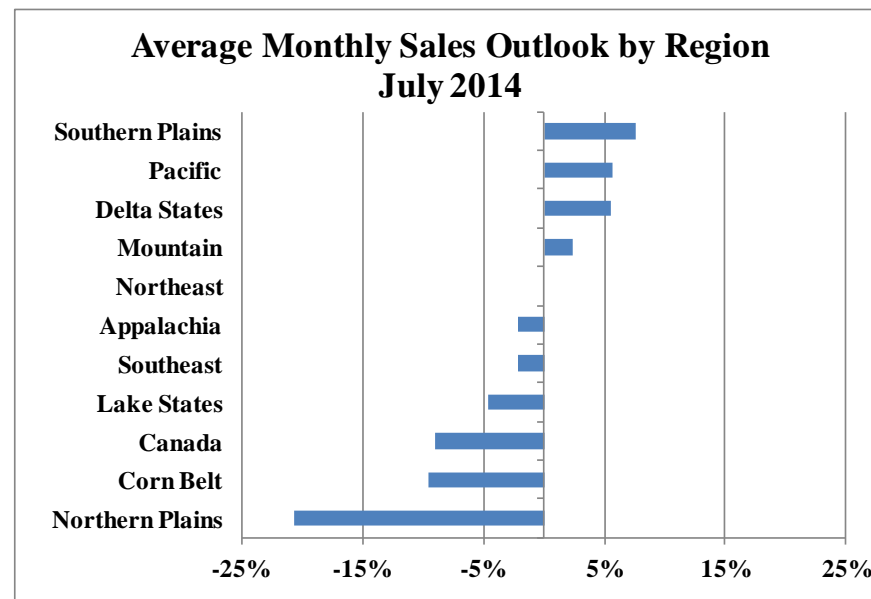
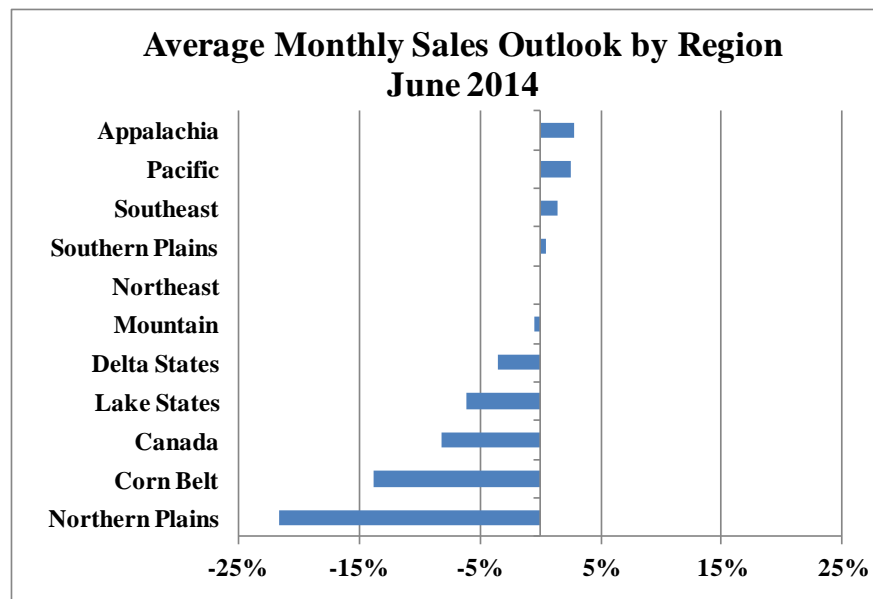
- The average dealer outlook for 2014 sales growth remained at down 6% y/y, inline with last month. Deere is forecasting the N. America Ag equipment industry to be down 5-10% in units in 2014, AGCO expects a 5% decline, and CNH Industrial is forecasting tractor sales up 0-5% and combine sales down 20-25%.
- Among the survey participants, “Other” brand and AGCO dealers were again the most optimistic (projecting modest growth in 2014), while Case IH dealers are forecasting the largest sales declines of 9% declines y/y on average for 2014.

| N. American Farm Equipment Dealer Survey - Full Year Sales Forecast |              |           |           |           |              |           |            |            |            |            |            |            |            |            |            |
|---|--------------|-----------|-----------|-----------|--------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| % change y/y  | 2013 Outlook |           |           |           | 2014 Outlook |           |            |            |            |            |            |            |            |            |            |
|   | May-13       | Jun-13    | Jul-13    | Aug-13    | Sep-13       | Oct-13    | Nov-13     | Dec-13     | Jan-14     | Feb-14     | Mar-14     | Apr-14     | May-14     | Jun-14     | Jul-14     |
| AGCO  | 2%           | 3%        | -4%       | 2%        | -1%          | -3%       | -2%        | 0%         | -2%        | -1%        | 2%         | 0%         | 0%         | -1%        | 2%         |
| John Deere  | 8%           | 4%        | 6%        | 1%        | 2%           | 2%        | 0%         | -3%        | -2%        | -1%        | -3%        | -3%        | -2%        | -6%        | -6%        |
| New Holland   | 1%           | 6%        | 0%        | -3%       | 2%           | 1%        | -2%        | -2%        | -5%        | 0%         | -1%        | -6%        | -9%        | -3%        | -3%        |
| Case IH   | 0%           | 0%        | 3%        | -5%       | -3%          | 0%        | -1%        | -7%        | -5%        | -5%        | -5%        | -6%        | -9%        | -11%       | -9%        |
| Kubota  | 4%           | 8%        | -3%       | 3%        | -1%          | -1%       | -3%        | -2%        | -3%        | -1%        | -2%        | -2%        | -10%       | -3%        | -4%        |
| Shortlines  | 3%           | 2%        | 12%       | 5%        | 4%           | 6%        | -3%        | 0%         | -4%        | -3%        | -4%        | 1%         | -2%        | -8%        | -2%        |
| Other   | 3%           | 1%        | 4%        | 1%        | 2%           | 2%        | na         | 0%         | 3%         | 3%         | 7%         | na         | na         | -4%        | 3%         |
| <b>Overall</b>  | <b>5%</b>    | <b>3%</b> | <b>3%</b> | <b>3%</b> | <b>0%</b>    | <b>1%</b> | <b>-1%</b> | <b>-4%</b> | <b>-4%</b> | <b>-2%</b> | <b>-3%</b> | <b>-4%</b> | <b>-4%</b> | <b>-6%</b> | <b>-6%</b> |

Source: Cleveland Research

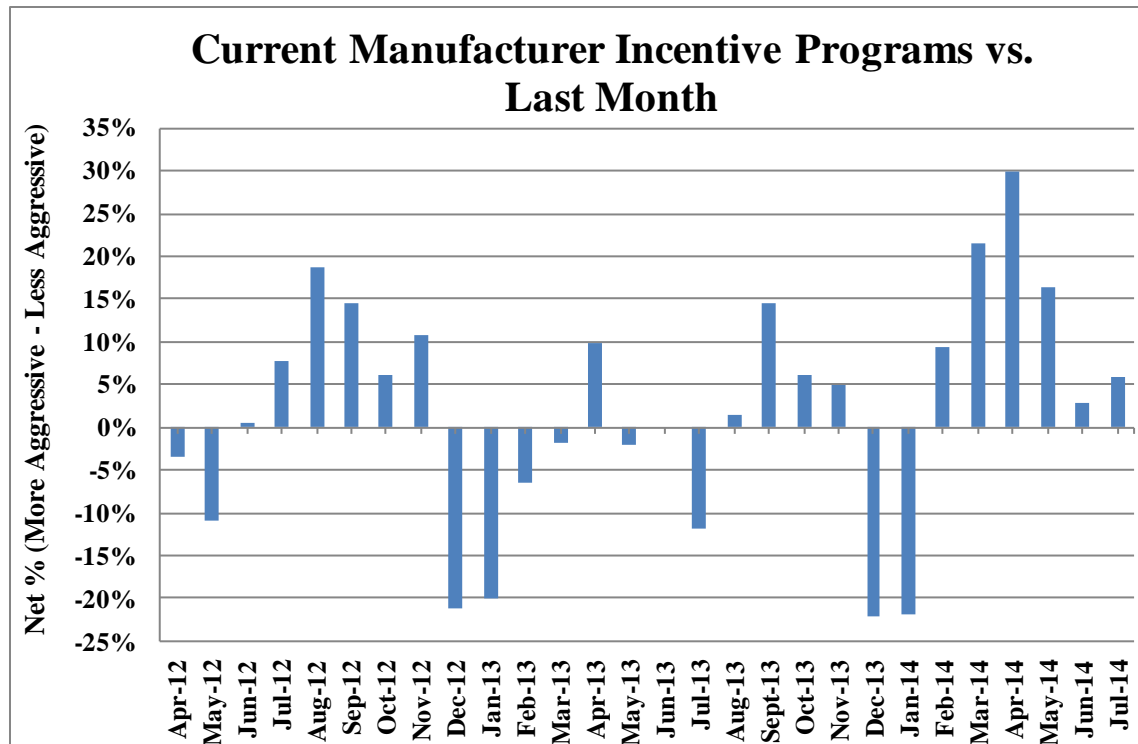
## 2014 Sales Outlook Continued

- Four of eleven regions are projecting sales to grow for the full year 2014 in July, similar to last month. Southern Plains dealers are now projecting the largest gains at up 8% y/y, while the Northern Plains dealers are forecasting the largest y/y sales declines of 21%.



