
A Special Management Report From

***Ag Equipment
Intelligence***

**2009 BUSINESS
OUTLOOK & TRENDS**

FARM EQUIPMENT FORECAST

An Ag Equipment Intelligence Staff Report



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PART I — BUSINESS OUTLOOK & TRENDS

Dealers Still Bullish on Sales for 2009

In spite of the turmoil that's upended the U.S. economy, farm equipment dealers still see strong prospects for improving sales in the coming year.

While apprehension has set regarding the rising input costs their customers are contending with and concerns linger about the equipment shortages that slowed the pace of sales during the past year, a large majority — 81.7% — of North American farm equipment dealers see their prospects for new equipment sales in 2009 being as good or better than they were in 2008 — which for many dealers is turning out to be an outstanding year.

The big “if” for dealers is being able to get enough new equipment to satisfy

farmer demands.

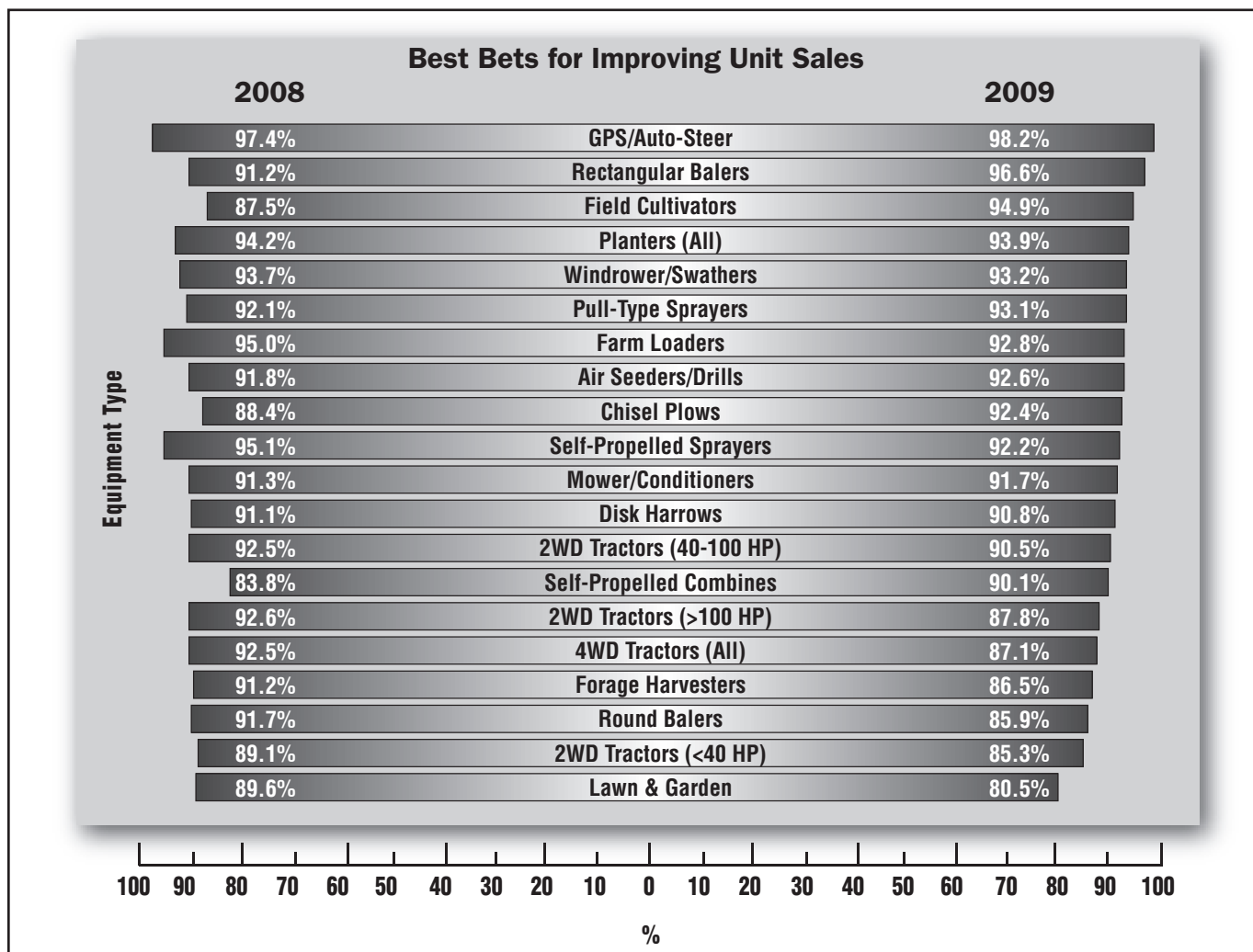
It's the same story for used equipment. Nearly nine of ten dealers (88%) forecast sales of used machinery during the next year to be as good or better than what they saw last year — if they can find enough good equipment to sell.

More than half of the dealers surveyed — 53.6% — believe that unit sales of new equipment will improve more than 2% in 2009, with 17.2% of those forecasting increases of 8% or more. And more than half of the dealers

— 51.3% — see sales of good used machinery increasing by at least 2% in the coming year.

On average, ag equipment retailers surveyed by *Ag Equipment Intelligence (AEI)* see overall new unit sales increasing by nearly 2% in 2009 vs. 2008, while projecting sales of used machinery will grow by 2.12% compared with the previous year. For comparison purposes, last year dealers projected overall sales of new equipment would grow by 2.63% and used equipment by 2.48%.

Dealer optimism for 2009 is down



More than 300 North American farm equipment dealers ranked 20 equipment categories as “best bets” for improving sales in ‘09. This table compares how they rank each product for the coming year vs. their ranking a year ago.

somewhat from where it was last year when *AEI* conducted its 2008 Business Outlook & Trends survey. At that time, 89.8% of those surveyed (vs. 81.7% for '09) forecast sales revenue to be as good or better in 2008 compared to 2007.

What's interesting this year is more dealers (17.2%) are projecting that sales will increase by 8% or more in 2009 than did last year, when 15.5% saw sales growing 8% or more.

But the group of dealers that sees sales revenue growing or modestly declining offset this somewhat. In their projections for 2008, 44.7% expected sales revenue to increase by 2-7%, while this year only 36.4% are projecting sales growth in that range.

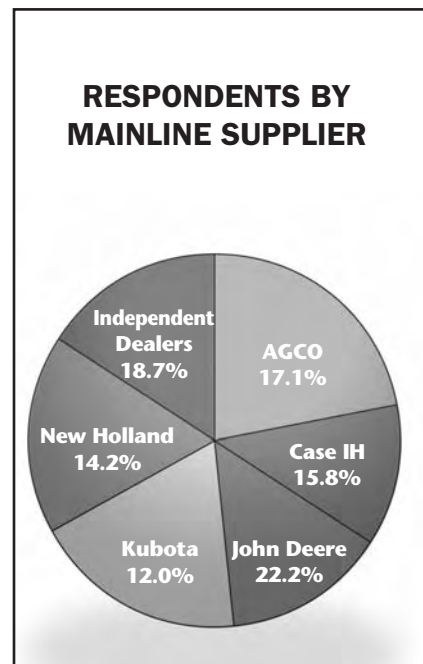
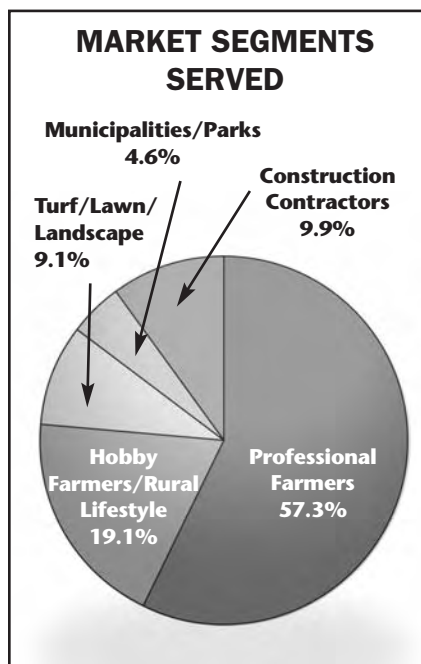
Likewise, dealers that see sales levels dropping by 2-7% in 2009 increased to 12.3% compared with only 5.6% last year. A similar pattern can also be noted, though not as significantly, in dealers that see business levels declining by 8% or more. Last year, only 4.6% called for a drop off in sales of that magnitude. The number of dealers projecting sales revenue declines of 8% or more rose to 6% for 2009.

Putting this into perspective, for many farm equipment retailers that are coming off two extraordinary years in a row, a drop in sales revenue may mean they expect business levels to flatten out more so than falling off. If this is the case, considering the economic woes most other industries face and the equipment shortages dealers contended with in 2008, many dealers would agree that agriculture is still a good place to be these days.

All in all, while slightly more than 18.3% of dealers in this year's survey expect equipment sales revenue to drop in 2009 (vs. 10.2% in 2008), more than 80% are confident that next year they'll be able to at least match (28.1%) or exceed (53.6%) revenues reached during the past year.

'Big' Year for 'Big' Equipment

Last year at this time, *AEI's* survey of North American equipment dealers also indicated that they were expecting a "big" year for unit sales. For many



This profile of respondents to *Ag Equipment Intelligence's* 2009 Business Trends Survey shows the market segments where North American farm equipment dealers derived their revenues in 2008 and a breakout of the respondents by their mainline supplier. On average, respondents operated 2.29 stores and employed 43.9 people.

retailers, what happened actually exceeded their expectations — if they were selling "big" equipment. Few people involved in the industry expected a repeat of 2007 when unit sales of large, row-crop tractors increased by 20-25%.

Through the first 9 months of 2008 (January through September), U.S. sales of 2WD tractors over 100 horsepower rose by 33.2% compared to the same period last year, according to the Assn. of Equipment Manufacturers. At the same time, sales of 4WD tractors in the U.S. during that same period rose by 30% compared with the same January-through-September timeframe in '07.

In Canada, sales of row-crop tractors during the same 9-month stretch rose by 24% and 4WD equipment was up 76.8%.

Combine sales in both countries also saw healthy increases through September 2008. In the U.S., combine sales rose by 19%, and in Canada sales were up 50.7% compared to the January-through-September period in 2007.

On the other hand, U.S. dealers specializing in sales of compact- (under 40 horsepower) and utility-type (40-100 horsepower) tractors felt the full brunt

of the nation's most serious housing slump in decades. By and large, the rise and fall of small tractor sales tends to closely follow the housing market. Through September 2008, retailers of compact tractors saw sales fall 12.9% and mid-range unit sales slip by 11.8% vs. levels in 2007 — which had already been a tough year for those dealers.

Canadian dealers of small tractors fared much better, though. AEM reports that sales of compact tractors in Canada were up 24.8% for the year through September, while mid-range tractor sales rose 25.4% through the first 8 months of 2008.

Products to Watch in '09

When it comes to the hot farm equipment products for 2009, dealers are projecting some significant shifts in farmers' shopping lists in the next year compared to the past few years. Precision ag products remain at the top of the list for "best bets" for improving sales next year but tillage tools appear to be making a major comeback.

It should come as no surprise that GPS and other precision ag instruments and systems head the "best bets" list again this year.

Discussions with the marketing managers of some of the top GPS system providers for farm applications at the Farm Progress Show in late August suggest that the sale of products tied to precision agriculture are just beginning to hit their stride in terms of market penetration. Some estimate that they barely captured one-third of the market for precision farming products. They see strong growth trends for these products during the next several years as pricing drops, equipment becomes more user-friendly and new

products covering a wider range of ag applications are introduced.

Second on the dealers' "best bets" list of products in '09 is rectangular balers, which moved up from the 14th slot last year. Round balers fell from number 12 in 2008 to 17th for 2009.

The most surprising product on the list this year is field cultivators, which moved all the way up from dead last (20th place) last year to number three for 2009. This is significant because, for the last three years, tillage tools were ranked at or near the bot-

tom of equipment retailers' choices of hot selling products.

Dealers are also seeing improved prospects for chisel plows, which rose from a number 19 ranking in 2008 to ninth for the coming year. Disc harrows which moved up on the list last year, maintained its 12th spot in 2009.

As a group, all classes of tractors slipped on the dealers' list of best bets for 2009. Mid-range tractors (40-100 horsepower) slipped from the ninth spot last year to 13th on the list; row-crop equipment (2WD 100 horsepower and up) fell from the seventh slot to 15th; and 4WD tractors finished sixteenth on the list for 2009 from number eight last year, presumably because of high sales in 2008.

Not surprisingly, as the housing market suffers through its worst crisis in more than 30 years, so has the machinery tied to that market. Compact tractors (less than 40 horsepower) finished second to last on the dealers' ranking of best bets for 2009. They were followed only by lawn and garden equipment, which fell from a number 17 ranking last year to 20th for 2009.

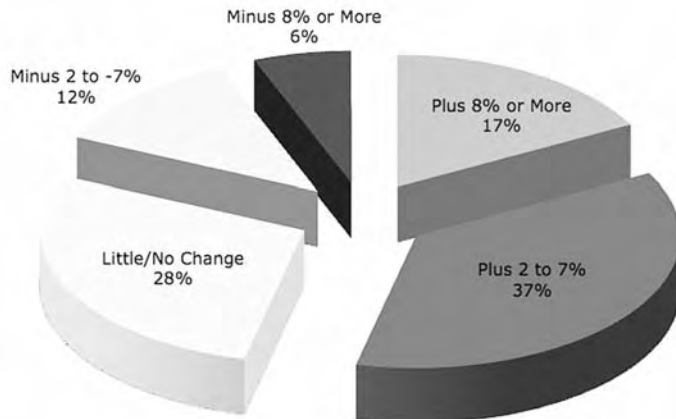
Spending Plans Cut Back

Compared to 2008, fewer North American farm equipment dealers are planning to increase capital spending during the next year. Overall, 41.2% of dealers say they plan no changes in their internal expenditures in 2009. This compares with only 31.6% last year that said they would maintain or reduce capital investments in 2008 over the previous year.

While the number of dealers that planned to increase their spending by 11% or more in the coming year rose to 8.8% (vs. 5.4% in '08), overall, equipment retailers that plan to increase capital investments significantly fell to 58.8% from 68.4% in 2008.

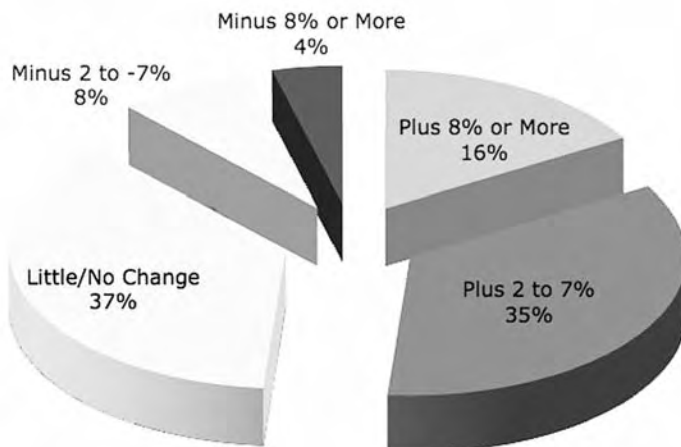
Compared to the last year, the sharpest drop in spending will come in shop and service modernization and improvements. For 2008, 63.8% of dealers said they were planning to update their service operations. But for 2009, only 51.7% say they plan to increase spending in the shop area.

North American Dealers' Projections for New Equipment Sales Revenue — 2009



Compared to 2008 when 89% of dealers forecast sales to be as good as or better than '07, for 2009 81.3% see sales improving or staying the same as the previous year.

North American Dealers' Projections for Used Equipment Sales Revenue — 2009



A larger majority — 88% — of North American dealers are projecting that 2009 sales of used machinery will be as good as or better than in 2008.

Perhaps because of 2008 investments, fewer dealers will invest in their retail operations (42% in 2009 vs. 48.5% in '08) or business information systems (45.2% vs. 48.7%).

Shift in Staffing Plans

While equipment dealers indicate they're still in dire need of service technicians, the results of this year's survey seems to indicate that they'll be putting more emphasis on professional and administrative staffing needs during the next 12 months.

A year ago, only 5.5% of dealers had plans to increase their administrative staffs in 2008. This year, that number has jumped to 12.4%.

In a separate survey conducted by *AEI* in September, dealers were polled on the biggest challenges they planned to tackle in 2009. Far and away, the two challenges mentioned most often were getting a handle on the subtleties of suppliers' early order programs and upgrading their staffs.

Sheldon Gellner, general manager of the Farm & Garden Centre of Saskatoon, summarized the sentiments of several dealers that have put a high priority on upgrading their staffs.

"The challenge that will get our greatest attention in 2009 is people development and recruiting," says Gellner. "I'm not referring to technician recruitment — although that remains a challenge. I'm talking about getting good, young, educated people into the business in management roles, and mentoring and training them to take on increasing responsibility.

"I believe we will get the greatest payback from investing in talent to manage our dealerships. This is particularly important as we grow our operations and add locations. We need to have qualified individuals at the stores to make the day-to-day operating decisions."

Recruiting and training more service technicians, as always, will continue to receive dealer attention in the coming year. Nearly 60% plan to increase the number of techs they employ in 2009, compared to 56.4% last year.

(Continued on page 9)

North American Unit Sales of Tractors and Combines in 2008*

	U.S.	Canada
2WD Tractors (<40 hp)	-12.9%	+24.8%
2WD Tractors (40-100 hp)	-11.5%	+25.4%
2WD Tractors (>100 hp)	+33.2%	+24.6%
4WD Tractors (All)	+30.0%	+76.8%
Total Tractors	-7.9%	+26.5%
Combines	+19.0%	+50.7%

*Year to date through September 2008

Source: AEM

North American Sales Revenue Projections for New & Used Equipment for 2009

2008 vs. 2007	New Equipment		Used Equipment	
	U.S.	Canada	U.S.	Canada
+8% or More	16.9%	19.4%	16.4%	17.1%
+2-7%	36.9%	33.3%	35.3%	31.4%
Little or No Change	27.8%	30.6%	36.3%	40.1%
-2-7%	12.4%	11.1%	7.3%	11.4%
-8% or More	6.0%	5.6%	4.7%	0.0%

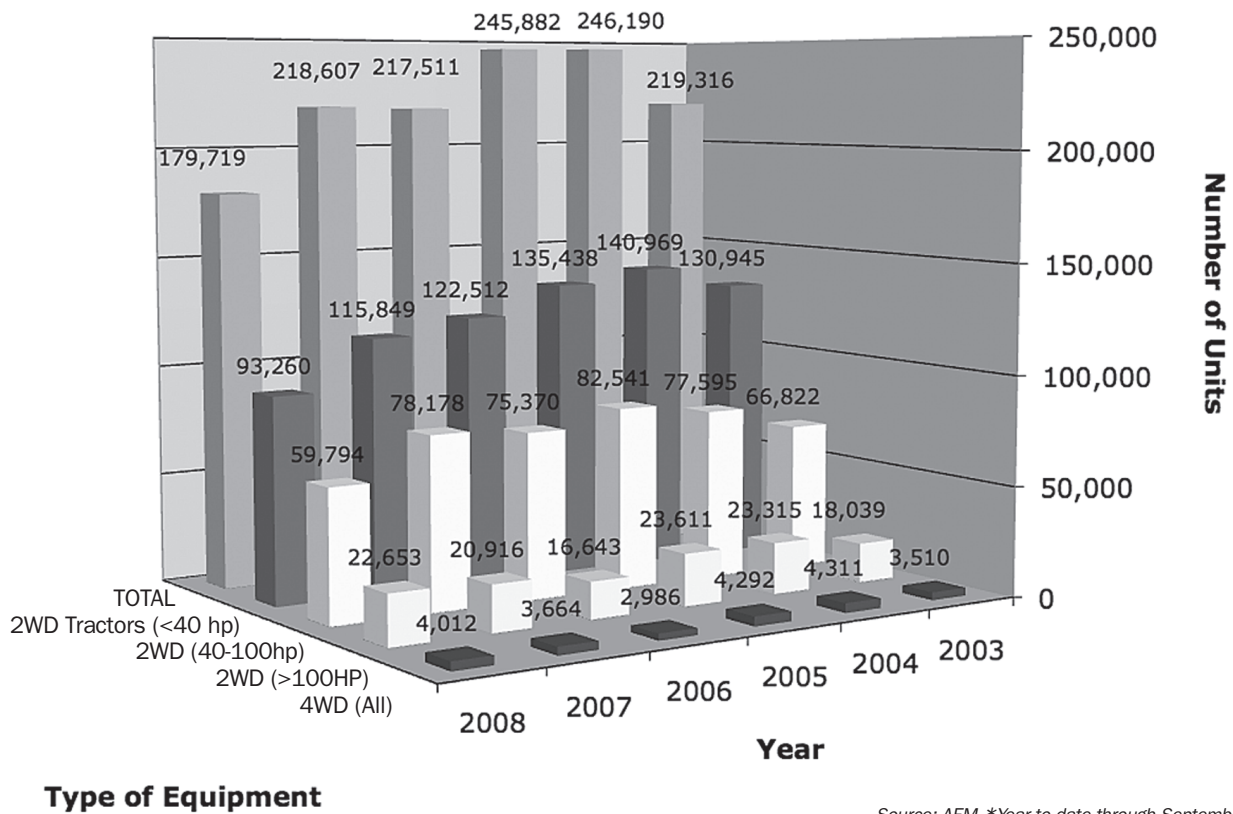
North American Unit Sales Projections for Tractors & Combines in 2009

Tractor Type (Size)	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
2WD (<40 hp)	7.1%	23.7%	54.5%	9.4%	5.3%
2WD (40-100hp)	6.9%	30.9%	52.7%	6.1%	3.4%
2WD (>100HP)	7.9%	28.5%	51.3%	8.3%	4.0%
4WD (All)	12.0%	35.3%	39.9%	9.2%	3.6%
Combines	10.0%	28.4%	51.6%	7.0%	3.0%

North American Unit Sales Projections for Other Equipment in 2009

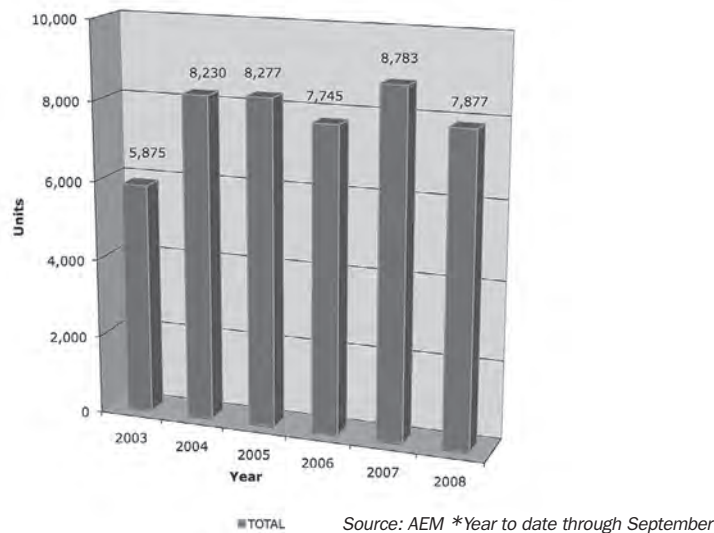
Equipment	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Chisel Plows	1.9%	12.8%	77.8%	4.7%	2.8%
Field Cultivators	5.5%	18.0%	71.5%	3.2%	1.8%
Rectangular Balers	4.2%	23.9%	68.6%	3.3%	0.0%
Forage Harvesters	1.0%	13.5%	72.0%	9.5%	4.0%
Air Seeders/Drills	6.4%	22.2%	64.0%	5.4%	2.0%
Pull-Type Sprayers	2.4%	12.1%	78.7%	4.9%	1.9%
Windrower/Swathers	5.3%	18.0%	69.9%	4.9%	1.9%
Disc Harrows	5.7%	23.7%	61.4%	6.6%	2.6%
Round Balers	6.3%	30.0%	49.5%	10.4%	3.8%
Mower Conditioners	4.1%	29.5%	58.1%	5.8%	2.5%
Self Propelled Sprayers	5.8%	14.7%	71.6%	6.3%	1.6%
Farm Loaders	5.8%	33.5%	53.3%	4.3%	3.1%
Planters (All)	15.8%	31.6%	46.6%	15.2%	4.3%
Lawn/Garden	10.1%	28.8%	41.6%	15.2%	4.3%
GPS	29.2%	31.1%	37.8%	0.5%	1.4%

North American Unit Retail Tractor Sales — 2003-08 (*through September 2008)



Total North American unit sales of tractors through September 2008 are 4.8% behind the pace set in the previous year. This is a result of the fall off of compact and utility tractor sales in the U.S., which are off 12.9% and 11.4% respectively from 2007 levels.

North American Combine Sales — 2003-08 (*through September 2008)



Compared to the first 9 months of 2007, U.S. retail sales of combines were 19% up for the same period in '08 and Canadian sales were 50.6% ahead of last year's levels.

Dealer Hiring Plans — 2009 vs. 2008

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	26.7%	70.6%	2.7%	27.0%	70.7%	2.3%
Service Technicians	59.5%	39.2%	1.3%	56.4%	43.0%	0.6%
Wholesale Sales	27.8%	71.5%	0.7%	28.3%	70.0%	1.7%
Administration	12.4%	85.2%	2.4%	5.5%	90.5%	4.0%

Farmer Inputs: Cause for Concern

Three new issues keeping dealers awake at night have crept into dealers' list of major concerns for the coming year: availability of new equipment, rising interest rates and used equipment availability. These ranked 5, 11 and 12 respectively on the 2009 list of concerns that are causing dealers to lose sleep.

But it was rising fuel and energy costs, and steel prices and supplies that pushed affordable health care, which occupied the top spot on the dealers' list last year, into third place for 2009.

While North American dealers are feeling the squeeze of inflation in their own operations, their bigger concern is the effect that rising input costs — particularly fuel and fertilizer — are having on the psyche of farmers and ranchers. As farm and ranch input costs increase and erode profits, they begin to compete directly for dollars operators may have spent on new equipment. Combine this with the recent volatility of commodity prices, and it's no wonder that equipment dealers ranked energy and fuel costs number one, steel prices and supplies number two, the rising prices of new equipment number three and commodity prices number seven on their list of top concerns for 2009.

According to Gary Schnitkey, farm financial management specialist for the Univ. of Illinois Extension Service, production costs for corn in 2009 are projected to be \$243 per acre higher than the 2003-07 average, an increase of 85%. For soybeans, non-land production costs for 2009 are projected at \$321 per acre, up by \$82 over 2008 costs of \$239 per acre.

