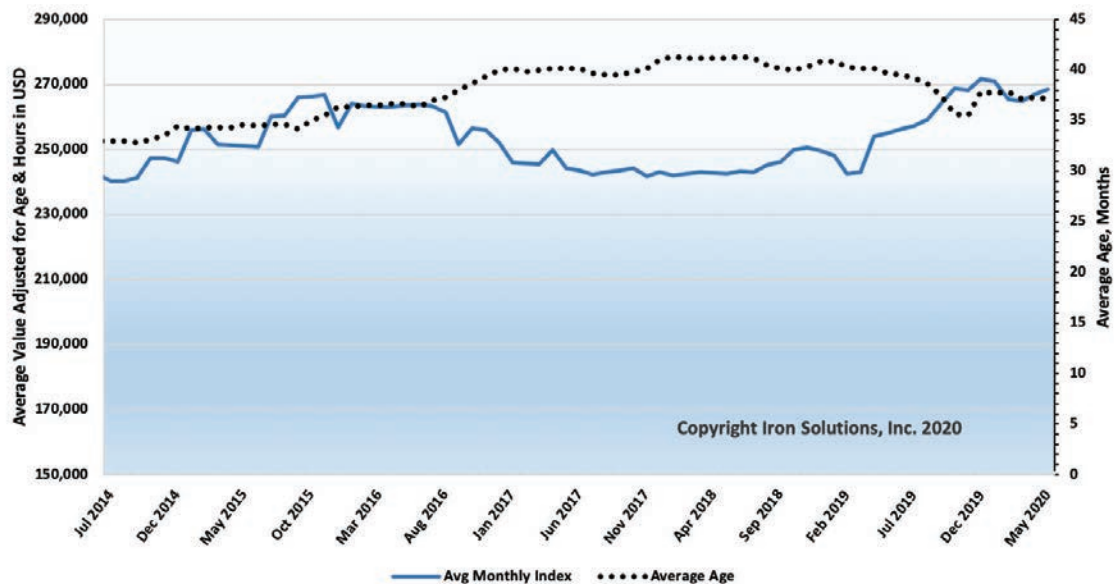




At Iron Solutions, we collect transaction data on thousands of pieces of equipment sold every day. This data comes from dealer and auction sales reports across North America, giving us insight into impactful indicators and trends in the ag equipment marketplace. Each month we chart some of this data, interpret what we find, and share it with you here, in the Used Equipment Trends newsletter.

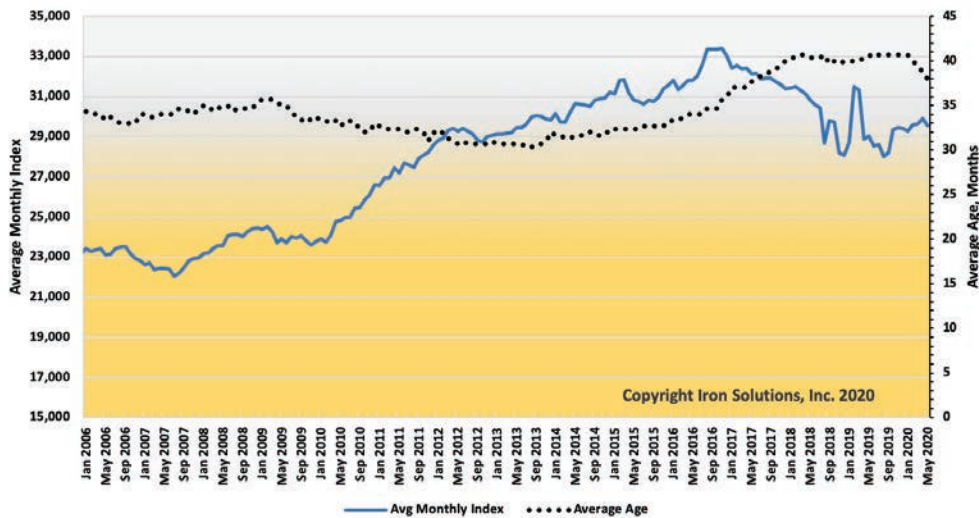
The May IronMonthly® report comes at the close of a good 2020 planting season and producers begin to think about equipment requirements for the harvest. In May the USDA issued its first 2020/2021 marketing year estimates that had corn coming in at nearly 16 billion bushels. This may be why we are seeing continued strength in the used combine market.