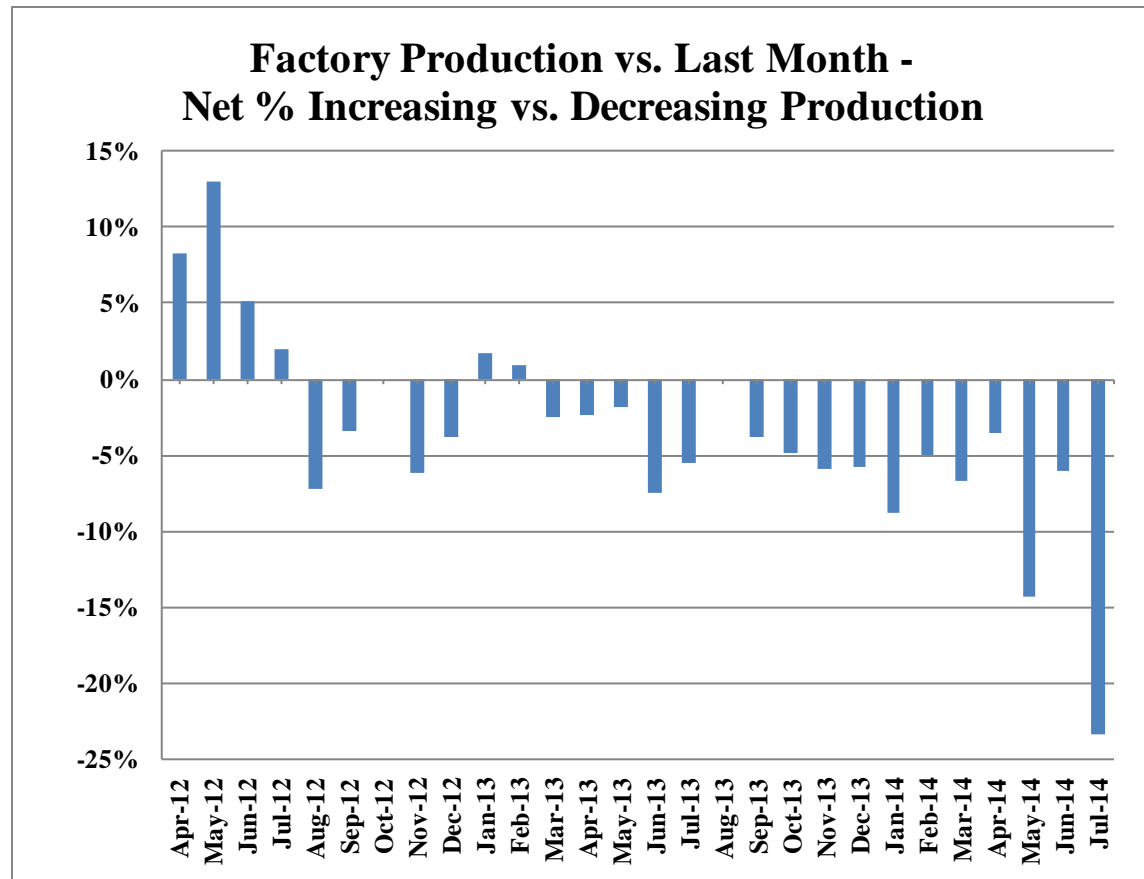
# Current Manufacturer Incentive Programs

- A net 6% of dealers report that manufacturers are more aggressive with incentives in July (21% more aggressive; 64% same; 15% less aggressive) vs a net 3% reporting more aggressive incentives last month.



# Factory Production

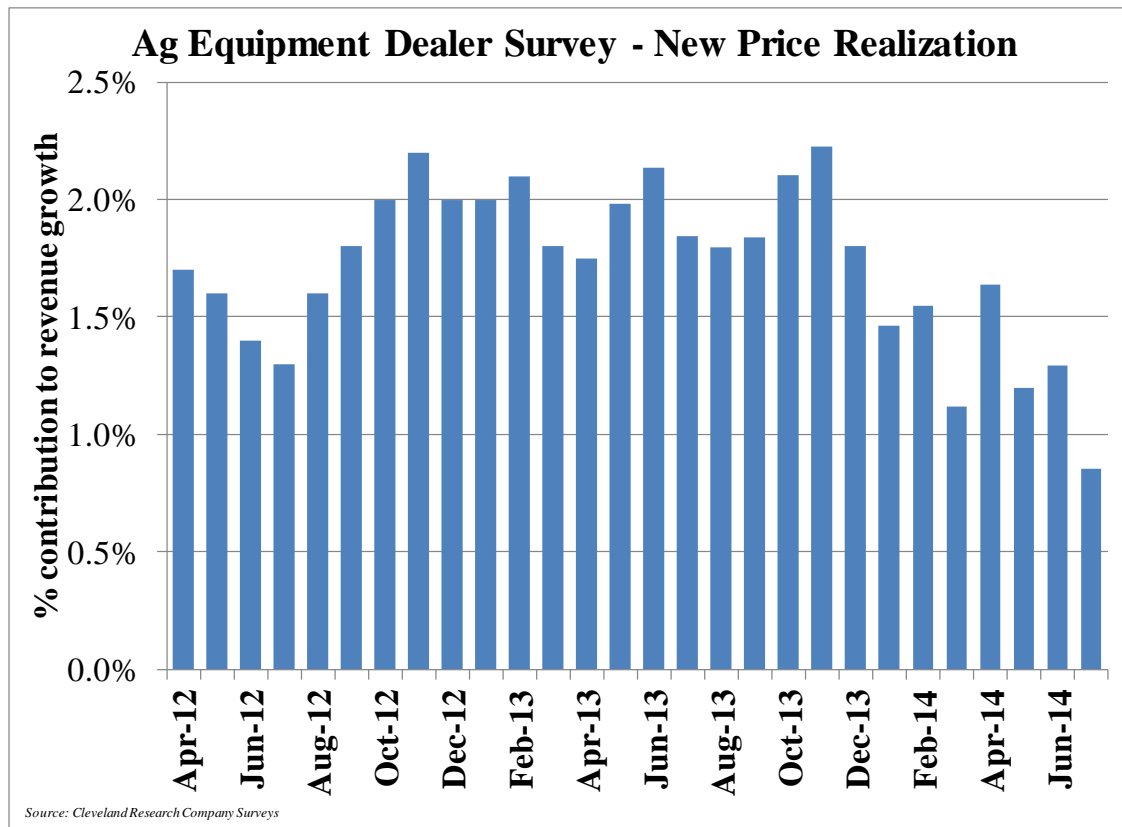
- A net 23% of dealers report that factory production was down compared to last month, representing a significant step down from the net 6% reporting lower production levels last month.





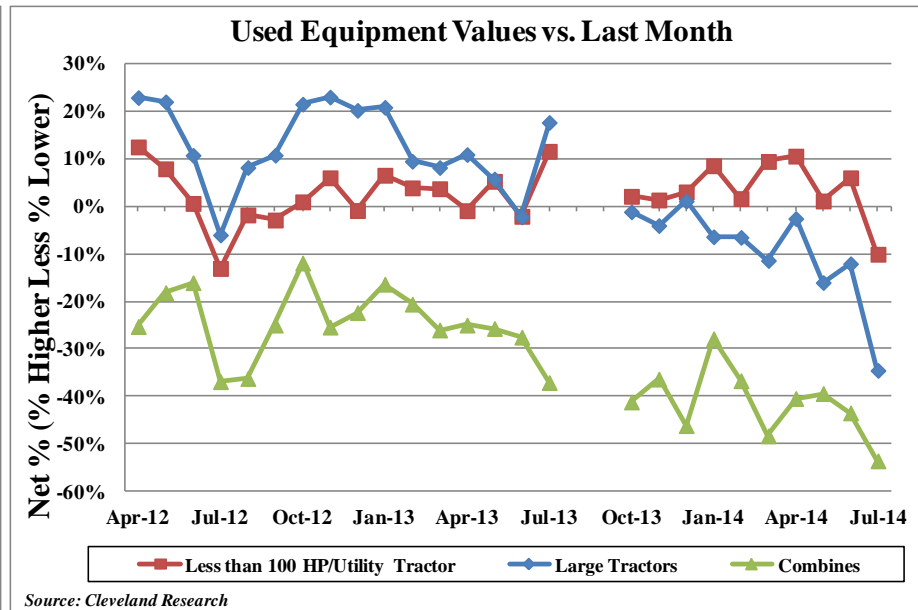
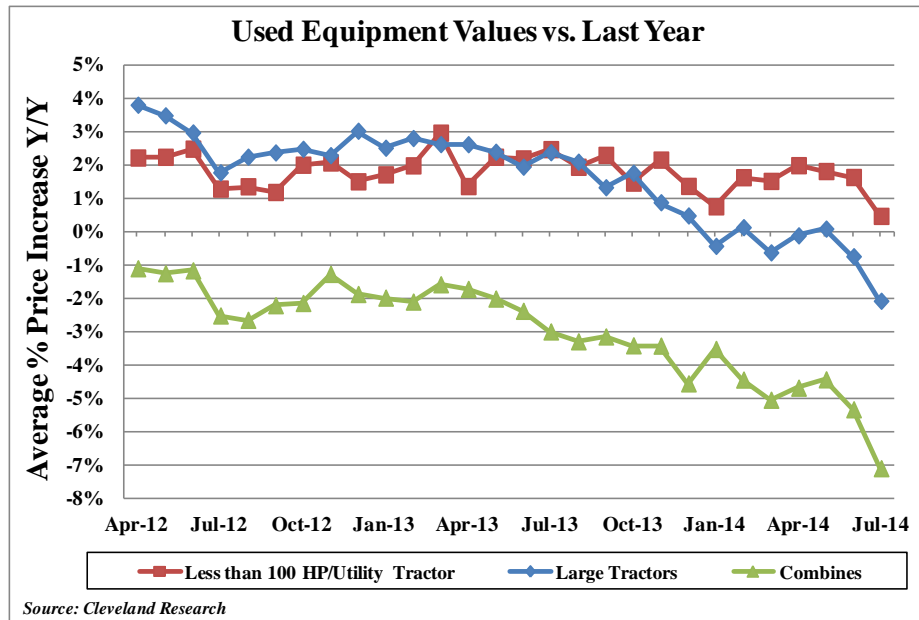
# Pricing Trends

- Dealers report price contributed roughly ~0.9% to total July revenue growth vs the 1.3% last month. Final tier 4 price increases are expected to be ~5-10% on average, although not impacting all lines of equipment.