"Fertilizer is the input with the largest cost increase," says Schnitkey.

Dealer Spending Plans for 2009

No Change	41.2%
1-5%	36.1%
6-10%	13.9%
+11%	8.8%

Where Dealers Will Invest in 2009

Shop & Service Mod/Improve	Retail Mod/Improve	Bus. Info. Systems
51.7%	42.0%	45.2%

Dealer Issues and Concerns for 2009

Greatest Concerns	Most Concerned	Not Concerned	2008 Ranking
1. Energy/Fuel Costs.	69.1	29.2	1.7
2. Steel Prices/Supplies.	57.3	40.3	2.3
3. Rising Cost of New Equipment ...	53.0	44.7	2.3
4. Health Care Affordability	45.7	45	9.3
5. New Equipment Availability	44.9	43.2	11.8
6. Technician Availability	43.3	44.6	12.1
7. Commodity Prices.	30	61.1	8.9
8. Shrinking Farm Customer Base ...	26.4	56.9	16.6
9. Manufacturer Purity Efforts	24.7	48.1	27.1
10. Product Reliability.	19	56.6	24.4
11. Interest Rates	18.7	64.3	17
12. Used Equipment Availability	18.2	52.9	28.9
13. Industry Consolidation	14.2	60.9	24.9
14. Succession Policies	12.7	52.2	35.1
15. Impact of Competing Box Stores ...	9.2	42.7	48.1
16. Internet Sales	6.5	50	43.5

2009 Dealer Projections for New Equipment Sales by Major Line

Mainline	Up 8% or More	Up 2-7%	Little or No Change	Down 2-7%	Down 8% or More
AGCO	14.9%	46.0%	24.2%	5.7%	9.2%
Case IH	16.0%	55.3%	21.2%	6.4%	1.1%
John Deere	19.6%	48.9%	22.9%	4.3%	4.3%
Kubota	12.3%	41.5%	38.5%	4.6%	3.1%
New Holland	13.7%	51.6%	26.3%	8.4%	0.0%
Independent	15.4%	30.8%	46.1%	2.9%	4.8%

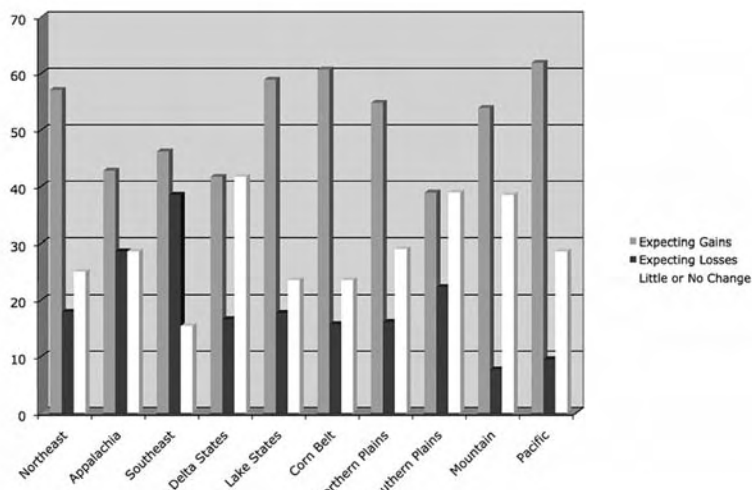
"For corn, fertilizer costs in 2009 are projected at \$215 per acre, an increase of \$97 per acre over the 2008 projected level of \$118 per acre. For soybeans, fertilizer costs in 2009 are projected at \$98 per acre, a \$53 increase over the 2008 level of \$45 per acre."

Based on the high costs of inputs for the majority of the 2008 cropping year, large income losses would occur if commodity prices returned to historical averages. "Without a doubt, it will influence equipment-buying decisions," he says.

Projected Unit Sales Increase by Equipment Category — 2009 (weighted averages)

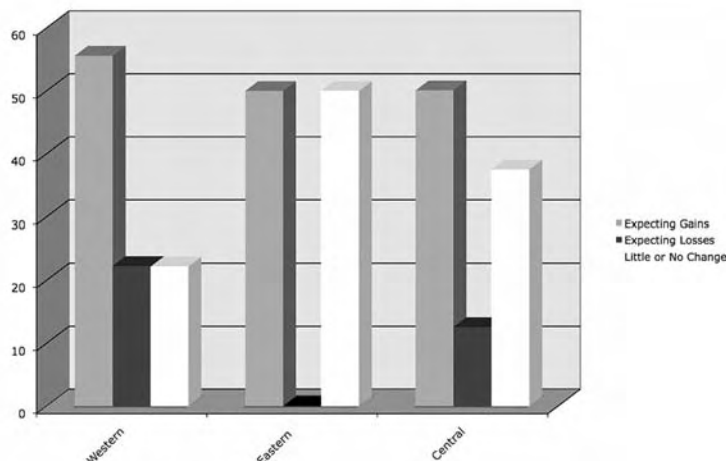
Planters (All)	2.34%
Self-Propelled Sprayers	1.89%
GPS	1.89%
Chisel Plows	1.89%
4WD Tractors (All)	1.85%
Disc Harrows	1.57%
Pull-Type Sprayers	1.57%
Combines	1.52%
Farm Loaders	1.47%
Air Seeders/Drills	1.47%
Lawn/Garden Equipment	1.47%
2WD Tractors (40-100 hp)	1.40%
Rectangular Balers	1.26%
2WD Tractors (>100 hp)	1.22%
Mower/Conditioners	1.19%
Round Balers	1.08%
Field Cultivators	0.96%
Windrower/Swathers	0.86%
2WD Tractors (<40 hp)	0.81%
Forage Harvesters	-0.06%

U.S. Regional Expectations for Sales Revenues — 2009



The Pacific, Corn Belt, Northeast and Lake States expect the best growth in 2009.

Canadian Regional Expectations for Sales Revenues — 2009



Dealers throughout Canada see sales generally increasing in the coming year.

Commodity & Oil Prices Bode Well for Farmers

Given the recent pullback in commodity prices since July, in a note to investors, Ann Duignan, machinery analyst for J.P. Morgan, suggests a step back to look at the net impact of all the movement on the agricultural sector.

"First, soft commodity prices have held up pretty well, despite some liquidation by index funds," she says. "Second, the pullback in oil prices should result in some downward pressure on fertilizer and fuel prices. Both are potential positives for farmer economics. On the downside, lower oil prices and stable-to-higher corn prices could further squeeze ethanol producer margins," she says.

According to Duignan, soft commodities are reacting to supply-demand — not oil. The relationship between corn/bean prices and oil prices seems to have broken down as the market realizes that corn/beans may be in short supply going into 2009. December '08 corn is now \$5.43/bushel and November beans are at \$11.64/bushel vs. oil at \$106/barrel. "With decent yields

across most commodities, this bodes well for farm cash receipts."

The biggest issue for farmers up to this point has been the increase in input costs, in particular fertilizer and fuel. A 10% decline in the cost of fertilizer per acre would result in a 3% increase in corn growers' variable profits and a 2% increase in soybean profits per acre.

Biggest risk is ethanol producer margins. Our analysis suggests that at current ethanol and corn prices, producers' variable margin is about 9% (vs. -2.0% in Jun '08 and ~16% in Jan. '08). What's good for farmers (strong commodity prices, lower input costs) is not necessarily good for ethanol producers (higher input costs combined with a lower selling price means weaker/no profits). Although crude oil prices have recently recovered, lower oil prices with sustained elevated corn prices could result in more downward pressure on ethanol margins.

PART II — U.S. OUTLOOK

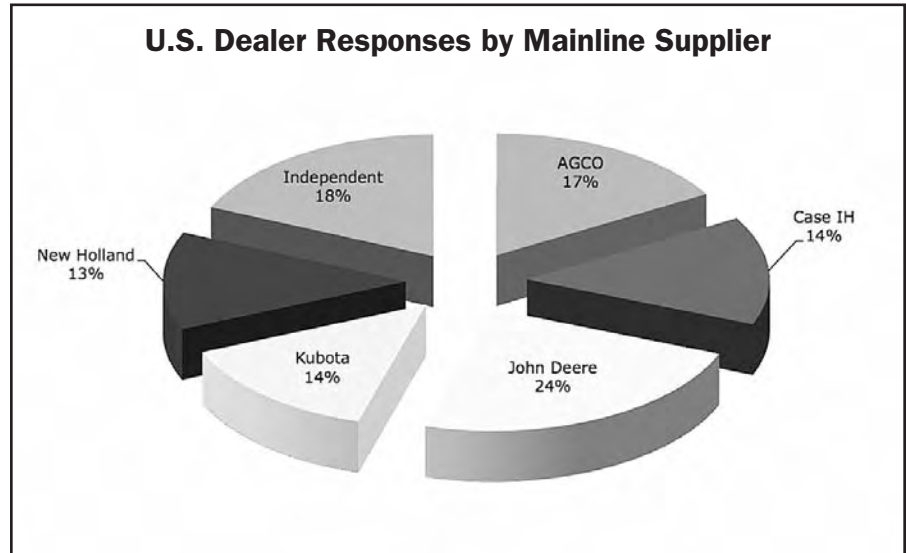
Despite Financial Turmoil, U.S. Dealers Look for Solid Sales in 2009

U.S. dealers' sentiments about their prospects for increasing sales in 2009 haven't changed much since *AEI* conducted its Business Trends survey a year ago, which, despite everything else, means they're looking for another solid year.

As the country and world's financial markets were jolted by the rapidly escalating cost of oil, followed by the housing mortgage and sub-prime crisis, the resulting credit crunch doused many industries hopes for improving revenues in the coming year.

While this will undoubtedly play into the scenario for agriculture, the biggest challenge that U.S. dealers see for the year ahead is the profitability of their customers. Until early October, the rising price of fuels and fertilizer had eaten away at producers' bottom lines, eroding their ability — or in many cases their confidence — to purchase new equipment.

On top of this was the rising cost of materials, steel in particular, that raised the cost of new equipment, giving farmers more pause in their plans to upgrade machinery. Nearly all farm equipment makers raised the price or added surcharges to the base cost of



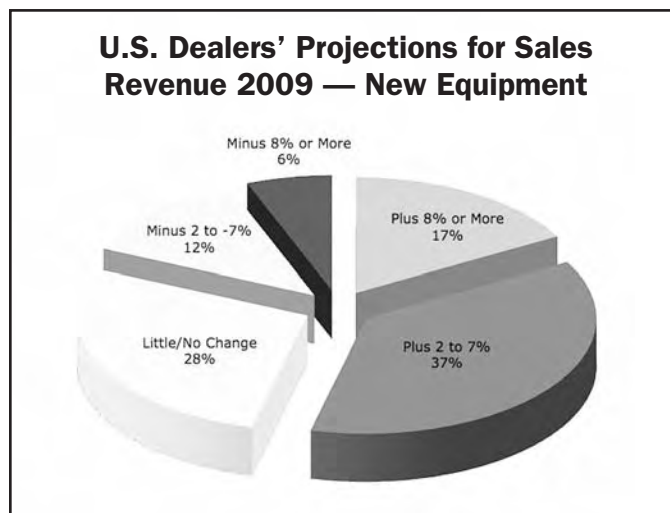
Of the more than 300 survey responses this year, 88% came from U.S. dealers. The breakdown by mainline suppliers is shown here.

their new products at some point during the year.

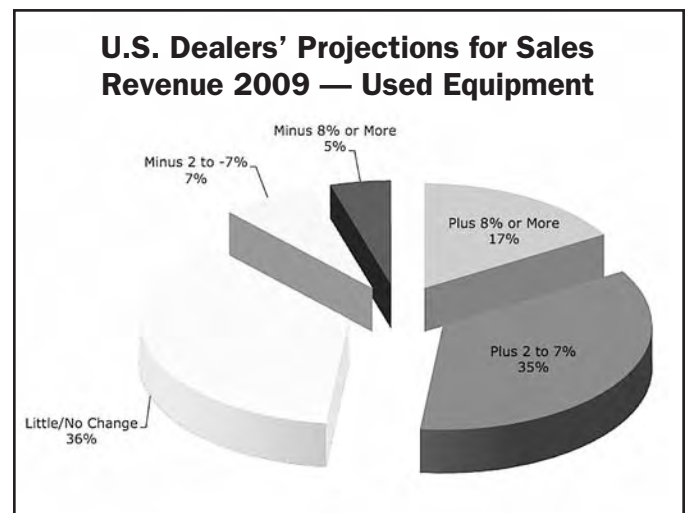
Along with this, dealers and their customers experienced something most had not seen for nearly three decades: a severe shortage of new

equipment. At least some industry observers pointed to the growing volume of worldwide exports, especially to countries in the former Soviet Union, Central Asia and South America, as the cause.

Average Employment of Participating U.S. Dealerships:	44.7
Average Number of Stores Operated by U.S. Dealerships:	2.3

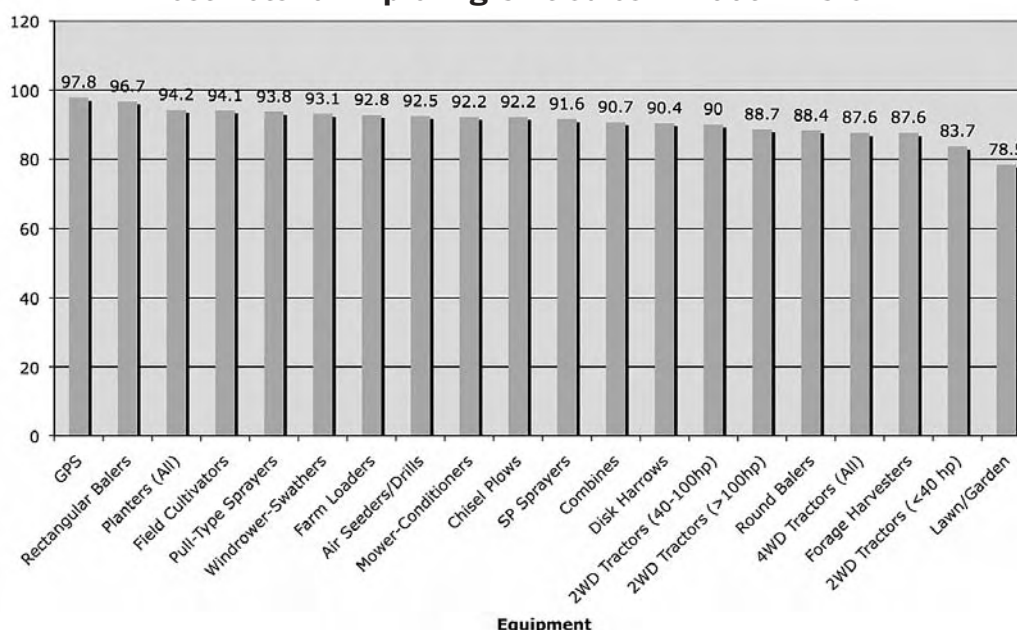


More than 80% of U.S. dealers believe new equipment sales in 2009 will be as good or better than in 2008. This compares with about 90% that projected similar results last year at this time.



Nearly 82% of U.S. dealers see 2009 sales of used equipment improving or remaining at about the same levels as in 2008. This compares with 91% that saw sales increasing or staying about the same last year.

Best Bets for Improving Unit Sales in 2009 — U.S.



U.S. dealers are forecasting that sales of GPS systems, rectangular hay balers and nearly any type of planter will hold the best prospects of increasing sales in 2009. Field cultivators, which finished near the bottom of their list last year, is expected to be a big seller during the coming year, as well.

Dealers also acknowledge that the volatility of commodity prices could play a significant role in their customer's ability to upgrade their equipment.

Dealer Confidence Solid

The one thing that sets agriculture apart from many other industries is that global demand, especially for grains,

remains high while supplies are tight. In other words, the same strong fundamentals that have driven agriculture the past years have not changed.

The results of the *AEI* survey indicates that dealers still feel strongly that 2009 will produce solid results and improved sales.

Overall, 81.5% of U.S. dealers say they expect new equipment sales revenues during the year to increase or be as good as they were in 2008. This is down 7.4% from the 89% who saw sales staying the same or getting better a year ago.

More dealers this year actually see their sales revenue from new equipment increasing by more than 8% (16.9%) than did last year (14.8%). The biggest difference is those dealers that scaled back their expectations in the +2-7% range. Last year, 44% anticipated sales to rise between 2 to 7%, while the most recent survey shows that fewer dealers — 36.9% — see the sales gaining this much in '09.

The number of dealers that see their sales falling off in the coming year rose from 11.1% in 2008 to 18.4%.

When it comes to sales of used equipment, dealers only scaled back

Projected U.S. Unit Retail Tractor & Combine Sales — 2009

Tractor Type (size)	Up 8% or More	Up 2-7%	Little or No Change	Down 2-7%	Down 8% or More
2WD (<40 hp)	6.0%	22.3%	55.4%	10.7%	5.6%
2WD (40-100 hp)	6.6%	33.6%	49.8%	6.1%	3.9%
2WD (>100 hp)	8.2%	30.0%	50.5%	7.3%	4.1%
4WD (All)	10.6%	36.2%	40.8%	8.3%	4.1%
Combines	9.2%	26.6%	54.9%	5.8%	3.5%

U.S. Unit Sales Projections for Other Equipment — 2009

Equipment	Up 8% or More	Up 2-7%	Little or No Change	Down 2-7%	Down 8% or More
Rectangular Balers	4.9%	25.5%	66.3%	3.3%	0.0%
Round Balers	6.8%	31.4%	50.2%	8.7%	2.9%
Forage Harvesters	6.0%	13.0%	74.0%	8.9%	3.6%
Planters (All)	17.5%	32.8%	43.9%	3.2%	2.6%
Mower/Conditioners	4.3%	30.4%	57.5%	4.8%	2.9%
Windrower/Swathers	3.4%	18.4%	71.3%	4.6%	2.3%
Field Cultivators	5.9%	17.1%	71.1%	3.7%	2.1%
Farm Loaders	5.8%	35.7%	51.3%	4.0%	3.1%
Chisel Plows	1.7%	11.1%	79.4%	4.4%	3.3%
Disc Harrows	5.6%	25.9%	58.9%	6.6%	3.0%
Air Seeders/Drills	5.3%	19.9%	67.3%	5.3%	2.3%
Self Propelled Sprayers	4.8%	13.9%	72.9%	6.6%	1.8%
Pull Type Sprayers	2.8%	13.5%	77.5%	4.5%	1.7%
Lawn/Garden Equipment	7.6%	28.7%	42.2%	16.6%	4.9%
GPS/Auto Steer	29.0%	28.5%	40.3%	0.5%	1.6%

their projection slightly. Last year, 91.6% of U.S. retailers projected their sales of previously used equipment to be as good or better, whereas 87.9% believe this will be the case in 2009.

The dealers that project used equipment sales to fall off in 2009 compared to the previous year rose slightly from 8.4% to 12%.

Best Bets for 2009

This year's survey shows a fair amount of shuffling in what products U.S. dealers expect will give them their best opportunity for improving sales revenues in 2009.

With prices dropping and the number of applications for new electronic components and systems rising, GPS products retained its top spot as a "best bet" in the coming year. This is a direct reflection of growers seizing almost anything they believe will improve their productivity and reduce input costs. Wider use of these systems and more familiarity with the new equipment is also providing them with a comfort level.

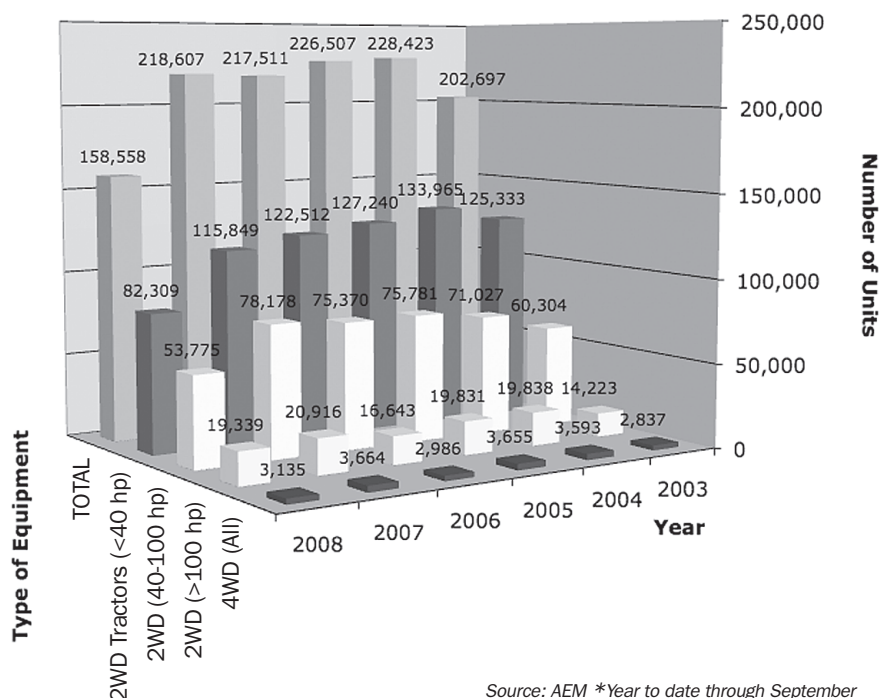
Rectangular hay balers moved up one spot to number 2 on the dealers' list for increasing sales, while planters slipped from the number 3 position last year to the 5 spot for 2009.

The most surprising shift came with field cultivators, which U.S. dealers ranked as the fifth best bet for '09. This equipment group moved up a full 15 spots to number four on the list, up from 19 last year. Farm loaders also moved up in the rankings to number 7 this year all the way up from 17 in 2008.

In the dealers' estimation, combines will see the biggest drop off from last year. For 2009, dealers ranked the combines number 12 on their list, down from the second spot last year. This shouldn't be surprising as it appears demand for new combines may have been filled in 2006 and 2007, with 6,168 and 7,116 units sold respectively in each year. Sales through the first 9 months of 2008 reached 6,123 combines, 19% ahead of the sales levels achieved in '07.

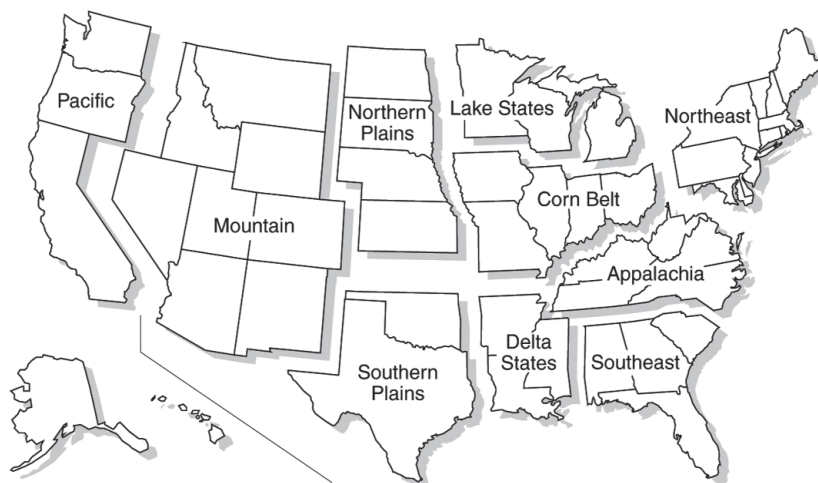
In addition, many dealers indicate that combines were hard to come by

U.S. Unit Retail Tractor Sales — 2003-08 (*through September 2008)



Through the first 9 months of 2008, retail sales of row-crop tractors (100 horsepower and over) were up by 33.2% compared to the same period in 2008.

U.S. Farm Production Regions



For statistical breakout purposes, the agriculture regions of the U.S. in this report follows that of the USDA. The agency breaks out agriculture by 10 major farm producing regions based on differences in soil, slope of land, climate, distance to market and storage and marketing facilities. The regional data from the AEI Business Outlook & Trends survey are presented on the next several pages of this report. It is followed by state-by-state data.

during the past year or so. This raises the question as to whether there is room in the U.S. market, which has been dominated by domestic suppliers,

for overseas manufacturers to claim a portion of this market segment.

Dealers also dropped 4WD tractors down on their list for 2009 to 17th spot

from nine last year. The other equipment categories that dealers expect won't hold the same prospects as they did in 2008 are self-propelled sprayers and 2WD tractors of 100 or larger horsepower.

In general, all categories of tractors slipped in the dealers' projections for best-selling products for 2009. In addition to those already mentioned, 2WD tractors from 40-100 horsepower dropped to the 14th spot from 11 in 2008 and tractors of 40 horsepower or less merely flip-flopped with lawn and garden equipment from its 20th position last year to 19 for '09. Lawn and garden fell to 20 ranking from 19 last year, indicating that dealers believe

“Rising costs for fuel and new equipment, as well as equipment availability are U.S. dealers main concerns going into 2009 . . .”

that the housing market — vital for the sales of small the smaller equipment — probably won't improve quickly enough to improve their overall sales in the coming year.

Shifting Dealer Concerns

When U.S. dealers ranked their major concerns going into the new year, the changes between 2008 and 2009 clearly reflect that rising input costs — for both their customers and suppliers — are reasons for worry. Energy and fuel costs, steel prices and supplies, and the rising cost of new equipment pushed health care affordability from dealers' top concern last year.

They also easily outweighed dealers' frustrations in finding service technicians, which fell from number three in 2008 to the sixth spot for '09. Worries about interest rates were also shunted aside, falling from number six on the dealers' list of concerns to the 11th spot in the coming year.

