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SA AGRICULTURAL MACHINERY ASSOCIATION

**South African Agricultural Machinery Association
Suid-Afrikaanse Landboumasjinerieassosiasie**

P.O. Box/Posbus 1159
Edenvale
1610

South Africa/Suid-Afrika

Telephone/Telefoon (011) 453-7249
Telefax/Telefaks (011) 453-9710

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July 2017: TRACTOR and COMBINE HARVESTER SALES

Retail sales of agricultural equipment during **July 2017** were as follows:

	Month July		Percentage change	Year-to-date July		Percentage change
	2017	2016	%	2017	2016	%
Tractors	502	451	11.3	3 540	3 403	4.0
Combine Harvesters	13	14	-7.1	144	132	9.1

July tractor sales of 502 units were significantly (11%) up on the 451 units sold in July last year. On a year-to-date basis tractor sales are now 4% up on what they were this time last year.. July combine harvester sales of 13 units were one unit less than the 14 units sold in July last year. Combine harvester sales for the year-to-date are now 9% up on last year.

Overall sentiment in the market remains positive, with many farmers now having harvested their crops and having a good measure of their crop realisations. The good July tractor sales reflect a situation where stocks of lower-priced equipment, brought in when the rand was stronger, were taken up by buyers. The very recent weakness of the rand against our major currencies is again going to put pressure on equipment prices. Regrettably, the current weaker rand is unlikely to raise local commodity prices as these are currently affected by export parity. Looking forward to the forthcoming summer-cropping season, farmers are going to have to evaluate their input costs carefully and base their planting decisions on these estimations.

Expectations for 2017 remain that overall tractor sales should be between 5 700 and 6 000 units, or at least as good as they were in 2016.

Lucas Groenewald
Chairman: South African Agricultural Machinery Association

Contact: Mr. Lucas Groenewald (082) 804-8463 or Dr. Jim Rankin (011) 453-7249