

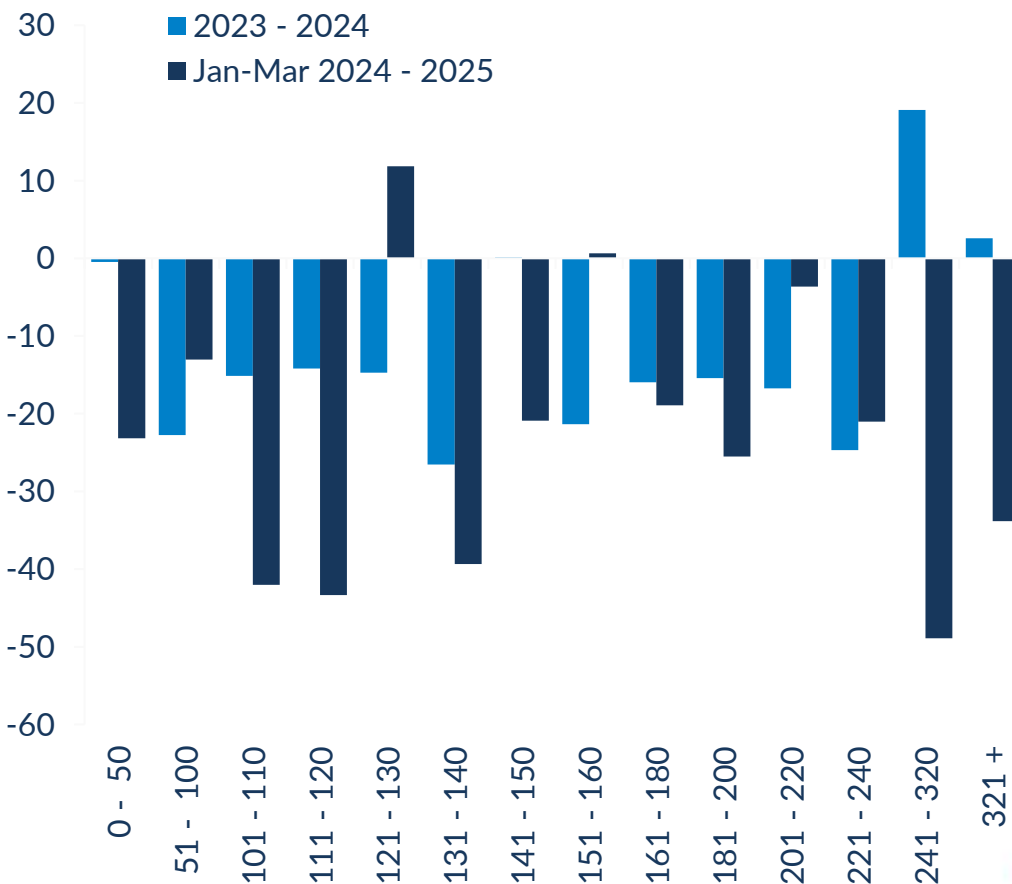
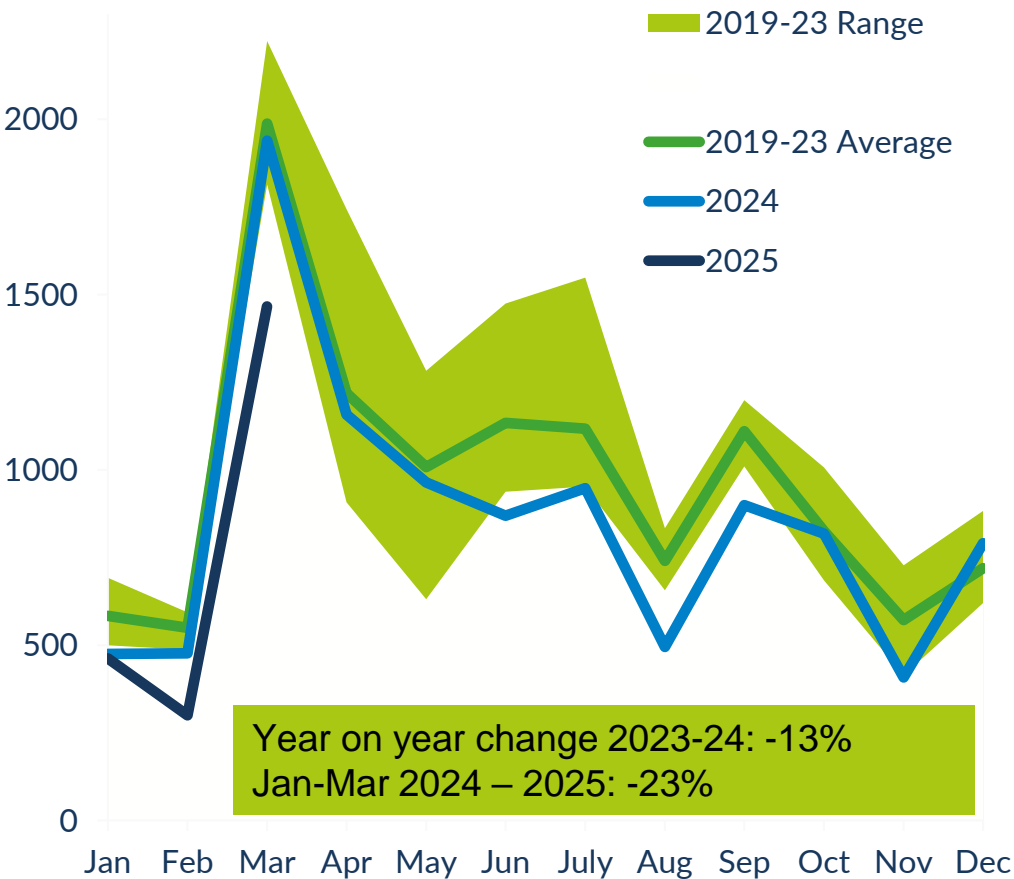