Dealers Expecting Revenue Gains vs. Losses — 2009 vs. 2008

	Differential For 2008	Differential For 2007
1. Pacific	+52.4%	+50.0%
2. Mountain	+46.2%	+51.0%
3. Corn Belt	+45.0%	+43.5%
4. Lake States	+41.2%	+48.8 %
5. Northeast	+39.2%	+38.5%
6. Northern Plains	+38.7%	+72.0%
7. Delta States	+25.1%	+73.7%
8. Southern Plains	+18.6%	+73.4%
9. Appalachia	+14.2%	+21.6%
10. Southeast	+7.7%	+11.1%

U.S. Regional Expectations for Sales Revenue Gains vs. Losses in 2009

Region	Expecting Gains	Expecting Losses	Little or No Change
Northeast	57.1%	17.9%	25.0%
Appalachia	42.8%	28.6%	28.6%
Southeast	46.2%	38.5%	15.4%
Delta States	41.7%	16.6%	41.7%
Lake States	58.9%	17.7%	23.5%
Corn Belt	60.7%	15.7%	23.5%
Northern Plains	54.8%	16.1%	29.0%
Southern Plains	38.9%	20.3%	40.8%
Mountain	53.9%	7.7%	38.5%
Pacific	61.9%	9.5%	28.6%

Dealer Issues & Concerns for 2009

Greatest Concerns	Most Concerned	Concerned	Not Concerned
Energy/Fuel Costs	69.1%	29.2%	1.7%
Steel Prices/Supplies	57.3%	40.3%	2.3%
Increasing Cost of New Equipment	53.0%	44.7%	2.3%
Health Care Affordability	45.7%	45.0%	9.3%
New Equipment Availability	44.9%	43.2%	11.8%
Technician Availability	43.3%	44.6%	12.1%
Commodity Prices	30.0%	61.1%	8.9%
Shrinking Farm Customer Base	26.4%	56.9%	16.6%
Dealer Purity Efforts	24.7%	48.1%	27.1%
Product Reliability	19.0%	56.6%	24.4%
Interest Rates	18.7%	64.3%	17.0%
Used Equipment Availability	18.2%	52.9%	28.9%
Industry Consolidation	14.2%	60.9%	24.9%
Succession Policies	12.7%	52.2%	35.1%
Competing Box Stores	9.2%	42.7%	48.1%
Internet Sales	6.5%	50.0%	43.5%

U.S. Dealer Spending Plans for 2009

No Change	41.3%
0 to 5%	35.1%
6 to 10%	15.4%
11% +	8.1%

Commodity prices, which ranked number 11 on the dealers' worries last year, jumped up to the seventh spot for 2009.

Dealers' apprehensions about rising fuel and energy costs had its basis in fact throughout the past year as the price of oil rose to more than \$140 a barrel. This not only affected the cost of diesel needed by growers to operate their equipment, but also increased the cost of fertilizer.

Concern about the rising cost of fuels was also substantiated in survey of agricultural dealers conducted in late summer by the UBS financial group. Results of that survey indicated that 29% of dealers polled believed that commodity prices were not high enough to offset growers' fuel costs, while 24% believe the price of commodities were high enough to allow growers to offset rising fuel costs. The remaining 47% indicated that farm commodity prices are enough to roughly offset fuel costs.

Henry Kirn, chief machinery analyst for UBS, added that since the survey was taken, the futures price of

corn had declined 38%, with soybeans and wheat down 35% and 31% respectively, while oil futures have declined 33%.

Added to this year's list of dealer concerns that was not included in 2008 is the availability of new equipment, which gave many dealers headaches throughout the past 12 months. This ranked fifth on the dealers' list of top concerns for 2009.

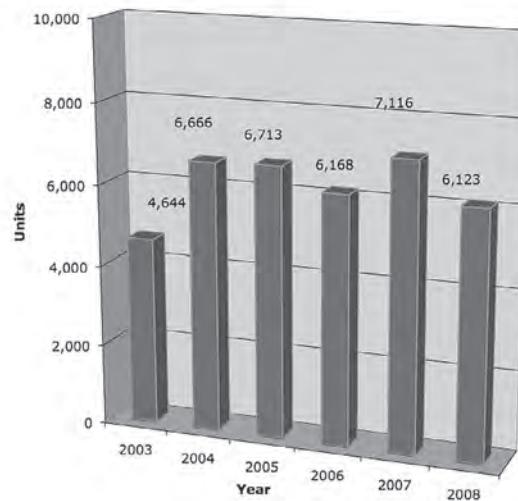
Where U.S. Dealers Will Invest in 2009

Shop & Service Modernize	Retail Modernize	Bus. Info. Systems
50.4%	41.7%	47.4%

U.S. Dealers' Hiring Plans 2009

	Add Staff 2008	Add Staff 2007
Parts Department	25.4%	26.3%
Service Technicians	58.0%	55.0%
Wholegood Sales	26.0%	27.0%
Administration	11.8%	5.4%

U.S. Combine Sales — 2003-08 (*through September 2008)



Source: AEM *Year to date through September

Combine sales to U.S. growers increased by 19% through the first 9 months of 2008 compared to the same period of 2007.

U.S. Regional Breakdown of Dealers' Outlook for 2009

In AEI's regional breakdown, the number following "expecting revenue gains," "expecting revenue losses" and "increasing capital spending" represent the percentage of dealers. Only the "Top 5" most promising opportunities (+2% or more growth) and major concerns are shown for each region.

Northeast

Coverage: Connecticut, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Vermont, Delaware, Massachusetts & Rhode Island

Average Employment: 45.64

Average Dealership Stores: 2.07

Expecting Revenue Gains: 57.1%

Expecting Revenue Losses: 17.9%

Weighted Average Gains or (Losses): 2.01%

Increasing Capital Spending: 51.7%

Most Promising Opportunities: GPS, Mower Conditioners, Planters, Rectangular Balers, 4WD Tractors

Major Concerns: Energy Costs, Equipment Costs, Steel Prices, Health Care, Commodity Prices

Appalachia

Coverage: Kentucky, North Carolina, Tennessee, Virginia & West Virginia

Average Employment: 16.5

Average Dealership Stores: 1.24

Expecting Revenue Gains: 42.8%

Expecting Revenue Losses: 36.7%
Weighted Average Gains (Losses): 0.64%
Increasing Capital Spending: 48.2%
Most Promising Opportunities: Round Balers, Rectangular Balers, Farm Loaders, Mower Conditioners, Planters
Major Concerns: Energy Costs, Health Care, Steel Prices, New Equipment Costs, Dealer Purity Efforts

Southeast

Coverage: Alabama, Florida, Georgia & South Carolina
Average Employment: 38.82
Average Dealership Stores: 2.57
Expecting Revenue Gains: 46.2%
Expecting Revenue Losses: 38.5%
Weighted Average Gains (Losses): 0.08%
Increasing Capital Spending: 30.8%
Most Promising Opportunities: Rectangular Balers, Self-Propelled Sprayers, Round Balers, Self-Propelled Combines, GPS
Major Concerns: New Equipment Costs, Energy Costs, Health Care, Steel Prices, Farm Base

Delta States

Coverage: Arkansas, Mississippi & Louisiana
Average Employment: 29.58
Average Dealership Stores: 2.25
Expecting Revenue Gains: 41.7%
Expecting Revenue Losses: 16.6%
Weighted Average Gains (Losses): 1.42%
Increasing Capital Spending: 66.70%
Most Promising Opportunities: Lawn and Garden, Planters, 2WD Tractors (40-100 hp), 2WD Tractors (>100 hp), Round Balers
Major Concerns: Commodity Prices, Energy Costs, New Equipment Costs, Technician Availability, Steel Prices

Southern Plains

Coverage: Oklahoma & Texas
Average Employment: 25.58
Average Dealership Stores: 1.95
Expecting Revenue Gains: 38.9%
Expecting Revenue Losses: 22.3%
Weighted Average Gains (Losses): 1.14%
Increasing Capital Spending: 50.10%
Most Promising Opportunities: 2WD Tractors (40-100 hp), GPS, Disc Harrows, 4WD Tractors, 2WD Tractors (<40 hp)
Major Concerns: Energy Costs, Steel Prices, New Equipment Costs, Technician Availability, Interest Rates

Northern Plains

Coverage: Kansas, Nebraska, North Dakota & South Dakota
Average Employment: 42.29
Average Dealership Stores: 2.78
Expecting Revenue Gains: 54.8%
Expecting Revenue Losses: 16.1%
Weighted Average Gains (Losses): 2.53%
Increasing Capital Spending: 80.7%
Most Promising Opportunities: GPS, Planters, Farm Loaders, 2WD Tractors (>100 hp), 2WD Tractors (40-100 hp)
Major Concerns: Energy Costs, New Equipment Availability, Technician Availability, New Equipment Costs, Steel Prices

Lake States

Coverage: Michigan, Minnesota & Wisconsin
Average Employment: 64.45
Average Dealership Stores: 2.32
Expecting Revenue Gains: 58.9%
Expecting Revenue Losses: 17.7%
Weighted Average Gains (Losses): 2.06%
Increasing Capital Spending: 42.5%
Most Promising Opportunities: GPS, Planters, Mower Conditioners, Lawn and Garden, 4WD Tractors
Major Concerns: Energy Costs, Steel Prices, Health Care, New Equipment Availability, New Equipment Costs

Corn Belt

Coverage: Illinois, Indiana, Iowa, Missouri & Ohio
Average Employment: 35.18
Average Dealership Stores: 2.07
Expecting Revenue Gains: 60.7%
Expecting Revenue Losses: 15.7%
Weighted Average Gains (Losses): 2.64%
Increasing Capital Spending: 73.3%
Most Promising Opportunities: GPS, Planters, Farm Loaders, 4WD Tractors, Self-Propelled Combines
Major Concerns: Energy Costs, Steel Prices, New Equipment Costs, Health Care, New Equipment Availability

Mountain

Coverage: Arizona, Colorado, Idaho, New Mexico & Utah, Wyoming, Montana, Nevada
Average Employment: 57.00
Average Dealership Stores: 3.92
Expecting Revenue Gains: 53.9%
Expecting Revenue Losses: 7.7%
Weighted Average Gains (Losses): 2.27%
Increasing Capital Spending: 77.0%
Most Promising Opportunities: GPS, Air Drills/Seeders, Planters, Self-Propelled Combines, Windrowers/Swathers
Major Concerns: Steel Prices, Energy Costs, New Equipment Costs, Technician Availability, Health Care

Pacific

Coverage: Alaska, California, Hawaii, Oregon & Washington
Average Employment: 90.26
Average Dealership Stores: 3.04
Expecting Revenue Gains: 61.9%
Expecting Revenue Losses: 9.5%
Weighted Average Gains (Losses): 2.69%
Increasing Capital Spending: 60.9%
Most Promising Opportunities: GPS, 4WD Tractors, 2WD Tractors (>100 hp), Rectangular Balers, Windrowers/Swathers
Major Concerns: Energy Costs, New Equipment Costs, Technician Availability, Health Care, New Equipment Availability

State-by-State Breakout of Dealers' Forecast for 2009

In the following table, the states are ranked by "weighted average," which, in this case, is a measure of revenue increase vs. decrease that dealers are expecting in sales for 2009.

Sales Revenue Outlook 2009					
State	Weighted Average	US Rank	State	Weighted Average	US Rank
Alaska (AK)	8.00%	1	Wisconsin (WI)	1.36%	23
North Dakota (ND)	5.70%	2	Kentucky (KY)	1.10%	24
Colorado (CO)	5.13%	3	Nebraska (NE)	0.90%	25
New York (NY)	5.00%	4	Texas (TX)	0.82%	26
Massachusetts (MA)	4.50%	5	Florida (FA)	0.00%	27
New Hampshire (NH)	4.50%	5	Hawaii (HI)	0.00%	27
South Carolina (SC)	4.50%	5	Idaho (ID)	0.00%	27
Arizona (AZ)	4.16%	6	Indiana (IN)	0.00%	27
Utah (UT)	4.00%	7	Maine (ME)	0.00%	27
Minnesota (MN)	3.96%	8	Mississippi (MS)	0.00%	27
Illinois (IL)	3.73%	9	Nevada (NV)	0.00%	27
Iowa (IA)	3.64%	10	West Virginia (WV)	0.00%	27
South Dakota (SD)	3.25%	11	Delaware (DE)	N/A	28
Washington (WA)	3.13%	12	New Jersey (NJ)	N/A	28
Arkansas (AR)	2.69%	13	New Mexico (NM)	N/A	28
California (CA)	2.45%	14	Rhode Island (RI)	N/A	28
Missouri (MO)	2.43%	15	Vermont (VT)	N/A	28
Oklahoma (OK)	2.25%	16	Wyoming (WY)	N/A	28
Oregon (OR)	2.25%	16	North Carolina (NC)	-0.88%	29
Kansas (KS)	2.15%	17	Michigan (MI)	-1.17%	30
Pennsylvania (PA)	1.97%	18	Louisiana (LA)	-1.50%	31
Tennessee (TN)	1.80%	19	Montana (MT)	-1.75%	32
Ohio (OH)	1.61%	20	Maryland (MD)	-2.25%	33
Georgia (GA)	1.60%	21	Alabama (AL)	-4.00%	34
Virginia (VA)	1.44%	22	Connecticut (CT)	-4.50%	35

The following table provides a state-by-state breakdown of the responses to *Ag Equipment Intelligence's* 2009 Business Outlook & Trends survey. The "Average Employment" column shows a simple calculation of total employment reported divided by the number of responses from dealers in each state. The "Average Stores" column includes the number of locations operated per respondent. The figures under the "New Equipment" and "Used Equipment" headings indicate the percentage of dealerships that report they are expecting gains in unit sales and (losses) in unit sales for the year. The "Weighted Average" shows the percentage of increase (decrease) the dealers in that state are expecting for the year. The figures shown under "Capital Spending" represent the percentage of dealers that intend to increase capital investments during the year. The "Gainers" listing indicates the "Top 5" product categories that dealers of each state believe has the best potential for increasing equipment sales for the year.

State	Average Employment	Average Stores	New Equipment Gains (Losses)	Used Equipment Gains (Losses)	Weighted Average	Capital Spending
Alabama	65	4	25% (75%)	25% (50%)	-4.00%	20.0%
Gainers: Rectangular Balers, Windrowers, 2WD Tractors, (<40 hp), 4WD Tractors, Planters						
Alaska	27.2	100% (0%)	n/a	8.00%	100.00%	0.0%
Gainers: 2WD (<40), 2WD (40-100 hp), SP Sprayers, Rectangular Balers, Combines						
Arizona	55.3	4.33	66.6% (0%)	66.6% (0%)	4.16%	66.7%
Gainers: 4WD, Disc Harrows, Windrowers, Sprayers, GPS						

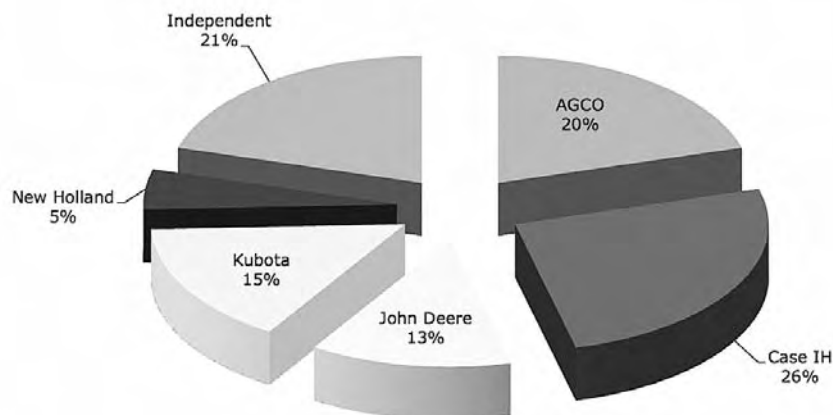
State	Average Employment	Average Stores	New Equipment Gains (Losses)	Used Equipment Gains (Losses)	Weighted Average	Capital Spending
Arkansas	36.88	2.63	62.5% (12.5%)	75% (12.5%)	2.69%	75%
Gainers: Lawn & Garden, Planters, Round Balers, 2WD Tractors (>100 hp), 2WD Tractors (40-100 hp)						
California	34.9	3.64	63.6% (9.1%)	66.6% (0%)	2.45%	63.7%
Gainers: GPS, 4WD Tractors, SP Combines, Windrowers/Swathers, 2WD Tractors (>100 hp)						
Colorado	57.25	4.	75% (0%)	50% (0%)	5.13%	75%
Gainers: 2WD Tractors (<40 hp), Round Balers, Windrowers/Swathers, Planters, GPS						
Connecticut	30	2	0% (100%)	0% (100%)	-4.50%	0%
Gainers:						
Florida	23	1.5	0% (0%)	0% (0%)	0.00%	0%
Gainers: Rectangular Balers, Round Balers, 2WD Tractors (<40 hp), 2WD Tractors (40-100 hp), 4WD Tractors						
Georgia	10.9	1.4	60% (40%)	50% (25%)	1.6%	25%
Gainers: Rectangular Balers, Disc Harrows, Farm Loaders, Round Balers, SP Sprayers						
Hawaii	20	5	0% (0%)	0% (0%)	0.00%	0%
Gainers: Windrowers/Swathers, Farm Loaders, 2WD Tractors (>100 hp), PT Sprayers, Lawn & Garden						
Idaho	30	17	0% (0%)	0% (100%)	0.00%	0%
Gainers: GPS, Rectangular Balers, SP Combines, 2WD Tractors (>100 hp), Disc Harrows						
Illinois	27.69	2.23	63.7% (9.1%)	72.8% (0%)	3.73%	75%
Gainers: GPS, SP Combines, Planters 4WD Tractors, 2WD Tractors (<40 hp)						
Indiana	13.8	1.4	25% (25%)	75% (0%)	0.00%	100%
Gainers: GPS, Planters, 2WD Tractors (40-100 hp), 4WD Tractors, SP Combines						
Iowa	60.27	2.87	73.4% (13.3%)	80% (0%)	3.64%	71.5%
Gainers: GPS, Planters, Farm Loaders, Mower/Conditioners, PT Sprayers						
Kansas	40.27	2.82	60% (20%)	77.7% (11.1%)	2.15%	72.8%
Gainers: GPS, Round Balers, 2WD Tractors (>100 hp), Lawn & Garden, 4WD Tractors						
Kentucky	21.6	1.4	60% (20%)	40% (20%)	1.10%	40%
Gainers: Planters, 4WD Tractors, Loaders, Round Balers, Air Seeders						
Louisiana	18.33	1.67	0% (33.3%)	0% (0%)	-1.50%	66.6%
Gainers: 4WD Tractors, Cultivators, Disc Harrows, 2WD Tractors (>100 hp), 2WD Tractors (40-100 hp)						
Maine	10	2	50% (50%)	50% (0%)	0.00%	50%
Gainers: 4WD Tractors, Farm Loaders, Lawn & Garden						
Maryland	17	1	0% (50%)	0% (50%)	-2.25%	50%
Gainers: Round Balers, Rectangular Balers, Windrowers, 2WD Tractors (<40 hp)						
Massachusetts	45	1	100% (0%)	100% (0%)	4.50%	66.7%
Gainers: 4WD Tractors, Rectangular Balers, Farm Loaders, Lawn & Garden						
Michigan	14.93	1.57	33.3% (33.3%)	20% (20%)	-1.17%	16.7%
Gainers: Air Seeders, Disc Harrows, Chisel Plows, GPS, Forage Harvesters						
Minnesota	24.38	2.69	75% (0%)	75% (0%)	3.96%	65.3%
Gainers: GPS, 4WD Tractors, 2WD Tractors (>100 hp), Planters, Lawn & Garden						
Mississippi	5	1	0% (0%)	0% (0%)	0.00%	100%
Gainers: 4WD Tractors, Combines, Rectangular Balers, Planters, SP Sprayers, GPS						
Missouri	49	2	42.9% (0%)	57.2% (0%)	2.43%	62.5%
Gainers: 4WD Tractors, Round Balers, SP Combines, GPS, Farm Loaders						

State	Average Employment	Average Stores	New Equipment Gains (Losses)	Used Equipment Gains (Losses)	Weighted Average	Capital Spending
Montana	15.5	1	50% (50%)	50% (50%)	-1.75%	100%
Gainers: GPS, SP Sprayers, Air Seeders, SP Combines, 2WD (40-100 hp)						
Nebraska	31.89	2.4	40% (20%)	44.4% (33.3%)	0.90%	80%
Gainers: Planters, GPS, 2WD Tractors (40-100 hp), SP Sprayers, Windrowers/Swathers						
Nevada	2	1	0% (0%)	0% (0%)	0.00%	100%
Gainers: Lawn & Garden, GPS, Rectangular Balers, Chisel Plows, Field Cultivators						
New Hampshire	18	1	100% (0%)	n/a	4.50%	n/a
Gainers: 4WD Tractors, 2WD Tractors (<40 hp), 2WD Tractors (40-100 hp), Round Balers, Rectangular Balers, Farm Loaders						
New York	56.6	2.8	80% (0%)	75% (0%)	5.00%	80%
Gainers: GPS, Mower/Conditioners, SP combines, Disc Harrows, Planters						
North Carolina	17	1.1	22.2% (33.3%)	33.3% (22.2%)	-0.88%	55.6%
Gainers: Round Balers, Rectangular Balers, Mower/Conditioners, Farm Loaders, Planters						
North Dakota	20.8	2.4	80% (0%)	75% (0%)	5.70%	80%
Gainers: GPS, Planters, SP Combines, Farm Loaders, Disc Harrows						
Ohio	15	1.36	64.3% (28.6%)	55.3% (0%)	1.61%	58.4%
Gainers: Planters, Farm Loaders, SP Combines, GPS, Air Seeders						
Oklahoma	11.25	1	50% (0%)	50% (25%)	2.25%	75%
Gainers: 4WD Tractors, 2WD Tractors (40-100 hp), 2WD Tractors (>100 hp), Disc Harrows, 2WD Tractors (<40 hp)						
Oregon	28.4	2.2	75% (25%)	50% (0%)	2.25%	60%
Gainers: Farm Loaders, 2WD Tractors (>100 hp), 2WD Tractors (40-100 hp), GPS, Windrowers/Swathers						
Pennsylvania	53	2.19	56.3% (12.6%)	61.6% (7.7%)	1.97%	43.8%
Gainers: GPS, Mower/Conditioners, Planters, Rectangular Balers, 4WD Tractors						
South Carolina	59	3	100% (0%)	100% (0%)	4.50%	100%
Gainers: GPS, SP Sprayers, Disc Harrows, Planters, 4WD Tractors						
South Dakota	79.5	3.67	50% (16.7%)	33.3% (16.7%)	3.25%	100%
Gainers: 2WD Tractors (<40 hp), Farm Loaders, GPS, 2WD Tractors (40-100 hp), Round Balers						
Tennessee	6.75	1	60% (20%)	40% (20%)	1.80%	33.3%
Gainers: Air Seeders, Planters, 2WD Tractors (>100 hp), Round Balers, Disc Harrows						
Texas	29.4	2.2	35.7% (28.5%)	33.4% (8.3%)	0.82%	42.9%
Gainers: GPS, 2WD Tractors (40-100 hp), Disc Harrows, Farm Loaders, Air Seeders						
Utah	6.5	1	50% (0%)	50% (0%)	4.00%	100%
Gainers: 2WD Tractors (40-100 hp), Farm Loaders, Lawn & Garden, 2WD Tractors (>100 hp), 2WD Tractors (<40 hp)						
Virginia	20.63	1.5	50% (37.5%)	50% (37.5%)	1.44%	50%
Gainers: 4WD Tractors, Rectangular Balers, Farm Loaders, Mower/Conditioners, 2WD Tractors (>100 hp)						
Washington	47.4	2.4	50% (0%)	20% (20%)	3.13%	60%
Gainers: GPS, Rectangular Balers, 4WD Tractors, Farm Loaders, Disc Harrows						
West Virginia	12	1	0% (0%)	0% (0%)	0.00%	100%
Gainers: 4WD Tractors, Round Balers, Mower/Conditioners, Farm Loaders						
Wisconsin	43.86	2.33	52.6% (26.4%)	29.4% (23.6%)	1.36%	35%
Gainers: GPS, Mower/Conditioners, 4WD Tractors, Planters, Windrowers/Swathers						
Wyoming	35.17	1.67	33.3% (33.4%)	20% (20%)	0.00%	83.4%
Gainers: 4WD Tractors, Round Balers, Mower/Conditioners, Windrowers/Swathers, Farm Loaders						

PART III — CANADIAN OUTLOOK

Canada's Dealers Stay Pointed in the Right Direction

Canada Dealers' Responses by Mainline Supplier



Of the more than 300 dealers that responded to the AEI survey this year, 12% came from Canadian dealers.

Average Employment of Participating Dealerships:	38.33
Average Number of Stores Operated by Participating Dealerships:	2.16

Projected Canadian Unit Sales of Tractors & Combines — 2009

Tractor Type (Size)	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Forecasting Loss
2WD (<40 hp)	15.2%	33.3%	48.5%	0.0%	3%	48.5%	3.0%
2WD (40-100 hp)	9.1%	12.1%	72.7%	6.1%	0%	21.2%	6.1%
2WD (>100 hp)	6.1%	18.2%	57.6%	15.2%	3%	24.3%	18.2%
4WD (All)	22.6%	29.0%	32.3%	16.1%	0%	51.6%	16.1%
Combines	14.3%	39.3%	32.1%	14.3%	0%	53.6%	14.3%

Like their U.S. counterparts, dealers in Canada continue to remain bullish on their prospects for solid sales in 2009. In fact, much more so this year than last when their confidence levels easily outran their colleagues to the south, Canadian dealers are marching in near perfect lockstep with their fellow equipment retailers in the U.S.

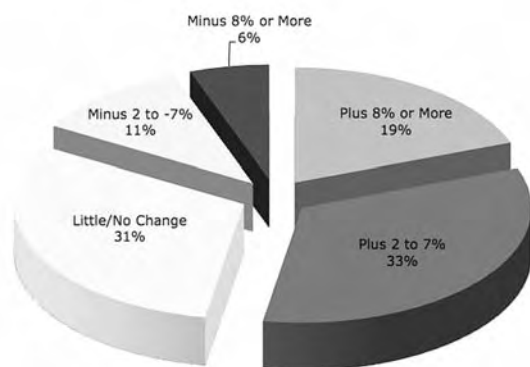
More than 83% of Canadian dealers see their prospects for unit sales in the next year being as good or better than 2008. Last year, 98% projected their sales revenues would be as good or better than they were in 2007 and they turned out to be right on the money.

The difference between 2007 vs. 2008 and 2008 vs. 2009 is an easy comparison to put into perspective. That's because for most dealers in Canada, based on the dismal sales levels in '07, there was no place to go but up. The turn-around was just short of spectacular.

So, it stands to reason that fewer dealers expect as big a sales year in 2009. Of course, U.S. dealers weren't expecting the kind of year they had in '08 after a really big sales year in 2007, either.

