

# With Age Comes Value

**W**hat's it worth now? What was it worth then? What's the newer model worth?

To answer those questions, let's walk through a drill that looks at my auction sale price data from a couple different angles. My extensive database tracks all categories, manufacturers and models of used farm equipment, but for this example, let's pick John Deere 8100 and Case IH 7120 tractors, both 150 hp to 160 hp. On John Deere 8100s and subsequent newer series (8110, 8120 and 8130), we'll compare recent auction data. On the Case IH 7120s, we'll look at average auction price data over the past one, two, three, five and 10 years on subsequent newer models (7220, 8920 and MX200).

This deep data dive reveals several very interesting results. For starters, as shown on the data table below of average auction prices on Case IH Magnum Series tractors, values seem to have topped in 2012 and 2013. While the data table on page 40

This John Deere 8120 sold for \$99,000 in September 2014—in the middle of a three-month dip in auction prices that resulted in 15% to 25% lower prices.



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For the latest in used machinery values, follow Machinery Pete on the auction trail.

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doesn't highlight auctions prior to 2014, the same trend played out with those four John Deere tractor models. In each case, the average auction price hit the high mark in 2012.

This makes me think back to the March 31, 2012, farm retirement auction I covered near Ridgeway, Iowa, for Bob and Joyce Halverson. This sale was conducted by Sweeney Auction Service. It was a cloudy, blustery day, but the bidding was hot. The sale produced seven or eight new record high auction prices, including \$138,000 for the Halverson's beautiful 2004 John Deere 8120 tractor with 1,033 hours.

As I walked the equipment line prior to the start of the



sale, buyer demand for that John Deere 8120 was palpable. A ton of folks came up to me, asking: "Hey Pete, what's that 8120 worth?" and "What do you think it will go for?" I'd reply: "My guess is that it will go for a new record price."

## Case IH Magnum Series Tractors

Calendar Year	7120	7220	8920	MX200
2014	\$29,235	\$46,700	\$48,200	\$54,500
2013	\$35,683	\$55,063	\$66,722	\$50,500
2012	\$36,503	\$51,000	\$57,520	\$52,925
2010	\$31,032	\$50,700	\$57,667	\$57,625
2005	\$32,079	\$44,258	\$42,219	\$63,031

SOURCE: WWW.MACHINERYPETE.COM

Prior to that auction, the record for a John Deere 8120 was \$109,000, which was set on March 15, 2011, at an absolute consignment auction in west-

central Illinois for a 2005 model John Deere 8120 with only 1,020 hours.

I know I say it often, but timing is indeed everything. The mood in farm country was significantly more negative this past fall when a John Deere 8120 in like-new condition with only

1,365 hours, came up for sale at a Sept. 8, 2014, farm auction in east-central Nebraska. It sold for \$99,000.

It's interesting to note September was in the middle of a three-month stretch in 2014 where auction prices took a noticeable dip—as much as 15% to 25% in the case of large, late-model (one to five years old) farm equipment.

By late 2014, used values were up again, as proven by the \$117,000 sale price for a 2004 model John Deere 8120 with 1,434 hours sold at a farm auction in west-central Minnesota on Nov. 18, 2014.

**The almost 10-year-old John Deere 8120, on average, sold for more at auction in 2014 at \$95,841 than the newer John Deere 8130 at \$90,977.** What's up with that? As I've mentioned before, the notion that simpler is better is a real tug for many farmers. I'd also point out it fits the pattern I've witnessed for years now. As used equipment items approach the magical 10-year-old mark, it's as if the farm audience as a whole begins to appreciate them more. It's evident in the higher sale prices, and you can hear it at farm auctions. The rallying cry of every smart auctioneer is the same, "Boys, what's a new one cost?" That statement queues the bids, and off they run.

As our data shows, this trend is time-tested and points buyers to the value of used equipment. If you acquire a five-year-old tractor in nice condition with low hours, you can bet in five more years it will be in higher demand. **FJ**



## John Deere Tractors

Model	Year	Hours	Cond.	Price	Date	Area*	Auction Type
8100	1995	7,590	Good	\$34,000	1/10/15	SEGA	Farm
8100	1995	8,037	Good	\$34,369	7/17/14	SEAB	Consign.
8100	1995	2,626	Exc.	\$81,000	1/6/14	NWNJ	Farm
8100	1996	3,603	Exc.	\$76,000	1/10/14	WCOH	Farm
8100	1996	2,990	Exc.	\$81,500	2/27/14	NWNE	Consign.
8100	1997	3,708	Good	\$60,000	12/30/14	WCIL	Consign.
8100	1997	3,980	Good	\$76,500	6/26/14	NCIA	Farm
8100	1999	5,720	Exc.	\$80,000	2/4/14	NWNE	Farm
8110	2000	4,677	Good	\$71,000	12/30/14	WCIL	Consign.
8110	2000	2,585	Good	\$79,500	11/21/14	ECMN	Farm
8110	2000	4,772	Exc.	\$85,000	2/4/14	NWNE	Farm
8110	2001	8,148	Good	\$53,000	2/26/14	SCIA	Farm
8120	-	2,950	Good	\$97,500	8/2/14	WCIA	Farm
8120	-	1,365	Exc.	\$99,000	9/8/14	ECNE	Farm
8120	2002	3,764	Good	\$89,000	3/12/14	ECND	Consign.
8120	2003	6,150	Good	\$71,000	12/3/14	ECND	Consign.
8120	2003	2,910	Good	\$96,000	8/7/14	NCIA	Farm
8120	2003	3,490	Good	\$97,500	8/22/14	WCIL	Consign.
8120	2004	2,509	Exc.	\$107,000	12/20/14	SWIN	Farm
8120	2004	1,434	Good	\$117,000	11/18/14	WCMN	Farm
8120	2004	1,284	Exc.	\$120,000	2/24/14	NCMO	Farm
8120	2005	3,360	Good	\$91,500	2/24/14	SWMN	Dealer
8120	2005	1,671	Exc.	\$125,000	2/4/14	NWNE	Farm
8130	-	3,127	Good	\$102,000	12/17/14	NEIL	Consign.
8130	-	754	Exc.	\$137,000	3/15/14	NCNC	Farm
8130	2006	3,123	Good	\$102,000	3/4/14	ECND	Farm
8130	2007	4,4648	Good	\$100,000	1/3/15	NWNE	Farm
8130	2007	2,800	Good	\$107,000	12/16/14	SWMN	Farm
8130	2008	2,767	Good	\$95,000	12/17/14	SWIL	Consign.
8130	2008	2,396	Good	\$110,000	12/3/14	ECND	Consign.
8130	2009	8,110	Good	\$69,750	12/31/14	NE	Online

\*Area sold: SEMN = southeast Minnesota, etc.;  
Each tractor listed was mechanical front-wheel drive

SOURCE: WWW.MACHINERYPETE.COM