# Used Equipment Pricing

- Used equipment values in July were reported as falling both y/y and on a month-on-month basis. Combine values are reported at down 7.1% y/y vs down 5.4% last month, while used HHP tractors values are reported at down 2.1% y/y vs down 0.8% last month.
- Used tractors values under 100hp are still positive y/y (up 0.5% July vs up 1.6% in June).



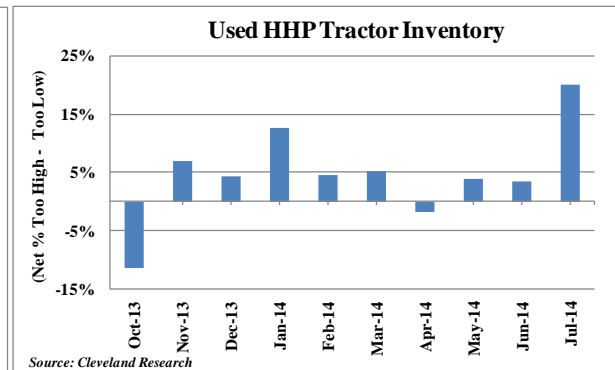
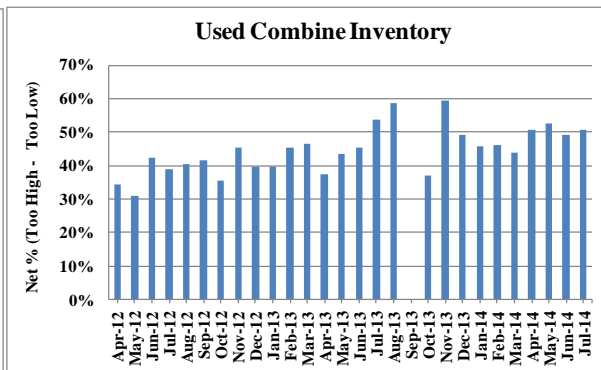
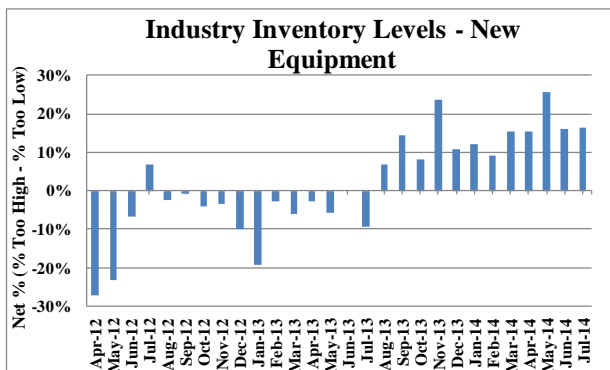
# Inventory Levels

## New Equipment Inventory

- A net 17% of dealers categorize their new inventory as “too high” (32% too high; 52% about right; 16% too low), inline with last month.

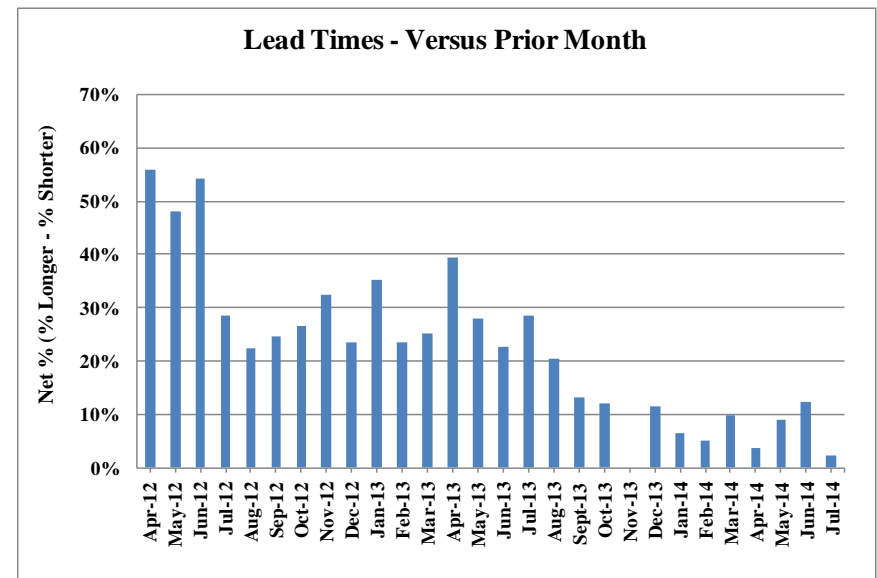
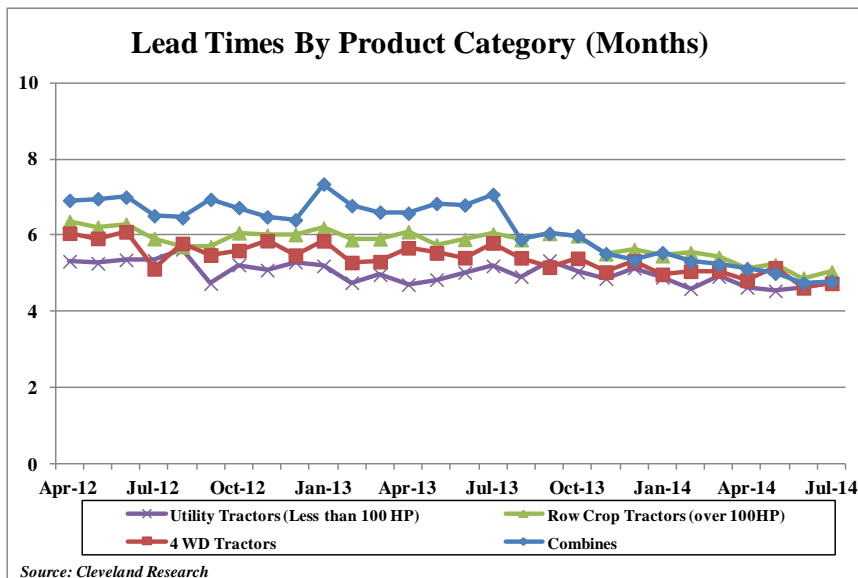
## Used Equipment Inventory

- A net 39% of dealers reported used equipment inventory as “too high” in July (51% too high; 36% about right; 12% too low), slightly above last month.
- For used combines specifically, a net 51% reported inventories “too high” compared to a net 49% last month.
- Used HHP tractors inventories were reported at much higher levels vs last month (net 20% reporting “too high” vs a net 3% last month). We began asking about used tractor inventories in October of last year.



# Equipment Availability

- Overall, a net 2% of dealers report longer factory lead-times compared to last month (24% longer; 54% same; 22% shorter), below the net 12% reporting longer lead times last month.
- Lead times over in July were similar vs last month. Combine lead times are 4.8 months on average, row crop tractor lead times are 5.0 months, and 4WD tractors are 4.7 months.



## Most Interesting Commentary - Used Inventory

- *Combines, 4WD and Sprayers are all a problem for us.*
- *We're moving some old inventory to auction.*
- *Pressure from Deere to increase market share has driven us to invest too much money in used equipment.*
- *We're going out of business.*
- *People seem to be holding on their old machines longer.*
- *Too many higher priced larger models out there.*
- *Too many used round hay balers.*
- *Combines and 4WD tractors are the largest culprits in our area.*
- *Sales of 8 to 10 selected units would change my view to about right.*

## Dealer Commentary on Biggest Surprise in the Month

- *Wet and cold weather.*
- *Sales have stayed stronger than anticipated. Usually in harvest, we slow down quite a bit.*
- *John Deere co there is no dealers close to service the eq. we have sold .*
- *How fast commodities prices have fallen*
- *Planters used prices dropping as much as 50%*
- *Lack of manufacturers getting aggressive*
- *Parts and service are very strong*
- *Hay tool sales improved.*
- *Customers switching to leasing.*
- *How busy we are selling and pricing but not closing many deals. Instead we are selling a lot of smaller ticket items.*
- *We knew it was coming but softening crop prices are starting to affect the market...*
- *Finding people to work in this industry gets more difficult every day. Operating in a metro area, employees want a 40 hour schedule and that is nearly impossible to accommodate during peak season.*
- *Hay equipment is selling well.*
- *The panic of the farmers and the price of grain commodities. Tough to convince land owners that are not familiar with farming that \$400-500 rent is not sustainable and never was.*
- *I was surprised by the retail activity on haying equipment, even though there is a lot of hay in the area and cattle prices are good I didn't expect to sell as much as I did.*