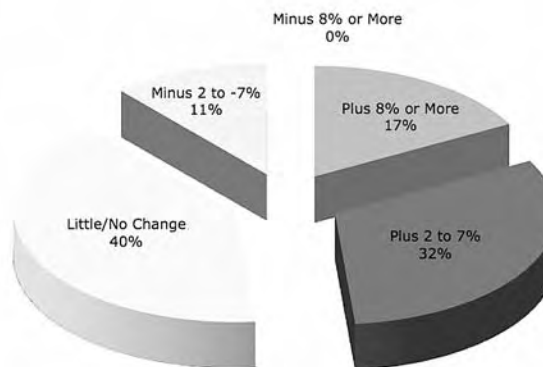
Nearly 90% of Canada's equipment dealers expect the revenue from used equipment to reach 2008 levels, while

Canada Dealers' Projections for Sales Revenue 2009 — New Equipment



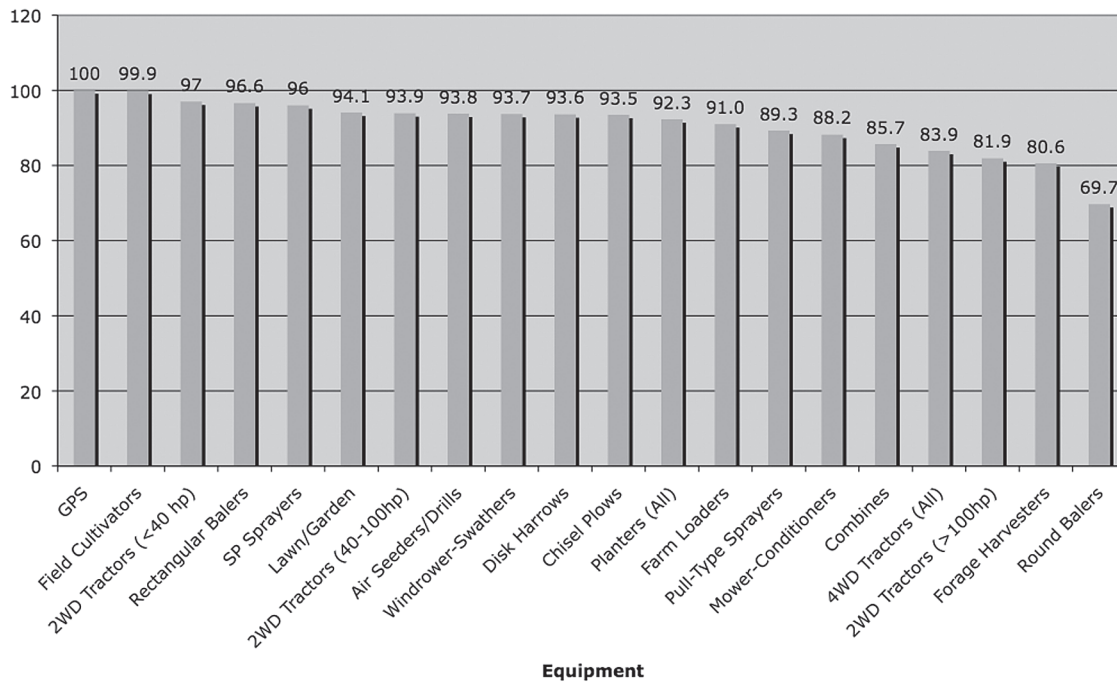
More than 83% of Canadian dealers see their 2009 sales of new farm machinery being as good as or better than levels achieved in 2008.

Canada Dealers' Projections for Sales Revenue 2009 — Used Equipment



Canadian dealers have tempered their outlook for used farm machinery for 2009. During the coming year, 88.5% see sales being as good as or better than '08 compared with 91% that saw sales climbing last year.

Best Bets for Improving Unit Sales in 2009 — Canada



Dealers in Canada see GPS systems, field cultivators, 2WD tractors of 40 horsepower or less, rectangular balers and self-propelled sprayers as their top five “best bets” for increasing sales in 2009.

nearly half of them see them improving in '09.

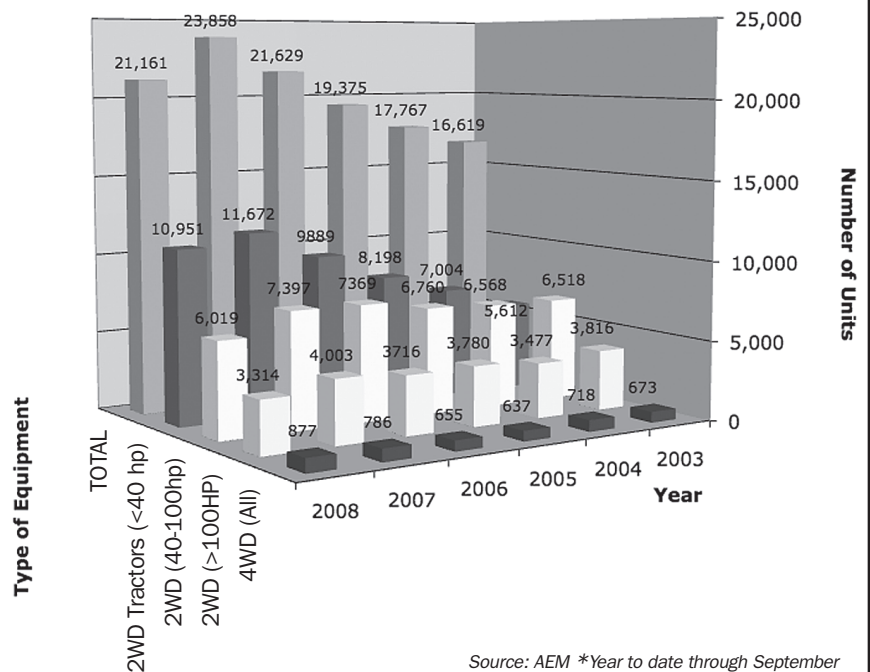
While all of the dealers in Canada's eastern region that responded to *AET's* 2009 survey indicated they expect to match or improve their sales revenue levels of 2008, dealers in each of the three major agricultural regions of Canada pretty much share the same beliefs when it comes to sales growth in 2009.

More than 55% of the dealers in the western part of the country see sales revenues growing more than 2% — with 27.8% of those expecting growth of more than 8%. Slightly more than half — 50.1% — of equipment retailers in the central portion of the country expect sales to increase more than 2% for the year, but only 6.3% see sales revenues increasing by 8% or more. Exactly half of the dealers reporting from Canada's eastern provinces expect sales growth of 8% or more.

Canadian ‘Best Bets’ Diverges from U.S.

Canadian dealers have much in common with their peers to the south

Canadian Unit Retail Tractor Sales — 2003-08 (*through September 2008)



Source: AEM *Year to date through September

During the January-to-September period in 2008, Canadian sales of all classes of tractors rose by more than 25% compared to the same period in 2007.

Projected Canadian Unit Sales of Other Equipment — 2009

Equipment	Up 8% or More	Up 2-7%	Little or No Change	Down 2-7%	Down 8% or More
Rect. Balers	0.0%	13.8%	82.8%	3.4%	0.0%
Round Balers	3.0%	21.2%	45.5%	21.2%	9.1%
Forage Harvesters	3.2%	16.1%	61.3%	12.9%	6.5%
Planters (All)	3.8%	23.1%	65.4%	7.7%	0.0%
Mower Conditioners	2.9%	23.5%	61.8%	11.8%	0.0%
Windrower-Swathers	15.6%	15.6%	62.5%	6.3%	0.0%
Field Cultivators	3.3%	23.3%	73.3%	0.0%	0.0%
Farm Loaders	6.1%	18.2%	66.7%	6.1%	3.0%
Chisel Plows	3.2%	22.6%	67.7%	6.5%	0.0%
Disk Harrows	6.5%	9.7%	77.4%	6.5%	0.0%
Air Seeders/Drills	12.5%	34.4%	46.9%	6.3%	0.0%
SP Sprayer	12.0%	20.0%	64.0%	4.0%	0.0%
Pull-type Sprayers	0.0%	3.6%	85.7%	7.1%	3.6%
Lawn/Garden	26.5%	29.4%	38.2%	5.9%	0.0%
GPS	30.3%	45.5%	24.2%	0.0%	0.0%

Canada Dealers' Spending Plans for 2009

No Increase	40.5%
0 to +5%	43.2%
6 to 10%	2.7%
10% plus	13.5%

when it comes to their bullish outlook for 2009. But the bond of commonality doesn't hold when it comes to which equipment groups that Canadian dealers believe hold the most promise for increasing sales in the coming year.

Both Canadian and U.S. dealers agree that GPS and precision ag systems and equipment present the greatest potential for growing unit sales revenue in '09 and both see field cultivators as making a comeback (number two in Canada and four in the U.S.), but then an interesting dichotomy becomes apparent.

Canada's farm equipment retailers see 2WD tractors of 40 horsepower or less having great potential for unit sales growth as well and lawn and garden equipment, which they ranked number six on their list of "best bets" for 2009.

Conversely, U.S. dealers placed compact tractors number 19 of 20 in their rankings and lawn and garden equipment dead last — 20th — on their list.

As much as anything, this is probably a reflection that the U.S. mortgage crisis that has brought new home building and housing sales to a standstill is not having the same effect on the Canadian market.

Another thing dealers from the two countries have in common is that both see demand for big, row-crop tractors and combines slipping in 2009. Again, this may not be surprising, as sales of equipment in both categories have been soaring for nearly two years.

During the first nine months of 2008, retail sales of tractors of more than 100 horsepower in Canada were up nearly 25% compared to the same period in 2007, while combine sales grew nearly 51% in '08 compared to the January to September period in '07.

Sales for all categories of tractors were up compared to 2007.

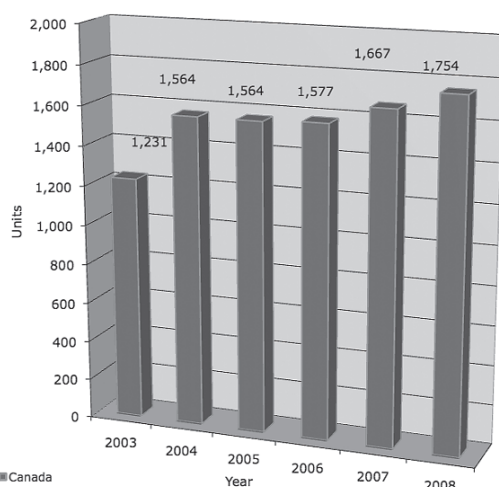
Canada Dealers' Hiring Plans 2009 vs. 2008

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	35.1%	62.2%	2.7%	34.0%	66.0%	0.0%
Service Technicians	70.0%	28.0%	0.0%	73.0%	28.0%	0.0%
Wholegood Sales	43.0%	57.0%	0.0%	43.0%	57.0%	0.0%
Administration	17.1%	82.9%	0.0%	6.1%	91.8%	2.0%

Where Canada Dealers Will Invest in 2009

Shop & Service Modernize	Retail Modernize	Bus. Info. Systems
61.1%	44.1%	30.6%

Canada Combine Sales — 2002-08 (*through September 2008)



Source: AEM *Year to date through September

Sales of combines in Canada increased nearly 51% during the first 9 months of 2008, from 1,164 to 1,754 units.

Canadian Regional Breakdown of Dealers' Outlook for 2009

All told, eight agricultural-producing provinces are represented in *Ag Equipment Intelligence's* 2009 Dealer Business Trends Survey. For analysis purposes, these have been broken down into three regions. The eastern region is represented by Nova Scotia, Prince Edward Island and Quebec. The central region covers Ontario. The western region includes the provinces of Alberta, British Columbia, Manitoba and Saskatchewan.



Sales Outlook 2009

Province	Weighted Average	Rank
Alberta (AB)	0.58%	6
British Columbia (BC)	5.34%	3
Manitoba (MB)	5.67%	2
New Brunswick (NB)	N/A	-
Newfoundland and Labrador (NL)	N/A	-
Northwest Territories (NT)	N/A	-
Nova Scotia (NS)	N/A	-
Nunavut (NU)	N/A	-
Ontario (ON)	1.69%	4
Prince Edward Island (PE)	N/A	7
Quebec (QC)	8.00%	1
Saskatchewan (SK)	0.75%	5
Yukon (YT)	N/A	-

For reporting and analysis purposes, Canada is broken into three major agricultural regions.

Major Concerns: Technician Availability, Energy Costs, Steel Prices, New Equipment Availability, New Equipment Costs

WESTERN CANADA

Coverage: British Columbia, Alberta, Saskatchewan & Manitoba

Average Employment: 46.78

Average Dealership Stores: 2.37

Expecting Revenue Gains: 55.6%

Expecting Revenue Losses: 22.3%

Weighted Average Gains (Losses): 2.28

Increasing Capital Spending: 79%

Most Promising Opportunities: GPS, Lawn & Garden, 4WD Tractors, SP Combines, 2WD Tractors (<40 hp)

Major Concerns: Technician Availability, Steel Prices, New Equipment Availability, Energy Costs, New Equipment Costs

EASTERN CANADA

Coverage: Nova Scotia, Prince Edward Island & Quebec

Average Employment: 20.5

Average Dealership Stores: 1.5

Expecting Revenue Gains: 50%

Expecting Revenue Losses: 0%

Weighted Average Gains (Losses): 4.00

Increasing Capital Spending: 100%

Most Promising Opportunities: GPS, Lawn & Garden, Field Cultivators, Planters, 2WD Tractors (<40 hp)

Major Concerns: Energy Costs, Shrinking Farm Base, Product Reliability, Technician Availability, Steel Prices

CENTRAL CANADA

Coverage: Ontario

Average Employment: 31.06

Average Dealership Stores: 2

Expecting Revenue Gains: 50.1%

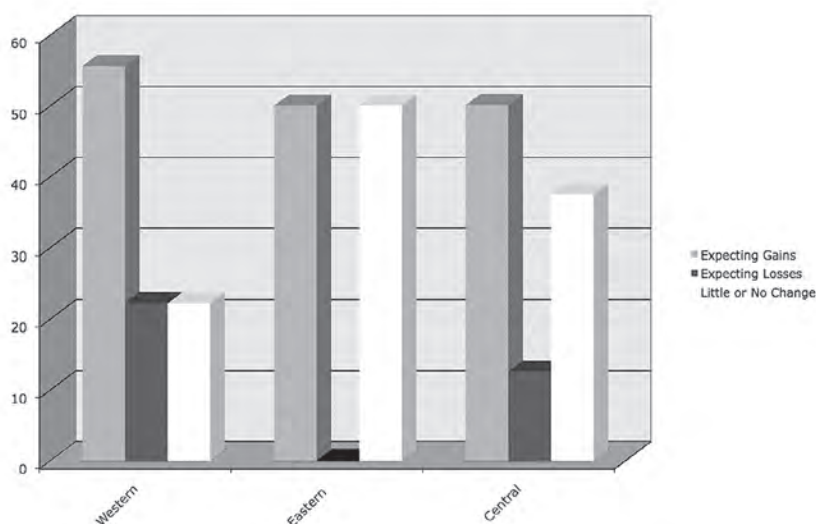
Expecting Revenue Losses: 12.6%

Weighted Average Gains (Losses): 1.69

Increasing Capital Spending: 31.3%

Most Promising Opportunities: GPS, 2WD Tractors (<40 hp), Field Cultivators, Lawn & Garden, SP Combines

Canadian Regional Expectations for Sales Revenue — 2009



Dealers in all of the farming regions of Canada expect the unit sales of new farm machinery to increase in 2009, with those in the Western region anticipating the biggest gains.

Canadian Dealer Issues and Concerns – 2009

Issue	Most Concerned	Concerned	Not Concerned
Technician Availability	56.8%	37.8%	5.4%
Energy/Fuel Costs	48.6%	51.4%	0.0%
Steel Prices/Supplies	43.2%	56.8%	0.0%
New Equipment Availability	43.2%	54.1%	2.7%
Increasing Cost of New Equipment	37.8%	59.5%	2.7%
Commodity Prices	27.0%	64.9%	8.1%
Shrinking Farm Customer Base	22.2%	63.9%	13.9%
Product Reliability	18.9%	62.2%	18.9%
Used Equipment Availability	17.1%	48.6%	34.3%
Dealer Purity Efforts	11.4%	54.3%	34.3%
Interest Rates	10.8%	67.6%	21.6%
Health Care Affordability	8.6%	60.0%	31.4%
Industry Consolidation	8.3%	58.3%	33.3%
Succession Policies	5.6%	55.6%	38.9%
Impact of Competing Box Stores	5.6%	38.9%	55.6%
Internet Sales	2.7%	37.8%	59.5%

Breakdown by Canadian Province

The following table provides a province-by-province breakdown of the responses to *Ag Equipment Intelligence's* 2009 Business Outlook & Trends survey. The "Average Employment" column shows a simple calculation of total employment reported divided by the number of responses from dealers in each province. The "Average Stores" column includes the number of locations operated per respondent. The figures under the "New Equipment" and "Used Equipment" headings indicate the percentage of dealerships that report they are expecting gains in unit sales and (losses) in unit sales for the year. The "Weighted Average" shows the percentage of increase (decrease) the dealers in that province are expecting for the year. The figures shown under "Capital Spending" represent the percentage of dealers that intend to increase capital investments during the year. The "Gainers" listing indicates the "Top 5" product categories that dealers of each province believe has the best potential for increasing equipment sales for the year.

State	Average Employment	Average Stores	New Equipment Gains (Losses)	Used Equipment Gains (Losses)	Weighted Average	Capital Spending
Alberta	35.17	1.67	33.3 (33.4)	20 (20)	0.58	83.4
Gainers: GPS, Air Seeders/Drills, Lawn & Garden, Planters, SP Combines						
British Columbia	4.5	1	66.7 (0)	33.3 (0)	5.34	100
Gainers: 2WD Tractors (<40 hp), 2WD Tractors (40-100 hp), 4WD Tractors, Farm Loaders, Lawn & Garden						
Manitoba	21.75	2.25	100 (0)	100 (0)	5.67	50
Gainers: 4WD Tractors, Air Seeders/Drills, GPS, Lawn & Garden, SP Combines						
Ontario	18.95	1.68	52.6 (5.3)	64.7 (5.9)	2.50	57.1
Gainers: GPS, 2WD Tractors (<40 hp), Field Cultivators, Lawn & Garden, SP Combines						
Prince Edward Isl.	26	1	0 (0)	100 (0)	0.00	100
Gainers: Planters, Field Cultivators, GPS, Lawn & Garden						
Quebec	15	2	100 (0)	100 (0)	8.00	100
Gainers: 2WD Tractors (<40 hp), 2WD Tractors (40-100 hp)						
Saskatchewan	89.17	3.83	50 (33.3)	66.7 (16.7)	0.75	83.4
Gainers: GPS, SP Sprayers, Lawn & Garden, SP Combines, 2WD Tractors (>100 hp)						

PART IV — BREAKOUT BY MAINLINE SUPPLIERS

As in the previous *Dealer Business Outlook & Trends*, this part of the report breaks out dealer responses by their major equipment supplier. Dealers that do not handle any of the major tractor lines are referred to as “independent.”

While more John Deere dealers (27.7%) are projecting their sales will improve more than 8% in 2009, compared with 2008, overall it's AGCO dealers that are the most optimistic about their prospects for the coming year.

In terms of confidence levels, 69.2% of dealers carrying AGCO equipment as their main brand expect their sales revenues to improve more than 2% in the coming year, with

“AGCO dealers are the most optimistic about prospects for the coming year. . .”

19.2% anticipating sales to increase by 8% or more and 50% see sales growing between 2-7%. Slightly over one-quarter of AGCO dealers see their sales levels falling by 2% or more during the coming year compared with 2008, while 5% expect little or no change in '09 vs. '08. Last, 14.9% of AGCO dealers were projecting that sales would decline by 2% or more.

They edged out the dealers that carry John Deere branded equipment. Nearly 68% of Deere farm equipment retailers see sales levels improving by 2% or more in 2009, while 23.3% are projecting sales to decline 2% or more.

Case IH dealers led the pack last year when it came to optimism as 71.3% of them forecast their sales revenues would improve compared to 2007. This year, less than half (43.7%) of those handling Case IH machinery are expecting their sales revenues to increase vs. 2008. Nearly 19% of these dealers see their sales levels falling in the coming year and 37.5% are projecting little or no change from last year.

Slightly over half of the independent dealers believe sales will improve in '09 vs. '08, while 21.8% see their revenues dropping off by 2% or more in the coming year. The rest, 27.3%, expect little change from sales levels experienced in 2008.

Both New Holland and Kubota dealers demonstrated the least amount of confidence for increased sales in 2009, with only 37.2% of both groups seeing sales improve over 2008. A big majority of both dealers groups are expecting little or no change in sales for the year. Kubota was the most neutral in their forecast with 53.2% of its dealers seeing little change, while 45.9% of New Holland dealers believe little opportunity exists to grow their sales in 2009.

AGCO — % of Total Responses 17.1%

Avg. Employment of Participating Dealerships:	80.16
Avg. Number of Stores of Participating Dealerships:	2.81

Case IH — % of Total Responses 15.8%

Avg. Employment of Participating Dealerships:	37.09
Avg. Number of Stores of Participating Dealerships:	2.38

John Deere — % of Total Responses 22.2%

Avg. Employment of Participating Dealerships:	71.40
Avg. Number of Stores of Participating Dealerships:	3.5

Kubota — % of Total Responses 12.0%

Avg. Employment of Participating Dealerships:	20.88
Avg. Number of Stores of Participating Dealerships:	1.47

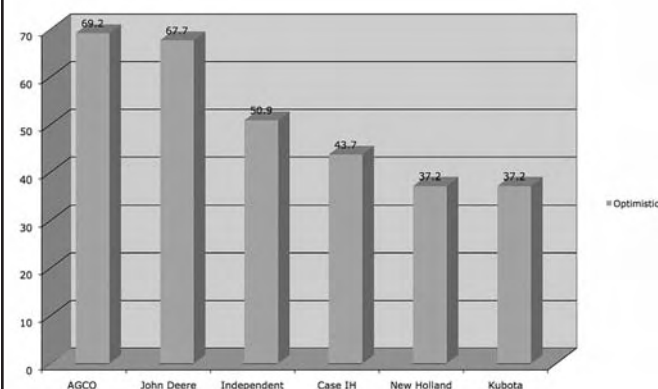
New Holland — % of Total Responses 14.2%

Avg. Employment of Participating Dealerships:	26.88
Avg. Number of Stores of Participating Dealerships:	1.87

Independent Dealers — % of Total Responses 18.7%

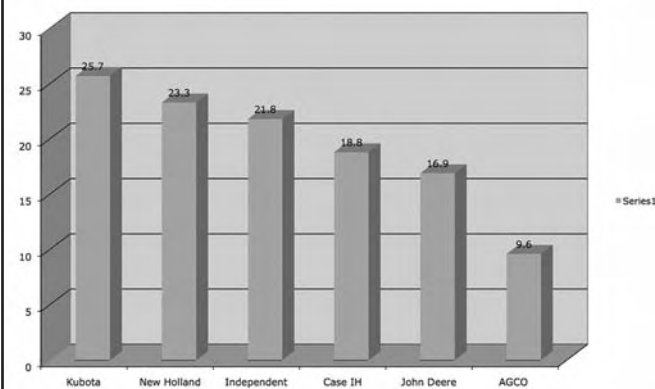
Avg. Employment of Participating Dealerships:	10.37
Avg. Number of Stores of Participating Dealerships:	1.15

**Most Optimistic Equipment Dealers for 2009
(percentage expecting revenue gains)**



AGCO dealers are the most optimistic going into 2009 about increasing sales levels followed closely by John Deere's equipment retailers.

**Least Optimistic Equipment Dealers for 2009
(percentage expecting revenue losses)**



With the fall off in small and mid-range tractor sales in the last two years, Kubota dealers aren't looking for a lot improvement in 2009.



More AGCO Dealers See Improved Sales in '09

Whatever is changing with the third-largest farm equipment maker in the world, it shows in the outlook of its dealers, which has progressively improved during the past two years.

The turnaround in AGCO dealers' outlook for growing their businesses that began taking hold last year moved up a notch or two as they look toward 2009. In *AET's* 2008 survey, 61% of its dealers anticipated sales revenue increases compared to 2007. This year, 69.2% are forecasting that their 2009 sales volumes will improve compared to an already excellent year in 2008.

Only 6.9% of AGCO dealers believe they'll see a revenue dropoff in the coming year, compared with 15% last year. As a group, that puts them at the top of the list for "most optimistic" when survey responses are broken out by equipment brand.

When it comes to used equipment sales, 90% of AGCO dealers are projecting sales revenue will increase or be at least as good as last year. This compares with 86% in 2008.

The company has increased its new product introductions during the past few years, which may account for at least part of its dealers improved

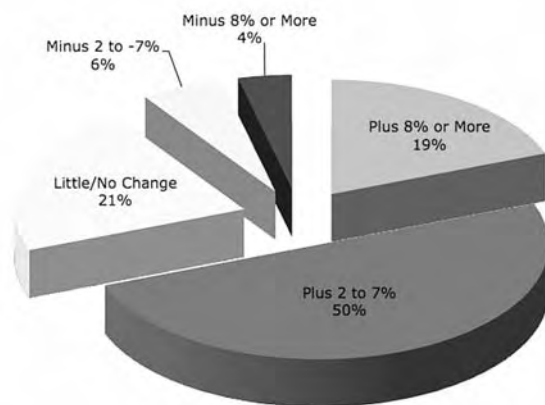
AGCO Dealers' Projected Unit Sales of Tractors and Combines – 2009							
Tractor Type (size)	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Forecasting Loss
2WD (<40 hp)	6.1%	26.5%	44.9%	14.3%	8.2%	32.6%	22.5%
2WD (40-100 hp)	6.0%	36.0%	46.0%	6.0%	6.0%	42.0%	12.0%
2WD (>100 hp)	8.3%	29.2%	52.1%	6.3%	4.2%	37.5%	10.5%
4WD (All)	25.0%	30.0%	37.5%	5.0%	2.5%	55.0%	7.5%
Combines	20.0%	25.0%	52.5%	0.0%	2.5%	45.0%	2.5%

AGCO Dealers' Unit Sales Projections for Other Equipment in 2009					
Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	10.9%	34.8%	54.3%	0.0%	0.0%
Round Balers	8.3%	60.7%	60.4%	6.3%	8.3%
Forage Harvesters	2.8%	8.3%	80.6%	2.8%	5.6%
Planters (All)	9.3%	48.8%	39.5%	0.0%	2.3%
Mower/Conditioners	0.0%	41.7%	52.1%	4.2%	2.1%
Windrower/Swathers	6.8%	29.5%	59.1%	0.0%	4.5%
Field Cultivators	9.3%	20.9%	65.1%	0.0%	4.7%
Farm Loaders	4.3%	34.8%	54.3%	0.0%	6.5%
Chisel Plows	2.6%	23.1%	66.7%	2.6%	5.1%
Disc Harrows	6.8%	31.8%	50.0%	4.5%	6.8%
Air Seeders/Drills	2.4%	26.2%	66.7%	0.0%	4.8%
Self-Propelled Sprayers	5.4%	13.5%	75.7%	2.7%	2.7%
Pull-Type Sprayers	5.3%	21.1%	65.8%	5.3%	2.6%
Lawn/Garden Equipment	12.8%	25.5%	36.0%	14.9%	10.6%
GPS	17.4%	34.8%	45.7%	0.0%	2.2%

outlook. It has also initiated its "cornerstone brand" strategy, which con-

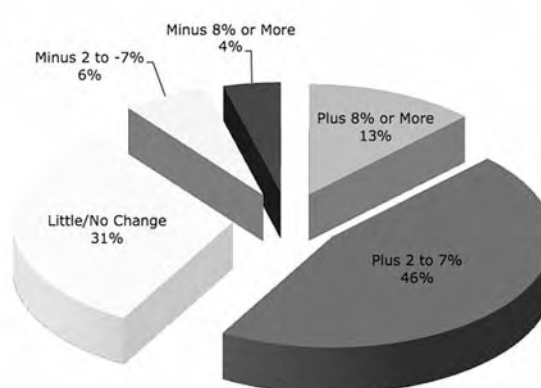
nects dealers with one of three of AGCO's main lines of equipment,

AGCO Dealers' Projections for Sales Revenues 2009 — New Equipment



Nearly 70% of AGCO dealers expect 2009 sales of new equipment to improve over levels seen in 2008.

