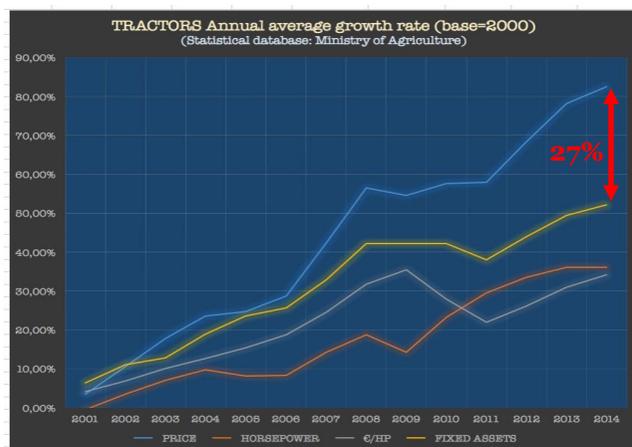


EU legislation for agricultural machinery: too much, too quickly?

Since 1974, CEMA members have benefitted from a true single market offering new opportunities for the industry and farmers. However, the latest EU framework Regulation 167/2013 will force manufacturers to comply with new and costly technical requirements having marginal benefits for farmers.



Source: ANSEMAT (2016)

As a result, **nearly one third of the price increase of a tractor in the last 15 years can now be attributed to compliance with new EU legislation (see graph above).**

Costly compliance with EU legislation risks to hamper future innovation, as less resources are available to invest in the development of innovative technologies with significant positive externalities such as Precision Farming.

CEMA

European Agricultural Machinery

CEMA is the voice of the agricultural machinery industry in Europe. By providing smart solutions the agricultural machinery industry helps **farmers to grow more food affordable and sustainably.**

The industry is characterized by:

- Over 450 different types of machines ranging from tractors to precision seed drills.
- 4,500 manufacturers of agricultural equipment including multinationals and numerous SMEs
- A total turnover of €26 billion and providing employment for over 250.000 people directly and indirectly.

Find out more at: www.cema-agri.org



Agricultural machinery in Europe



*Key facts & figures
March 2016*



www.cema-agri.org

New machinery tops farmers' investment wish list

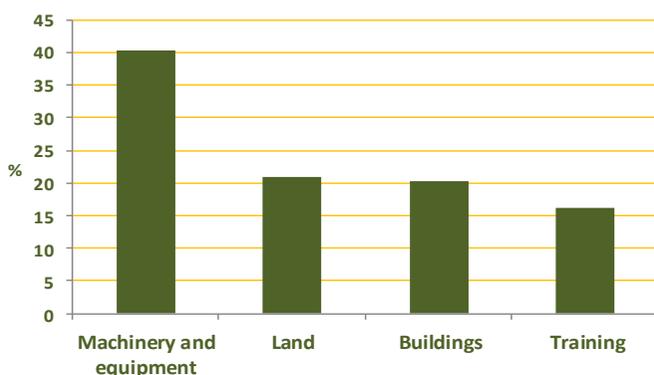
New agricultural machinery is the top target for investments by farmers in Europe. Research by the JRC (European Commission's in-house science service) showed that up to 2020 **40,3% of farmers are planning to invest in machinery**, far exceeding the willingness to invest in land or buildings¹.

The main benefits expected from new machinery are:

- improved working conditions on the farm;
- increase in the production quality;

Farmers believe investments in new machinery and equipment will respectively contribute 52% and 24% to achieve these goals.

Farmers investment plans



¹JRC, (2014), European farmers' intentions to invest in 2014-2020. Results based on a survey among 780 farm-households in 6 EU countries.

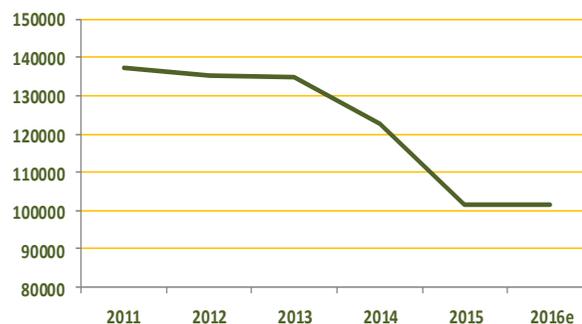
European farm machinery sales drop in the wake of lower commodity prices

Agricultural commodity prices and related farm income in the EU are currently at low levels.

In line with this, European sales of new agricultural machinery have fallen in recent months.

In 2015, sales in the European markets represented by CEMA fell by around 7,5%. For 2016, sales are expected to remain weak at the same low level.

Tractor registrations



Source: CEMA, Tractor registrations in 8 CEMA countries (Austria, Belgium, France, Germany, Italy Netherlands, Spain, UK)

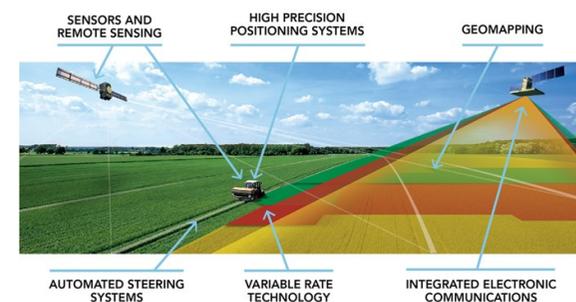
European agricultural machinery leading in the world of innovation

Agricultural machinery is innovative machinery, and the European Ag Machinery Industry is taking the lead. This has been confirmed by the European Commission which acknowledges the European Ag Machinery has the second biggest innovative advantage of all European industries at the global level².

Precision farming is the future

One of the most prominent developments is towards precision farming. **Precision Farming** is about managing variations in the field accurately and has many advantages including:

- higher profitability
- improving sustainability
- increasing productivity



²EC, (2013), EU Competitiveness report: "No growth and jobs without industry"