# UK COUNTRY REPORT

Agrievolution Economic Committee

28 April 2025

# Tractor market continues to decline, even after tough 2024, with last year's growth at high power reversed



Left Chart: Monthly UK registrations of agricultural tractors (over 50hp)

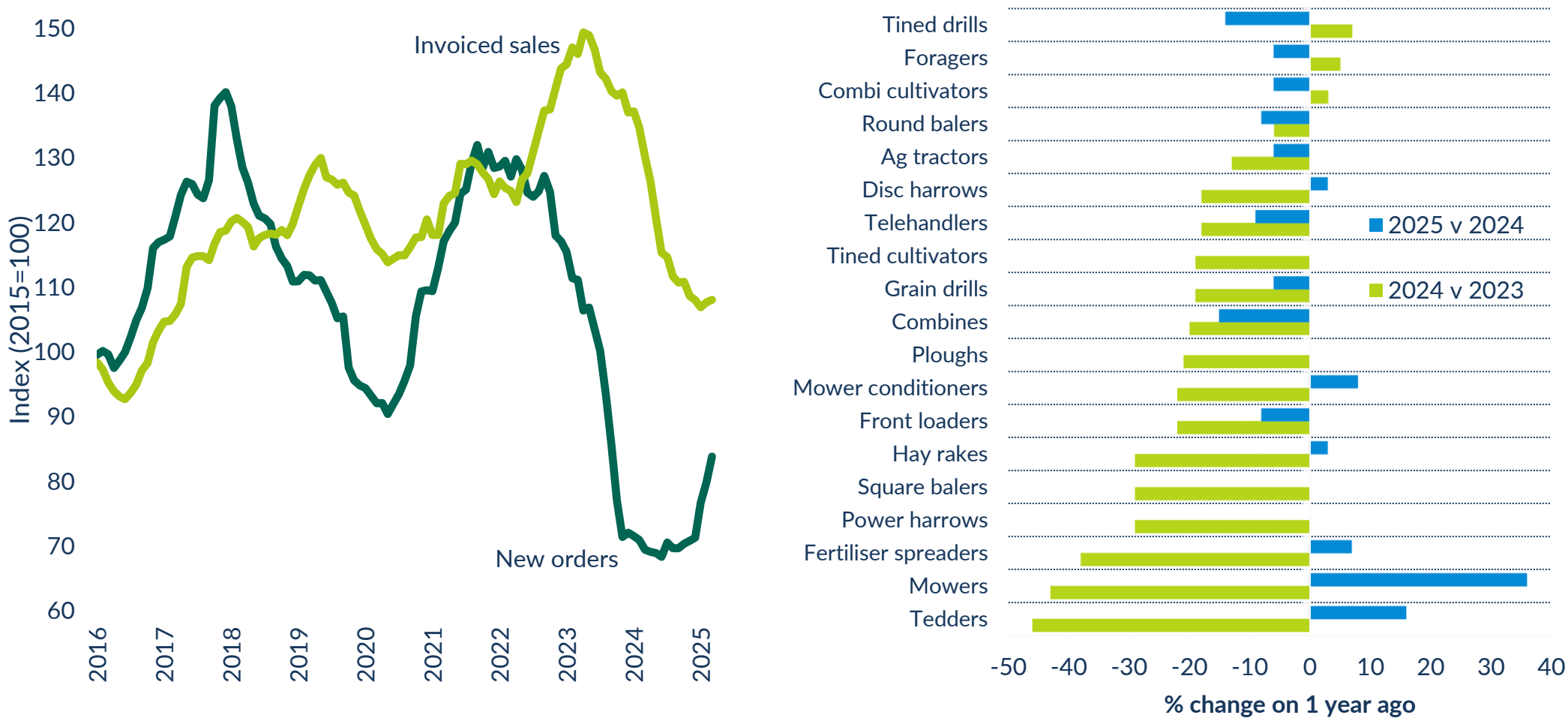
Source: AEA/DVLA

Right Chart: Year-on-year percentage change in UK registrations of agricultural tractors by power band

Source: AEA/DVLA



# Implement market even more challenging, although orders starting to pick up from a low base



Left Chart: Value of invoiced sales/new orders of new machinery (excluding self-propelled), moving 12-month average

