

## 2016 set to be yet another difficult year for agricultural machinery

*After a decrease in 2015, sales are expected to drop further in 2016*

**Brussels, 1 September 2016** - The European agricultural machinery industry is experiencing a difficult year in 2016. Following a decline last year, many markets in Europe have seen further decreases during the first six months of the current year.

Agricultural machinery sales in almost all markets of the CEMA network (Belgium, France, Germany, Italy, Netherlands, Spain, UK) are down in the first half of 2016. It is expected that markets will decline further in the second half of 2016 with rates of decline up to 9%, as in Germany. Spain is a notable exception with an expected increase of 9.5% in 2016. The French market is also performing well so far (+7%), yet is expected to weaken during the second half of the year to decline by 2%.

The downward trend can be observed for all major machinery types with the exception of sprayers.

**Tractor** sales in all European countries combined were 5.5% lower in the first half of 2016 in comparison with the first half of 2015. The decrease comes from a drop in demand for tractors between 50 and 250 horsepower. This power category is mostly bought by farmers that are currently facing a difficult situation due to low commodity and milk prices. These difficulties could aggravate given mixed wheat harvest results in many European countries and continuously strong global supply. For tractors below 50hp, demand is stable, while demand for high horsepower tractors is even increasing.

France (+16.1%), Spain (+10.7%) and Belgium (+5%) are the CEMA countries where demand for tractors was increasing so far. Austria (-3.8%), Denmark (-10.3%), Germany (-9.7%), Italy (-4.4%), the Netherlands (-7.7%) and UK (-8.5%) are facing lower sales in the first months of 2016. The economic experts of CEMA expect that total tractor sales in the above-mentioned countries will decrease by approximately 3.3% over the whole of 2016.

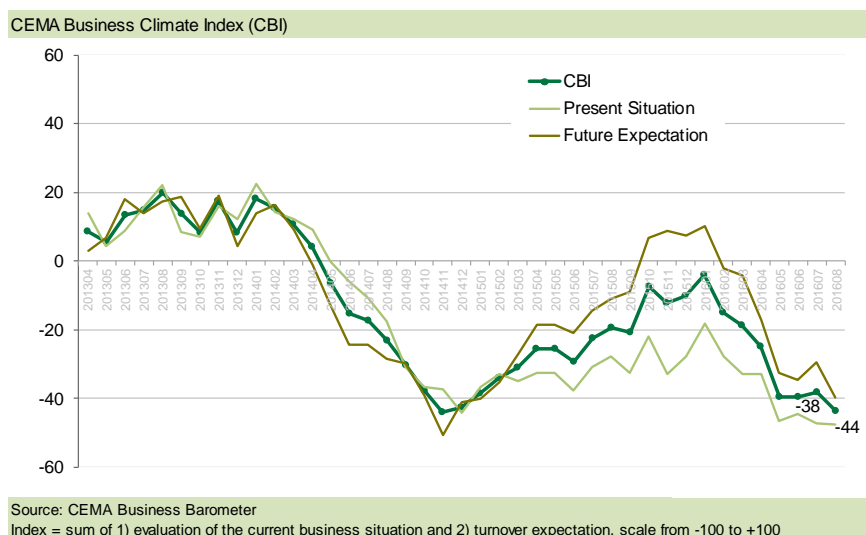
Looking at other machinery types, the **combine harvester** market is down in all CEMA markets with an overall decrease of 8.3%. The decrease is lowest in Belgium with 4% and highest in the Netherlands with 28%. For **forage harvesters**, total demand is expected to fall by 12% in 2016. Here, the Belgian and Spanish markets are the only ones that are to face an increase in sales, while other markets will likely decline by in between 10% to 20%.

A decrease is also seen in the European **mower** market which is declining by 8.6%. The drop is present in most markets and reaching up to 14% in Germany. Exceptions are France and Italy where the market is stable and Spain where the market for mowers is even growing. The market for **balers** also fell by 8.6%. Apart from Spain where the market is stable all markets went down at rates of up to 16.7% in Italy.

The only market that is expected to remain stable is the one for **sprayers**. Again, the Spanish market is the only one experiencing growth in Europe. Other markets are at best stable.

The current business mood is also reflected in CEMA's monthly Barometer which dropped to a record low in August (see image below). Around half of the respondents believe demand will further decrease further in pretty much all markets in the next 6 months.

As a monthly survey that is sent to the European agricultural machinery industry and covers all the major product categories, the CEMA Barometer provides a regular overview of the business mood based on current business sentiment and the expected turnover in the next 6 months.



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CEMA ([www.cema-agri.org](http://www.cema-agri.org)) is the European association of agricultural machinery industry. The industry represented by CEMA includes 4,500 manufacturers of agricultural machinery. 135,000 persons directly work in this branch of business, 125,000 persons work indirectly in distribution and maintenance. The companies are mainly small and medium-sized manufacturers according to the EU definition and generated a total turnover of 27 billion euros in 2014.