AGCO Dealers' Projections for Sales Revenues 2009 — Used Equipment



Used equipment sales are forecast to improve in 2009 by 59% of AGCO equipment dealers.

Massey Ferguson, Challenger or AGCO. It's also streamlined its unwieldy distribution channel that developed since 1990 as it acquired 20 different companies and along with their dealers, reducing inline competition.

In 2008, the company also initiated its CUE — compact and utility equipment — initiative in which it is attempting to embed itself into the market segment for rural lifestyle and hobby farm market. With it, AGCO is actively pursuing dealers to take on CUE contracts and specialize in the small equipment markets.

Like last year, this group of dealers sees rectangular baling equipment as presenting the best opportunity for growth in 2009 as 100% see the sales of this haying equipment to be at least as good or better than it was in 2008. GPS equipment, planters, combines and windrowers-swathers follow at the top of AGCO dealers' list.

The dealers also moved field cultivators up on their list from number 19 last year to sixth place for 2009, tied with air seeders/drills, which moved up from the 10th spot in 2008.

As for revenue derived through early order programs, 35.8% of AGCO dealers are forecasting that 25% or more of their sales will result from pre-selling a year or more in advance.

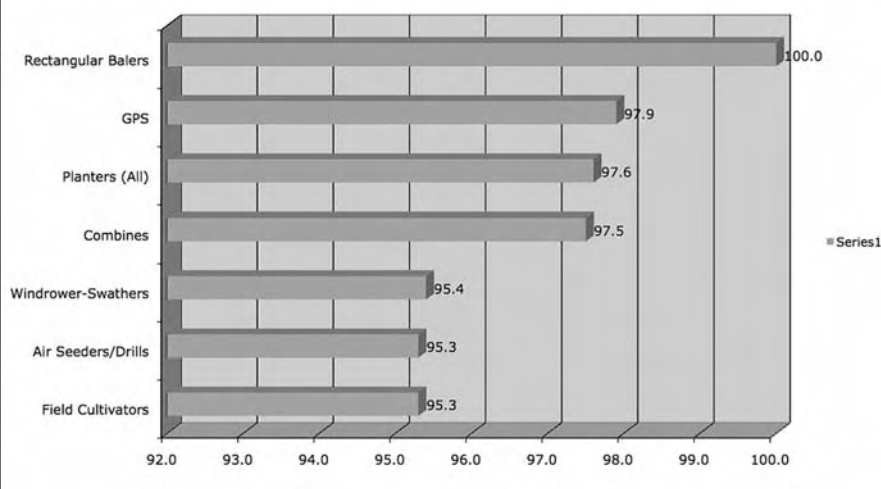
AGCO Dealers' Projections for Improved Revenue from New & Used Equipment Sales in 2009

	New Equipment	Used Equipment
+8%	19.2%	12.5%
+2-7%	50.0%	45.8%
Little or No Change	21.2%	31.3%
-2-7%	5.8%	6.3%
-8%	3.8%	4.2%

AGCO Dealer Spending Plans for 2009

No Increase	34.0%
0 to +5%	47.2%
+6 to 10%	11.3%
+10%	7.5%

Best Bets for Improving Unit Sales in 2008 AGCO Dealers



Rectangular balers, GPS equipment, planters and combines are ranked as having the most potential for growing sales in 2009 by AGCO dealers.

AGCO Dealers' Hiring Plans 2009 vs. 2008

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	28.8%	67.3%	3.8%	24.7%	75.3%	0.0%
Service Technicians	67.9%	28.3%	3.8%	57.3%	42.7%	0.0%
Wholegood Sales	32.7%	65.4%	1.9%	32.9%	65.9%	1.2%
Administration	8.0%	84.0%	8.0%	8.3%	89.3%	2.4%

Where AGCO Dealers Will Invest in 2009

Modernize Shop & Service	Modernize Retail	Bus. Info. Systems
52%	44%	50%

AGCO Dealers' Issues and Concerns – 2009

Issue	Most Concerned	Concerned	Not Concerned
Energy/Fuel Costs	66.7%	29.6%	3.7%
Steel Prices/Supplies	54.7%	37.7%	7.5%
Increasing Cost of New Equipment	50.0%	44.4%	5.6%
Health Care Affordability	45.3%	45.3%	9.4%
New Equipment Availability	38.9%	46.3%	14.8%
Technician Availability	32.1%	49.1%	18.9%
Commodity Prices	25.9%	57.4%	16.7%
Shrinking Farm Customer Base	24.5%	56.6%	18.9%
Product Reliability	20.8%	58.5%	20.8%
Dealer Purity Efforts	17.3%	58.8%	28.8%
Used Equipment Availability	17.0%	52.8%	32.2%
Industry Consolidation	9.6%	59.6%	30.8%
Interest Rates	9.4%	75.5%	15.1%
Succession Policies	5.7%	43.4%	50.9%
Internet Sales	3.8%	55.8%	40.4%
Impact of Competing Box Stores	3.8%	45.3%	50.9%

Case IH Dealers Looking for a Leaner Sales Year



Perhaps Case IH dealers took a cue from their mainline supplier when it predicted a much more conservative view toward the second half of 2008 than many anticipated, particularly in light of its record-setting financial results through the first half of the year.

Less than half (43.7%) of the dealers selling "red" equipment are projecting sales revenue increases for 2009. This compares with more than 70% that forecast that sales would grow by 2% or more during 2008. In fact, nearly 19% of Case IH dealers anticipate that sales will decline by 2% or more in the coming year. Only 7% felt that their sales would slow during 2008.

It's difficult to say why the Case IH dealers have done an about-face for 2009 when they were the most optimistic group in AEF's 2008 survey. Their response this year placed them in the middle of the pack when it comes to optimism/pessimism for the coming 12 months. Two years ago, only 40.5% of the dealers of the Case IH brand of machinery expected business to improve over the previous year. One year high, the next year low.

This attitude was also reflected in

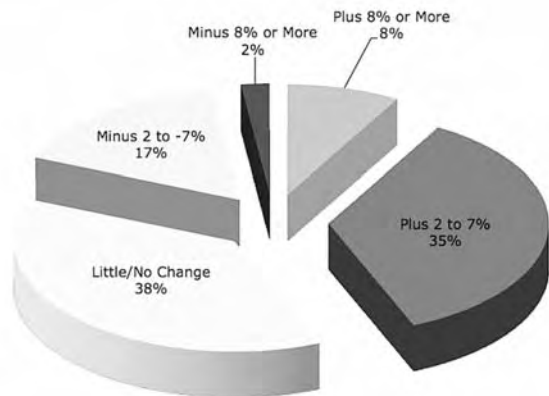
Case IH Dealers' Projected Unit Sales of Tractors and Combines – 2009

Tractor Type (size)	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Forecasting Loss
2WD (<40 hp)	6.3%	22.9%	58.3%	6.3%	6.3%	29.2%	12.6%
2WD (40-100 hp)	6.4%	21.3%	63.8%	6.4%	2.1%	27.7%	8.5%
2WD (>100 hp)	8.5%	25.5%	46.8%	14.9%	4.3%	34.0%	19.2%
4WD (All)	4.5%	38.6%	45.5%	9.1%	2.3%	43.1%	11.4%
Combines	4.3%	31.9%	53.2%	10.6%	0.0%	36.2%	10.6%

Case IH Dealers' Unit Sales Projections for Other Equipment in 2009

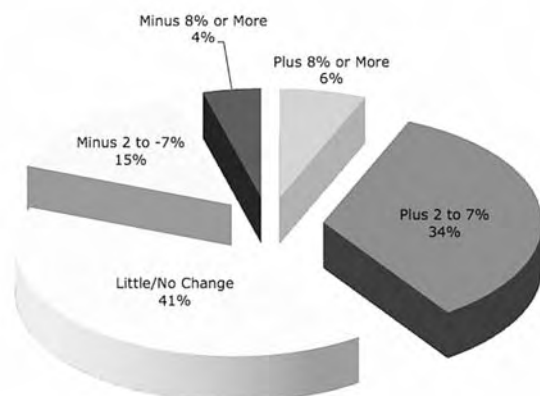
Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	2.3%	20.9%	74.4%	2.3%	0.0%
Round Balers	2.1%	23.4%	63.8%	6.4%	4.3%
Forage Harvesters	0.0%	2.4%	88.1%	7.1%	2.4%
Planters (All)	15.2%	30.4%	47.8%	4.3%	2.2%
Mower/Conditioners	0.0%	22.2%	73.3%	2.2%	2.2%
Windrower/Swathers	2.4%	14.6%	75.6%	4.9%	2.4%
Field Cultivators	0.0%	17.4%	78.3%	4.3%	0.0%
Farm Loaders	6.1%	28.6%	59.2%	4.1%	2.0%
Chisel Plows	2.3%	14.0%	79.1%	2.3%	2.3%
Disc Harrows	6.4%	23.4%	61.7%	6.4%	2.1%
Air Seeders/Drills	5.0%	22.5%	65.0%	5.0%	2.5%
Self-Propelled Sprayers	2.9%	14.7%	79.4%	2.9%	0.0%
Pull-Type Sprayers	0.0%	12.2%	82.9%	4.9%	0.0%
Lawn/Garden Equipment	15.9%	18.2%	45.5%	18.2%	2.3%
GPS	32.6%	44.2%	23.3%	0.0%	0.0%

Case IH Dealers' Projections for Sales Revenues 2009 — New Equipment



More than 40% of Case IH dealers anticipate the new farm equipment sales will grow by 2% or more in 2009.

Case IH Dealers' Projections for Sales Revenues 2009 — Used Equipment



Growth in used equipment sales in 2009 is forecast by 40% of Case IH dealers.

their outlook for used equipment during '09. Slightly over 40% of Case IH dealers expect sales revenues of previously owned equipment to grow 2% or more in 2009, while more than 19% expect used machinery sales to decline during the year. The remaining 40.4% see little or no change between sales levels in 2008 and '09.

In any case, like most other dealer groups, Case IH farm equipment retailers see GPS systems to be their best bet for growing sales in the coming year, followed by rectangular hay balers.

Surprisingly, number three on their "best bets" list for 2009 are self-propelled sprayers, an equipment category that came in 10th on the North American "best bets" ranking, and didn't crack any other dealer groups' top-five listing.

Tillage tools also moved up the Case IH dealers' list of having solid prospects for increasing unit sales in the year ahead. Field cultivators rated number four on their list as chisel plows came in sixth.

Nearly one-third — 34.7% — of Case IH dealers are projecting that 26% or more of their sales will come from early-order programs.

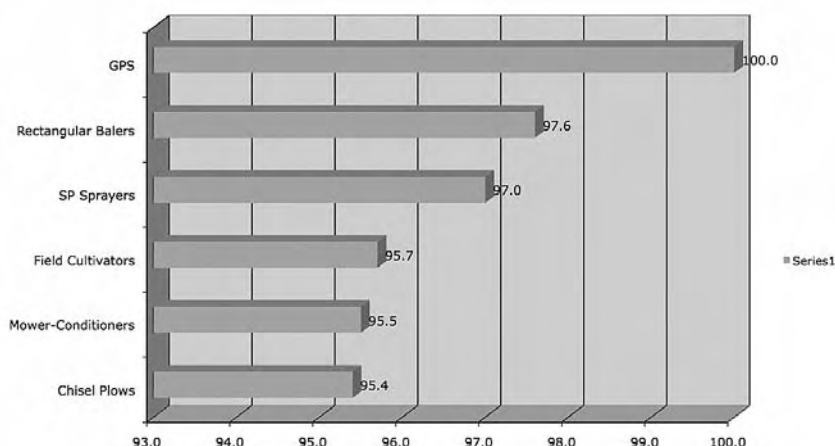
Case IH Dealers' Projections for Improved Revenue from New & Used Equipment Sales in 2009

	New Equipment	Used Equipment
+8%	8.3%	6.4%
+2-7%	35.4%	34.0%
Little or No Change	37.5%	40.4%
-2-7%	16.7%	14.9%
-8%	2.1%	4.3%

Case IH Dealer Spending Plans for 2009

No Increase	42.9%
0 to +5%	36.7%
+6% to 10%	12.2%
+10%	8.2%

Best Bets for Improving Unit Sales in 2009 Case IH Dealers



Besides GPS equipment, Case IH dealers see their best prospects for increased sales in 2009 coming in haying equipment and tillage tools.

Case IH Dealers' Hiring Plans 2009 vs. 2008

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	37.5%	60.4%	2.1%	32.2%	64.4%	3.3%
Service Technicians	64.0%	34.0%	2.0%	70.8%	29.2%	0.0%
Wholesale Sales	36.2%	63.8%	0.0%	34.4%	63.3%	2.2%
Administration	18.8%	81.3%	0.0%	5.6%	91.0%	3.4%

Where Case IH Dealers Will Invest in 2009

Modernize Shop & Service	Modernize Retail	Bus. Info. Systems
63.3%	43.5%	41.9%

Case IH Dealers' Issues and Concerns – 2009

Issue	Most Concerned	Concerned	Not Concerned
Technician Availability	64.0%	30.0%	6.0%
Energy/Fuel Costs	59.2%	40.8%	0.0%
Steel Prices/Supplies	50.0%	50.0%	0.0%
Health Care Affordability	48.0%	44.0%	8.0%
New Equipment Availability	48.0%	46.0%	6.0%
Increasing Cost of New Equipment	42.0%	56.0%	2.0%
Commodity Prices	34.0%	62.0%	4.0%
Shrinking Farm Customer Base	30.6%	57.1%	12.2%
Used Equipment Availability	24.0%	54.0%	22.0%
Dealer Purity Efforts	24.0%	50.0%	26.0%
Industry Consolidation	16.3%	51.0%	32.7%
Product Reliability	16.0%	68.0%	16.0%
Interest Rates	14.6%	68.8%	16.7%
Succession Policies	10.2%	63.3%	26.5%
Impact of Box Stores	8.2%	32.7%	59.2%
Internet Sales	4.0%	50.0%	46.0%

John Deere Dealers Look Toward '09 with Confidence



JOHN DEERE Just about the only complaint

being heard from John Deere dealers these days is they can't get enough new machinery to meet customer demands. In fact, five Deere dealerships in North Dakota announced a merger on October 1, explaining that it had become increasingly difficult countrywide for a single dealer to get equipment.

Looking toward '09, nearly 70% (67.7%) of Deere dealers expect to increase their new equipment sales revenues by 2% or more in the coming year, with 27.7% of that group anticipating sales levels of 8% or more for the year. This put them only slightly behind AGCO dealers as the most optimistic going into the 2009 selling season.

At the same time, nearly 17% of dealers carrying Deere-branded equipment are forecasting that their sales revenues will be off 2% or more during the coming year, with 9.2% anticipating declining sales of 8% or more.

Last year at this time, 69% of Deere dealers anticipated sales growth in 2008, while only 8% expected sales levels to drop off during the year.

As far as sales of used equipment in 2009, 76% of Deere dealers see rev-

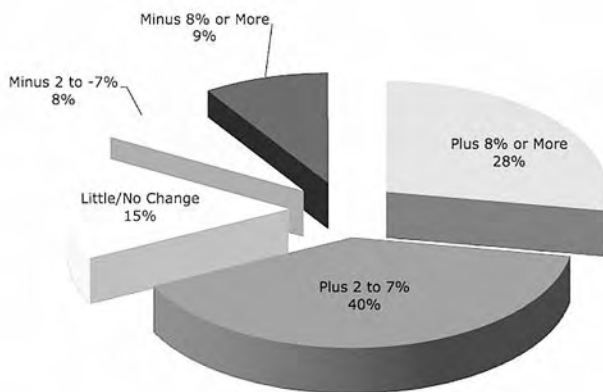
John Deere Dealers' Projected Unit Sales of Tractors and Combines – 2009

Tractor Type (size)	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Forecasting Loss
2WD (<40 hp)	8.8%	26.5%	55.9%	7.4%	1.5%	35.3%	8.9%
2WD (40-100 hp)	7.5%	43.3%	44.8%	4.5%	0.0%	50.8%	4.5%
2WD (>100 hp)	12.1%	42.4%	34.8%	9.1%	1.5%	54.5%	10.6%
4WD (All)	13.6%	31.8%	40.9%	10.6%	3.0%	45.4%	13.6%
Combines	9.8%	42.6%	32.8%	9.8%	4.9%	52.4%	14.7%

John Deere Dealers' Unit Sales Projections for Other Equipment in 2009

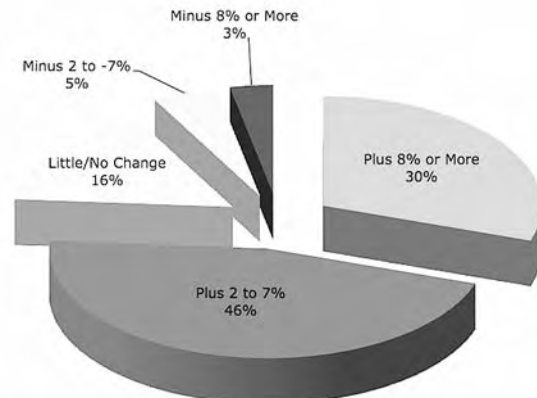
Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	3.3%	11.5%	80.3%	3.3%	1.6%
Round Balers	10.6%	43.9%	34.8%	9.1%	1.5%
Forage Harvesters	1.7%	19.0%	69.0%	10.3%	0.0%
Planters (All)	29.0%	35.5%	30.6%	4.8%	0.0%
Mower/Conditioners	10.9%	31.3%	48.4%	7.8%	1.6%
Windrower/Swathers	7.0%	14.0%	70.2%	8.8%	0.0%
Field Cultivators	8.3%	20.0%	66.7%	5.0%	0.0%
Farm Loaders	9.1%	50.0%	37.9%	3.0%	0.0%
Chisel Plows	1.7%	15.5%	77.6%	3.4%	1.7%
Disc Harrows	4.9%	26.2%	62.3%	6.6%	0.0%
Air Seeders/Drills	13.6%	30.5%	50.8%	5.1%	0.0%
Self-Propelled Sprayers	8.3%	21.7%	60.0%	8.3%	1.7%
Pull-Type Sprayers	1.7%	13.6%	81.4%	3.4%	0.0%
Lawn/Garden Equipment	10.3%	36.8%	36.8%	16.2%	0.0%
GPS	50.8%	33.3%	14.3%	1.6%	0.0%

John Deere Dealers' Projections for Sales Revenues 2009 — New Equipment



Nearly 70% of John Deere dealers expect sales of new equipment to improve by 2% or more in 2009.

John Deere Dealers' Projections for Sales Revenues 2009 — Used Equipment



Sales of used equipment are expected to increase in '09 by 76% of dealers that handle the John Deere brand.

venues growing by 2% or more in the coming year, with only 8% expecting previously used equipment sales to fall below 2008 levels.

This compares with 58% of dealers that handle the green equipment anticipating used sales levels to grow 2% or more in '08, as 9% anticipate declining turnover during the year.

As with the other dealer groups, Deere's retailers see GPS equipment as having the best prospect for grow-

“Getting enough equipment will be Deere dealers’ challenge in 2009 . . .”

ing unit sales in the year ahead. But the next three product groups on their list do not match the other brands projections.

Number two on Deere dealers' list for "best bets" in '09 are farm loaders, followed by pull-type sprayers and 2WD tractors in the 40-100-horsepower category.

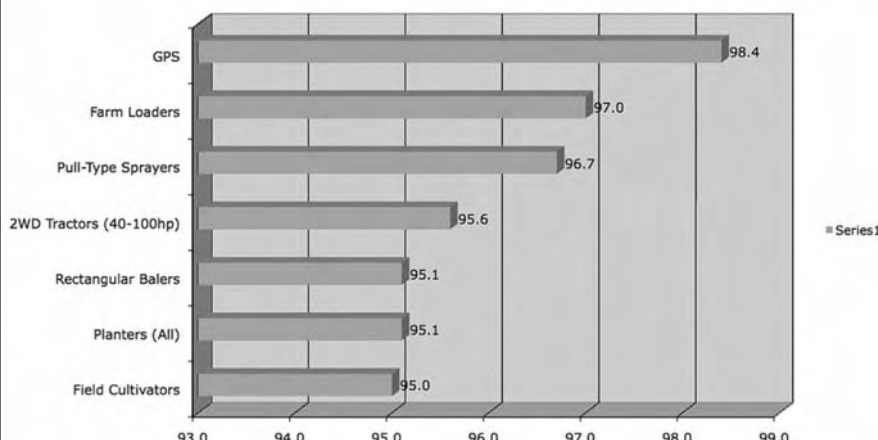
In fact, John Deere's big product rollout for 2009 centered on several new models of mid-range tractors that the company expects will meet the needs of rural politans, hobby farmers and professional farmers that need a utility type unit up to about 145 horsepower. It's clear that Deere isn't ceding that market segment to the foreign manufacturers that have dominated it in recent years.

John Deere, which seems to have been the most aggressive in pushing early-order programs, is apparently seeing results from its efforts, as 51.5%

John Deere Dealer Spending Plans for 2009

No Increase	31.3%
0 to +5%	37.3%
+6% to 10%	23.9%
+10%	7.5%

**Best Bets for Improving Unit Sales in 2009
John Deere Dealers**



Deere dealers see their best prospects for improved sales in '09 coming from GPS, farm loaders, pull-type sprayers and 2WD tractors between 40-100 horsepower.

John Deere Dealers' Hiring Plans 2009 vs. 2008

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	22.7%	72.7%	4.5%	34.4%	61.3%	4.3%
Service Technicians	68.1%	30.4%	1.4%	66.0%	33.0%	1.1%
Wholesale Sales	31.3%	67.2%	1.5%	35.5%	62.4%	2.2%
Administration	16.2%	80.9%	2.9%	4.5%	88.6%	6.8%

Where John Deere Dealers Will Invest in 2009

Modernize Shop & Service	Modernize Retail	Bus. Info. Systems
58.5%	55.4%	57.85%

John Deere Dealers' Issues and Concerns – 2009

Issue	Most Concerned	Concerned	Not Concerned
New Equipment Availability	75.4%	23.2%	1.4%
Energy/Fuel Costs	65.2%	33.3%	1.4%
Steel Prices/Supplies	63.8%	36.2%	0.0%
Increasing Cost of New Equip.	55.1%	44.9%	0.0%
Technician Availability	50.7%	42.0%	7.2%
Health Care Affordability	42.0%	50.7%	7.2%
Commodity Prices	33.3%	60.9%	5.8%
Dealer Purity Efforts	33.3%	46.4%	20.3%
Used Equipment Availability	26.1%	56.5%	17.4%
Industry Consolidation	21.7%	59.4%	18.8%
Succession Policies	18.8%	59.4%	21.7%
Product Reliability	17.4%	49.3%	33.3%
Shrinking Farm Customer Base	14.5%	69.6%	15.9%
Interest Rates	11.6%	62.3%	26.1%
Impact of Competing Box Stores	7.4%	45.6%	47.1%
Internet Sales	2.9%	46.4%	50.7%

Fall Off in Small Tractor Sales Shows in Kubota Dealers' Outlook

Kubota Typically, Kubota dealers are some of the most optimistic in the industry, but coming off a second slow sales year in a row for compact and utility tractors, this group tied for last with New Holland dealers as the least optimistic going into the 2009 selling year.

Much of their dour outlook is placed on the poor state of the housing industry in the U.S., as new housing starts approach 20-year lows. A large portion of compact and utility tractor sales are fueled by people building new and bigger homes, usually with larger lots that require tractors and other larger lawn and garden equipment for maintenance.

While they now offer tractors up to 120 horsepower, less than 30% of Kubota dealer sales revenues come from the production-farming segment of the industry. According to the 2009 *AEI* survey, slightly over 50% of Kubota dealers sales revenues are derived from hobby farmers, rural politans and landscape contractors. Each of these market segments are affected by housing crisis in the U.S.

Only 37.2% of Kubota dealers are looking for new equipment sales revenues gains of 2% or more in '09, with only 2.9% of them anticipating sales levels of 8% or more for the year.

