

Tractor sales fall by 21.9% y/y in August to 460 units: Saama

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Tractor sales fell 21.9% year on year (y/y) in August to 460 units after dropping 12.2% for the whole of 2015 to 5,673 units, according to the South African Agricultural Machinery Association (Saama).



Mathias Beckmann via [pixabay](#)

Tractor sales have been hurt this year due to uncertainty about crop yields and exchange rates, whether the weather had transitioned from a dry El Niño global cycle to a wet La Niña cycle, land restitution issues and farm worker shares in farms.

"Although market sentiment is still positive, farmers in the summer cropping regions are now cautiously awaiting the onset of the summer rainfall season. Local and international weather services point to the El Niño effect having reversed into a weak La Niña effect. This would mean more favourable prospects for normal summer rains than we have seen for some time.

"However, the legacy of the poor rainfall conditions in recent years will not be quickly resolved and the market is still going to face difficult times in the short term. Weather conditions and, to a lesser extent, the exchange rate will be the main drivers for the rest of 2016," the industry body said.

Sales are down 15.3% y/y in the first eight months of 2016. Current industry forecasts for the 2016 calendar year are that tractor sales will be between 15% and 20% down on last year.

Source: AFP

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