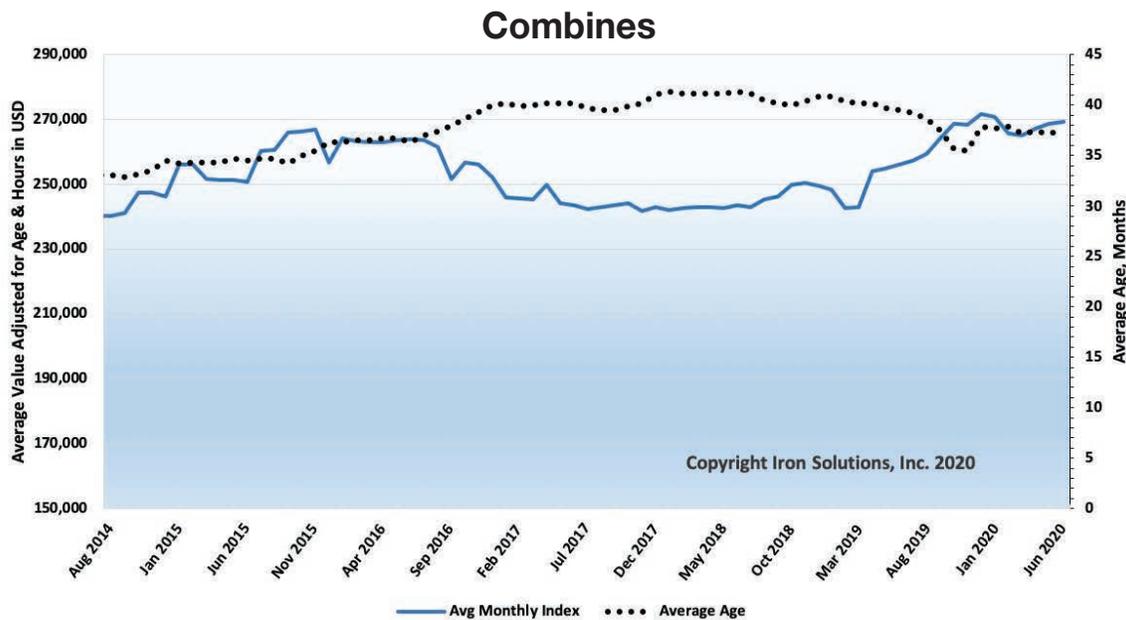




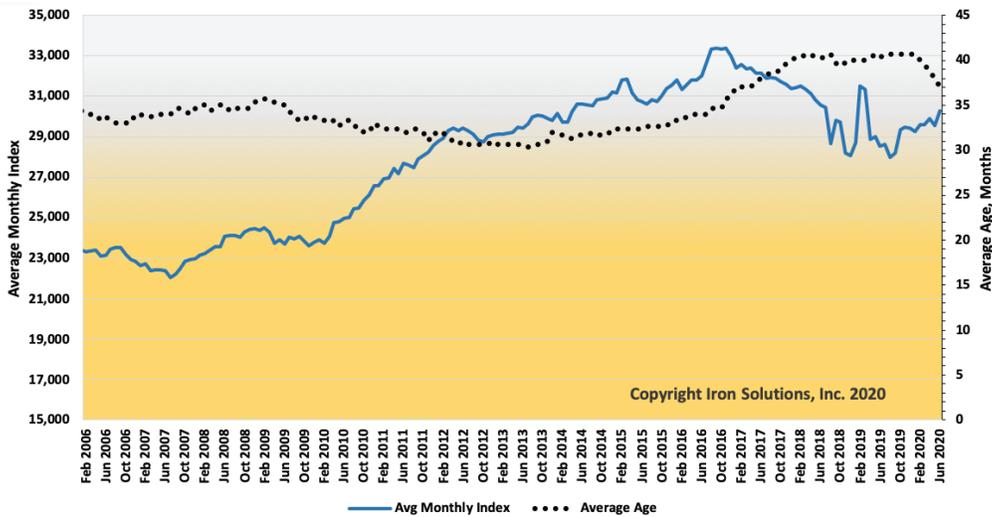
At Iron Solutions, we collect transaction data on thousands of pieces of equipment sold every day. This data comes from dealer and auction sales reports across North America, giving us insight into impactful indicators and trends in the ag equipment marketplace. Each month we chart some of this data,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

With the 2020 planting season behind us, the USDA reported planted acres of corn, soybeans, and wheat all below consensus. Given the fact that we had a good planting season, these lower acreage numbers may be in response to continued elevated on-farm stock which the USDA estimates for corn is 3.025B bu (up 3% YoY) and 633MM bu for Soybeans



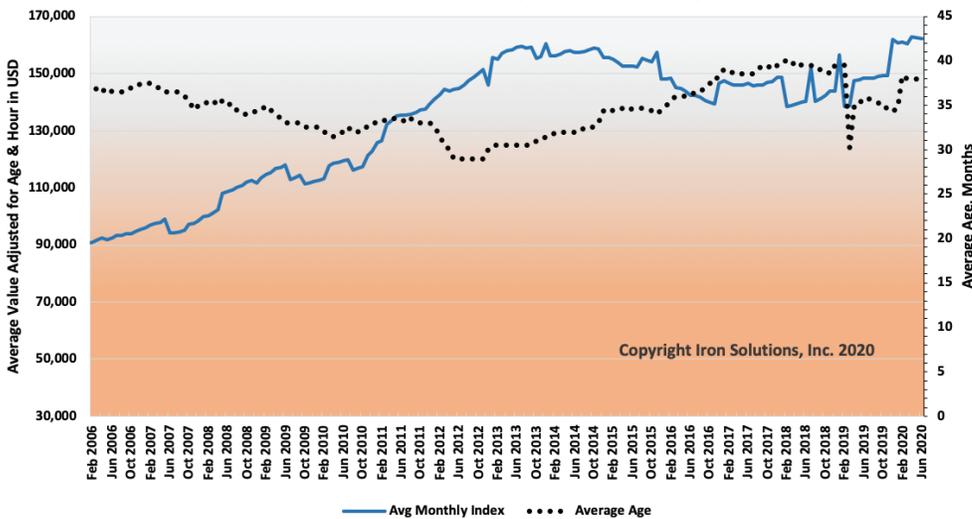
Retail selling prices of newer combines (1 - 5 years old) are up 0.3% over last month and up 4.9% over May 2019. The average age of units sold increased from 37 months to 38 months. Increased selling prices of older age units shows that we had very good demand for used combines in May.

## Tractors ( ≥ 100 HP )



In the high horsepower row crop tractor segment (over 100HP), prices in June were down just slightly from May 2020 but remain well above May 2019 levels. The average age of this segment continued to drop in June dropping from 38 to 37 months. The drop in prices combined with a drop in the average age of this segment from 38 months to 37 months indicates continued 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) was up 2.3% in June while the average age, once again, remained steady at 38 months. We would expect to see this kind of strengthening in this segment in June as the summer maintenance season gets into full swing on the smaller farms and larger acreages where we see a lot of demand for the smaller utility segment. Having said that, I will point out that we did not see a similar spike in June 2019. But I think it is safe to say that June 2020 isn't anything like last year!

### 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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