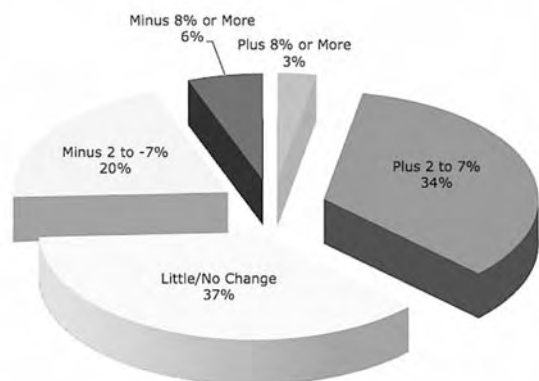
Kubota Dealers' Projected Unit Sales of Tractors and Combines – 2009

Tractor Type (size)	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Loss
2WD (<40 hp)	6.7%	13.3	%63.3%	16.7%	0.0%	20%	16.7%
2WD (40-100 hp)	6.9%	24.1%	55.2%	13.8%	0.0%	31.0%	16.7%
2WD (>100 hp)	7.1%	17.9%	64.3%	10.7%	0.0%	25.0%	10.7%
4WD (All)	6.3%	34.4%	34.4%	21.9%	3.1%	40.7%	2.5%
Combines	6.3%	18.8%	68.8%	6.3%	0.0%	25.1%	6.3%

Kubota Dealers' Unit Sales Projections for Other Equipment in 2009

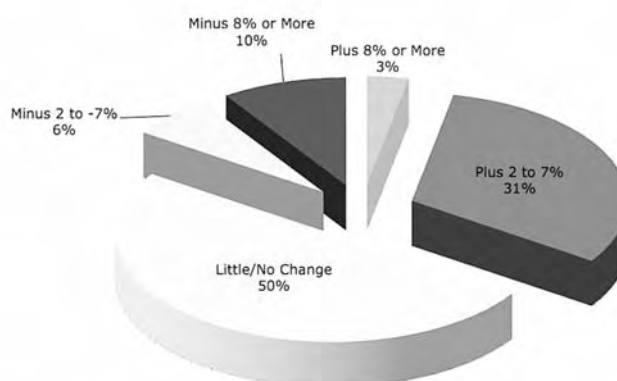
Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	0.0%	25.0%	75.0%	0.0%	0.0%
Round Balers	4.8%	19.0%	66.7%	4.8%	4.8%
Forage Harvesters	0.0%	6.3%	87.5%	6.3%	0.0%
Planters (All)	0.0%	56.3%	43.8%	0.0%	0.0%
Mower/Conditioners	0.0%	22.7%	72.7%	4.5%	0.0%
Windrower/Swathers	5.6%	11.1%	83.3%	0.0%	0.0%
Field Cultivators	5.0%	35.0%	60.0%	0.0%	0.0%
Farm Loaders	3.8%	46.2%	42.3%	7.7%	0.0%
Chisel Plows	0.0%	5.0%	95.0%	0.0%	0.0%
Disc Harrows	4.3%	34.8%	56.5%	4.3%	0.0%
Air Seeders/Drills	5.6%	11.1%	77.8%	0.0%	5.6%
Self-Propelled Sprayers	0.0%	6.3%	93.8%	0.0%	0.0%
Pull-Type Sprayers	4.5%	9.1%	81.8%	4.5%	0.0%
Lawn/Garden Equipment	6.3%	31.3%	40.6%	21.9%	0.0%
GPS	5.3%	42.1%	52.6%	0.0%	0.0%

Kubota Dealers' Projections for Sales Revenue in 2009 — New Equipment



Increased new equipment sales are projected by 37% of Kubota dealers for 2009.

Kubota Dealers' Projections for Sales Revenue in 2009 — Used Equipment



Improved sales of used equipment for 2009 is anticipated by 34% of Kubota dealers.

That's easily the lowest among all of the major equipment brands.

Even last year, more than half (53%) of these dealers expected sales revenues to improve over 2007, while only 8% anticipated that revenues would decline. Nearly 26% of dealers handling the Kubota line are expecting their revenues to fall 2% or more than the levels they experienced in 2008.

As for used machinery revenue, 34% of Kubota dealers forecast revenue growth. For those that do see some light, only 3% expect revenues to grow 8% or more. More than half (51%) anticipate little or no change in their sales of used equipment during the coming year.

Kubota dealers rated seven product categories evenly as they look ahead to growth opportunities. These include self-propelled sprayers, planters, GPS equipment, rectangular balers, chisel plows, field cultivators and windrowers-swathers.

What came as somewhat of a surprise was 52.6% of Kubota dealers that anticipate 25% of their revenues in 2009 to come from early-order programs. This surpassed projections by Deere dealers (51.5%).

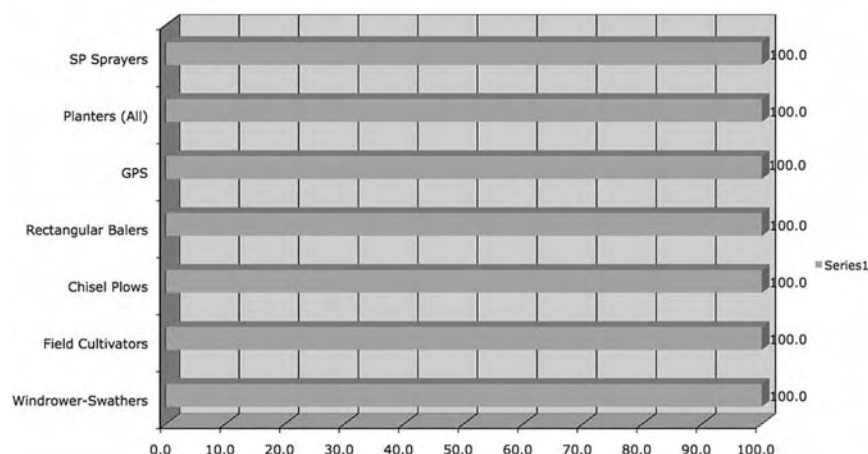
Kubota Dealers' Projections for Improved Revenue from New & Used Equipment Sales in 2009

	New Equipment	Used Equipment
+8%	2.9%	3.1%
+2-7%	34.3%	31.3%
Little or No Change	37.1%	50.0%
-2-7%	20.0%	6.3%
-8%	5.7%	9.4%

Kubota Dealer Spending Plans for 2009

No Increase	45.7%
0 to +5%	42.9%
+6% to 10%	8.6%
+10%	2.9%

Best Bets for Improving Unit Sales in 2009 Kubota Dealers



In addition to planters and GPS, Kubota dealers also look for sales growth from haying equipment and tillage tools in '09.

Kubota Dealers' Hiring Plans 2009 vs. 2008

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	22.9%	77.1%	0.0%	29.2%	69.2%	1.5%
Service Technicians	55.6%	44.4%	0.0%	57.6%	40.9%	1.5%
Wholesale Sales	33.3%	66.7%	0.0%	39.1%	59.4%	1.6%
Administration	11.1%	86.1%	2.8%	4.8%	88.9%	6.3%

Where Kubota Dealers Will Invest in 2009

Modernize Shop & Service	Modernize Retail	Bus. Info. Systems
50%	33.3%	37.1%

Kubota Dealers' Issues and Concerns - 2009

Issue	Most Concerned	Concerned	Not Concerned
Energy/Fuel Costs	61.1%	38.9%	0.0%
Health Care Affordability	50.0%	44.7%	5.3%
Steel Prices/Supplies	44.4%	50.0%	5.6%
Increasing Cost of New Equipment	43.2%	54.1%	2.7%
Technician Availability	36.8%	52.6%	10.5%
Commodity Prices	25.7%	57.1%	17.1%
Shrinking Farm Customer Base	20.0%	54.3%	25.7%
New Equipment Availability	17.1%	51.4%	31.4%
Interest Rates	14.3%	77.1%	8.6%
Product Reliability	14.3%	45.7%	40.0%
Dealer Purity Efforts	11.4%	57.1%	37.4%
Used Equipment Availability	6.1%	45.5%	48.5%
Internet Sales	5.7%	60.0%	34.3%
Succession Policies	5.7%	48.6%	45.7%
Impact of Competing Box Stores	5.4%	54.1%	40.5%
Industry Consolidation	0.0%	67.6%	32.4%

New Leadership at New Holland May Give Dealers a Boost



Of all the time-tested brands of farm machinery, New Holland appears to be the one in need of new direction and leadership.

After several years of disarray at the highest echelons of management, dealers are hoping that the appointment of a new president and vice president of sales and marketing this summer will provide the company with more presence than it's had in recent years.

While New Holland is half of the ag equipment equation that makes up CNH Global's farm machinery division (at least in name), analysts and others seldom mention that fact when discussing financial results or other happenings with the global parent. Clearly, Case IH overshadows its brother-brand when it comes to the who's who in the farm equipment business.

On August 19, CNH Global, parent company of New Holland appointed Barry Engle, formerly Ford Motor Co.'s president and CEO for Canada, as president and CEO of New Holland Agriculture.

Earlier in the month, on August 1, the firm named John J. Stevenson as New Holland's new vice president of sales and marketing. Stevenson's credentials include serving as president

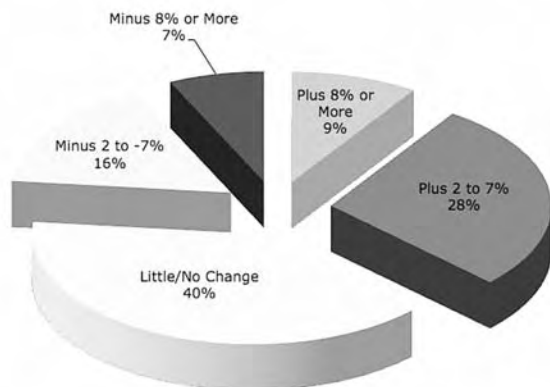
New Holland Dealers' Projected Unit Sales of Tractors and Combines – 2009

Tractor Type (size)	Sales +8%	Sales -2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Forecasting Loss
2WD (<40 hp)	4.5%	18.2%	54.5%	15.9%	6.8%	22.7%	22.7%
2WD (40-100 hp)	4.5%	29.5%	47.7%	13.6%	4.5%	34.0%	18.1%
2WD (>100 hp)	7.0%	23.3%	55.8%	9.3%	4.7%	30.3%	14.0%
4WD Tractors (All)	5.0%	35.0%	45.0%	10.0%	5.0%	40.0%	15.0%
Combines	10.7%	17.9%	60.7%	7.1%	3.6%	28.6%	10.7%

New Holland Dealers' Unit Sales Projections for Other Equipment in 2009

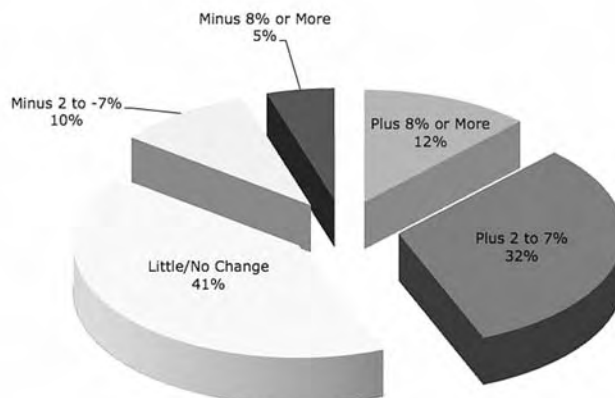
Equipment Category	Sales +8%	Sales -2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	0.0%	39.5%	52.6%	7.9%	0.0%
Round Balers	2.4%	42.9%	35.7%	14.3%	4.8%
Forage Harvesters	0.0%	25.7%	48.6%	14.3%	11.4%
Planters (All)	12.5%	34.4%	43.8%	3.1%	6.3%
Mower/Conditioners	4.5%	31.8%	56.8%	4.5%	2.3%
Windrower/Swathers	3.1%	28.1%	62.5%	3.1%	3.1%
Field Cultivators	6.1%	15.2%	69.7%	6.1%	3.0%
Farm Loaders	2.4%	31.0%	54.8%	9.5%	2.4%
Chisel Plows	3.0%	6.1%	72.7%	15.2%	3.0%
Disc Harrows	5.6%	19.4%	61.1%	8.3%	5.6%
Air Seeders/Drills	3.2%	12.9%	71.0%	9.7%	3.2%
Self-Propelled Sprayer	3.7%	14.8%	70.4%	7.4%	3.7%
Pull-Type Sprayers	3.0%	9.1%	72.7%	9.1%	6.1%
Lawn/Garden Equipment	2.4%	24.4%	36.6%	26.8%	9.8%
GPS	16.7%	33.3%	47.2%	0.0%	2.8%

New Holland Dealers' Projections for Sales Revenues in 2009 — New Equipment



Nearly 40% of New Holland dealers anticipate new equipment sales improving by 2% or more in the coming year.

New Holland Dealers' Projections for Sales Revenues in 2009 — Used Equipment



More than 40% of New Holland dealers expect sales of used equipment to increase by 2% or more in 2009.

and CEO of American LaFrance LLC, a U.S.-based manufacturer of fire, rescue and other emergency response vehicles. Prior to that, he served in senior management positions at Freightliner, Volvo Trucks North America and Mack Trucks.

That's a lot of high-powered management. Their ability to provide leadership and direction will be key for New Holland.

Based on the results of the 2009 AEI Business Trends Survey, New Holland dealers need a morale boost. Only 37.2% of its dealers expect to grow their new equipment revenues by 2% or more in the coming year. That puts them last along with Kubota dealers in terms of their outlook for 2009. Of that number, 9.3% are aiming for sales increase of 8% or more, which puts them nearly 7% ahead of Kubota dealers.

Last year at this time, 66% of New Holland dealers were looking for sales growth of 2% or more, with 14% expecting to increase sales levels by 8% or compared with the previous year.

As for sales of used equipment, nearly 44% of New Holland retailers anticipate improved sales vs. the previous year. That's down from 60% in 2008.

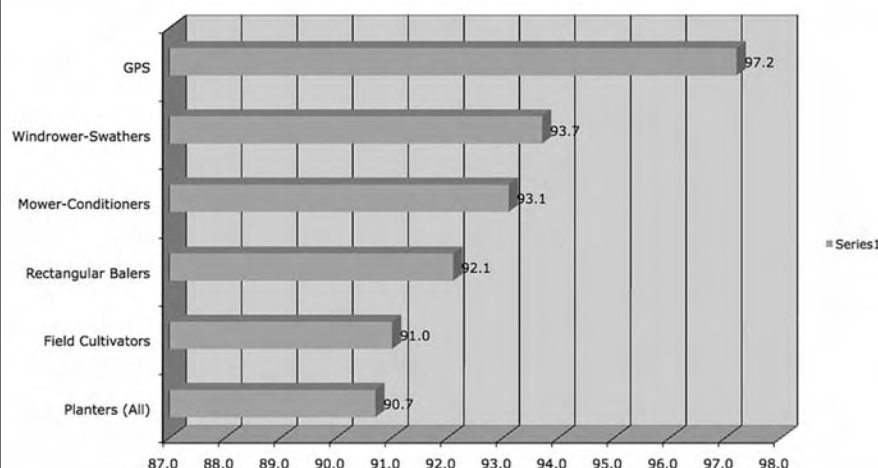
New Holland Dealers' Projections for Improved Revenue from New & Used Equipment Sales in 2009

	New Equipment	Used Equipment
+8%	9.3%	12.2%
+2-7%	27.9%	31.7%
Little or No Change	39.5%	41.5%
-2-7%	16.3%	9.8%
-8%	7.0%	4.9%

New Holland Dealer Spending Plans for 2009

No Increase	37.8%
0 to +5%	37.8%
+6% to 10%	17.8%
+10%	6.7%

Best Bets for Improving Unit Sales in 2009 New Holland Dealers



Three of New Holland dealers' best bets for increasing sales in the coming year center on haying equipment, while GPS, field cultivators and planters also expected to contribute.

New Holland Dealers' Hiring Plans 2009 vs. 2008

	2008			2007		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	20.0%	80.0%	0.0%	21.9%	74.0%	4.2%
Service Technicians	55.6%	44.6%	0.0%	58.6%	41.4%	0.0%
Wholesale Sales	25.0%	75.0%	0.0%	33.7%	65.3%	1.0%
Administration	11.4%	86.4%	2.3%	6.3%	91.7%	2.1%

Where New Holland Dealers Will Invest in 2009

Modernize Shop & Service	Modernize Retail	Bus. Info. Systems
53.3%	46.7%	39.5%

New Holland Dealers' Issues and Concerns – 2009

Issue	Most Concerned	Concerned	Not Concerned
Energy/Fuel Costs	71.1%	28.9%	0.0%
Steel Prices/Supplies	62.2%	35.6%	2.2%
Increasing Cost of New Equipment	60.0%	37.8%	2.2%
Health Care Affordability	46.7%	42.2%	11.1%
Shrinking Farm Customer Base	37.8%	55.6%	6.7%
New Equipment Availability	35.6%	55.6%	8.9%
Technician Availability	35.6%	51.1%	13.3%
Commodity Prices	34.9%	58.1%	7.0%
Interest Rates	28.9%	55.6%	15.6%
Mfr. Purity Efforts	28.9%	51.1%	20.0%
Product Reliability	26.7%	62.2%	11.1%
Used Equipment Availability	13.3%	51.1%	35.6%
Industry Consolidation	11.4%	72.7%	15.9%
Succession Policies	11.1%	53.3%	35.6%
Impact of Competing Box Stores	8.9%	46.7%	44.4%
Internet Sales	6.7%	60.0%	33.3%

Independents Lower Outlook, But Still See Good Year

Last year, 56% of the independent dealers projected that their revenues from new equipment would increase by more than 2% in 2008, with 15% anticipating growth of 8% or more.

For the 2009 selling season, this group has toned down their expectations with 50.9% forecasting revenue growth of 2% or more, as 16.4% see new equipment sales growing by more than 8%. Nearly 21% expect their revenues to fall from 2008 levels and 9% anticipate their sale levels to drop more than 8%.

The independent dealer's outlook for moving used equipment reflects this same trend. Nearly 48% see little or no change in used equipment revenues for 2009 vs. 53% in 2008.

The biggest change came in those expecting growth of 8% or more in sales of previously owned equipment, where 18.8% of this group looks for a really good year. Overall, only 10.9% expect used equipment sales in '09 to dip below 2008 levels.

The Independent dealers see their best prospects for increasing unit sales in the year ahead coming from field cultivators, GPS equipment, rectangular balers, windrowers-swathers, pull-type sprayers and combines.

This is a fairly significant shift from

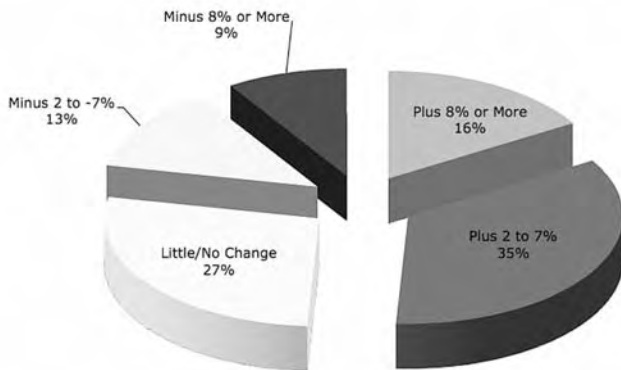
Independent Dealers' Projected Unit Sales of Tractors and Combines – 2009

Tractor Type (size)	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Loss
2WD (<40 hp)	9.5%	14.3%	61.9%	4.8%	9.5%	23.8%	14.3%
2WD (40-100hp)	10.0%	15.0%	65.0%	0.0%	10.0%	25.0%	10.0%
2WD (>100HP)	2.7%	10.8%	75.7%	0.0%	10.8%	13.5%	10.8%
4WD (All)	10.0%	35.0%	42.5%	5.0%	7.5%	45.0%	12.5%
S.P. Combines	4.2%	4.2%	83.3%	4.2%	4.2%	8.4%	8.4%

Independent Dealers' Unit Sales Projections for Other Equipment in 2009

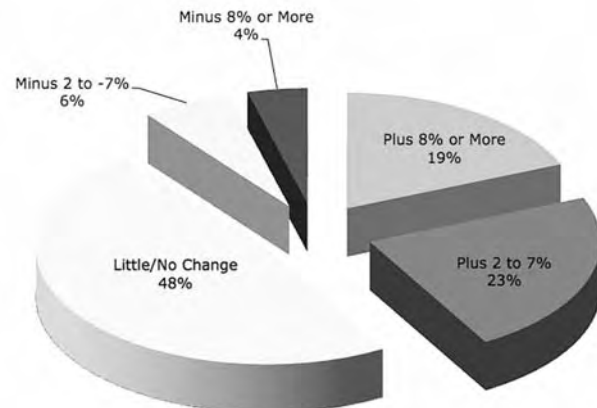
Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rect. Balers	3.8%	19.2%	73.1%	3.8%	0.0%
Round Balers	3.1%	9.4%	65.6%	18.8%	3.1%
Forage Harvesters	0.0%	7.4%	74.1%	14.8%	3.7%
Planters (All)	3.4%	6.9%	79.3%	6.9%	3.4%
Mower Conditioners	0.0%	14.3%	71.4%	8.6%	5.7%
Windrower-Swathers	3.2%	9.7%	80.6%	6.5%	0.0%
Field Cultivators	0.0%	6.5%	90.3%	0.0%	3.2%
Farm Loaders	2.4%	9.8%	73.2%	4.9%	9.8%
Chisel Plows	0.0%	0.0%	90.6%	6.3%	3.1%
Disk Harrows	2.9%	5.9%	76.5%	11.8%	2.9%
Air Seeders/Drills	3.6%	7.1%	78.6%	10.7%	0.0%
SP Sprayer	3.3%	6.7%	80.0%	10.0%	0.0%
Pull-type Sprayers	0.0%	6.7%	86.7%	3.3%	3.3%
Lawn/Garden	9.8%	24.4%	56.1%	2.4%	7.3%
GPS	13.8%	10.3%	72.4%	0.0%	3.4%

Independent Dealers' Projections for Sales Revenues in 2009 — New Equipment



More than half of the independent dealers see their 2009 sales of new equipment improving by 2% or more.

Independent Dealers' Projections for Sales Revenues in 2009 — Used Equipment



Slightly over 40% of independent dealers expect sales of used equipment to grow more than 2% in 2009.

what they saw as their best prospects a year ago for increasing unit sales. In addition to GPS, pull-type sprayers and rectangular balers, in 2008, the independent dealers also listed self-propelled sprayers, planters and forage harvesters among their best bets for growing sales. Surprisingly, the independent dealers also see combines as presenting a significant opportunity for growth in 2009. They're the only dealer group to put combines on their best-bets list.

As a group, the independents report that 52.2% of their new equipment revenues come from the production farming segment of the industry, with 23.9% coming from hobby farmers and large property owners. The next largest source of sales comes from landscape contractors at 9.4%

Not having one of the major equipment manufacturers as their primary supplier apparently lessens the pressure for the independent dealers to pre-sell their machinery far in advance of the scheduled delivery.

In this year's survey, they report that only 15.5% of wholegoods revenue will result through early order programs that require machinery to be ordered 12 months or more prior to delivery.

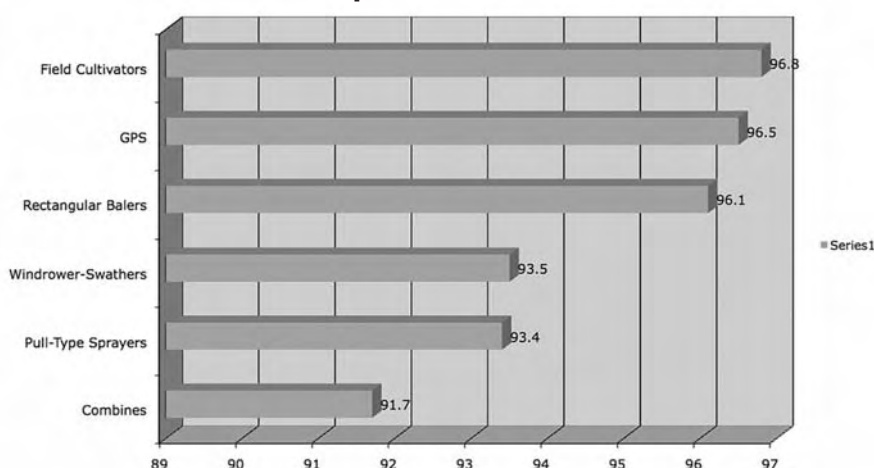
Independent Dealers' Projections for Improved Revenue from New & Used Equipment Sales in 2009

	New Equipment	Used Equipment
+8%	16.4%	18.8%
+2-7%	34.5%	22.9%
Little or No Change	27.3%	47.9%
-2-7%	12.7%	6.3%
-8%	9.1%	4.2%

Independent Dealer Spending Plans for 2009

No Increase	47.4%
0 to +5%	31.6%
6 to 10%	7.0%
10 plus	14.0%

Best Bets for Improving Unit Sales in 2009 Independent Dealers



An assortment of equipment is expected to give independent dealers an opportunity to grow sales in '09, including cultivators, GPS, rectangular balers and windrowers-swathers.

Independent Dealers' Hiring Plans 2009 vs. 2008

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department	23.6%	72.7%	3.6%	19.8%	79.2%	1.0%
Service Technicians	47.4%	52.6%	0.0%	37.5%	62.5%	0.0%
Wholegood Sales	11.3%	88.7%	0.0%	10.1%	86.9%	3.0%
Administration	9.1%	90.9%	0.0%	4.0%	92.0%	4.0%

Where Independent Dealers Will Invest in 2009

Modernize Shop & Service	Modernize Retail	Bus. Info. Systems
44.6%	35.2%	42.6%

Independent Dealers' Issues and Concerns – 2009

Issue	Most Concerned	Concerned	Not Concerned
Energy/Fuel Costs	78.2%	18.2%	3.6%
Steel Prices/Supplies	59.6%	38.6%	1.8%
Increasing Cost of New Equipment	56.4%	43.6%	0.0%
Technician Availability	32.7%	52.7%	14.5%
Shrinking Farm Customer Base	30.9%	50.9%	18.2%
Commodity Prices	30.4%	62.5%	7.1%
Health Care Affordability	30.4%	62.5%	7.1%
Interest Rates	29.1%	60.0%	10.9%
New Equipment Availability	25.5%	50.9%	23.6%
Dealer Purity Efforts	20.4%	42.6%	37.0%
Impact of Competing Box Stores	14.8%	44.4%	40.7%
Product Reliability	12.7%	61.8%	25.5%
Internet Sales	12.7%	41.8%	45.5%
Industry Consolidation	11.3%	64.2%	24.5%
Used Equipment Availability	9.3%	57.4%	33.3%
Succession Policies	7.4%	55.6%	37.0%

PART V — EMPLOYMENT SIZE BREAKDOWN

Mid-Size Dealers Most Aggressive in 2009 Outlook

Dealerships that employ between 41-60 employees hold the highest expectations for revenues increases in 2009. They also anticipate increasing their revenues the most, plan to do the most hiring and are the only ones that see the sale of tractors growing in the next year.

As in the past, the 2009 *AEI* Business Trends Survey also measures

the sentiments of North American dealers by the number of people they employ. The categories of employment size include those that have between 1-20, 21-40, 41-60 and 60-plus employees.

Of the group that have between 41-60 people, 78.6% believe new equipment revenues will improve by more than 2% in 2009, with 35.7% expecting

sales to rise by 8% or more. This compares with those dealers that employ 60 or more employees, where 63% anticipate sales to grow next year by 2% or more.

