Agrievolution Economic Committee

Agrievolution Business Barometer

Public excerpt of the survey on the worldwide development of the agricultural machinery business

April 2018

17th edition
What is the Agrievolution Business Barometer?

A survey within senior management of the global agricultural machinery industry (ca. 83% manufacturers and 17% distributors)

Project managed under the umbrella of Agrievolution (global association network for the agricultural machinery industry)

251 participants from (Western) Europe (by CEMA with the results of its separate monthly survey), India, Japan, South Korea, Brazil, Russia, Turkey and the United States

Implemented by the correspondent national associations

Project lead and summary of the results: VDMA (Germany)

Objective: illustration of the current and future branch development for the most relevant topics of the industry

- General evaluation of the business
- Order intake
- Turnover
- Employment
- Delivery times
- Machinery stocks
- Farmers’ mood and economic conditions
- Others

Survey periods: April/May and October/November (Start was in 2010)
Summary of the Survey in April 2018

Global business climate for agricultural machinery has stabilized on high level. The global industry has good confidence that current growth rates can be maintained. However, further rising growth rates seem unlikely.

In the major production regions Europe, China and the US, the industry’s confidence has not risen any further, but rather dropped slightly, albeit from high levels. In addition, like in the last surveys, the US Industry draws repeatedly a much less euphoric picture when evaluating the environmental fundamentals for the home market. Especially, current profitability of farming is still considered negative. The same phenomenon can be seen in India, and to a lesser degree in Russia and China. The optimism for these latter markets seems to be mainly driven by government support. The respondent’s evaluation of the impact from the credit side continues meanwhile worst in Russia and Turkey.

Despite quite heterogeneous and overall rather mixed ratings with regard to the market conditions, there is again for all global regions (except Oceania) a majority of survey participants expecting market growth in the next six months.
**Agrievolution Economic Committee**

## Production

**Agrievolution Business Climate Index**

Possible range from -100 to +100

![Graph showing the Agrievolution Business Climate Index with data points for Climate Index, Current Situation, and Future Situation from April 2010 to April 2018.](image)

- **Source:** Agrievolution Business Barometer Apr 2018
- **Note:** Weighted global average

Contact: philip.nonnenmacher@vdma.org

Page 4 • 25th May 2018
Production

Agrievolution Business Climate Index
Possible range from -100 to +100

Source: Agrievolution Business Barometer, **partly without data
*weighted global average
Market Environment

Question: Please give a current evaluation of the following aspects/impacts for the farmers / end customers in your home market: **Profitability of farming**

Answers from manufacturers / importers according to location

Source: Agrievolution Business Barometer Apr 2018 *weighted global average

Contact: philip.nonnenmacher@vdma.org
Question: Please give a current evaluation of the following aspects/impacts for the farmers / end customers in your home market: **Government support**

Answers from manufacturers / importers according to location

Source: Agrievolution Business Barometer Apr 2018

*weighted global average

Contact: philip.nonnenmacher@vdma.org
Market Environment

Question: Over the last 3 months obtaining credit for end customers has …

in % of the interviewed persons according to country of company location

Source: Agrievolution Business Barometer Apr 2018

* weighted global average

Contact: philip.nonnenmacher@vdma.org
Market Environment

Question: Over the last 3 months obtaining credit has ...

<table>
<thead>
<tr>
<th>for OEMs:</th>
<th>for dealers:</th>
</tr>
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<tbody>
<tr>
<td>become more difficult</td>
<td></td>
</tr>
<tr>
<td>remained unchanged</td>
<td></td>
</tr>
<tr>
<td>become easier</td>
<td></td>
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</tbody>
</table>

in % of the interviewed persons according to country of company location

Source: Agrievolution Business Barometer Apr 2018

*weighted global average
Turnover expectations (next six months) according to continents

Positive value means: growth tendency, negative value means: tendency for decline (but not to be interpreted as %-change!) - index calculated as a balance of growth and decrease expectations, with a possible range from +100 to -100

All markets

European Union
North America
Africa
Latin America
East Europe
East Asia
Rest of Asia and Middle East
Oceania

Note: this is only a trend indication according to weighted majorities
negative index = majority of respondents expect the market to perform below the previous year’s level,
positive index = majority expect it above

Source: Agrievolution Business Barometer Apr 2018