



Agritech Business Barometer

**Public report of the survey
about the worldwide situation of the agricultural machinery business**

October 2015

12th edition





What is the Agritech Business Barometer?

- **A survey within senior management of the global agricultural machinery industry (ca. 89% manufacturers and 11% distributors)**
- **Project managed under the umbrella of the new global network for the agricultural machinery associations and industry: Agrievolution**
- **294 participants from China, (Western) Europe (by CEMA with the results of its separate monthly survey), India, Japan, South Korea, Brazil, Russia, Turkey and the United States**
- **Implementation of the survey by the correspondent national associations**
- **Project lead and summary of the results: VDMA (Germany)**
- **Objectives: illustration of the current and future branch development for the most relevant topics of the industry**
 - General evaluation of the business
 - Order intake
 - Turnover
 - Employment
 - Delivery times
 - Machinery stocks
 - Farmers' mood and economic conditions
 - Others
- **Survey periods: April and October (Start was in 2010)**



Executive Summary of the Survey in October 2015

The Agrievolution business climate index turned back declining – although only slightly by 3 points, the decline illustrates that the global downturn of the sector is still not definitely bottomed out. Only manufacturers in China and India are in a remarkably good mood.

There is no clear future trend, at least not on a global scale. For example, compared to previous surveys the future expectations further improved in Western Europe, but sharply declined in Turkey. Taking the new orders as future indicators, these justify even less any positive outlook. Nearly 50% of the global agricultural machinery industry states that in the past 3 months, compared to the same period a year ago, volume of incoming orders on domestic market decreased.

At the same time, current situation is evaluated historically negative. On global average, 19% of the agricultural machinery companies regard their current business to be „good“, while 34% describe it as unfavourable. Especially in North and South America, namely the US and Brazil, current demand remains very weak.

The turnover development in the last 3 months was worst in Brazil, followed by the US. The best performing is reported from Russia, China and India. Also regarding government support, the Russian and Chinese survey participants were the most satisfied, whereas Brazilians and Turks considered it as very negative.

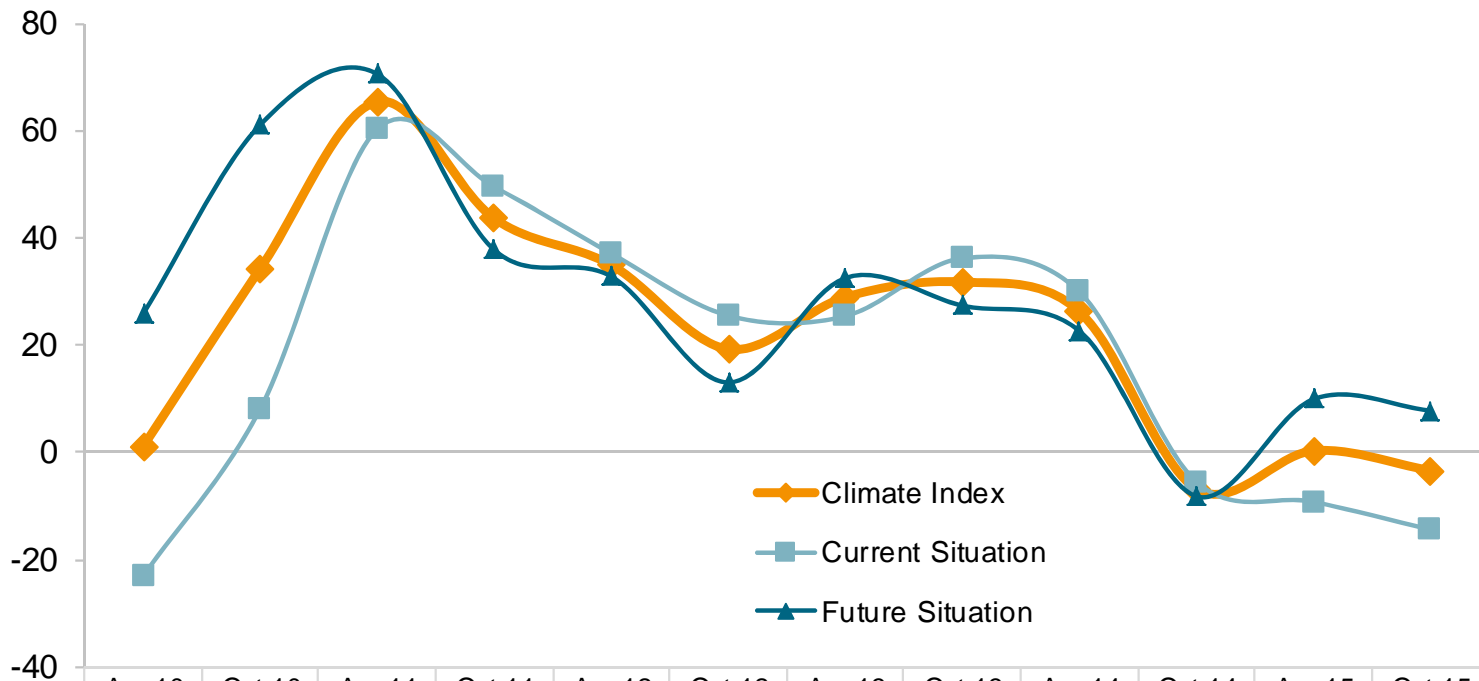
The general mood of the farmers is worse than in previous surveys due to the lower commodity prices and thus profitability. This might not change in the short-term and will rather slow down demand for new machines.