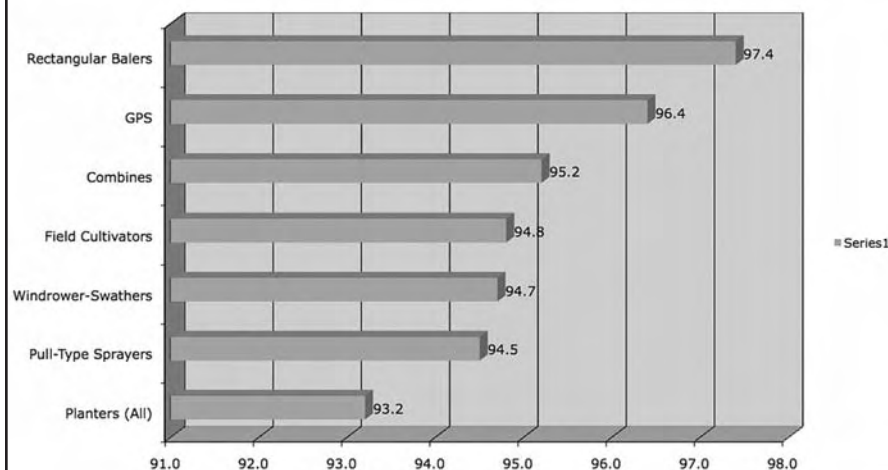
The smallest dealerships in terms of employment size, those that have between 1-10 people, came in third in terms of confidence levels for the coming year with better than half (52.4%) believing that revenues will grow by 2% or more. The group of dealers that employ between 21-40 people demonstrate the lowest expectations for 2009, as less than half (45.1%) anticipate sales growth of 2% or more during the next selling season.

The same holds true when it comes to used machinery sales. More than 78% of dealers with between 41-60 employees see revenues increasing by 2% or more, as 42.9% forecast used machinery sales will exceed 8%.

Nearly 74% of the biggest dealers (61+ people) anticipate that revenues from previously owned equipment will increase by 2% or more in 2009. More than 42% expect sale of used machinery will grow by 8% or more.

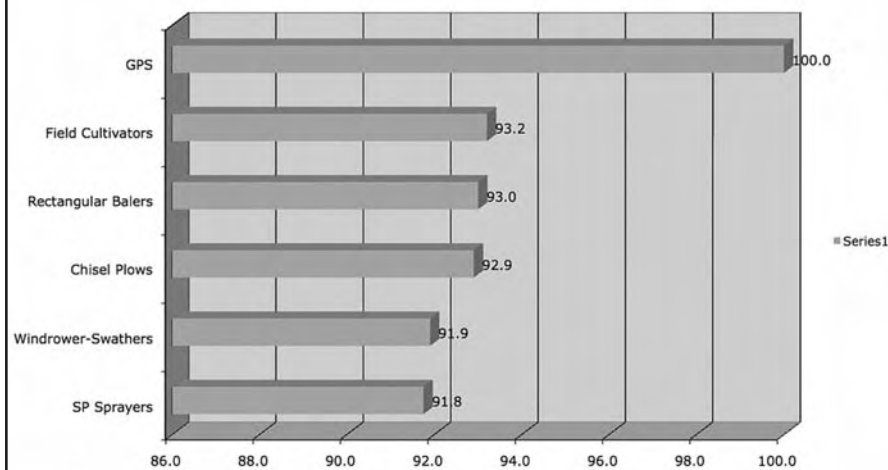
Dealers with between 21-40 employees edged out the smallest deal-

**Best Bets for Improving Sales in 2009
Dealers with 1-20 Employees**



Dealers employing 1-20 employees see rectangular balers, GPS and combines as having the most potential to improve sales in '09.

**Best Bets for Improving Sales in 2009
Dealers with 21-40 Employees**



GPS equipment, field cultivators, rectangular balers and chisel plows were rated as the best bets to increase sales by dealers employing 21-40 people.

Sales Revenue Increase (Loss) by Employment Size — 2009 (weighted avg.)

Employee Size	
1-20	1.79%
21-40	0.91%
41-60	4.47%
61+	3.26%

EMPLOYMENT SIZE BREAKDOWN

Employee Size	Total Responses	Avg. Employees
1-20	61.1%	10.83
21-40	17.3%	27.42
41-60	5.3%	51.19
61+	16.3%	183.43

Revenue Projections for New Equipment by Employee Size — 2009

Employee Size	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Forecasting Decline
National Average	17.2%	36.5%	28.1%	12.3%	6.0%	53.7%	18.3%
1-20 Employees	14.0%	38.4%	29.7%	11.0%	7.0%	52.4%	18.0%
21-40 Employees	13.7%	31.4%	25.5%	21.6%	7.8%	45.1%	29.4%
41-60 Employees	35.7%	42.9%	14.3%	7.1%	0.0%	78.6%	7.1%
61+ Employees	28.3%	34.8%	26.1%	8.7%	2.2%	63.1%	10.9%

ers (1-10 people) when it comes to expectations for the next year as 46.7% see the revenues of used equipment growing by 2% or more, while the 44.7% of the smaller retailers project sales growth in the coming year.

As a group, dealers that employ between 41-60 people project their

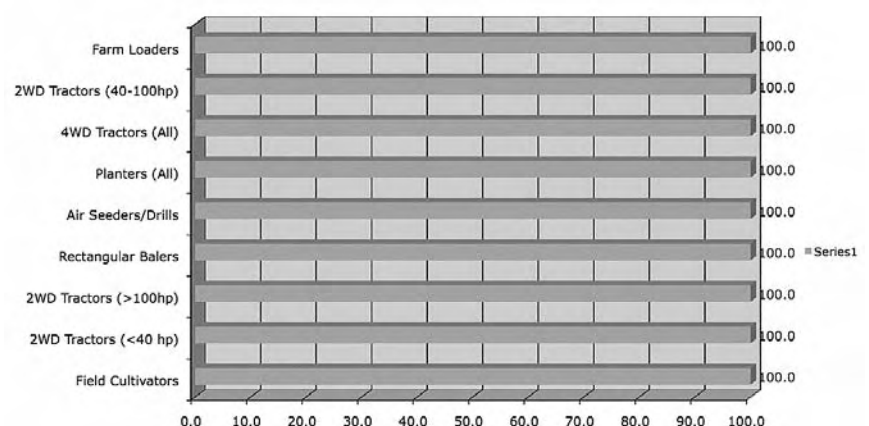
“Mid-size and larger dealers most hopeful for ‘09...”

sales revenues will grow by nearly 4.5% in '09. Those with 61 or more employees see revenues increasing by 3.26% and the smaller dealers with 1-20 employees forecast revenue growth of 1.79%. Dealers with 21-40 employees are anticipating the least growth during the coming year, projecting that revenues will increase by less than 1% (0.91%).

When it comes to adding staff in 2009, dealers that employ between 41-60 people will be the most aggressive as well. Eighty percent say they're planning to add service technicians, 60% plan to increase their sales support, 46.7% will add both parts and administrative personnel.

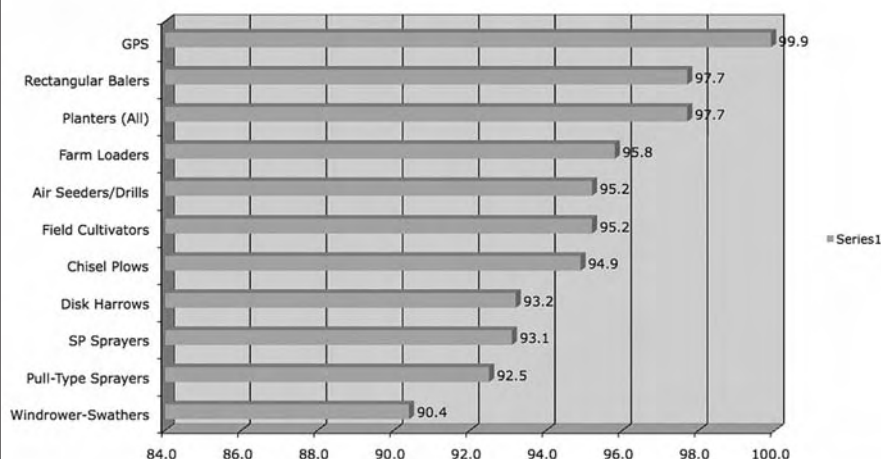
Unlike the other dealer breakouts, this is the only group that placed tractors in its best bets list for growing sales in '09. In addition to farm loaders, planters, air seeders/drills, rectangular balers and field cultivators, the dealers with 41-60 employees also ranked all categories of tractors as best bets for growing sales during the next 12 months. At the same time, they're the only group that did not show GPS equipment among their top choices.

Best Bets for Improving Sales in 2009 Dealers with 41-60 Employees



Dealers with 41-60 employees see strong potential with 9 different equipment groups for sales growth in 2009.

Best Bets for Improving Sales in 2009 Dealers with 61+ Employees



The largest dealers, those with 61 or more employees see strong growth potential with several product groups, most notably GPS, rectangular balers and planters.

Unit Sales Projections for Tractors & Combines by Employee Size — 2009

	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Forecasting Decline
Tractors							
2WD (<40 hp)							
National Average	7.1%	23.7%	54.5%	9.4%	5.3%	30.8%	14.7%
1-20 Employees	6.5%	21.9%	56.8%	9.0%	5.8%	28.4%	14.8%
21-40 Employees	10.4%	25.0%	47.9%	10.4%	6.3%	35.4%	16.7%
41-60 Employees	15.4%	15.4%	69.2%	0.0%	0.0%	30.8%	0.0%
61+ Employees	4.2%	29.2%	50.0%	12.5%	4.2%	33.4%	16.7%
2WD (40-100 hp)							
National Average	6.9%	30.9%	52.7%	6.1%	3.4%	37.8%	9.5%
1-20 Employees	6.5%	28.1%	56.2%	4.6%	4.6%	34.6%	9.2%
21-40 Employees	6.5%	30.4%	50.0%	10.9%	2.2%	36.9%	13.1%
41-60 Employees	7.7%	46.2%	46.2%	0.0%	0.0%	53.9%	0.0%
61+ Employees	8.3%	35.4%	45.8%	8.3%	2.1%	43.7%	10.4%
2WD (>100 hp)							
National Average	7.9%	28.5%	51.4%	8.3%	4.0%	36.4%	12.3%
1-20 Employees	6.5%	28.1%	56.2%	4.6%	4.6%	34.6%	9.2%
21-40 Employees	8.3%	22.9%	45.8%	16.7%	6.3%	31.2%	23.0%
41-60 Employees	23.0%	30.8%	46.2%	0.0%	0.0%	53.8%	0.0%
61+ Employees	8.3%	52.1%	29.2%	10.4%	0%	60.4%	10.4%
4WD (All)							
National Average	12.0%	35.3%	39.8%	9.2%	3.6%	47.3%	12.8%
1-20 Employees	11.9%	37.1%	39.2%	7.7%	4.2%	49.0%	11.9%
21-40 Employees	11.6%	23.3%	46.5%	14.0%	4.7%	34.9%	18.7%
41-60 Employees	14.3%	42.9%	42.9%	0.0%	0.0%	57.2%	0.0%
61+ Employees	13.0%	39.1%	32.6%	13.0%	2.2%	52.1%	15.2%
Combines							
National Average	10.0%	28.4%	51.7%	7.0%	3.0%	38.4%	10.0%
1-20 Employees	7.6%	21.9%	65.7%	1.0%	3.8%	29.5%	4.8%
21-40 Employees	16.2%	24.3%	40.5%	16.2%	2.7%	40.5%	18.9%
41-60 Employees	21.4%	28.6%	42.9%	7.1%	0.0%	50.0%	7.1%
61+ Employees	4.7%	48.8%	30.2%	14.0%	2.3%	53.5%	16.3%

Dealer Spending Plans for 2009 by Employee Size

	No Increase	0-5%	6-10%	10%
1-20 Employees	46.9%	33.9%	11.9%	7.3%
21-40 Employees	39.2%	37.3%	9.8%	13.7%
41-60 Employees	26.7%	46.7%	13.3%	13.3%
61+ Employees	29.2%	39.6%	22.9%	8.3%

Where Dealers Will Invest in 2009 by Employee Size

No. Employees	Facility Improvements	Service Vehicles	Business Info. Systems
1-20 Employees	43.7%	35.5%	41.4%
21-40 Employees	55.8%	39.2%	46.2%
41-60 Employees	60.0%	53.3%	66.7%
61+ Employees	75.6%	66.0%	51.2%

**1-20 Employees Unit Sales Projections
for Other Equipment in 2009**

Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	3.5%	32.2%	61.7%	2.6%	0.0%
Round Balers	5.9%	25.9%	55.6%	9.6%	3.0%
Forage Harvesters	0.9%	12.0%	75.0%	7.4%	4.6%
Planters (All)	12.7%	28.0%	52.5%	2.5%	4.2%
Mowers/Conditioners	3.0%	30.4%	58.5%	5.2%	3.0%
Windrower/Swathers	2.7%	17.7%	74.3%	2.7%	2.7%
Field Cultivators	5.1%	17.1%	72.6%	2.6%	2.6%
Farm Loaders	5.4%	31.3%	55.8%	3.4%	4.1%
Chisel Plows	1.7%	10.4%	80.0%	3.5%	4.3%
Disc Harrows	66.6%	19.7%	63.1%	5.7%	4.9%
Air Seeders/Drills	3.8%	14.4%	73.1%	5.8%	2.9%
Self-Propelled Sprayers	2.0%	5.1%	84.7%	6.1%	2.0%
Pull-Type Sprayers	3.6%	10.9%	80.0%	2.7%	2.7%
Lawn/Garden Equipment	9.2%	28.3%	44.1%	13.2%	5.3%
GPS	15.9%	21.2%	59.3%	0.9%	2.7%

**21-40 Employees Unit Sales Projections
for Other Equipment in 2009**

Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	0.0%	16.3%	76.7%	7.0%	0.0%
Round Balers	2.3%	25.0%	50.0%	15.9%	6.8%
Forage Harvesters	0.0%	10.3%	74.4%	10.3%	5.1%
Planters (All)	10.3%	38.5%	41.0%	10.3%	0.0%
Mower Conditioners	4.3%	28.5%	63.8%	4.3%	2.1%
Windrowers/Swathers	8.1%	10.8%	73.0%	5.4%	2.7%
Field Cultivators	6.8%	20.5%	65.9%	4.5%	2.3%
Farm Loaders	2.1%	38.3%	46.8%	8.5%	4.3%
Chisel Plows	0.0%	16.7%	76.2%	7.1%	0.0%
Disc Harrows	64.4%	21.3%	63.8%	8.5%	0.0%
Air Seeders/Drills	4.8%	23.8%	61.9%	7.1%	2.4%
Self-Propelled Sprayers	2.8%	11.1%	77.9%	8.3%	0.0%
Pull-Type Sprayers	0.0%	11.6%	79.1%	9.3%	0.0%
Lawn/Garden Equipment	12.5%	29.2%	35.4%	16.0%	6.3%
GPS	29.5%	50.0%	20.5%	0.0%	0.0%

**41-60 Employees Unit Sales Projections
for Other Equipment in 2009**

Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	0.0%	0.0%	100.0%	0.0%	0.0%
Round Balers	14.3%	57.1%	21.4%	0.0%	7.1%
Forage Harvesters	10.0%	30.0%	50.0%	10.0%	0.0%
Planters (All)	30.8%	30.8%	38.5%	0.0%	0.0%
Mowers/Conditioners	0.0%	41.7%	50.0%	0.0%	8.3%
Windrowers/Swathers	16.7%	16.7%	58.3%	8.3%	0.0%
Field Cultivators	16.7%	8.3%	75.5%	0.0%	0.0%
Farm Loaders	23.1%	38.5%	38.5%	0.0%	0.0%
Chisel Plows	7.7%	7.7%	69.2%	7.7%	7.7%
Disc Harrows	15.4%	30.8%	46.2%	7.7%	0.0%
Air Seeders/Drills	15.4%	23.1%	61.5%	0.0%	0.0%
Self-Propelled Sprayers	16.7%	16.7%	58.3%	0.0%	8.3%
Pull-Type Sprayers	0.0%	9.1%	81.8%	9.1%	0.0%
Lawn/Garden Equipment	23.1%	30.8%	38.5%	7.7%	0.0%
GPS-Auto Steer	69.2%	23.1%	7.0%	0.0%	0.0%

**61+ Employees Unit Sales Projections
for Other Equipment in 2009**

Equipment Category	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%
Rectangular Balers	11.6%	16.3%	69.8%	2.3%	0.0%
Round Balers	8.9%	37.8%	40.0%	11.1%	2.2%
Forage Harvesters	0.0%	17.1%	65.7%	14.6%	2.4%
Planters (All)	23.3%	37.2%	37.2%	2.3%	0.0%
Mower/Conditioners	8.9%	26.7%	53.3%	11.1%	0.0%
Windrower/Swathers	7.1%	23.8%	59.5%	9.5%	0.0%
Field Cultivators	2.4%	21.4%	71.4%	4.8%	0.0%
Farm Loaders	6.4%	36.2%	53.2%	4.3%	0.0%
Chisel Plows	2.6%	17.9%	74.4%	5.1%	0.0%
Disc Harrows	0.0%	36.4%	56.8%	6.8%	0.0%
Air Seeders/Drills	11.9%	38.1%	45.2%	4.8%	0.0%
Self-Propelled Sprayers	14.0%	37.2%	41.9%	7.0%	0.0%
Pull-Type Sprayers	2.5%	17.5%	72.5%	5.0%	2.5%
Lawn/Garden Equipment	7.3%	31.7%	39.0%	22.0%	0.0%
GPS	48.9%	40.4%	10.6%	0.0%	0.0%

Revenue Projections for Used Equipment by Employee Size — 2009

Employee Size	Sales +8%	Sales +2-7%	Little or No Change	Sales -2-7%	Sales -8%	Forecasting Growth	Decline
National Average	16.5%	34.8%	36.7%	7.9%	4.1%	51.3%	12.0%
1-20 Employees	11.4%	32.9%	43.0%	7.6%	5.1%	44.3%	12.7%
21-40 Employees	17.0%	29.8%	36.2%	12.8%	4.3%	46.8%	17.1%
41-60 Employees	42.9%	35.7%	14.3%	0.0%	7.1%	78.6%	7.1%
61+ Employees	26.1%	47.8%	19.6%	6.5%	0.0%	73.9%	6.5%

Dealers' Hiring Plans 2009 vs. 2008 by Employee Size

	2009			2008		
	Add Staff	No Change	Reduce/Relocate Staff	Add Staff	No Change	Reduce/Relocate Staff
Parts Department						
1-20 Employees	24.4%	72.7%	2.8%	24.2%	74.5%	1.2%
21-40 Employees	20.0%	78.0%	2.0%	27.2%	66.7%	6.2%
41-60 Employees	46.7%	53.3%	0.0%	36.7%	56.7%	6.7%
61+ Employees	31.9%	63.8%	4.3%	48.5%	51.5%	0.0%
Service Department						
1-20 Employees	51.4%	47.5%	1.1%	49.1%	50.6%	0.3%
21-40 Employees	65.4%	32.7%	1.9%	67.1%	32.9%	0.0%
41-60 Employees	80.0%	20.0%	0.0%	79.7%	23.3%	0.0%
61+ Employees	77.1%	20.8%	2.1%	87.9%	9.1%	3.0%
Sales Department						
1-20 Employees	19.4%	80.0%	0.6%	23.5%	75.2%	1.3%
21-40 Employees	31.4%	66.1%	2.0%	38.6%	61.4%	0.0%
41-60 Employees	60.0%	40.0%	0.0%	37.9%	55.2%	6.9%
61+ Employees	42.6%	57.4%	0.0%	51.5%	42.4%	6.1%
Administration						
1-20 Employees	4.1%	94.7%	1.2%	5.4%	92.4%	2.2%
21-40 Employees	17.3%	80.8%	1.9%	5.0%	90.0%	5.0%
41-60 Employees	46.7%	46.7%	6.7%	3.6%	85.7%	10.7%
61+ Employees	25.0%	68.8%	6.3%	12.5%	75.0%	12.5%

PART VI — MARKET SEGMENTS SERVED BY FARM EQUIPMENT DEALERS

It's clear that more and more dealers are generating revenue beyond their traditional, professional farm customer base. So, last year, *Ag Equipment Intelligence* began breaking down farm equipment trends by market segment. This has been continued in the 2009 Business & Outlook Trends report.

During the last decade or more, dealers have reached out to — or have been reached by — newly emerging customers that utilize many of the same or similar equipment lines they have traditionally carried. In some cases, dealers have begun carrying new product lines like lawn and garden equipment and all-terrain and utility vehicles to expand their base of customers. In many cases, rural lifestyle, hobby farmers and outdoor enthusiasts regularly visit ag equipment dealers to purchase the equipment they seek as well as the service that big box stores and other mass marketers do not offer.

This search for new customers has also opened new doors to new market segments like construction contractors, municipalities and utility companies.

This added section of the 2009 Business & Outlook Trends report breaks out the responses of more than 300 dealers across North America regarding these new market opportunities. It provides market trends by region, state and province for both the U.S. and Canada. It also segments what portion of dealer revenues come from these developing markets. Breakdowns are provided by mainline supplier and employment size.

Overall, the professional farm remains the lifeblood of farm equipment dealerships in both the U.S. and Canada.

U.S. Market Segment Analysis

Nearly 56% of the revenues generated by U.S. dealers come from traditional professional farmers, while hobby farmers and rural lifestyle

account for 21% of wholegood sales dollars.

Regionally, dealers in the Northern Plains report that production farming easily accounts for the largest share of their wholegood sales — about 80%. Other regions where the professional farmer still dominates include the Corn Belt (62.5%), the Lake States (60.9%), Mountain region (58%), the Delta States (54.4%) and in the Pacific (53.1%).

Equipment sellers in the Southeast Region say that rural lifestyle and hobby farmers account for more than

U.S. Market Segmentation

Production Farmers	56.90%
Hobby Farmers	19.70%
Turf/Lawn/Landscape	
Contractors	8.50%
Municipalities/Park Depts	5.40%
Construction Contractors	5.40%
Utility Contractors	1.90%

one-third, or 37% of their wholegoods revenues. Other regions where this

(Continued on page 46)

U.S. Regional Market Segmentation

Northeast

Production Farmers	31.10%
Hobby Farmers	31.90%
Turf/Lawn/Landscape	
Contractors	16.30%
Municipalities/Park Depts	7.90%
Construction Contractors	7.60%
Utility Contractors	3.40%

Appalachia

Production Farmers	47.30%
Hobby Farmers	22.80%
Turf/Lawn/Landscape	
Contractors	12.50%
Municipalities/Park Depts	6.10%
Construction Contractors	6.70%
Utility Contractors	1.70%

Southeast

Production Farmers	35.70%
Hobby Farmers	34.00%
Turf/Lawn/Landscape	
Contractors	10.10%
Municipalities/Park Depts	9.40%
Construction Contractors	5.40%
Utility Contractors	3.10%

Delta States

Production Farmers	58.30%
Hobby Farmers	20.40%
Turf/Lawn/Landscape	
Contractors	7.00%
Municipalities/Park Depts	10.10%
Construction Contractors	2.80%
Utility Contractors	2.30%

Lake States

Production Farmers	64.50%
Hobby Farmers	14.40%
Turf/Lawn/Landscape	
Contractors	9.60%
Municipalities/Park Depts	3.90%
Construction Contractors	3.50%
Utility Contractors	0.90%

Southern Plains

Production Farmers	42.90%
Hobby Farmers	30.20%
Turf/Lawn/Landscape	
Contractors	7.00%
Municipalities/Park Depts	5.90%
Construction Contractors	7.20%
Utility Contractors	2.70%

Northern Plains

Production Farmers	83.70%
Hobby Farmers	5.50%
Turf/Lawn/Landscape	
Contractors	3.90%
Municipalities/Park Depts	2.60%
Construction Contractors	4.00%
Utility Contractors	0.30%

Corn Belt

Production Farmers	69.80%
Hobby Farmers	13.80%
Turf/Lawn/Landscape	
Contractors	6.40%
Municipalities/Park Depts	3.80%
Construction Contractors	2.80%
Utility Contractors	1.20%

Mountain

Production Farmers	56.20%
Hobby Farmers	24.60%
Turf/Lawn/Landscape	
Contractors	6.20%
Municipalities/Park Depts	2.40%
Construction Contractors	7.90%
Utility Contractors	2.80%

Pacific

Production Farmers	46.90%
Hobby Farmers	21.60%
Turf/Lawn/Landscape	
Contractors	4.60%
Municipalities/Park Depts	8.00%
Construction Contractors	11.30%
Utility Contractors	3.50%

Breakout by Market Segment & Region — U.S.