# NA Farm Equipment Industry Retail Sales

## NORTH AMERICAN FARM EQUIPMENT RETAIL SALES

|        | Units   |         |          |         |               |                |          | % change year-over-year |         |          |         |               |                |      |
|--------|---------|---------|----------|---------|---------------|----------------|----------|-------------------------|---------|----------|---------|---------------|----------------|------|
|        | < 40 HP | Utility | Row Crop | 4-Wheel | Total Tractor | Row Crop & 4WD | Combines | < 40 HP                 | Utility | Row Crop | 4-Wheel | Total Tractor | Row Crop & 4WD | Comb |
| Jan-12 | 3,899   | 3,698   | 2,335    | 359     | 10,291        | 2,694          | 528      | 5%                      | 6%      | 2%       | -29%    | 3%            | -4%            | -44% |
| Feb-12 | 4,360   | 3,547   | 2,046    | 488     | 10,441        | 2,534          | 367      | -2%                     | 15%     | 16%      | 6%      | 7%            | 14%            | -53% |
| Mar-12 | 8,589   | 4,559   | 2,703    | 743     | 16,594        | 3,446          | 718      | -3%                     | -8%     | -4%      | 19%     | -4%           | 0%             | -26% |
| Apr-12 | 13,365  | 6,016   | 3,369    | 887     | 23,637        | 4,256          | 705      | 17%                     | 11%     | 1%       | 0%      | 12%           | 1%             | -25% |
| May-12 | 13,562  | 5,984   | 2,911    | 611     | 23,068        | 3,522          | 691      | 8%                      | 17%     | 21%      | 4%      | 11%           | 18%            | -15% |
| Jun-12 | 12,503  | 6,118   | 2,571    | 502     | 21,694        | 3,073          | 954      | 3%                      | 3%      | 24%      | 17%     | 5%            | 23%            | 32%  |
| Jul-12 | 8,632   | 4,830   | 2,755    | 551     | 16,768        | 3,306          | 1,345    | 12%                     | 2%      | 33%      | 21%     | 12%           | 31%            | 14%  |
| Aug-12 | 8,146   | 4,514   | 2,452    | 585     | 15,697        | 3,037          | 1,491    | 11%                     | 8%      | 15%      | 35%     | 11%           | 18%            | -2%  |
| Sep-12 | 8,002   | 4,531   | 3,120    | 773     | 16,426        | 3,893          | 1,760    | 1%                      | -1%     | 14%      | 11%     | 3%            | 14%            | 22%  |
| Oct-12 | 9,918   | 6,891   | 5,644    | 1,499   | 23,952        | 7,143          | 2,312    | 25%                     | 16%     | 33%      | 33%     | 25%           | 33%            | 38%  |
| Nov-12 | 5,186   | 3,981   | 2,474    | 632     | 12,273        | 3,106          | 718      | 5%                      | 17%     | 10%      | 31%     | 11%           | 13%            | -3%  |
| Dec-12 | 8,233   | 6,294   | 4,338    | 900     | 19,765        | 5,238          | 1,128    | 13%                     | 4%      | 18%      | 37%     | 12%           | 21%            | 3%   |
| Jan-13 | 4,694   | 4,087   | 2,960    | 678     | 12,419        | 3,638          | 621      | 20%                     | 11%     | 27%      | 89%     | 21%           | 35%            | 18%  |
| Feb-13 | 5,111   | 3,701   | 2,589    | 669     | 12,070        | 3,258          | 620      | 17%                     | 4%      | 27%      | 37%     | 16%           | 29%            | 69%  |
| Mar-13 | 8,311   | 4,941   | 3,464    | 706     | 17,422        | 4,170          | 1,199    | -3%                     | 8%      | 28%      | -5%     | 5%            | 21%            | 67%  |
| Apr-13 | 13,907  | 5,615   | 4,301    | 851     | 24,674        | 5,152          | 1,144    | 4%                      | -7%     | 28%      | -4%     | 4%            | 21%            | 62%  |
| May-13 | 17,189  | 6,239   | 3,483    | 554     | 27,465        | 4,037          | 883      | 27%                     | 4%      | 20%      | -9%     | 19%           | 15%            | 28%  |
| Jun-13 | 13,449  | 6,363   | 3,272    | 541     | 23,625        | 3,813          | 1,123    | 8%                      | 4%      | 27%      | 8%      | 9%            | 24%            | 18%  |
| Jul-13 | 10,739  | 5,542   | 3,168    | 491     | 19,940        | 3,659          | 1,480    | 24%                     | 15%     | 15%      | -11%    | 19%           | 11%            | 10%  |
| Aug-13 | 9,280   | 5,034   | 2,846    | 588     | 17,748        | 3,434          | 1,252    | 14%                     | 12%     | 16%      | 1%      | 13%           | 13%            | -16% |
| Sep-13 | 8,527   | 4,871   | 3,360    | 574     | 17,332        | 3,934          | 1,291    | 7%                      | 8%      | 8%       | -26%    | 6%            | 1%             | -27% |
| Oct-13 | 9,665   | 6,747   | 5,943    | 1,228   | 23,583        | 7,171          | 1,671    | -3%                     | -2%     | 5%       | -18%    | -2%           | 0%             | -28% |
| Nov-13 | 5,628   | 3,873   | 2,651    | 644     | 12,796        | 3,295          | 903      | 9%                      | -3%     | 7%       | 2%      | 4%            | 6%             | 26%  |
| Dec-13 | 7,683   | 6,944   | 4,940    | 962     | 20,529        | 5,902          | 1,547    | -7%                     | 10%     | 14%      | 7%      | 4%            | 13%            | 37%  |
| Jan-14 | 4,762   | 4,172   | 3,314    | 631     | 12,879        | 3,945          | 824      | 1%                      | 2%      | 12%      | -7%     | 4%            | 8%             | 33%  |
| Feb-14 | 5,310   | 3,655   | 2,423    | 575     | 11,963        | 2,998          | 526      | 4%                      | -1%     | -6%      | -14%    | -1%           | -8%            | -15% |
| Mar-14 | 10,156  | 5,149   | 3,157    | 657     | 19,119        | 3,814          | 906      | 22%                     | 4%      | -9%      | -7%     | 10%           | -9%            | -24% |
| Apr-14 | 14,163  | 6,029   | 3,744    | 746     | 24,682        | 4,490          | 999      | 2%                      | 7%      | -13%     | -12%    | 0%            | -13%           | -13% |
| May-14 | 16,815  | 6,602   | 2,929    | 474     | 26,820        | 3,403          | 671      | -2%                     | 6%      | -16%     | -14%    | -2%           | -16%           | -24% |
| Jun-14 | 15,198  | 6,520   | 2,731    | 409     | 24,858        | 3,140          | 839      | 13%                     | 2%      | -17%     | -24%    | 5%            | -18%           | -25% |
| Jul-14 | 11,249  | 5,943   | 3,225    | 389     | 20,806        | 3,614          | 1,035    | 5%                      | 7%      | 2%       | -21%    | 4%            | -1%            | -30% |

Source: AEM; Cleveland Research Company estimates. High hp tractors are row crop & 4-wheel drive.

# NA Farm Equipment Industry Inventory

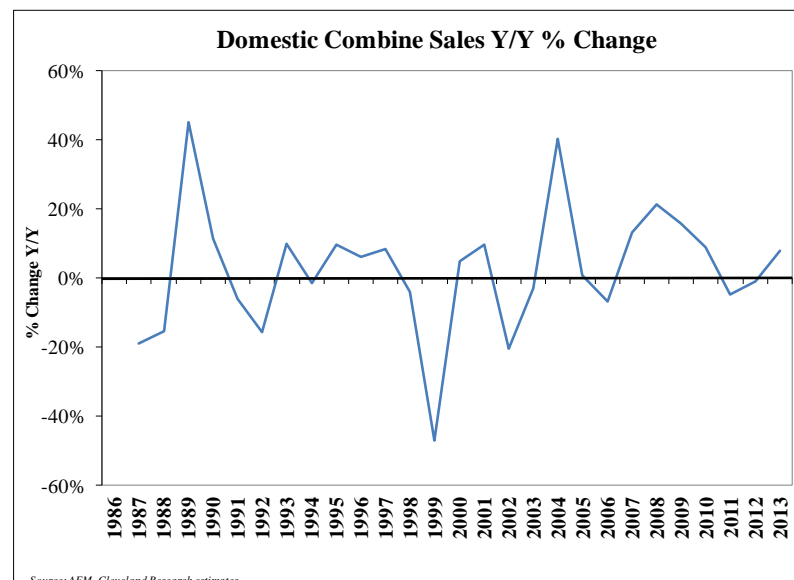
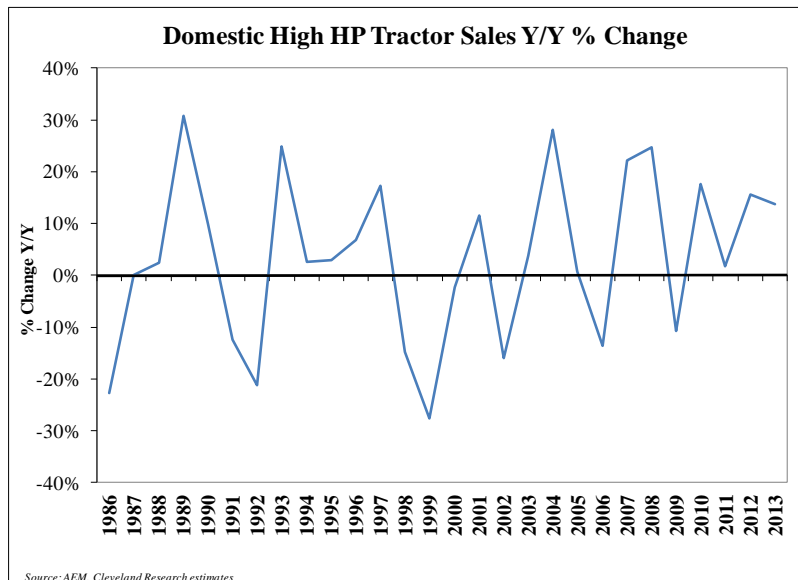
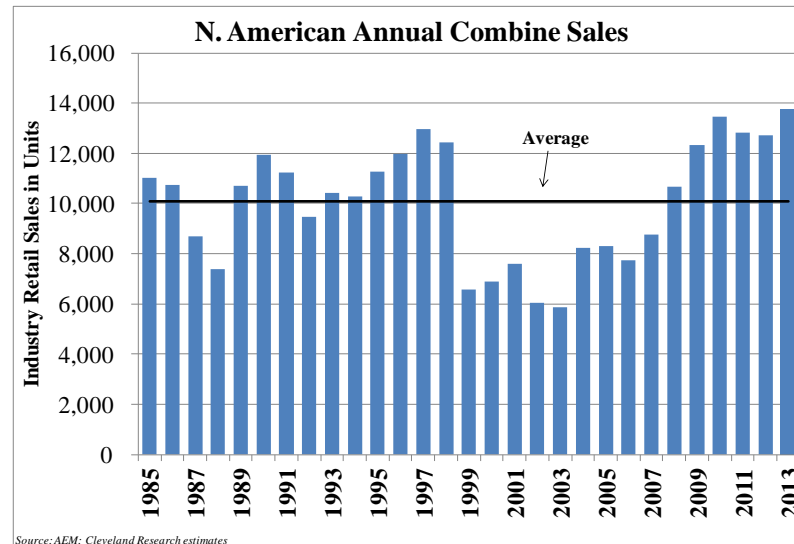
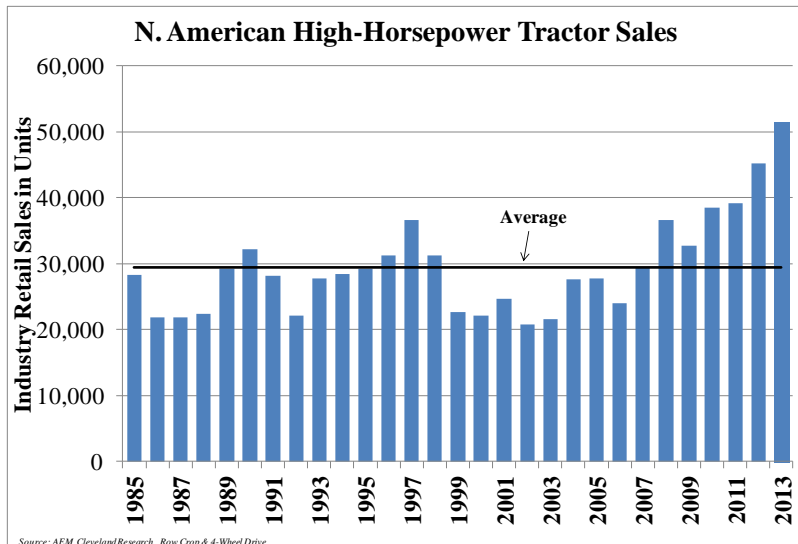
## NORTH AMERICAN FARM EQUIPMENT INVENTORY

