

# Timing important when purchasing equipment

By LACEY JARRELL  
For the Capital Press

Farmers and ranchers should consider whether they want year-end tax breaks or new-year low interest rates before purchasing equipment.

“Year-end, of course, we see an influx of purchases simply because of tax implications. Then we’ll see a flurry about February or March,” said Carl Laux, sales manager at the Pape John Deere Dealer in Tangent, Ore.

According to Jeff Rossow, president of Mid-Valley Tractor in Eugene, Ore., March and April are the most popular time to buy mowers and compact 50 horsepower tractors.

Rossow noted that those



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Jeff Rossow, president of Mid-Valley Tractor in Eugene, Ore., says the best time to get low interest on small farm equipment is late winter and early spring, before the growing season gets underway.

months are when most people begin prepping for spring, but it’s also when good financing and rebate deals are available.

“Zero percent for 60 months is a good incentive. There are often discounts on implements if you buy a tractor at the same time,” Rossow

said, noting that implements such as mowers, post-hole diggers, rakes and grading scrapers are popular additions. “Pretty much anything you want — you just have to match it up to the right size tractor.”

According to Laux, just as important as securing the right financial commitment is making sure the equipment is the right fit for the customer’s needs.

“The number one thing — when purchasing a new piece of agricultural equipment — is to make sure it fits your needs and your operation. Quite often customers purchase too small of a piece or too large of a piece,” Laux said.

He stressed that customers shouldn’t try to immediately return ill-fitting equipment

because the return value is always less than what was paid for it.

“It’s like driving a new car off the lot — the value goes down instantly,” Laux said. “You could lose a lot of your equity if you try to trade it in too quickly. Buy the right one the first time.”

Laux said all Pape’s ag division locations in Oregon, Washington and Idaho have special year-end offers on equipment, such as combines, windrowers, utility tractors and row-crop tractors. He said some offers are sponsored in-house, others are from the dealership. Laux suggested farmers and ranchers call their local Pape dealer to find out what they qualify for.

“It’s equipment-specific. It’s based on the age we’ve

had it in inventory. A lot of it is used equipment we’re trying to get moved. We’re offering some very attractive low interest rates on that equipment,” Laux said.

Rossow said equipment owners thinking about trading-in should consider waiting until February or March to get the most value.

“Springtime is when equipment is valued higher for trade-in,” he said. “If you trade something in, we have to sit on it through winter, usually.”

According to Rossow, the benefit of trading old equipment in is not having to deal with selling it yourself.

To get the most out of a trade-in, ensure the equipment is clean and has low hours, he added.

# Fix it or replace it — the factors to consider

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When purchasing new equipment, investing in an extended warranty can minimize risk and cost down the road.

After the manufacturer’s warranty runs out, repair costs come straight out of pocket, said Rich Schmidt, sales associate at the Brim New Holland dealer in Salem, Ore. But with an extended warranty, repairs often only cost the amount of the deductible.

“These warranties are always available until the manufacturer’s warranty expires. They don’t necessarily have to buy it at purchase time. They can buy it later,” Schmidt said.

Carl Laux, sales manager at the Pape John Deere dealer in Tangent, Ore., recommends

purchasing extended warranties for large, medium and small equipment. He also noted that warranty deductibles are usually low — ranging between \$250 and \$500 per incident — and are only a fraction of some tractor repair costs, which can easily exceed \$10,000.

“Repairs are expensive and it doesn’t take long to pay for that extended warranty,” Laux said. “We haven’t had anyone complain about buying an extended warranty. They always thank us because we sold it to them.”

According to Brim New Holland Service Manager Billy Martin, farmers who are considering forgoing repairs and buying another piece of equipment should weigh the cost of repairs against purchase price.

“If you can afford to replace



Lacey Jarrell/For the Capital Press

Brim New Holland Service Manager Billy Martin says having a clean air filter is crucial to keeping farm equipment running smoothly. He suggests cleaning air filters daily, especially when fields are dusty.

it, you replace it. If you can’t, you fix it,” Martin said. “If it’s just a small part that’s broken, it’s probably cheaper to just repair it.”

Martin said equipment owners need to be diligent about inspecting engines daily, and checking engine and hydraulic

oils. He noted that air filters, especially those in equipment working dusty fields, should be cleaned daily as well.

“Everybody just gets in and goes, but they need to take time to check the fluid levels and make sure everything is up and topped off before they get to work with it,” he said.

Jeff Rossow, president of Mid-Valley Tractor in Eugene, Ore., noted that front pivot seals can easily wear out. He recommends equipment owners regularly check them for dirt, wear and leaks.

He advises equipment owners regularly grease loader and axle pivot points so they don’t get rusty and freeze up.

Laux said keeping electronic software upgrades in new equipment up-to-date is the best way to ensure precision technology

in tractors and farm equipment is accurate.

“Make sure the latest version of the software is current in those machines because the manufacturers are constantly upgrading and modifying the software,” he said.

Laux said before deciding whether to fix or repair equipment, owners should also review the equipment’s history and compare its net value with what’s been spent on maintenance repair. He said equipment owners should keep a detailed log of repairs and maintenance.

“That’s part of your cost of ownership, and of course, the older it gets, the more repairs it will need,” he said.

“Anything spent on repairs, that’s a tax deduction,” he added. “So there are advantages to repairing, as well.”

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