

Buying Used Farm Equipment the Smart Way

No matter the size of your farm, equipment is a must-have to help you get the job done efficiently. Buying used equipment can be a great way to save, but if you're not careful, you could find yourself worse off than before. This guide will show you the pros and cons of buying used equipment, questions to ask about the equipment, and some best practices for finding the right unit.

Pros of Buying Used Farm Equipment

- A cheaper price tag – For a lower price, you may be able to get used equipment that does essentially the same thing as the new equipment you were considering – and keep your cost and payment lower. New equipment also depreciates faster, which is another important consideration.
- Good quality isn't hard to find – Many pieces of used equipment are available and still in great working order. Check your local dealers, neighbors, and even online - you can find them just about anywhere!
- Financing is available – Just because it doesn't have a big price tag doesn't mean you can't find a financing program to help. We can help with new and used equipment purchases!

Cons of Buying Used Equipment

- Older technology – Depending on how old the equipment is, you could be missing out on more recent technology that helps make farming easier, reduces input cost, and provides labor savings. Retrofitting it later with technology could get expensive, too. It is important to weigh the savings over the benefits.
- Unknown Past – Just like a used vehicle, you may not know exactly how the previous owner cared for their equipment.

Although that last one may be enough to send some running for the shiny, new equipment lots, our next section will help you determine what kind of condition the equipment is in before you make a decision!

What to look for in Used Farm Equipment

How can I tell if the used equipment I want to buy is still in good shape?

As we mentioned earlier, many pieces of used equipment are still in good shape, however it is important to do due diligence on any equipment you want to potentially buy – know what to look for, good and bad.

Do your research - If you're not an expert on equipment, take the time to educate yourself on how the equipment should work, what the working parts/wear points should look like, and the differences between manufacturers and models. The important part here is that it's not just the mechanical parts you need to know about - it's equipment specific too! For example, on a baler, you'll want to look at the bale chamber and the bale floor.

Besides going on the internet to read reviews or contribute to forums, talking to other farmers about the equipment they use can be very helpful. Once you go to see the piece of equipment, have a set of questions ready to go (further down!), and don't be afraid to take notes! You'll thank yourself later as you continue shopping around.

Take someone with you – There's nothing like having an expert at your side – a mechanic, other farmer, etc. They should be able to point out any potential problem areas and give you an idea of how much repairs may cost in the future.

Test it out and see it operate – Rev it up and double check that everything is working like it should. You'll want to take note of the discs and hydraulics to make sure they work properly. If purchasing online, often times videos and pictures are available to assist you.

Questions to Ask your Dealership or Seller

It's more than okay to be observant and curious as you go through this process of vetting potential equipment for your farm – you will be spending a lot of money, so you have every right to know what you're getting yourself into.

- Take note of surroundings: if you're at someone's farm, what does the rest of the farm look like? It could give you clues about how the equipment has been taken care of in the past – for example, being kept under cover versus outside exposed to the elements.
- Where's it from? For example, even though it's sitting on a lot in Pennsylvania, it might have come from somewhere where the environment was much more corrosive.
- What is the prior history? Was it maintained regularly?
- How many hours (if engine), bales etc. are on the unit?
- What does the maintenance schedule look like for this vehicle? (Monthly, semi-annual, annual, etc.)
- Is the engine original or rebuilt?
- Was there any significant damage that was repaired? (Accident, electrical fire etc.)

When should I talk to my loan officer about getting a loan for used equipment?

If you are considering used equipment, it is always a good idea to talk with your loan officer early and prior to making any commitments to determine your borrowing capacity. We can complete a pre-approval to establish how much you can afford before you jump in. Some auctions may require a lender's letter of approval the day of the sale, so **call us a week or two in advance** to make sure you're ready to go.

If you are purchasing from a dealership, make sure to ask about Farm Credit **EXPRESS**. This convenient financing program that allows you to apply for financing right at the dealership and receive a quick decision.

Where can I find quality used farming equipment?

When looking at used equipment options, you want to know that you're getting a quality product at a fair price. Do your research before you walk into a dealership and compare units with similar features, hours, and capacity. While you're looking at used prices, don't forget to check up on what the price would look like for new – depending on what you're looking for, it may not be too much more expensive to buy something newer.

- Auctions – at auction sites, farm auctions, and online. Auctions can be a great place to get a deal, but it doesn't eliminate the necessity of doing your research prior to throwing your hand in the air.
- Farm equipment dealers – check the dealership website, stop by, or call and ask questions. You can also leave your name and what you're looking for and they can call you if they get a unit in or help you search.
- Craigslist
- Tractorhouse.com, Auctiontime.com, Fastline.com
- Newspapers: Delmarva Farmer / Lancaster Farming / The Guide
- Foreclosure sales

You shouldn't have to sell the farm just to afford the equipment you need to run it. Give us a call today or [fill out this form](https://mafc.com/Lancaster-farming-locator-information-request) (mafc.com/Lancaster-farming-locator-information-request) if you're ready to talk to a loan officer about buying equipment.