

Dealers Report Sales Rose by 9% in December, But Remain Cautious for 2013

Dealers responding to the latest January 2013 Dealer Sentiments & Business Conditions Update report that industry sales grew by 9% in December as year-end buying and uncertainty about the renewal of the depreciation bonus farmers have gotten used to pushed up retail sales more than expected.

According to the latest survey, which is conducted monthly by *Ag Equipment Intelligence* and Cleveland Research Co., ag equipment dealers reported year-over-year sales grew 9% on average in December, up 2% from the prior month. AGCO and John Deere saw sequential growth of 13% and 9% respectively, while Shortline dealers saw the lowest growth at 3%.

“By our estimates, our investment in IntelliDealer™ paid for itself within 2 years—all because of our ability to increase our efficiency and Service margins...”

— Aaron Lassu, Corporate Service Manager
Battle River Implements

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Survey results also showed that North American dealer optimism increased slightly in December. The Dealer Optimism Index, a measure of sentiment among dealers compared to the prior month, increased slightly, with 10% of dealers reporting they have a more optimistic outlook now vs. a net 8% last month (28% are more optimistic; 55% same; 18% are less optimistic).

At the same time, dealers continue to be cautious in their outlook for full-year 2013. Overall, for 2013, dealers are forecasting 2% sales growth. This is down from last month, when the outlook was at 4%. AGCO and John Deere dealers are the most optimistic, while New Holland and Case IH dealers hold the weakest outlooks.

Optimism/Sentiment vs. Last Month																					
	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
More Optimistic	33%	25%	31%	32%	30%	25%	36%	33%	30%	38%	29%	25%	22%	15%	14%	18%	28%	31%	27%	28%	28%
Same	54%	54%	44%	49%	55%	58%	55%	55%	54%	53%	57%	59%	62%	61%	49%	44%	54%	54%	54%	52%	55%
Less Optimistic	13%	21%	25%	20%	15%	17%	9%	12%	16%	10%	14%	17%	17%	24%	37%	38%	18%	15%	20%	20%	18%
Net % (More-1	21%	3%	6%	12%	15%	8%	26%	21%	14%	29%	15%	8%	5%	-9%	-23%	-19%	10%	15%	7%	8%	10%

Courtesy of Farm Equipment E-Watch