Global downturn still not definitely bottomed out.

Agriech Business Climate Index

Possible range from -100 to +100



	Apr 10	Oct 10	Apr 11	Oct 11	Apr 12	Oct 12	Apr 13	Oct 13	Apr 14	Oct 14	Apr 15	Oct 15
Climate Index	1	34	65	44	35	19	29	32	26	-7	0	-3
Current Situation	-23	8	60	49	37	25	25	36	30	-5	-9	-14
Future Situation	26	61	71	38	33	13	33	27	23	-8	10	8

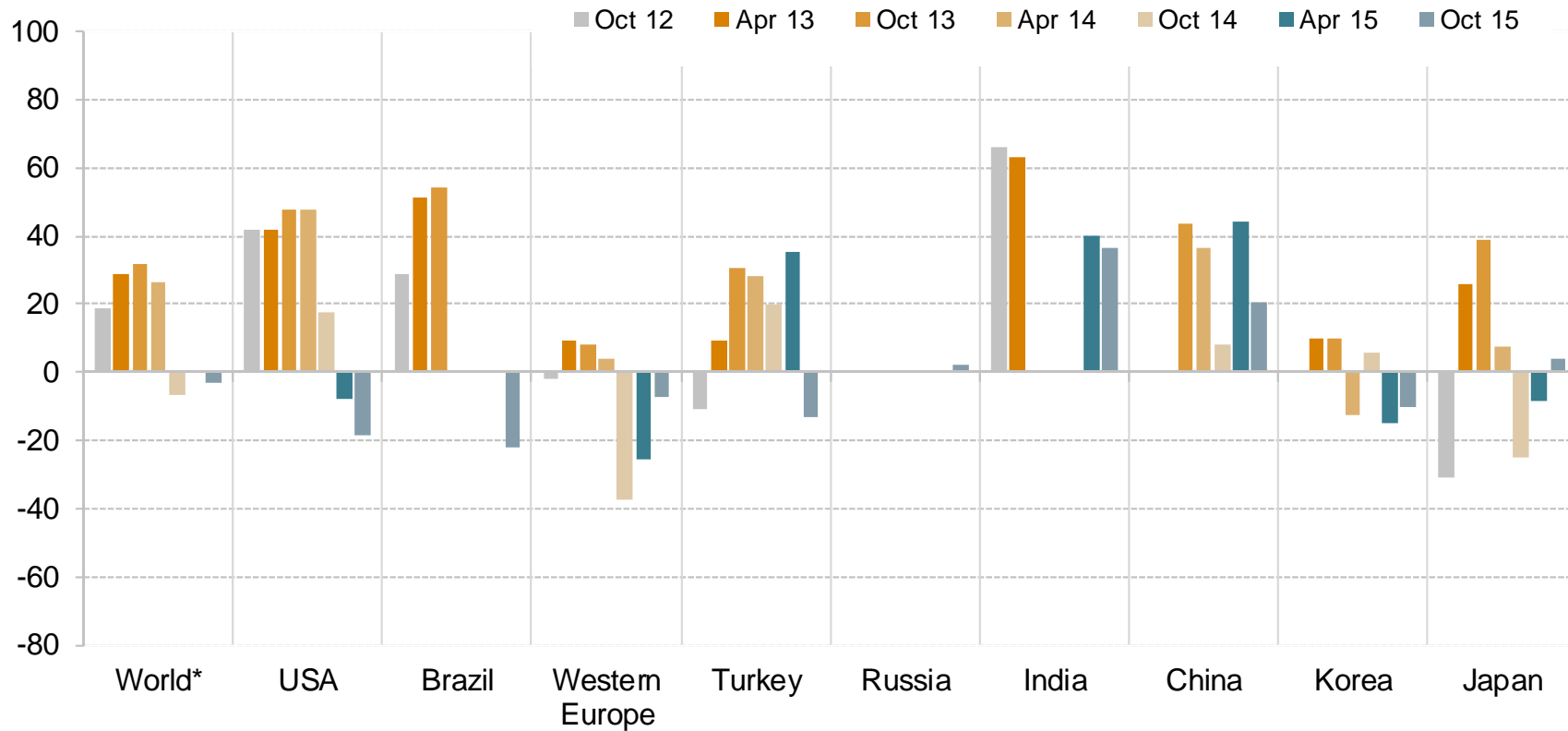
Source: Agriech Business Barometer, Agrievolution