|        | Inventory (Units) |         |          |         |               |                |          | Inventory to 12-mo. Sales |      |     |      |               |                |      |
|--------|-------------------|---------|----------|---------|---------------|----------------|----------|---------------------------|------|-----|------|---------------|----------------|------|
|        | < 40 HP           | Utility | Row Crop | 4-Wheel | Total Tractor | Row Crop & 4WD | Combines | <40HP                     | Util | RC  | 4-WD | Total Tractor | Row Crop & 4WD | Comb |
| Dec-11 | 59,746            | 26,551  | 7,666    | 1,035   | 94,998        | 8,701          | 1,250    | 62%                       | 47%  | 24% | 14%  | 49%           | 22%            | 10%  |
| Jan-12 | 61,967            | 27,298  | 7,277    | 1,222   | 97,764        | 8,499          | 1,338    | 64%                       | 48%  | 23% | 17%  | 51%           | 22%            | 11%  |
| Feb-12 | 65,727            | 28,689  | 7,763    | 1,360   | 103,539       | 9,123          | 1,676    | 68%                       | 50%  | 24% | 19%  | 54%           | 23%            | 14%  |
| Mar-12 | 68,756            | 29,144  | 8,199    | 1,518   | 107,617       | 9,717          | 1,955    | 72%                       | 51%  | 26% | 21%  | 56%           | 25%            | 17%  |
| Apr-12 | 66,562            | 28,743  | 8,241    | 1,472   | 105,018       | 9,713          | 1,961    | 68%                       | 50%  | 26% | 20%  | 54%           | 25%            | 17%  |
| May-12 | 65,188            | 28,322  | 8,930    | 1,659   | 104,099       | 10,589         | 2,258    | 66%                       | 48%  | 27% | 22%  | 53%           | 27%            | 20%  |
| Jun-12 | 62,380            | 27,773  | 9,395    | 1,665   | 101,213       | 11,060         | 2,476    | 63%                       | 47%  | 28% | 22%  | 51%           | 27%            | 21%  |
| Jul-12 | 61,495            | 28,135  | 10,351   | 1,950   | 101,931       | 12,301         | 2,791    | 61%                       | 48%  | 31% | 26%  | 51%           | 30%            | 24%  |
| Aug-12 | 61,108            | 28,892  | 11,307   | 2,248   | 103,555       | 13,555         | 3,008    | 60%                       | 49%  | 33% | 29%  | 51%           | 32%            | 26%  |
| Sep-12 | 62,319            | 29,587  | 11,580   | 2,398   | 105,884       | 13,978         | 2,870    | 62%                       | 50%  | 34% | 31%  | 52%           | 33%            | 24%  |
| Oct-12 | 61,918            | 29,266  | 10,573   | 1,931   | 103,688       | 12,504         | 1,662    | 60%                       | 49%  | 30% | 24%  | 50%           | 28%            | 13%  |
| Nov-12 | 65,873            | 29,835  | 11,232   | 2,079   | 109,019       | 13,311         | 1,520    | 64%                       | 49%  | 31% | 25%  | 52%           | 30%            | 12%  |
| Dec-12 | 67,319            | 29,137  | 10,335   | 1,753   | 108,544       | 12,088         | 1,409    | 64%                       | 48%  | 28% | 21%  | 52%           | 27%            | 11%  |
| Jan-13 | 69,290            | 30,182  | 10,399   | 1,803   | 111,674       | 12,202         | 1,659    | 66%                       | 49%  | 28% | 20%  | 52%           | 26%            | 13%  |
| Feb-13 | 72,473            | 30,842  | 11,375   | 1,850   | 116,540       | 13,225         | 2,186    | 68%                       | 50%  | 30% | 20%  | 54%           | 28%            | 17%  |
| Mar-13 | 72,499            | 30,869  | 11,700   | 1,931   | 116,999       | 13,631         | 2,518    | 69%                       | 50%  | 30% | 21%  | 54%           | 29%            | 19%  |
| Apr-13 | 70,567            | 30,512  | 12,507   | 1,883   | 115,469       | 14,390         | 2,577    | 66%                       | 50%  | 32% | 21%  | 53%           | 30%            | 18%  |
| May-13 | 65,268            | 30,400  | 13,202   | 2,068   | 110,938       | 15,270         | 2,866    | 59%                       | 49%  | 33% | 23%  | 50%           | 31%            | 20%  |
| Jun-13 | 62,097            | 29,271  | 13,330   | 2,158   | 106,856       | 15,488         | 3,249    | 56%                       | 47%  | 33% | 24%  | 48%           | 31%            | 23%  |
| Jul-13 | 59,174            | 29,628  | 14,138   | 2,177   | 105,117       | 16,315         | 3,208    | 52%                       | 47%  | 34% | 25%  | 47%           | 33%            | 22%  |
| Aug-13 | 58,941            | 30,907  | 15,063   | 2,307   | 107,218       | 17,370         | 3,325    | 52%                       | 49%  | 36% | 26%  | 47%           | 34%            | 23%  |
| Sep-13 | 60,787            | 31,714  | 15,372   | 2,507   | 110,380       | 17,879         | 3,255    | 53%                       | 50%  | 37% | 29%  | 48%           | 35%            | 24%  |
| Oct-13 | 63,364            | 31,876  | 14,009   | 2,094   | 111,343       | 16,103         | 2,222    | 55%                       | 50%  | 33% | 25%  | 49%           | 32%            | 17%  |
| Nov-13 | 67,922            | 33,406  | 14,847   | 2,312   | 118,487       | 17,159         | 2,343    | 59%                       | 53%  | 35% | 27%  | 52%           | 34%            | 18%  |
| Dec-13 | 67,863            | 32,028  | 13,318   | 2,049   | 115,258       | 15,367         | 2,083    | 59%                       | 50%  | 31% | 24%  | 50%           | 30%            | 15%  |
| Jan-14 | 69,111            | 33,240  | 12,620   | 2,028   | 116,999       | 14,648         | 1,681    | 60%                       | 52%  | 29% | 24%  | 51%           | 28%            | 12%  |
| Feb-14 | 71,514            | 34,326  | 13,267   | 2,046   | 121,153       | 15,313         | 2,063    | 62%                       | 54%  | 31% | 25%  | 53%           | 30%            | 15%  |
| Mar-14 | 71,249            | 35,256  | 14,058   | 2,218   | 122,781       | 16,276         | 2,456    | 61%                       | 55%  | 33% | 27%  | 53%           | 32%            | 18%  |
| Apr-14 | 69,986            | 35,615  | 13,298   | 2,117   | 121,016       | 15,415         | 2,467    | 60%                       | 55%  | 31% | 26%  | 52%           | 31%            | 18%  |
| May-14 | 66,364            | 34,755  | 13,505   | 2,255   | 116,879       | 15,760         | 2,734    | 57%                       | 53%  | 32% | 28%  | 51%           | 32%            | 21%  |
| Jun-14 | 62,025            | 34,004  | 14,531   | 2,294   | 112,854       | 16,825         | 3,101    | 53%                       | 52%  | 35% | 29%  | 49%           | 34%            | 24%  |

