

Poor 'harvest' for tractor sales in May

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7 Jun 2013

Tractor sales were down by 5.2% year-on-year (y/y) in May to 550 units after rising by 5.1% y/y in April to 555 units, South African Agricultural Machinery Association (Saama) said on Thursday (6 June).



Year to date, tractor sales are 3.9% lower than a year ago at 3,211 units.

Statistics SA said last month that the real value added by the agriculture, forestry and fishing sector rose by 4.0% y/y in the first quarter after a 2.3% increase in 2012 following a 0.1% decline in 2011.

The volatile combine harvester sales data showed a 50% y/y fall in May to 28 units, but on a year to date basis, combine harvester sales were up 23.3% at 217 units.

Although the official maize production forecast has been cut by about 8% since the first estimate in February, many farmers have already harvested good crops.

Saama said it was mainly in the western maize production areas that crops were adversely affected by drought.

Looming on the horizon are farm equipment price increases, which will need to be implemented as a result of the recent sharp drop in the value of the rand.

"The current prices might encourage farmers to buy lower-priced stock in the short term. Thereafter, the higher prices are likely to have an adverse effect on sales of new equipment," Saama said.

Industry expectations are that tractor sales this year will be between 6,700 and 7,100 units, between 10% and 15% over than last year's sales.

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