weighted global average



Manufacturers in China and India contrary to the global average in a remarkably good mood.

Agritech Business Climate Index
Possible range from -100 to +100



Remark: low number of participants in October 2015 for Brazil and Korea that might not be representative for the entire country

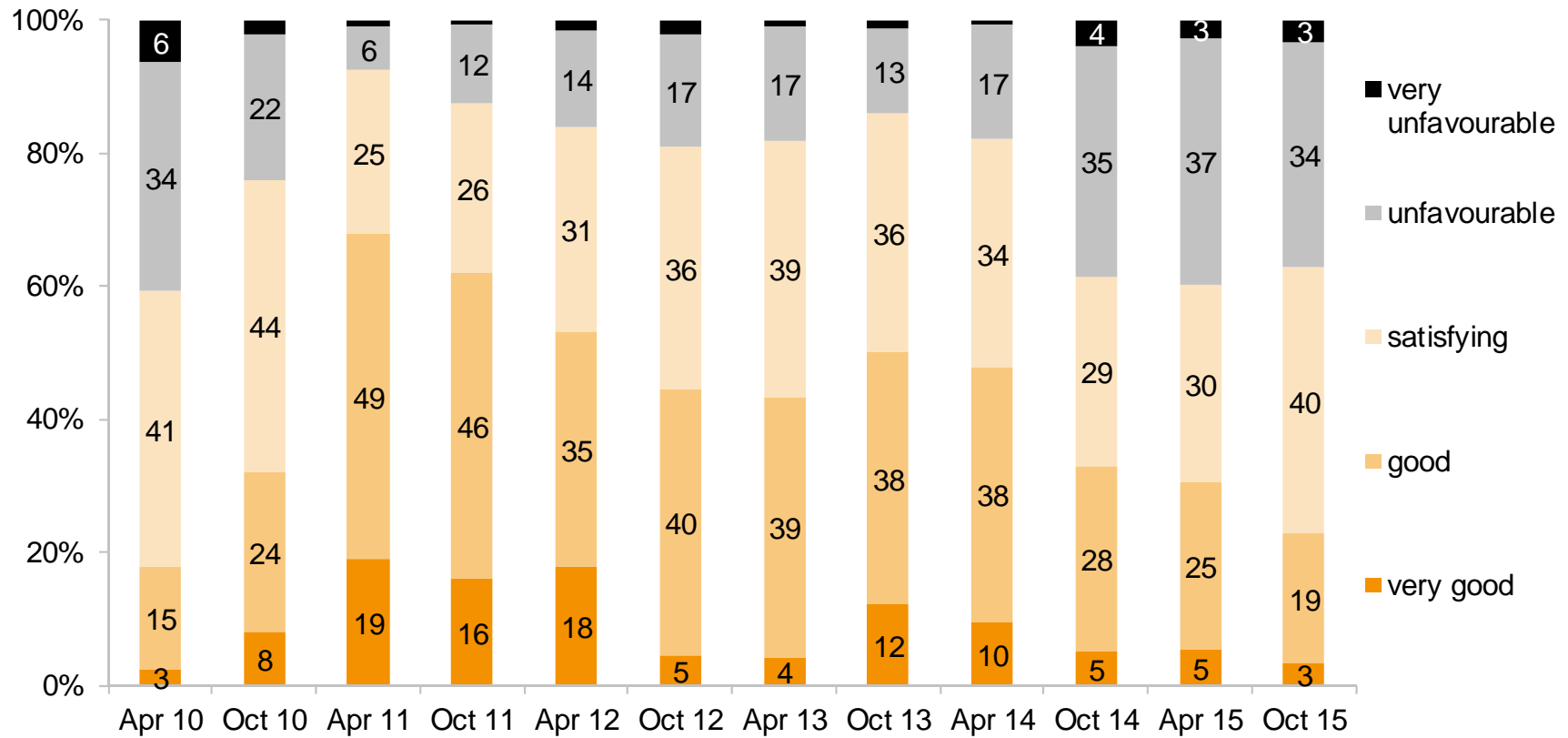
Source: Agritech Business Barometer Survey, Agrievolution

