UK Agricultural Machinery Report

Contributed by MBD
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UK AGRICULTURAL MACHINERY MARKET RESEARCH REPORT

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After researching the UK agricultural machinery market development and taking into account various other factors the following conclusions can be drawn from MBD's report:

MARKET REVIEW 2002-2006:

Demand for agricultural machinery in the UK is expected to increase by 4% during 2006 to a level of Â£773.2 million, partially offsetting a 4% decline in demand recorded during the previous year. Despite the widely publicised difficulties in the UK farming industry in recent years, demand increased year-on-year between 2002 and 2004, culminating in overall growth of 13% in value terms to a five year peak of Â£781.9 million during the later year. A 4% decline in demand during 2005 is partly attributable to the impact of weather on crop yields during the second half of 2004. The wet autumn delayed combining and impacted on crop quality, resulting in increased farming costs and therefore less investment in new machinery.

MARKET FORECAST 2007-2011:

Although the total number of holdings in the UK is expected to continue to decline, the average size of farms is expected to continue to increase during the forecast period, which is likely to create a more buoyant investment environment for agricultural equipment, since larger operating farms are more able to invest in upgrading equipment. Moreover, farming is becoming increasingly mechanised and many of the trends in the sector are towards greater productivity as a result of improved mechanisation.

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