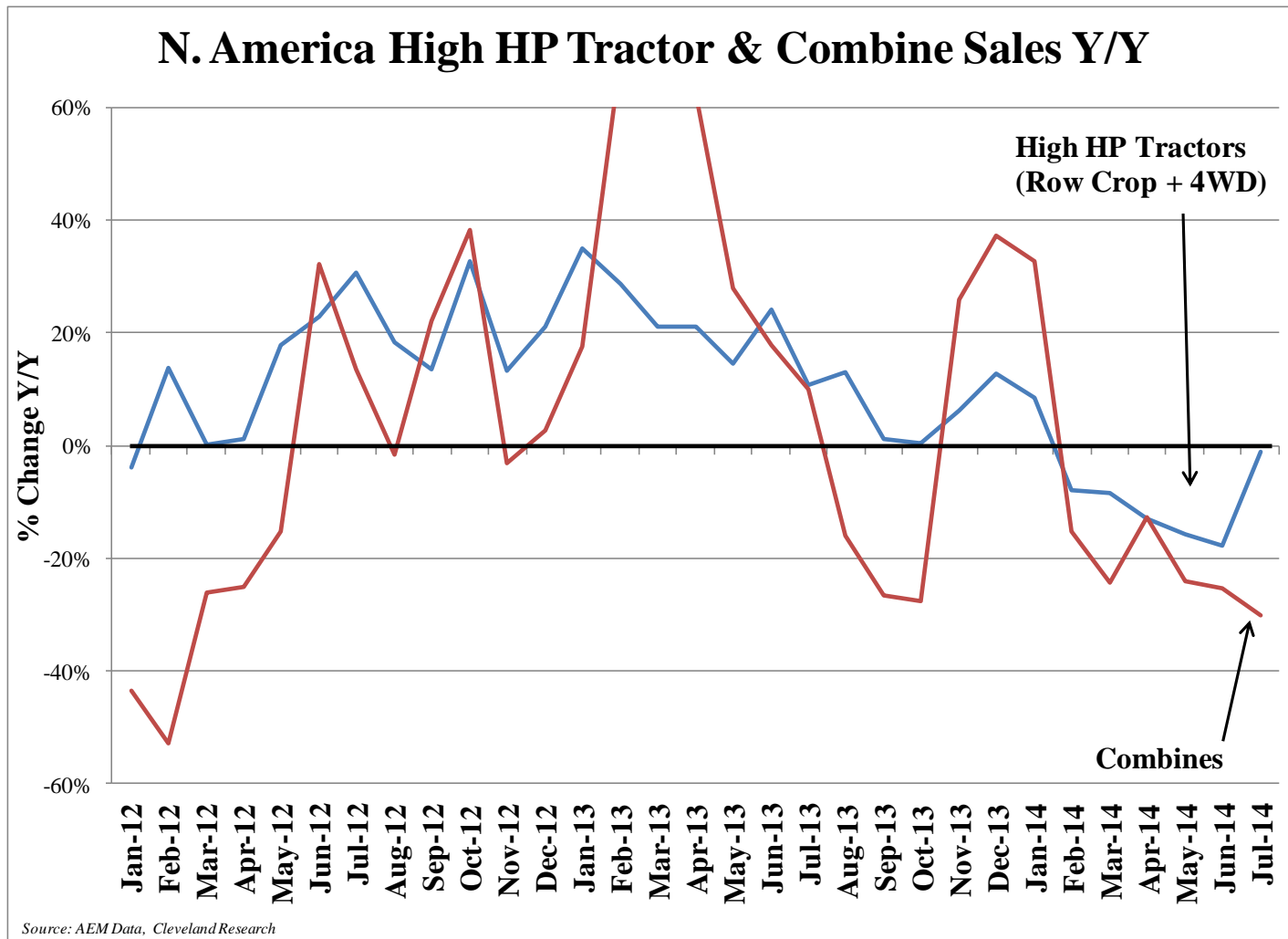
Source: AEM; Cleveland Research Company estimates



# Annual Ag Equipment Industry Sales (1985 - 2013)



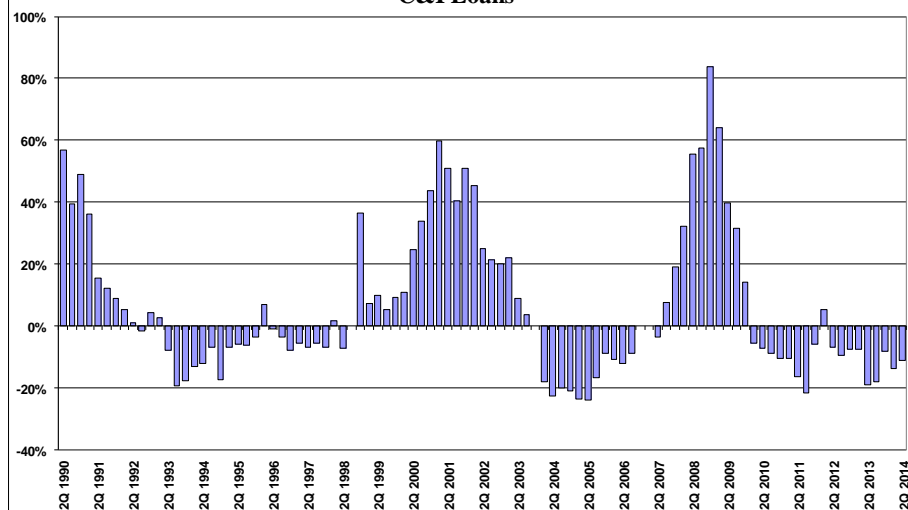
# NA Ag Equipment Sales



# Credit – C&I Loan Demand Increases as Standards Loosen Slightly

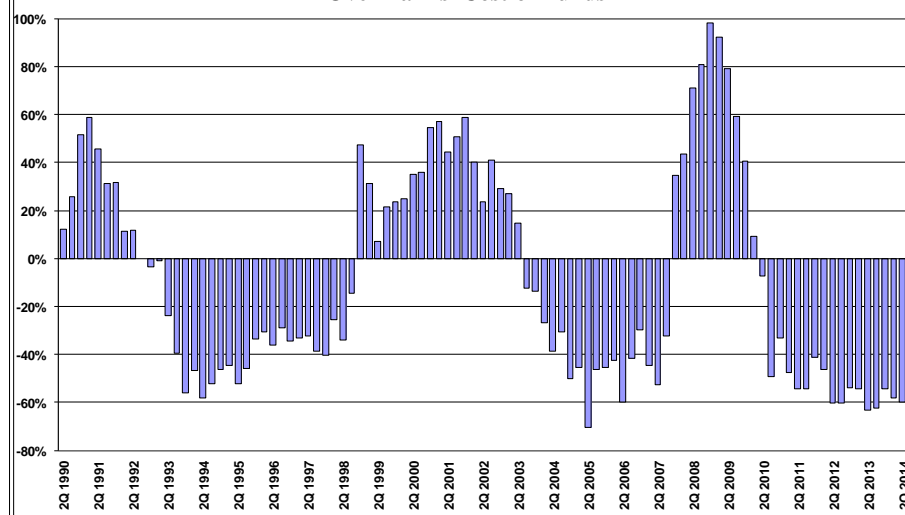
- The 2Q14 Senior Loan Officer survey saw a slight tightening of loan standards. A net 11% of loan officers reported easier credit standards in 2Q14 compared with a net 14% in 1Q14.
- Bank rate spreads saw a slight decrease in 2Q14 with a net 60% of loan officers reporting lower lending spreads, down from a net 58% in 1Q14.
- Demand for commercial and industrial loans decelerated slightly in 2Q as a net 14% of loan officers reported stronger demand for commercial and industrial loans, below the net 16% of loan officers reporting stronger demand for loans in 1Q14.

**Net Percentage of Domestic Respondents Tightening Standards for C&I Loans**



Source: Federal Reserve Board

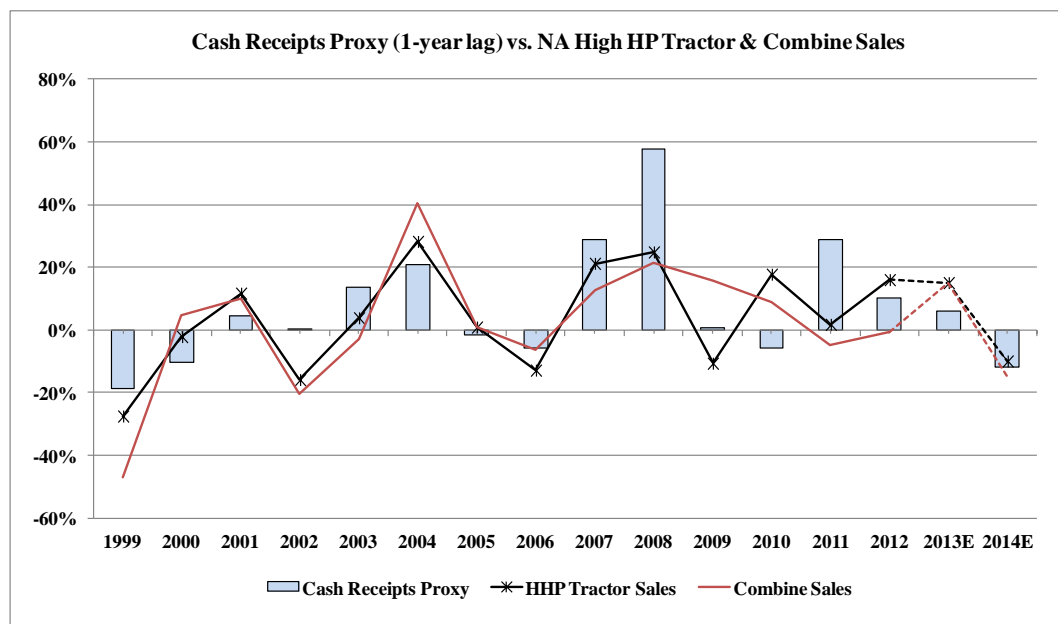
**Net % of Domestic Respondents Increasing Spreads of Loan Rates Over Banks' Cost of Funds**



Source: Federal Reserve Board

## Commodity Prices – Cash Receipts vs. Next Year Equipment Sales

The USDA's updated WASDE report suggests cash receipts down 12% for 2013/14 and down 10% for 2014/15 in our simplified cash receipts proxy. The chart below depicts N. American high HP tractor and combine sales on a one year lag vs. our simplified farm cash receipts proxy (using the 3 most important crops - corn, soybeans, wheat). The updated August USDA report left the cash receipts outlook for 2013/14 unchanged at down 12% y/y. The 2014/15 cash receipts outlook was revised down slightly to down 10% vs down 9% last month. The correlation between equipment sales and cash receipts has historically provided a good proxy for next year's equipment demand.