Production Farmers			Turf/Lawn/Landscape Contractors			Construction Contractors		
Northern Plains	83.70%	1	Northeast	16.30%	1	Pacific	11.30%	1
Corn Belt	69.80%	2	Appalachia	12.50%	2	Mountain	7.90%	2
Lake	64.50%	3	Southeast	10.10%	3	Northeast	7.60%	3
Delta	58.30%	4	Lake	9.60%	4	Southern Plains	7.20%	4
Mountain	56.20%	5	Delta	7.00%	5	Appalachia	6.70%	5
Appalachia	47.30%	6	Southern Plains	7.00%	5	Southeast	5.40%	6
Pacific	46.90%	7	Corn Belt	6.40%	6	Northern Plains	4.00%	7
Southern Plains	42.90%	8	Mountain	6.20%	7	Lake	3.50%	8
Southeast	45.70%	9	Pacific	4.60%	8	Corn Belt	2.80%	9
Northeast	21.10%	10	Northern Plains	3.90%	9	Delta States	2.80%	9
Hobby Farmers			Utility Contractors			Municipalities/Park Depts		
Southeast	34.00%	1	Pacific	3.50%	1	Delta	10.10%	1
Northeast	31.90%	2	Northeast	3.40%	2	Southeast	9.40%	2
Southern Plains	30.20%	3	Southeast	3.10%	3	Pacific	8.00%	3
Mountain	24.60%	4	Mountain	2.80%	4	Northeast	7.90%	4
Appalachia	22.80%	5	Southern Plains	2.70%	5	Appalachia	6.10%	5
Pacific	21.60%	6	Delta	2.30%	6	Southern Plains	5.90%	6
Delta	20.40%	7	Appalachia	1.70%	7	Lake	3.90%	7
Lake	14.40%	8	Corn Belt	1.20%	8	Corn Belt	3.80%	8
Corn Belt	13.80%	9	Lake	0.90%	9	Mountain	3.40%	9
Northern Plains	5.50%	10	Northern Plains	0.30%	10	Northern Plains	2.60%	10

State-by-State Ranking by Market Segment

US Rank			US Rank			US Rank		
State			State			State		
Production Farmers			Utah (UT)	22.50%	32	Oregon (OR)	21.30%	14
Nevada (NV)	95.00%	1	Massachusetts (MA)	20.00%	33	Ohio (OH)	20.60%	15
Idaho (ID)	95.00%	1	Hawaii (HI)	20.00%	33	Maryland (MD)	20.00%	16
North Dakota (ND)	91.60%	2	Maryland (MD)	17.50%	34	Connecticut (CT)	20.00%	16
South Dakota (SD)	90.50%	3	Maine (ME)	15.00%	35	California (CA)	18.60%	17
West Virginia (WV)	90.00%	4	New Hampshire (NH)	10.00%	36	Virginia (VA)	17.30%	18
Nebraska (NE)	83.20%	5	Louisiana (LA)	8.30%	37	Missouri (MO)	17.30%	18
Mississippi (MS)	80.00%	6	Connecticut (CT)	0.00%	38	Montana (MT)	15.00%	19
Illinois (IL)	78.80%	7	Alaska (AK)	0.00%	38	South Carolina (SC)	15.00%	19
Colorado (CO)	78.80%	7	Wyoming (WY)	n/a		Mississippi (MS)	15.00%	19
Minnesota (MN)	76.60%	8	Vermont (VT)	n/a		Arkansas (AK)	15.00%	19
Kansas (KS)	76.30%	9	Rhode Island (RI)	n/a		Indiana (IN)	14.20%	20
Iowa (IA)	75.40%	10	New Mexico (NM)	n/a		Colorado (CO)	12.50%	21
South Carolina (SC)	75.00%	11	New Jersey (NJ)	n/a		New York (NY)	18.90%	22
Arkansas (AR)	74.40%	12	Delaware (DE)	n/a		Colorado (CO)	18.40%	23
Missouri (MO)	73.10%	13				Minnesota (MN)	11.70%	24
Indiana (IN)	67.00%	14	Hobby Farmers			Illinois (IL)	11.10%	25
Wisconsin (WI)	64.80%	15	Utah (UT)	75.00%	1	Hawaii (HI)	10.00%	26
California (CA)	58.80%	16	New Hampshire (NH)	60.00%	2	Wisconsin (WI)	9.60%	27
Ohio (OH)	55.30%	17	Maine (ME)	60.00%	2	Kansas (KS)	9.30%	28
Oregon (OR)	52.50%	18	Massachusetts (MA)	58.30%	3	West Virginia (WV)	8.00%	29
North Carolina (NC)	51.20%	19	Alabama (AL)	44.20%	4	Iowa (IA)	7.60%	30
Montana (MT)	50.00%	20	Michigan (MI)	36.70%	5	Nebraska (NB)	5.20%	31
New York (NY)	48.00%	21	Louisiana (LA)	36.70%	5	Nevada (NV)	5.00%	32
Tennessee (TN)	46.70%	22	Washington (WA)	35.00%	5	South Dakota (SD)	2.70%	33
Virginia (VA)	41.90%	23	Georgia (GA)	35.00%	5	North Dakota (ND)	2.10%	34
Kentucky (KY)	41.40%	24	Oklahoma (OK)	32.50%	6	Idaho (ID)	1.00%	35
Texas (TX)	41.10%	25	Texas (TX)	29.50%	7	Alaska (AK)	0.00%	36
Oklahoma (OK)	38.80%	26	Arizona (AZ)	27.30%	8			
Michigan (MI)	35.30%	27	North Carolina (NC)	27.20%	9	Wyoming (WY)	n/a	
Pennsylvania (PA)	35.10%	28	Tennessee (TN)	26.70%	10	Vermont (VT)	n/a	
Alabama (AL)	34.00%	29	Pennsylvania (PA)	26.70%	10	Rhode Island (RI)	n/a	
Washington (WA)	31.00%	30	Florida (FL)	25.00%	11	New Mexico (NM)	n/a	
Georgia (GA)	31.00%	30	New York (NY)	22.00%	12	New Jersey (NJ)	n/a	
Arizona (AZ)	26.70%	31	Kentucky (KY)	21.80%	13	Delaware (DE)	n/a	

State-by-State Ranking by Market Segment (*continued*)

State	US Rank	State	US Rank	State	US Rank
Turf/Lawn/Landscape Contractors					
Florida (FL)	22.50% 1	Kentucky (KY)	9.60% 6	Hawaii (HI)	5.00% 14
Connecticut (CT)	20.00% 2	Virginia (VA)	8.80% 7	Kansas (KS)	5.00% 14
Pennsylvania (PA)	19.50% 3	California (CA)	8.10% 8	Maine (ME)	5.00% 14
Virginia (VA)	18.90% 4	Pennsylvania (PA)	7.90% 9	New York (NY)	4.60% 15
Michigan (MI)	17.70% 5	Michigan (MI)	7.80% 10	North Dakota (ND)	4.10% 16
Kentucky (KY)	15.20% 6	Indiana (IN)	7.40% 11	Alabama (AL)	4.00% 17
New York (NY)	14.00% 7	Washington (WA)	7.00% 12	Oregon (OR)	3.80% 18
Louisiana (LA)	13.30% 8	Ohio (OH)	5.10% 13	Nebraska (NE)	3.60% 19
Maine (ME)	12.50% 9	Maine (ME)	5.00% 14	Virginia (VA)	3.50% 20
Maryland (MD)	12.50% 9	Mississippi (MS)	5.00% 14	Louisiana (LA)	3.30% 21
Arizona (AZ)	12.30% 10	New Hampshire (NH)	5.00% 14	Idaho (ID)	3.00% 22
Massachusetts (MA)	11.70% 11	South Carolina (SC)	5.00% 14	Arkansas (AR)	2.90% 23
Montana (MT)	11.50% 12	North Carolina (NC)	4.80% 15	South Dakota (SD)	2.80% 23
Tennessee (TN)	10.80% 13	Texas (TX)	4.80% 15	Maryland (MD)	2.50% 24
Alabama (AL)	10.20% 14	Alabama (AL)	4.40% 16	Ohio (OH)	2.40% 25
Alaska (AK)	10.00% 15	Wisconsin (WI)	4.00% 17	Minnesota (MN)	2.20% 26
Wisconsin (WI)	9.60% 16	Kansas (KS)	3.90% 18	Indiana (IN)	2.00% 27
Ohio (OH)	9.50% 17	Iowa (IA)	3.80% 19	Missouri (MO)	1.50% 28
Indiana (IN)	8.20% 18	Arizona (AZ)	3.70% 20	Utah (UT)	1.50% 28
North Carolina (NC)	7.70% 19	Arkansas (AR)	3.30% 21	Illinois (IL)	1.30% 29
Oregon (OR)	7.30% 20	Colorado (CO)	3.30% 21	Michigan (MI)	0.80% 30
Texas (TX)	7.20% 21	Massachusetts (MA)	3.30% 21	Colorado (CO)	0.00% 31
Georgia (GA)	7.00% 22	Missouri (MO)	2.50% 22	Mississippi (MS)	0.00% 31
Washington (WA)	7.00% 22	Nebraska (NE)	2.50% 22	Nevada (NV)	0.00% 31
Oklahoma (OK)	6.30% 23	Montana (MT)	2.50% 22	South Carolina (SC)	0.00% 31
Illinois (IL)	6.20% 24	Tennessee (TN)	2.50% 22	West Virginia (WV)	0.00% 31
Minnesota (MN)	6.20% 24	Minnesota (MN)	2.10% 23	Vermont (VT)	n/a
Arkansas (AR)	5.50% 25	Illinois (IL)	1.60% 24	Rhode Island (RI)	n/a
Kansas (KS)	5.30% 26	South Dakota (SD)	1.50% 25	New Mexico (NM)	n/a
Colorado (CO)	5.00% 27	North Dakota (ND)	1.40% 26	New Jersey (NJ)	n/a
New Hampshire (NH)	5.00% 27	West Virginia (WV)	1.00% 27	Delaware (DE)	n/a
South Carolina (SC)	5.00% 27	Utah (UT)	1.00% 27	Wyoming (WY)	n/a
Nebraska (NE)	4.90% 28	Idaho (ID)	0.00% 28	Utility Contractors	
Missouri (MO)	4.80% 29	Alaska (AK)	0.00% 28	Alaska (AK)	40.00% 1
Iowa (IA)	4.10% 30	Nevada (NV)	0.00% 28	Connecticut (CT)	10.00% 2
Hawaii (HI)	3.00% 31	Vermont (VT)	n/a	New Hampshire (NH)	10.00% 2
South Dakota (SD)	2.50% 32	Rhode Island (RI)	n/a	Arizona (AZ)	7.70% 3
California (CA)	2.20% 33	New Mexico (NM)	n/a	Florida (FL)	7.50% 4
West Virginia (WV)	1.00% 34	New Jersey (NJ)	n/a	Hawaii (HI)	6.00% 5
North Dakota (ND)	0.70% 35	Delaware (DE)	n/a	Louisiana (LA)	5.00% 6
Idaho (ID)	0.00% 36	Wyoming (WY)	n/a	Montana (MT)	5.00% 6
Utah (UT)	0.00% 36	Construction Contractors		Oklahoma (OK)	5.00% 6
Mississippi (MS)	0.00% 36	Alaska (AK)	50.00% 1	Pennsylvania (PA)	4.10% 7
Nevada (NV)	0.00% 36	Connecticut (CT)	40.00% 2	Georgia (GA)	4.00% 8
Vermont (VT)	n/a	Arizona (AZ)	22.30% 3	Maine (ME)	2.50% 9
Rhode Island (RI)	n/a	Washington (WA)	16.00% 4	Maryland (MD)	2.50% 9
New Mexico (NM)	n/a	Montana (MT)	15.00% 4	Oregon (OR)	2.30% 10
New Jersey (NJ)	n/a	Tennessee (TN)	10.80% 5	Iowa (IA)	2.20% 11
Delaware (DE)	n/a	Kentucky (KY)	10.00% 6	North Carolina (NC)	2.20% 11
Wyoming (WY)	n/a	New Hampshire (NH)	10.00% 6	Texas (TX)	2.10% 12
Municipalities/Park Depts		California (CA)	8.90% 7	Kentucky (KY)	2.00% 13
Louisiana (LA)	30.00% 1	Georgia (GA)	8.00% 8	Tennessee (TN)	1.70% 14
Florida (FL)	25.00% 2	Florida (FL)	7.50% 9	Alabama (AL)	1.60% 15
Maryland (MD)	12.50% 3	Oklahoma (OK)	7.50% 9	Arkansas (AR)	1.50% 16
Oregon (OR)	10.50% 4	Pennsylvania (PA)	7.50% 9	California (CA)	1.50% 16
Connecticut (CT)	10.00% 5	Texas (TX)	7.10% 10	New York (NY)	1.40% 17
Georgia (GA)	10.00% 5	Massachusetts (MA)	6.70% 11	Wisconsin (WI)	1.30% 18
Hawaii (HI)	10.00% 5	North Carolina (NC)	5.80% 12	Indiana (IN)	1.20% 19
New York (NY)	10.00% 5	Oklahoma (OK)	5.80% 12	Idaho (ID)	1.00% 20
Oklahoma (OK)	10.00% 5	Iowa (IA)	5.30% 13	Virginia (VA)	1.00% 20
		Wisconsin (WI)	5.30% 13	Washington (WA)	1.00% 20

State-by-State Ranking by Market Segment (continued)

State		US Rank	State		US Rank	State		US Rank
Missouri (MO)	0.90%	21	Michigan (MI)	0.00%	26	Wyoming (WY)	n/a	
Minnesota (MN)	0.80%	22	Mississippi (MS)	0.00%	26	Vermont (VT)	n/a	
Ohio (OH)	0.80%	22	Nevada (NV)	0.00%	26	Rhode Island (RI)	n/a	
Nebraska (NE)	0.60%	23	North Dakota (ND)	0.00%	26	New Mexico (NM)	n/a	
Colorado (CO)	0.50%	24	South Carolina (SC)	0.00%	26	New Jersey (NJ)	n/a	
Illinois (IL)	0.50%	24	South Dakota (SD)	0.00%	26	Delaware (DE)	n/a	
Kansas (KS)	0.30%	25	Utah (UT)	0.00%	26			
Massachusetts%	0.00%	26	West Virginia (WV)	0.00%	26			

Canada Market Segmentation

Production Farmers.....	61.10%	
Hobby Farmers	17.60%	
Turf/Lawn/Landscape		
Contractors	11.30%	
Municipalities/Park Depts. ...	3.80%	
Construction Contractors	4.90%	
Utility Contractors	1.50%	

Canada Regional Analysis by Market Segment

Production Farmers

Western Canada	70.40%	1
Central Canada	52.90%	2
Eastern Canada	47.50%	3

Hobby Farmers

Eastern Canada	32.50%	1
Western Canada	17.30%	2
Central Canada	15.90%	3

Turf/Lawn/Landscape

Contractors

Central Canada	17.60%	1
Eastern Canada	12.50%	2
Western Canada	5.40%	3

Utility Contractors

Eastern Canada	5.00%	1
Central Canada	1.60%	2
Western Canada	1.00%	3

Municipalities/Parks Dept

Central Canada	5.90%	1
Eastern Canada	2.50%	2
Western Canada	2.00%	3

Construction Contractors

Central Canada	7.80%	1
Western Canada	2.70%	2
Eastern Canada	0.00%	3

market segment accounts for more than one-quarter of sales revenue include the Southern Plains, Appalachia, the Pacific and Delta states.

Canada Market Segment Analysis

Nearly 70% of Canadian equipment dealer sales revenues are generated through the traditional grower, though the hobby farm segment accounts for 16%. Production farming remains the dominant customer base throughout the country with 73.4% of sales by dealers in the Western region

Market Segment Analysis by Canada Regions

Central Canada

Production Farmers	52.90%
Hobby Farmers	15.90%
Turf/Lawn/Landscape	
Contractors	17.60%
Municipalities/Park Depts ...	5.90%
Construction Contractors	7.80%
Utility Contractors	1.60%

Eastern Canada

Production Farmers	47.50%
Hobby Farmers	32.50%
Turf/Lawn/Landscape	
Contractors	12.50%
Municipalities/Park Depts ...	2.50%
Construction Contractors	0.00%
Utility Contractors	5.00%

Western Canada

Production Farmers	70.40%
Hobby Farmers	17.30%
Turf/Lawn/Landscape	
Contractors	5.40%
Municipalities/Park Depts ...	2.00%
Construction Contractors	2.70%
Utility Contractors	1.00%

resulting from purchases by the traditional farmer. This compares with 64.4% in Central Canada and 58.3% in the East.

Dealers from both the Central and Eastern regions report that more than 20% of their wholegood sales revenues come from the hobby farmer/rural lifestyle customer base.

Segment Analysis by Major Line Supplier

When it comes to wholegood sales revenues from production farmers, it's no surprise that the "majors" dominate. But when it comes to the "other" market segments, Kubota equipment heads the list in every case.

Both Canadian and U.S. Case IH dealers say that more than 75% of their wholegoods revenue is derived by production farming operations. John Deere follows them where 66.3% of dealer revenue is generated by sales of equipment to the traditional full-time farmer. AGCO dealers report that nearly 61% of sales come from production farming, followed by New Holland where dealers report slightly more than 59% of wholegood sales go to professional farmers.

In all other major market segments served by farm machinery retailers, Kubota is clearly dominant. In fact, Kubota dealers report that less than 40% of their equipment revenues are derived from production farm operations, while nearly 44% come from hobby farmers and landscape contractors.

(Continued on page 48)

Breakout by Market Segment & Region — Canada

Production Farmers			Hobby Farmers			Turf/Lawn/Landscape Contractors		
Saskatchewan (SK)	94.20%	1	British Columbia (BC)	70.00%	1	Ontario (ON)	17.60%	1
Alberta (AB)	72.80%	2	Quebec (QC)	55.00%	2	Manitoba (MB)	15.00%	2
Prince Edward Isl. (PE)	70.00%	3	Ontario (ON)	15.90%	3	Prince Edward Isl. (PE)	15.00%	2
Manitoba (MB)	56.70%	4	Alberta (AB)	15.80%	4	Quebec (QC)	10.00%	3
Ontario (ON)	52.90%	5	Manitoba (MB)	15.00%	5	Alberta (AB)	5.00%	4
Quebec (QC)	25.00%	6	Prince Edward Isl. (PE)	10.00%	6	British Columbia (BC)	5.00%	4
British Columbia (BC)	12.50%	7	Saskatchewan (SK)	2.40%	7	Saskatchewan (SK)	1.00%	5
New Brunswick (NB)	N/A		New Brunswick (NB)	N/A		New Brunswick (NB)	N/A	
Nova Scotia (NS)	N/A		Nova Scotia (NS)	N/A		Newfoundland/Labrador (NL)	N/A	
Newfoundland/Labrador (NL)	N/A		Newfoundland/Labrador (NL)	N/A		Northwest Territories (NT)	N/A	
Northwest Territories (NT)	N/A		Northwest Territories (NT)	N/A		Nunavut (NU)	N/A	
Nunavut (NU)	N/A		Nunavut (NU)	N/A		Prince Edward Island (PE)	N/A	
Yukon (YT)	N/A		Yukon (YT)	N/A		Yukon (YT)	N/A	
Municipalities/Park Dept			Construction Contractors			Utility Contractors		
Ontario (ON)	5.90%	1	Ontario (ON)	7.80%	1	Quebec (QC)	10.00%	1
British Columbia (BC)	5.00%	2	British Columbia (BC)	7.50%	2	Manitoba (MB)	1.70%	2
Manitoba (MB)	3.30%	3	Alberta (AB)	3.50%	3	Ontario (ON)	1.60%	3
Alberta (AB)	1.50%	4	Manitoba (MB)	1.70%	4	Alberta (AB)	1.30%	4
Saskatchewan (SK)	0.80%	5	Saskatchewan (SK)	0.90%	5	Saskatchewan (SK)	0.80%	5
Prince Edward Isl. (PE)	0.00%	6	Prince Edward Isl. (PE)	0.00%	6	British Columbia (BC)	0.00%	6
Quebec (QC)	0.00%	6	Quebec (QC)	0.00%	6	Prince Edward Isl. (PE)	0.00%	6
New Brunswick (NB)	N/A		New Brunswick (NB)	N/A		New Brunswick (NB)	N/A	
Nova Scotia (NS)	N/A		Nova Scotia (NS)	N/A		Nova Scotia (NS)	N/A	
Newfoundland/Labrador (NL)	N/A		Newfoundland/Labrador (NL)	N/A		Newfoundland/Labrador (NL)	N/A	
Northwest Territories (NT)	N/A		Northwest Territories (NT)	N/A		Northwest Territories (NT)	N/A	
Nunavut (NU)	N/A		Nunavut (NU)	N/A		Nunavut (NU)	N/A	
Yukon (YT)	N/A		Yukon (YT)	N/A		Yukon (YT)	N/A	

Major Equipment Supplier Analysis by Market Segment (Revenue)

AGCO		John Deere		Kubota	
Production Farmers	56.40%	Production Farmers	68.60%	Production Farmers	27.50%
Hobby Farmers	22.50%	Hobby Farmers	10.70%	Hobby Farmers	34.30%
Turf/Lawn/Landscape Contractors	8.70%	Turf/Lawn/Landscape Contractors	9.70%	Turf/Lawn/Landscape Contractors	16.00%
Municipalities/Park Depts	4.70%	Municipalities/Park Depts	5.60%	Municipalities/Park Depts	7.90%
Construction Contractors	6.40%	Construction Contractors	2.70%	Construction Contractors	9.00%
Utility Contractors	2.10%	Utility Contractors	1.20%	Utility Contractors	3.40%
Case IH		New Holland		Independent	
Production Farmers	70.70%	Production Farmers	58.00%	Production Farmers	51.40%
Hobby Farmers	12.00%	Hobby Farmers	19.80%	Hobby Farmers	23.30%
Turf/Lawn/Landscape Contractors	7.60%	Turf/Lawn/Landscape Contractors	6.00%	Turf/Lawn/Landscape Contractors	8.70%
Municipalities/Park Depts	2.30%	Municipalities/Park Depts	7.50%	Municipalities/Park Depts	4.70%
Construction Contractors	5.90%	Construction Contractors	4.90%	Construction Contractors	5.60%
Utility Contractors	1.00%	Utility Contractors	2.00%	Utility Contractors	1.80%

Segment Analysis by Major Equipment Supplier (Revenue)

Production Farmers			Turf/Lawn/Landscape Contractors			Construction Contractors		
Case	70.70%	1	Kubota	16.00%	1	Kubota	9.00%	1
John Deere	68.60%	2	John Deere	9.70%	2	AGCO	6.40%	2
New Holland	58.00%	3	Independent	8.70%	3	Case	5.90%	3
AGCO	56.40%	4	AGCO	8.70%	3	Independent	5.60%	4
Independent	51.40%	5	Case	7.60%	4	New Holland	4.90%	5
Kubota	27.50%	6	New Holland	6.00%	5	John Deere	2.70%	6
Hobby Farmers			Municipalities/Parks Dept			Utility Contractors		
Kubota	34.30%	1	Kubota	7.90%	1	Kubota	3.40%	1
Independent	23.30%	2	New Holland	7.50%	2	AGCO	2.10%	2
AGCO	22.50%	3	John Deere	5.60%	3	New Holland	2.00%	3
New Holland	19.80%	4	Independent	4.70%	4	Independent	1.80%	4
Case	12.00%	5	AGCO	4.70%	4	John Deere	1.20%	5
John Deere	10.70%	6	Case	2.30%	5	Case	1.00%	6

Employee Size Analysis by Market Segment (Revenue)

1-20 Employees

Production Farmers	53.50%
Hobby Farmers	24.00%
Turf/Lawn/Landscape Contractors	8.80%
Municipalities/Park Depts ...	5.50%
Construction Contractors	4.30%
Utility Contractors	1.60%

21-40 Employees

Production Farmers	56.30%
Hobby Farmers	13.70%

Turf/Lawn/Landscape Contractors	12.40%
Municipalities/Park Depts ...	6.00%
Construction Contractors	7.90%
Utility Contractors	2.50%

41-60 Employees

Production Farmers	77.10%
Hobby Farmers	12.10%
Turf/Lawn/Landscape Contractors	3.90%
Municipalities/Park Depts ...	3.30%

Construction Contractors	3.60%
Utility Contractors	1.30%

61+ Employees

Production Farmers	68.30%
Hobby Farmers	8.80%
Turf/Lawn/Landscape Contractors	6.40%
Municipalities/Park Depts ...	4.30%
Construction Contractors	7.60%
Utility Contractors	2.20%

Independent equipment dealers report that nearly half (47.5%) of their wholegood sales come from production farming operations, nearly 40% are derived from hobby farmers and landscape contractors.

Employment Size

The larger a dealership is in terms of number of employees, the more

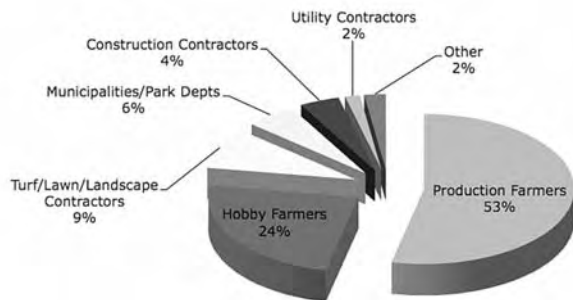
reliant they are on traditional farming operations for a bulk of the equipment sales. For dealers employing between 1-20 employees, 54% of wholegood revenues come from the production farmer, while dealers with 21-40 employees derive nearly 62% of revenues from sales to professional growers.

Dealerships with between 41-60 staffers rely on production farming

operations for 71% of equipment sales, more than 73% of sales for the largest dealers result from purchases of traditional farmers.

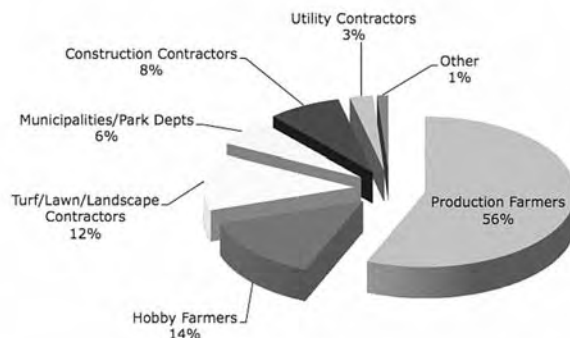
The reverse is true when it comes to sales to hobby farmers: the smaller the dealership in terms of employment, the more it depends on equipment sales generated in the rural lifestyle/hobby farmer market.

Market Segments - 1-20 Employees



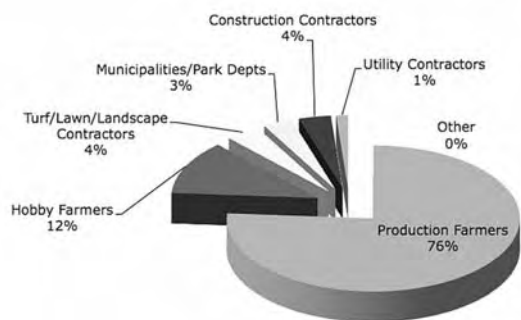
While heavily reliant on production farmers for annual revenue, the smallest dealers in terms of employment, derive nearly one-quarter of their revenues from the hobby farm/ruralpolitan market.

Market Segments - 21-40 Employees



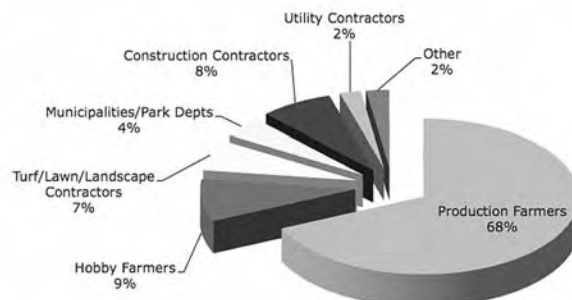
Dealers with 21-40 employees earn 56% of their revenues with sales to the full-time farmer, 14% from hobby farm customer and 12% from landscape contractors.

Market Segments - 41-60 Employees



Dealers employing between 41-60 people are most heavily reliant on production farmers for their sales, with this market segment accounting for over three-quarters of the annual wholegood revenues.

Market Segments - 61+ Employees



The largest dealers, those with 61 or more employees, earn nearly 70% of their annual wholegood revenues from full-time farmers and less than 10% from the hobby farmer market.