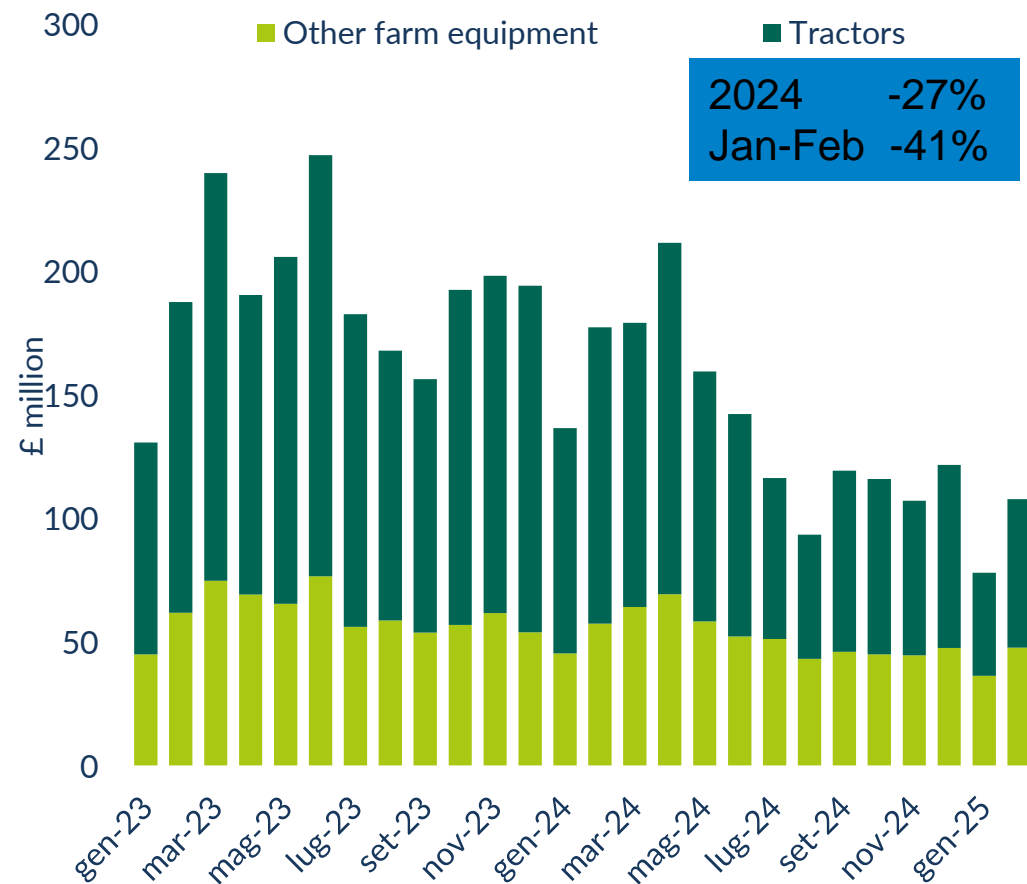
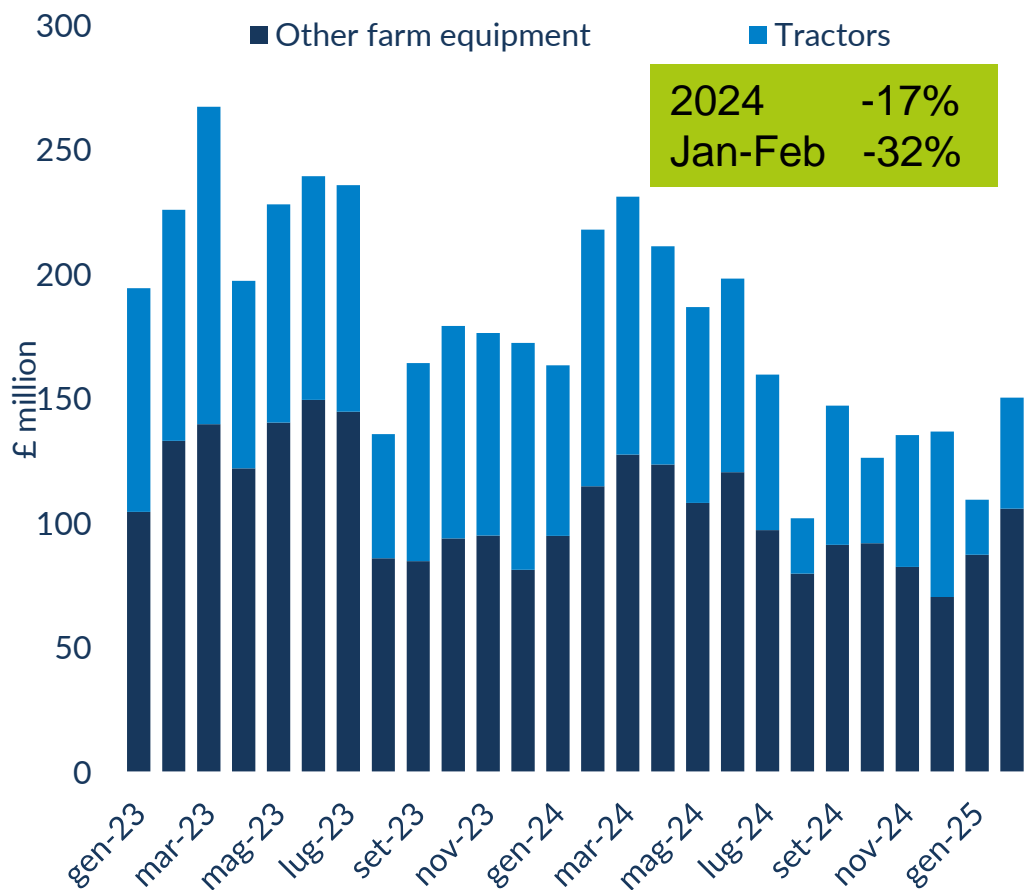
Source: AEA

Right Chart: Deliveries of agricultural machinery 2024 v 2023 (actual) and 2025 v 2024 (forecast)