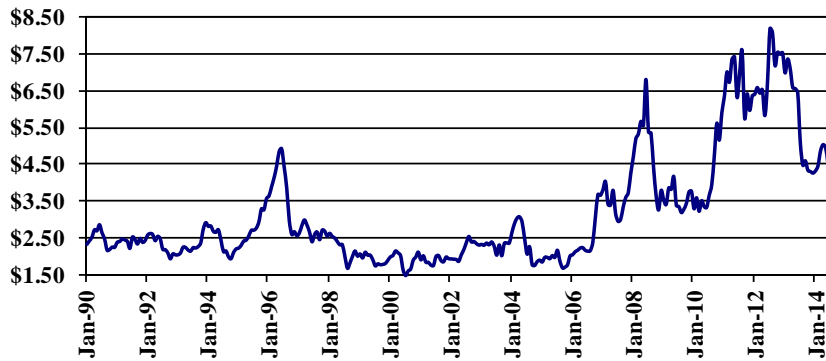
# Commodity Prices – Simplified Cash Receipts Proxy

| USDA - World Agricultural Supply and Demand Estimates (bu millions) |             |              |         |                |            |            |                     |                          |            |           |              |            |
|---|-------------|--------------|---------|----------------|------------|------------|---------------------|--------------------------|------------|-----------|--------------|------------|
| CORN - DOMESTIC   |             |              |         |                |            |            |                     | CORN - INTERNATIONAL     |            |           |              |            |
| Year  | Production  | Domestic Use | Exports | Total Use      | End Stocks | Stocks/Use | Avg Price           | Year                     | Production | Total Use | End Stocks   | Stocks/Use |
| 2011/12   | 12,360      | 10,985       | 1,543   | 12,528         | 989        | 7.9%       | \$6.22              | 2011/12                  | 22,010     | 23,171    | 4,235        | 18.3%      |
| 2012/13   | 10,780      | 10,379       | 731     | 11,111         | 821        | 7.4%       | \$6.89              | 2012/13                  | 22,963     | 23,626    | 4,179        | 17.7%      |
| 2013/14   | 13,925      | 11,680       | 1,920   | 13,600         | 1,181      | 8.7%       | \$4.40-\$4.50       | 2013/14                  | 24,828     | 25,776    | 5,554        | 21.5%      |
| 2014/15   |             |              |         |                |            |            |                     | 2014/15                  |            |           |              |            |
| July  | 13,860      | 11,635       | 1,700   | 13,335         | 1,801      | 13.5%      | \$3.65-\$4.35       | July                     | 24,759     | 26,408    | 5,602        | 21.2%      |
| August  | 14,032      | 11,710       | 1,725   | 13,435         | 1,808      | 13.5%      | \$3.55-\$4.25       | August                   | 24,762     | 26,425    | 5,586        | 21.1%      |
| Corn Futures Price:   |             |              |         |                |            |            | \$3.72              |                          |            |           |              |            |
| Change m/m  | 172         | 75           | 25      | 100            | 7          | 0.0%       | (\$0.20)            | Change m/m               | 3          | 17        | -17          | -0.1%      |
| Change y/y  | 107         | 30           | -195    | -165           | 627        | 4.8%       | (\$0.45)            | Change y/y               | -67        | 649       | 31           | -0.4%      |
| SOYBEANS - DOMESTIC   |             |              |         |                |            |            |                     | SOYBEANS - INTERNATIONAL |            |           |              |            |
| Year  | Production  | Domestic Use | Exports | Total Use      | End Stocks | Stocks/Use | Avg Price           | Year                     | Production | Total Use | End Stocks   | Stocks/Use |
| 2011/12   | 3,094       | 3,155        | 1,365   | 4,520          | 169        | 3.7%       | \$12.50             | 2011/12                  | 5,629      | 7,536     | 1,785        | 23.7%      |
| 2012/13   | 3,034       | 3,099        | 1,320   | 4,419          | 141        | 3.2%       | \$14.40             | 2012/13                  | 6,873      | 7,777     | 2,170        | 27.9%      |
| 2013/14   | 3,289       | 3,369        | 1,640   | 5,009          | 140        | 2.8%       | \$13.00             | 2013/14                  | 7,144      | 8,185     | 2,325        | 28.4%      |
| 2014/15   |             |              |         |                |            |            |                     | 2014/15                  |            |           |              |            |
| June  | 3,635       | 3,450        | 1,625   | 5,075          | 325        | 6.4%       | \$9.75-\$11.75      | June                     | 7,388      | 8,487     | 2,720        | 32.1%      |
| July  | 3,800       | 3,541        | 1,675   | 5,216          | 415        | 8.0%       | \$9.50-\$11.50      | July                     | 7,399      | 8,544     | 2,720        | 31.8%      |
| August  | 3,816       | 3,541        | 1,675   | 5,216          | 430        | 8.2%       | \$9.35-\$11.35      | August                   | 7,380      | 11,891    | 2,716        | 22.8%      |
| Soybean Futures Price:  |             |              |         |                |            |            | \$10.84             |                          |            |           |              |            |
| Change m/m  | 16          | 0            | 0       | 0              | 15         | 0.3%       | (\$0.25)            | Change m/m               | -19        | 3,347     | -4           | -9.0%      |
| Change y/y  | 527         | 172          | 35      | 207            | 290        | 5.4%       | (\$2.50)            | Change y/y               | 236        | 3,706     | 391          | -5.6%      |
| WHEAT - DOMESTIC  |             |              |         |                |            |            |                     | WHEAT - INTERNATIONAL    |            |           |              |            |
| Year  | Production  | Domestic Use | Exports | Total Use      | End Stocks | Stocks/Use | Avg Price           | Year                     | Production | Total Use | End Stocks   | Stocks/Use |
| 2011/12   | 1,999       | 1,180        | 1,051   | 2,231          | 743        | 33.3%      | \$7.24              | 2011/12                  | 23,506     | 24,369    | 6,458        | 26.5%      |
| 2012/13   | 2,266       | 1,406        | 1,007   | 2,413          | 718        | 29.8%      | \$7.77              | 2012/13                  | 21,821     | 23,418    | 5,889        | 25.1%      |
| 2013/14   | 2,130       | 1,250        | 1,176   | 2,426          | 590        | 24.3%      | \$6.87              | 2013/14                  | 24,108     | 24,692    | 6,159        | 24.9%      |
| 2014/15   |             |              |         |                |            |            |                     | 2014/15                  |            |           |              |            |
| July  | 1,992       | 1,181        | 900     | 2,081          | 660        | 31.7%      | \$6.00-\$7.20       | July                     | 23,919     | 24,536    | 6,304        | 25.7%      |
| August  | 2,030       | 1,191        | 925     | 2,116          | 663        | 31.3%      | \$5.80-\$6.80       | August                   | 24,282     | 24,779    | 6,427        | 25.9%      |
| Wheat Futures Price:  |             |              |         |                |            |            | \$5.38              |                          |            |           |              |            |
| Change m/m  | 38          | 10           | 25      | 35             | 3          | -0.4%      | (\$0.40)            | Change m/m               | 363        | 243       | 123          | 0.2%       |
| Change y/y  | -100        | -59          | -251    | -310           | 73         | 7.0%       | (\$0.27)            | Change y/y               | 174        | 87        | 268          | 1.0%       |
| FARMER CROP RECEIPTS PROXY  |             |              |         |                |            |            |                     |                          |            |           |              |            |
| Year  | Production: |              |         | Average Price: |            |            | Crop Cash Receipts* |                          |            |           |              |            |
|   | Corn        | Soybeans     | Wheat   | Corn           | Soybeans   | Wheat      | Corn                | Soybeans                 | Wheat      | Total     | % change y/y |            |
| 2008/09   | 12,092      | 2,967        | 2,499   | \$4.06         | \$9.97     | \$6.78     | \$49,094            | \$29,581                 | \$16,943   | \$95,618  | 1%           |            |
| 2009/10   | 13,092      | 3,359        | 2,218   | \$3.55         | \$9.59     | \$4.87     | \$46,477            | \$32,213                 | \$10,802   | \$89,491  | -6%          |            |
| 2010/11   | 12,447      | 3,329        | 2,207   | \$5.18         | \$11.30    | \$5.70     | \$64,475            | \$37,618                 | \$12,580   | \$114,673 | 28%          |            |
| 2011/12   | 12,360      | 3,094        | 1,999   | \$6.22         | \$12.50    | \$7.24     | \$76,879            | \$38,675                 | \$14,473   | \$130,027 | 13%          |            |
| 2012/13   | 10,780      | 3,034        | 2,266   | \$6.89         | \$14.40    | \$7.77     | \$74,274            | \$43,690                 | \$17,607   | \$135,571 | 4%           |            |
| 2013/14   | 13,925      | 3,289        | 2,130   | \$4.45         | \$13.00    | \$6.87     | \$61,966            | \$42,757                 | \$14,633   | \$119,356 | -12%         |            |
| 2014/15   |             |              |         |                |            |            |                     |                          |            |           |              |            |
| July  | 13,860      | 3,800        | 1,992   | \$4.00         | \$10.50    | \$6.60     | \$55,440            | \$39,900                 | \$13,147   | \$108,487 | -9%          |            |
| August  | 14,032      | 3,816        | 2,030   | \$3.90         | \$10.35    | \$6.30     | \$54,725            | \$39,496                 | \$12,789   | \$107,009 | -10%         |            |

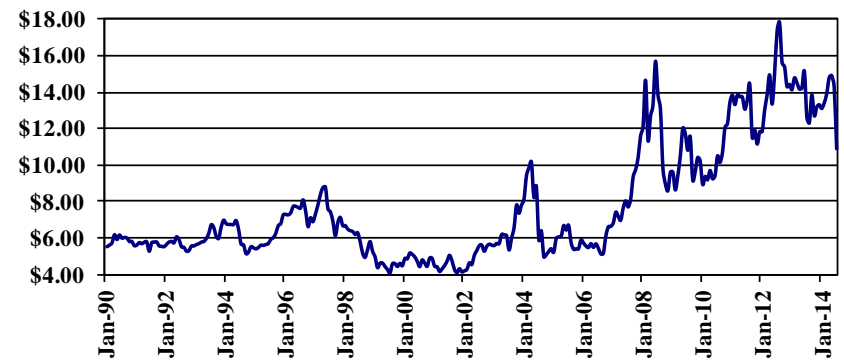
Source: USDA; Cleveland Research estimates. \*Note: Cash receipts estimated as USDA production X USDA average price forecast

