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NEW YEAR, NEW TRACTOR?

By Jaiden Drought

Much like the abundance of early failed New Year's resolutions, 2024 will go down as a year most machinery manufacturers and dealers would like to forget. However, signs of agricultural prosperity are signalling a much brighter and more prosperous 2025. The start of a new year makes oneself reflect. For me, it's having to admit one of the many times I have been wrong. In my last article, I predicted just under 2800 Tractors for the year, turns out we did in fact crack 2800, 2806 to be exact for the 2024 campaign, ending overall 18% down on the previous year. If you'd humour me with a little bit of stat chat, we will dissect what those numbers looked like.

December in isolation for a start, was only the fourth month this year to be above that of 2023, again, with a theme of real variation around the country. South Island was up in total versus the North, most likely a reflection of the slower start due to the weather in the southern South Island, with Southland alone up 66% compared to last year. Conversely, Nelson region suffered the biggest December dip down nearly 60%. Horsepower segment wise, the 150 - 200 hp tractor market posted an 81% increase over last year which shows two things, firstly some regions had a slow spring growth made which made people sit on their hands until the work started flowing. Secondly, given the high dealer inventory levels allowed confidence they could find the machine that suited their needs, albeit with a slight compromise on their desired 'spec'.

Overall sector comparative to 2023, the North Island sold nearly two thirds of all of the tractors in the country and also suffered a lower percentage drop comparative to 2023. Only two horsepower sectors posted an increase in sales over the 2023 year, the 90 - 100 hp was ever so slightly ahead while the most successful segment with a 10% increase was the 375 hp plus sector.

Regionally, Northland was the winner posting an 8.5% increase over the 2023 year and the only other region to be in the black was Taranaki (albeit by two units overall). The biggest drop was in Hawke's Bay with a 136 unit decline, which is most likely to do with a large increase in tractor sales on the back of cyclone Gabrielle, which seen the 2023 numbers 'falsely' inflated due to the harrowing devastation, associated insurance claims/replacement tractors to help with the cleanup efforts. 12 months on, some are struggling to regain the former productivity of that prior to the cyclone resulting in less sales. Nelson was the largest overall drop in the South Island, posting nearly half the units of the year before.

The horsepower sector of suffer the most was the 200+ hp and only managed to chalk up 66% of the previous year's numbers. The 100 - 150 hp was overall only down 10% confirming this is the most common tractor size sold in the country, accounting for one in every three machines sold.

As we crack into 2025 there is an overwhelmingly positive yet cautious vibe around the dealers. Rural confidence is up, and interest rates are heading in the right direction as are revenue streams. Due to the uncertainty, some machines have been held slightly longer, but this shift in confidence will result in many reverting to a more 'traditional' replacement policy. I'm predicting 2025 to be prosperous for the machinery sector. According to my crystal ball, 3600 units will be the number this year, hopefully I don't get it confused with the snow globe again.

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About the Tractor and Machinery Association of NZ

The Tractor and Machinery Association of NZ (TAMA) is the industry representative for New Zealand's commercial tractor and machinery industry, including importers, manufacturers and retailers. TAMA obtains retail delivery statistics for around 97% of the tractor market and about 80% of the machinery sector from its co-operating members. Visit <https://tama.org.nz/>