

# Tractor sales down 1.5% in '24; outlook bright for 2025

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Tractor sales dipped marginally by 1.5 per cent in calendar 2024 to 901,668 units because of a decline in demand in the first half of the year, according to data from the Tractor and Mechanization Association.

Things, however, improved in the second half, and healthy reservoir levels have now supported rabi crop acreage, leading to a positive outlook for this year.

Hemant Sikka, president of the farm equipment sector at Mahindra & Mahindra, told *Business Standard* that tractor sales increased by 5 per cent year-on-year between April and December 2024. This growth was supported by the timely arrival of pre-monsoon showers along the west coast, which created positive momentum for the kharif planting season.

“Healthy reservoir levels have supported rabi crop acreage. Due to a favourable outlook for the rabi season, tractor sales are expected to grow in Q4, and we expect the industry to end the year with a growth outlook of 6–7 per cent,” Sikka said.

Tractor volumes saw a boost during the festive month of October, when sales grew 22 per cent to 1,44,675 units. After a slight dip in November, vol-

umes again picked up in December to 50,993 units, growth of around 14 per cent.

The second half of the year was supported by strong monsoons and higher minimum support prices, which contributed to increased rural purchasing power.

As such, 2024 has been a dynamic year for the tractor industry, beginning with El Niño conditions but eventually paved the way for healthy monsoons.

Raman Mittal, joint managing director of the International Tractors, which sells the Sonalika brand of tractors, highlighted that “the year 2024 has been a dynamic one for the tractor industry. Water reservoir levels surpassed the 10-year average LPA in the southern (38 per cent), western (31 per cent), and central (17 per cent) regions.”

This, coupled with kharif acreage reaching a five-year high of 110.85 million hectares, boosted positive sentiments and led to robust tractor sales during the festival season, driving the industry’s recovery, Mittal said.

As for this year, favourable El Niño conditions, typically associated with strong rabi crop production, are expected to further enhance crop acreage against the backdrop of a low base year and a strong southwest monsoon.