# Long Term Commodity Price Trends

## Corn Price Trends



## Soybean Price Trends



## Wheat Price Trends



## Cotton Price Trends



# Commodity Trends – Long Run Supply and Demand Projections

| 2013 USDA - Long Run Crop Supply and Demand Projections |            |              |                 |         |           |            |            |           |
|---|------------|--------------|-----------------|---------|-----------|------------|------------|-----------|
| CORN - DOMESTIC   |            |              |                 |         |           |            |            |           |
| Year  | Production | Domestic Use | Use for Ethanol | Exports | Total Use | End Stocks | Stocks/Use | Avg Price |
| 2004/05   | 11,807     | 8,848        | 1,323           | 1,814   | 10,662    | 2,114      | 19.8%      | \$2.06    |
| 2005/06   | 11,114     | 9,122        | 1,603           | 2,147   | 11,270    | 1,967      | 17.5%      | \$2.00    |
| 2006/07   | 10,531     | 9,081        | 2,150           | 2,125   | 11,206    | 1,304      | 11.6%      | \$3.04    |
| 2007/08   | 13,038     | 10,302       | 3,026           | 2,436   | 12,738    | 1,624      | 12.7%      | \$4.20    |
| 2008/09   | 12,092     | 10,198       | 3,677           | 1,858   | 12,056    | 1,673      | 13.9%      | \$4.06    |
| 2009/10   | 13,092     | 11,086       | 4,568           | 1,980   | 13,066    | 1,708      | 13.1%      | \$3.55    |
| 2010/11   | 12,447     | 11,220       | 4,800           | 1,835   | 13,055    | 1,128      | 8.6%       | \$5.18    |
| 2011/12   | 12,358     | 10,984       | 5,011           | 1,543   | 12,527    | 988        | 7.9%       | \$6.22    |
| 2012/13   | 10,725     | 10,017       | 4,500           | 1,150   | 11,167    | 647        | 5.8%       | \$7.60    |
| 2013/14   | 14,435     | 11,340       | 4,675           | 1,700   | 13,040    | 2,067      | 15.9%      | \$5.40    |
| 2014/15   | 13,610     | 11,570       | 4,825           | 1,900   | 13,470    | 2,232      | 16.6%      | \$4.10    |
| 2015/16   | 13,105     | 11,545       | 4,825           | 2,000   | 13,545    | 1,817      | 13.4%      | \$4.30    |
| 2015/17   | 13,595     | 11,715       | 4,850           | 2,050   | 13,765    | 1,672      | 12.1%      | \$4.40    |
| 2017/18   | 13,925     | 11,880       | 4,900           | 2,125   | 14,005    | 1,617      | 11.5%      | \$4.50    |
| 2018/19   | 14,255     | 12,070       | 4,975           | 2,200   | 14,270    | 1,627      | 11.4%      | \$4.55    |
| 2019/20   | 14,500     | 12,260       | 5,075           | 2,275   | 14,535    | 1,617      | 11.1%      | \$4.60    |
| 2020/21   | 14,750     | 12,450       | 5,175           | 2,350   | 14,800    | 1,592      | 10.8%      | \$4.65    |
| 2021/22   | 15,000     | 12,645       | 5,275           | 2,425   | 15,070    | 1,547      | 10.3%      | \$4.75    |
| 2022/23   | 15,260     | 12,835       | 5,375           | 2,500   | 15,335    | 1,497      | 9.8%       | \$4.85    |
| 10-yr Avg   | 14,244     | 12,031       | 4,995           | 2,153   | 14,184    | 1,729      | 12.3%      | \$4.61    |

| 2013 USDA - Long Run Crop Supply and Demand Projections |            |              |         |           |            |            |           |  |
|---|------------|--------------|---------|-----------|------------|------------|-----------|--|
| SOYBEANS - DOMESTIC                                     |            |              |         |           |            |            |           |  |
| Year  | Production | Domestic Use | Exports | Total Use | End Stocks | Stocks/Use | Avg Price |  |
| 2004/05   | 3,124      | 2,986        | 1,103   | 4,089     | 256        | 6.3%       | \$5.74    |  |
| 2005/06   | 3,063      | 1,927        | 947     | 2,874     | 449        | 15.6%      | \$5.66    |  |
| 2006/07   | 3,188      | 3,073        | 1,118   | 4,191     | 574        | 13.7%      | \$6.43    |  |
| 2007/08   | 2,677      | 3,056        | 1,161   | 4,217     | 205        | 4.9%       | \$10.10   |  |
| 2008/09   | 2,967      | 3,047        | 1,283   | 4,330     | 138        | 3.2%       | \$9.97    |  |
| 2009/10   | 3,359      | 3,361        | 1,499   | 4,860     | 151        | 3.1%       | \$9.59    |  |
| 2010/11   | 3,329      | 3,280        | 1,501   | 4,781     | 215        | 4.5%       | \$11.30   |  |
| 2011/12   | 3,094      | 1,793        | 1,362   | 3,155     | 169        | 5.4%       | \$12.30   |  |
| 2012/13   | 2,971      | 1,676        | 1,345   | 3,021     | 140        | 4.6%       | \$14.30   |  |
| 2013/14   | 3,335      | 1,790        | 1,515   | 3,305     | 185        | 5.6%       | \$11.35   |  |
| 2014/15   | 3,280      | 1,802        | 1,480   | 3,282     | 197        | 6.0%       | \$10.35   |  |
| 2015/16   | 3,360      | 1,838        | 1,530   | 3,368     | 204        | 6.1%       | \$10.65   |  |
| 2015/17   | 3,415      | 1,869        | 1,560   | 3,429     | 205        | 6.0%       | \$10.75   |  |
| 2017/18   | 3,470      | 1,900        | 1,575   | 3,475     | 215        | 6.2%       | \$10.85   |  |
| 2018/19   | 3,505      | 1,926        | 1,590   | 3,516     | 219        | 6.2%       | \$10.90   |  |
| 2019/20   | 3,535      | 1,956        | 1,590   | 3,546     | 222        | 6.3%       | \$10.95   |  |
| 2020/21   | 3,570      | 1,982        | 1,600   | 3,582     | 226        | 6.3%       | \$11.05   |  |
| 2021/22   | 3,600      | 2,012        | 1,605   | 3,617     | 223        | 6.2%       | \$11.20   |  |
| 2022/23   | 3,635      | 2,038        | 1,610   | 3,648     | 226        | 6.2%       | \$11.35   |  |
| 10-yr Avg   | 3,471      | 1,911        | 1,566   | 3,477     | 212        | 6.1%       | \$10.94   |  |

| 2013 USDA - Long Run Crop Supply and Demand Projections |            |              |         |           |            |            |           |  |
|---|------------|--------------|---------|-----------|------------|------------|-----------|--|
| WHEAT - DOMESTIC  |            |              |         |           |            |            |           |  |
| Year  | Production | Domestic Use | Exports | Total Use | End Stocks | Stocks/Use | Avg Price |  |
| 2004/05   | 2,158      | 1,172        | 1,063   | 2,235     | 540        | 24.2%      | \$3.40    |  |
| 2005/06   | 2,105      | 1,146        | 1,009   | 2,155     | 571        | 26.5%      | \$3.42    |  |
| 2006/07   | 1,812      | 1,140        | 909     | 2,049     | 456        | 22.3%      | \$4.26    |  |
| 2007/08   | 2,051      | 1,050        | 1,264   | 2,314     | 306        | 13.2%      | \$6.48    |  |
| 2008/09   | 2,499      | 1,260        | 1,015   | 2,275     | 657        | 28.9%      | \$6.78    |  |
| 2009/10   | 2,218      | 1,138        | 879     | 2,017     | 976        | 48.4%      | \$4.87    |  |
| 2010/11   | 2,207      | 1,128        | 1,289   | 2,417     | 862        | 35.7%      | \$5.70    |  |
| 2011/12   | 1,999      | 1,182        | 1,050   | 2,231     | 743        | 33.3%      | \$7.24    |  |
| 2012/13   | 2,269      | 1,338        | 1,100   | 2,438     | 704        | 28.9%      | \$8.10    |  |
| 2013/14   | 2,190      | 1,281        | 1,000   | 2,281     | 733        | 32.1%      | \$7.20    |  |
| 2014/15   | 2,105      | 1,234        | 925     | 2,159     | 804        | 37.2%      | \$5.40    |  |
| 2015/16   | 2,005      | 1,231        | 930     | 2,161     | 778        | 36.0%      | \$5.65    |  |
| 2015/17   | 2,025      | 1,238        | 935     | 2,173     | 765        | 35.2%      | \$5.75    |  |
| 2017/18   | 2,040      | 1,244        | 940     | 2,184     | 761        | 34.8%      | \$5.85    |  |
| 2018/19   | 2,035      | 1,251        | 940     | 2,191     | 745        | 34.0%      | \$5.90    |  |
| 2019/20   | 2,050      | 1,258        | 940     | 2,198     | 737        | 33.5%      | \$5.95    |  |
| 2020/21   | 2,065      | 1,265        | 940     | 2,205     | 737        | 33.4%      | \$6.00    |  |
| 2021/22   | 2,080      | 1,272        | 940     | 2,212     | 745        | 33.7%      | \$6.10    |  |
| 2022/23   | 2,080      | 1,279        | 940     | 2,219     | 746        | 33.6%      | \$6.20    |  |
| 10-yr Avg   | 2,068      | 1,255        | 943     | 2,198     | 755        | 34.4%      | \$6.00    |  |

# U.S. Acreage Planted Per Crop Year

