



# Tractor sales fell by 32.2% y/y in July to 451 units: Saama

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8 Aug 2016

Tractor sales fell by 32.2% year-on-year (y/y) in July to 451 units after dropping by 12.2% in 2015 to 5,673 units, according to the South African Agricultural Machinery Association (Saama).



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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.

"Market sentiment still remains positive. However, with the maize harvesting having been delayed in some areas, farmers are still waiting to see what their crops will yield. The late rains, particularly in the east of the summer rainfall areas, will have helped a lot with winter wheat and the upcoming summer crops. Nevertheless, it is likely that the market will continue to be depressed for the next month or two. Thereafter, the market will be driven mainly by weather conditions as they develop in the summer cropping areas," the industry body said.

Sales are down 14.3% y/y in the first seven 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: *BDpro*

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