*weighted global average



Current demand globally still on a weak level...

Question: We consider our current business to be



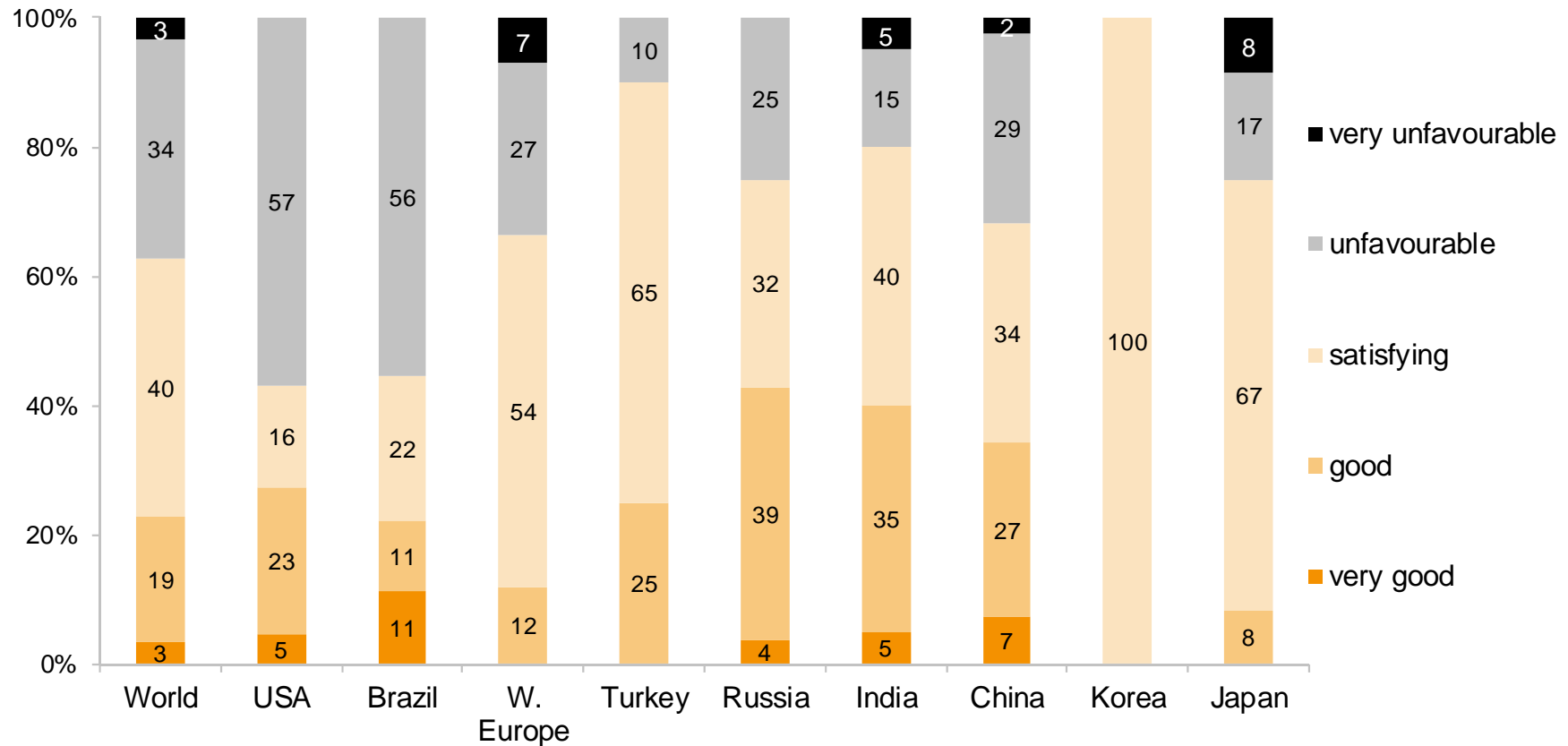
Source: Agritech Business Barometer, Agrievolution

weighted global average



... especially in America.