Source: AEA



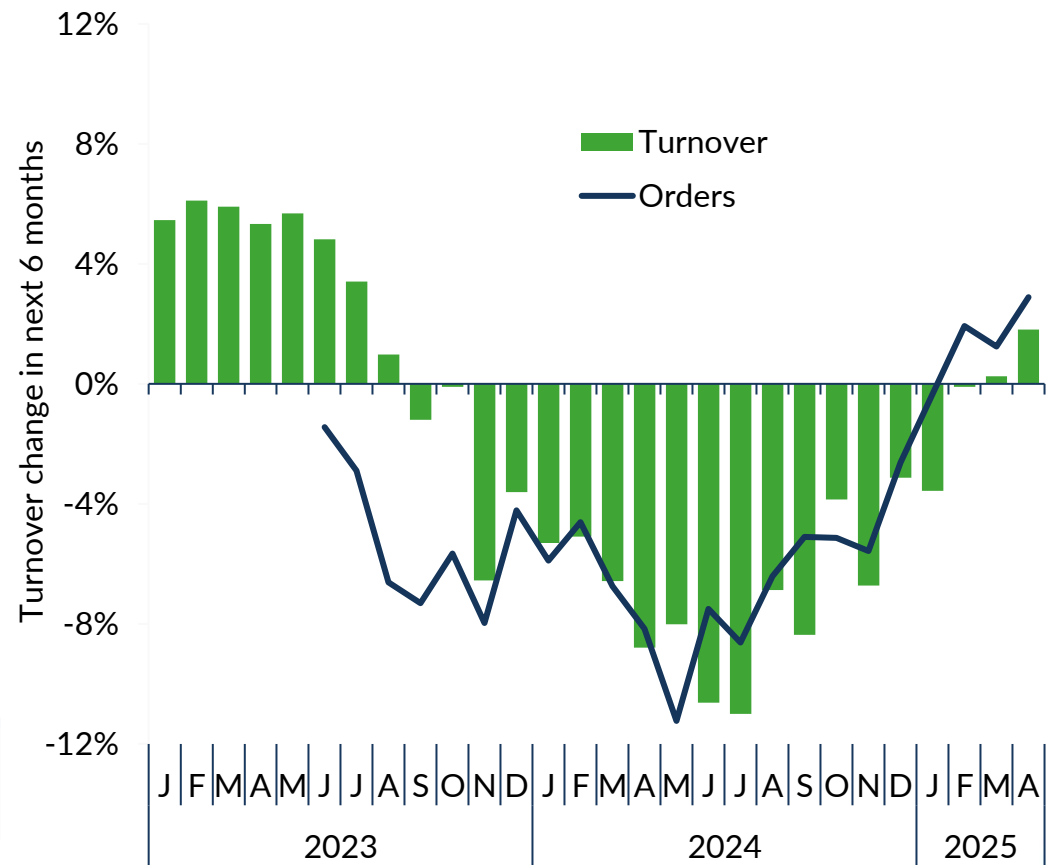
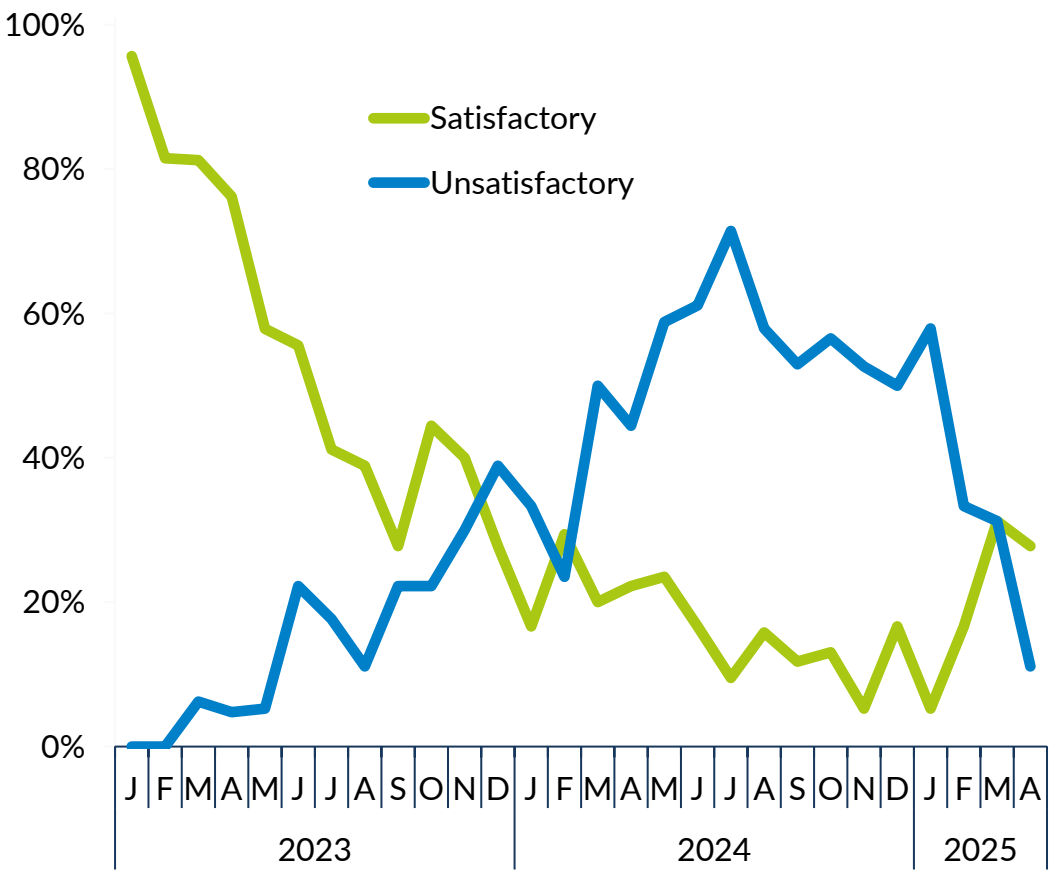
# Both imports (left) and exports (right) of farm machinery lower than last year and slowing through 2024



