

Rural economy spurred tractor sales in 2025, tilling fertile ground for 2026

SOHINI DAS

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India's tractor industry closed 2025 on a firm footing, nearing a million units in retail sales — posting double-digit growth in volumes — and entering 2026 with expectations of sustained demand, according to industry executives and analysts.

This, they added, was backed by healthy farm economics, improved rural cash flows and favourable crop conditions.

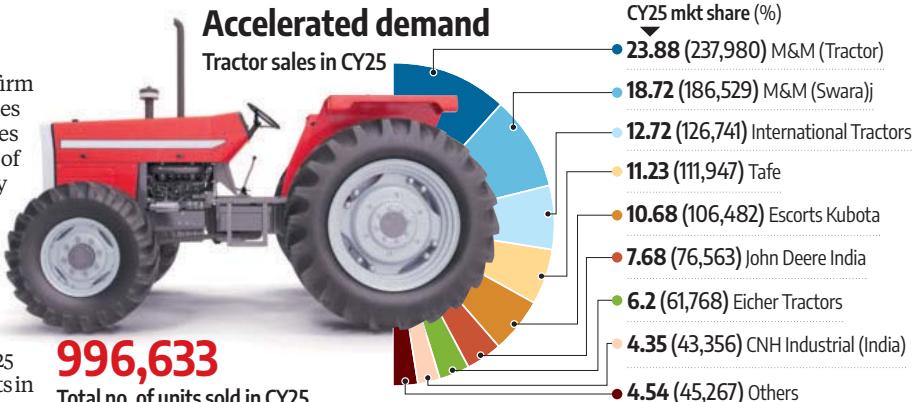
According to Federation of Automobile Dealers Associations (Fada) Research data, tractor retail sales in CY25 stood at 996,633 units, up from 893,706 units in CY24, a growth of more than 11 per cent.

Demand strength was visible across major original equipment manufacturers (OEMs), with Mahindra & Mahindra (M&M) further consolidating its leadership position.

M&M sold 237,980 units in CY25, increasing its market share to 23.88 per cent from 23.36 per cent in the previous year. The company's Swaraj division recorded retail sales of 186,529 units, with a market share of 18.72 per cent, compared to 18.6 per cent in CY24. Together, the two brands accounted for over 42 per cent of total industry volumes during the year.

International Tractors (Sonalika) retained the third position with 126,741 units sold, though its market share declined marginally to 12.72 per cent from 13.09 per cent.

Tafe reported sales of 111,947 units, with a market share of 11.23 per cent, slightly lower than 11.54 per cent a year ago.



Note: Figures in brackets indicate no. of units sold in CY25; Telangana figures not included; Vehicle retail data has been collated as on Jan 3, 2026, in collaboration with Ministry of Road Transport & Highways and has been gathered from 1,401 out of 1,459 RTOs; Others include OEMs accounting less than 1% mkt share Source: Fada

Escorts Kubota (agri machinery group) emerged as one of the key gainers in 2025, growing volumes to 106,482 units and expanding market share to 10.68 per cent, from 9.78 per cent in 2024.

John Deere India sold 76,563 units, increasing its share to 7.68 per cent, while Eicher Tractors posted sales of 61,768 units, with a 6.20 per cent share.

M&M said demand accelerated sharply towards the end of the year. "We have sold 30,210 tractors in the domestic market during December 2025, a growth of 37 per cent over last year," said Veejay Nakra, president – farm equipment business, Mahindra & Mahindra.

He added, "Cash flow availability in the market has improved supported by favourable crop yields following the Kharif harvest. Additionally, conducive weather conditions and healthy reservoir levels contributed to increase in Rabi sowing acreage, which is expected to sustain tractor demand in the coming months."

Reflecting stronger-than-anticipated rural momentum, the company has revised its outlook for the current fiscal. "For FY26, as against our earlier estimate of high single-digit growth, we believe the tractor industry is likely to achieve low double-digit growth, reflecting stronger-than-expected rural and agri-sector performance," M&M said.