Question: We consider our current business to be
 Answers from manufacturers / importers according to location



Remark: low number of participants for Brazil and Korea that might not be representative for the entire country

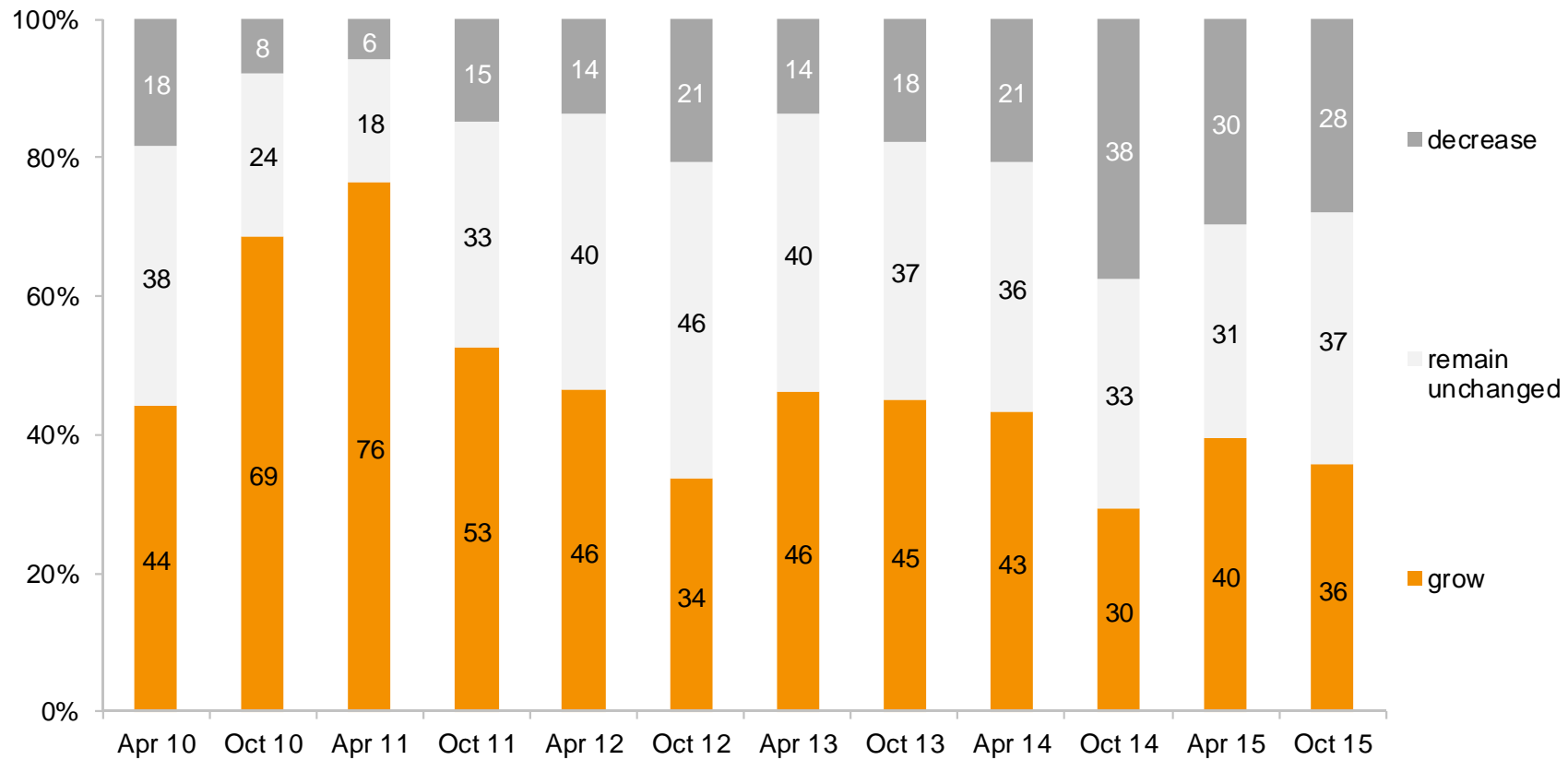
Source: Agritech Business Barometer Survey October 2015, Agrievolution

* weighted global average



At global level there is no clear future trend.