Left Chart: Value of UK imports of tractors and other farm machinery  
Source: Office for National Statistics  
Right Chart: Value of UK exports of tractors and other farm machinery  
Source: Office for National Statistics



# Industry sentiment starting to improve, as AEA members are a bit more optimistic about future demand



Left Chart: Assessment of current business environment  
Source: AEA Farm Equipment Barometer  
Right Chart: Average expectation for annual change in UK turnover and new orders in next 6 months  
Source: AEA Farm Equipment Barometer



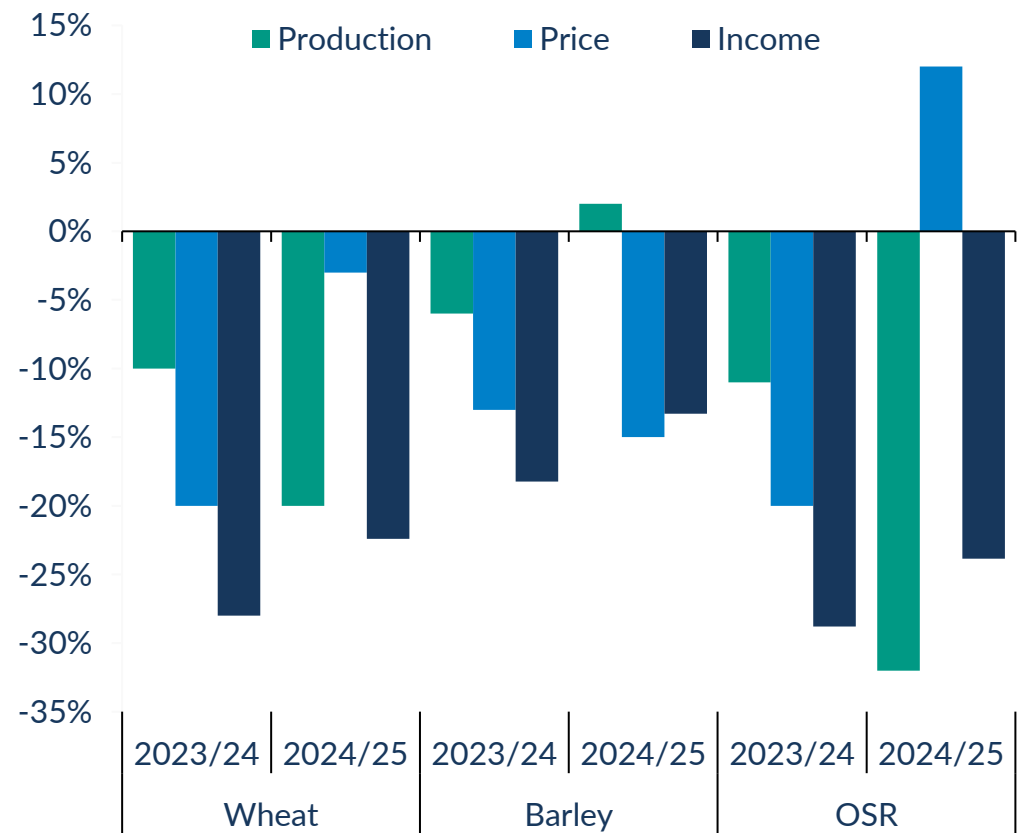
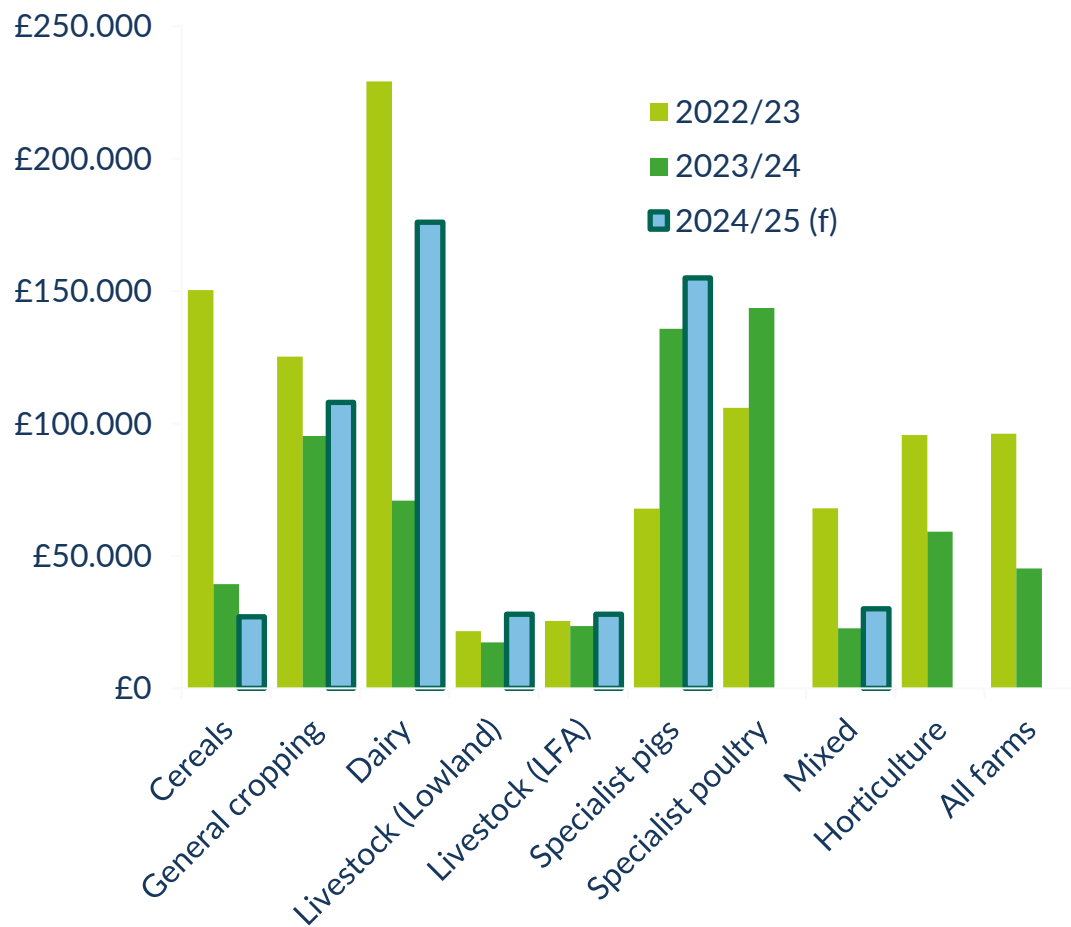
# New government's policies have led to a loss of confidence from farmers, hitting investment plans



- Changes to Inheritance Tax have attracted the most attention and led to farmer protests in London and elsewhere
- Faster reduction of support payments in England may be more significant in short-term
- Some farm businesses may also be hit by higher employee taxes and minimum wage rates
- Sudden closure of main agri-environment scheme added to the uncertainty
- Longer-term decisions are waiting for a government spending review, due to report in June
  - Future levels of support payments
  - Future design of agri-environment schemes etc.
  - Availability of grants for capital investment, including in machinery
  - Funding for farm innovation and productivity
- Various other plans and strategies will also have an impact but not published yet
  - Land Use Framework
  - 25-year road map for farming (and review of farm profitability)
  - Food Strategy
  - Review of Environmental Improvement Plan
  - Industrial strategy