### Combines



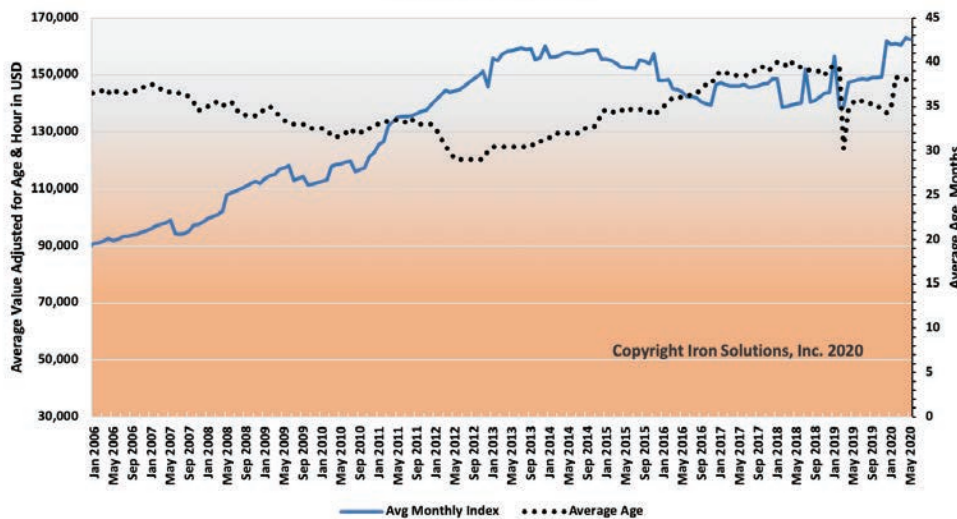
Retail selling prices of newer combines (1 - 5 years old) are up 0.5% over last month and up 5.0% over May 2019. The average age of units sold remained steady from April at 37 months. Increased selling prices of similar age units shows that we had good demand for used combines in May.

## Tractors ( ≥ 100 HP )



In the high horsepower row crop tractor segment (over 100HP), prices are down just slightly from April 2020 but remain well above May 2019 levels. The drop in prices combined with a drop in the average age of this segment from 39 months to 38 months indicates some softening of demand for the higher horsepower row crop tractors.

## Tractors ( < 100 HP )



The average selling price of the utility/compact tractor segment (under 100HP) is also down slightly in May, while the average remained steady at 38 months. This trend indicates that this segment may also be suffering from lower demand, perhaps related to the current economic conditions associated with the Covid-19 crisis.

### Notes on Methodology

The Iron Solutions Used Equipment Trends measures, for 1 to 5-year old equipment, the trends in used agricultural equipment values against the trends in the average age of used equipment sold within 3 major categories

### Calculation Methodology:

- Based on reported sales transactions for this machine category for machines that are 1 to 5 years old with sales reported in the past 12 months
- The configuration of an average unit for that given month is established. Calculate the average age in months, where Nov. 1 of the (model year - 1) is the "born on" date for the calculation of age. Ex. if the unit is identified as a 2015 model, it was born on Nov. 1, 2014.

- The expected hourly usage is calculated for that age of equipment as published in IronGuides®

- Usage is typically measured in Engine Hours but for Combines, it represents Separator hours.

- The reported sold value is adjusted for each hour difference from the average usage, for each month difference in age, and for month sold, using our proprietary predictive model

- Average of these adjusted numbers equals the Used Equipment Trends value for that equipment category

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