Question: We expect our overall turnover within the next 6 months to

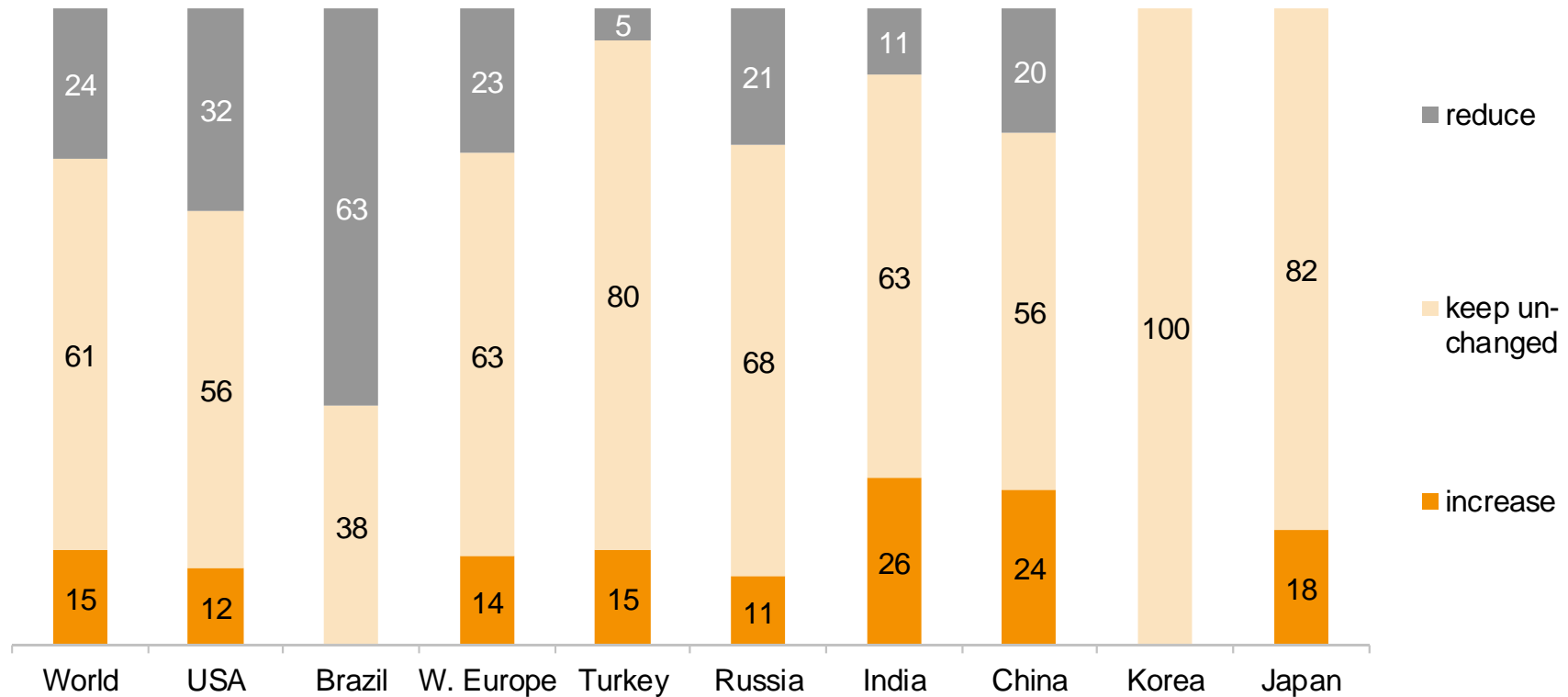


Source: Agritech Business Barometer, Agrievolution weighted global average



Accelerated working staff reduction in the US and in Brazil

Question: Our plans regarding the workforce (regular employees):
in % of the interviewed persons according to country of company location



Remark: low number of participants for the Brazil and Korea that might not be representative for the entire country

Source: Agritech Business Barometer October 2015, Agrievolution

* weighted global average