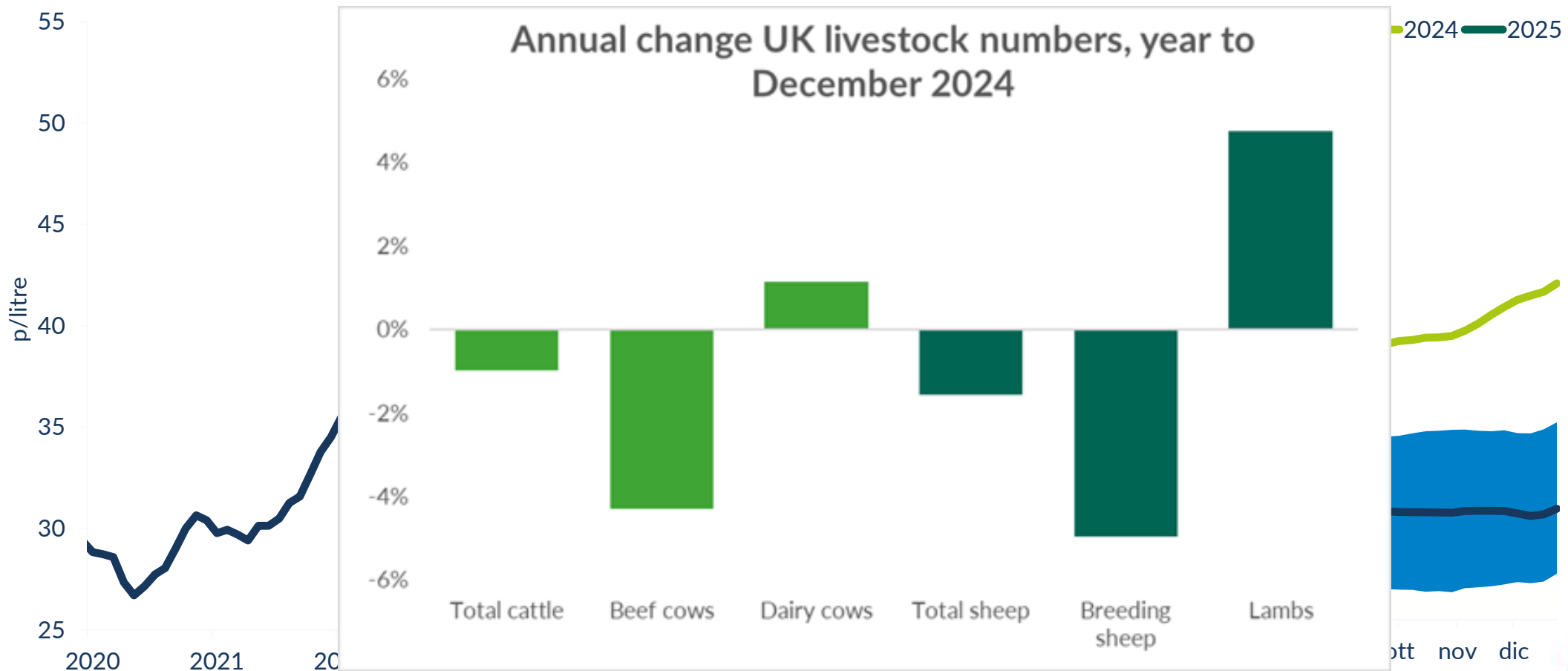
# Mixed picture for farm incomes in 2024/25 – good year for livestock farms, tough for arable farms



Left Chart: Average Farm Business Income on English farms by type  
Source: DEFRA  
Right Chart: Year-on-year changes in UK production and price of and income from grains and oilseeds  
Source: Defra, AHDB Cereals & Oilseeds



# Milk and livestock prices have been very strong, boosting farm incomes but confidence still lacking



Left Chart: Average UK farmgate milk price (actual and projected)  
Source: DEFRA/AHDB Dairy  
Right Chart: Average GB price for prime cattle (deadweight/carcase price)  
Source: AHDB Beef & Lamb





# Summary of UK machinery market and key drivers

- Market for farm machinery has slowed down over last two years but signs that things might be starting to improve
- Farm policy changes and uncertainty about the future have hit farmer confidence, limiting investment plans and slowing recovery in machinery market
- Arable farmers have had two very difficult years but weather has been better so far this season
- Prices for animal products have been very strong recently but not enough to lead to any expansion yet
- Trade policy changes not expected to have a big direct impact on UK agricultural or machinery markets but outlook highly uncertain



THANK YOU FOR YOUR ATTENTION

Any questions?