

Germany Tractors Market Research Report 2021-2030

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Report description:

The Germany tractor market by shipments is expected to grow at a CAGR of 2.04% from 2024 to 2030.

IMPACT OF TARIFF

The impact of tariffs on the German tractor market is going to be low to moderate due to the country's strong domestic manufacturing base and established trade relationships within the EU, which mitigate reliance on imports from high-tariff regions. The potential imposition of higher U.S. tariffs poses a moderate risk to Germany's agricultural machinery exports, particularly tractors. If the proposed 20-25% tariffs on German machinery, including agricultural tractors, are implemented by the U.S. after July 9, 2025, it could significantly reduce the price competitiveness of German tractors in the American market.

MARKET TRENDS & DRIVERS

Adoption of Precision Agriculture

Germany, known for its efficiency and technological prowess, has embraced precision agriculture. Precision agriculture integrates a suite of advanced technologies-including digital tools, automation, and real-time data analysis-to improve farming efficiency, productivity, and environmental sustainability. Moreover, farmers increasingly recognize the opportunities in digitalization. The digital wave is gaining momentum in German agriculture. This was shown by a survey conducted by the digital association Bitkom and the DLG (German Agricultural Society) in 2024: A high proportion of farms already apply fertilizers (36%) and pesticides (30%) using precision field maps. Predictive maintenance for agricultural machinery is used by a quarter of farms. This growing trend is driving the demand for tractors in Germany to support data-driven farming and propels the Germany tractor market growth.

Growing Outlook of Electric Tractors

As awareness of environmental issues and the need for sustainable solutions continues to grow, electric tractors are becoming

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attractive to farmers and agricultural businesses in the Germany tractor market. Manufacturers are developing electric tractor models to meet emerging requirements and support the transition to low-emission agricultural practices. One example is, after the Fendt e100 V Vario, Fendt is now introducing the standard Fendt e100 Vario tractor. Also, European countries have implemented robust policies to encourage the use of electric tractors. For instance, Germany offers subsidies for electric machinery as part of its climate protection program. Germany earmarks \$3 billion for decarbonization subsidies, according to Reuters, in 2024.

Rising Alternative Fueled Tractors

To make vehicles more efficient and the air cleaner, petrol and diesel are increasingly being replaced by alternative fuels. These include natural gas, hydrogen, synthetic methane, and biomethane. The transition toward carbon-neutral agriculture is accelerating, driven by advancements in alternative fuel technologies, strategic investments from key manufacturers, and supportive policy initiatives, underscoring the need for a multi-technology approach to meet the diverse demands of the agricultural sector sustainably.

Growing Demand for Food

Germany experiences ongoing demographic shifts and population growth, and the demand for essential resources continues to rise. As Germany grapples with demographic changes and a shrinking workforce, immigration is becoming essential to sustaining economic stability and population growth. For instance, according to Business Standard Private Ltd. In 2024, Germany's economy will need nearly 288,000 immigrants annually until 2040 to address challenges posed by an aging population. The resulting population growth and changing consumption patterns are expected to increase the food demand in the country.

Strong Export Demand for German Tractors

Germany's strong export demand for tractors seems that its tractor manufacturing industry remains closely tied to global agricultural needs. Tractors exported from all countries totaled US\$87.2 billion in 2023. That dollar amount reflects a 53.7% gain from \$56.7 billion 5 years earlier during 2019 with Germany ranking among the top five exporters.

INDUSTRY RESTRAINTS

Skilled Labor Shortage

The country is grappling with a critical labor shortage and an aging population, with projections indicating a deficit of 7 million skilled workers by 2035. This shortage is affecting many different industries. This is due to a combination of demographic changes, economic growth, and evolving technological needs.

High Investment Costs

The high investment cost of tractors in Germany is a significant concern for farmers, particularly small and medium-sized enterprises. This issue is influenced by factors such as technological advancements, rising energy prices, and the increasing cost of spare parts.

Reduced Level of Registration of Tractors in Europe

There is a sharp decline in agricultural tractor registrations in 2024, driven by reduced farm incomes, which were impacted by falling commodity prices, persistently high input costs, and adverse weather conditions across Europe, all of which have weakened

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farmers' ability and willingness to invest in new machinery.

GERMANY TRACTOR MARKET SEGMENTATION INSIGHTS

INSIGHTS BY HORSEPOWER

Tractors with above 150 HP accounted for the highest share of the Germany tractor market in 2024 and is expected to grow at a CAGR of more than 2.6% during the forecast period. These high-powered machines are essential for large-scale agricultural operations, particularly in regions where extensive land holdings and mechanized farming are prominent. Their superior pulling capacity, versatility with heavy-duty implements, and efficiency in handling challenging terrains make them a preferred choice among commercial farmers.

The 50-150 HP segment accounted for more than 9 thousand units in 2024. These tractors offer a balanced combination of power and flexibility, making them well-suited for mid-sized farms and mixed farming practices. Their adaptability for various tasks such as plowing, tilling, and hauling has kept them in steady demand.

Tractors with less than 50 HP are primarily used in small farms, vineyards, and for light-duty tasks. While they represent a smaller share of the overall Germany tractor market, demand for compact tractors is known due to their affordability, ease of maneuverability, and suitability for niche applications such as horticulture and landscaping.

Segmentation by Horsepower

-□ Less Than 50 HP

-□ 50-100 HP

-□ Above 100 HP

INSIGHTS BY DRIVE TYPE

In the Germany tractor market, 2WD tractors dominate, driven by their cost-effectiveness, lower maintenance, and suitability for the country's widespread small- to mid-sized farms with relatively flat terrain; however, 4WD tractors are gradually gaining market share due to increasing demand for power, traction, and advanced features in large-scale and precision farming.

Segmentation by Drive Type

-□ 2 Wheel Drive

-□ 4 Wheel Drive

VENDOR LANDSCAPE

The Germany tractor market is consolidated, with major global and domestic manufacturers such as John Deere, AGCO Corporation, SDF Group, and CLAAS KGaA mbH holding a significant share. The presence of these established players, supported by widespread distribution networks and long-standing market presence, limits opportunities for smaller and regional vendors. As the Germany tractor market shifts toward more automated and digitally integrated machinery, competition is expected to intensify, particularly in the higher horsepower segments.

AGCO (Allis-Gleaner Corporation), the parent company of brands like Fendt, Massey Ferguson, and Valtra, holds one of the significant shares in the German tractor market primarily due to the strong performance of its premium brand Fendt, which is widely regarded as the gold standard for tractors in Germany and much of Europe. Furthermore, in February 2025, John Deere's partnership with Drive TLV gives the company direct access to a wide network of innovative startups, helping accelerate advancements in autonomy, sensing, cybersecurity, electrification, and connectivity. This collaboration enables Deere to quickly address customer challenges with cutting-edge technologies, driving efficiency, sustainability, and market-ready solutions across its product lines.

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Key Company Profiles

- [] AGCO Corporation
- [] CNH Industrial N.V.
- [] Deere & Company
- [] Kubota Corporation
- [] CLAAS KGaA mbH
- [] SDF

Other Prominent Company Profiles

- [] KIOTI
- [] Lindner
- [] TYM-Tractors Sales GmbH
- [] YANMAR HOLDINGS CO., LTD.
- [] ISEKI & CO., LTD
- [] Tractors and Farm Equipment Limited
- [] Weichai Lovol Intelligent Agricultural Technology CO., LTD

KEY QUESTIONS ANSWERED:

1. [] How big is the Germany tractor market?
2. [] What is the growth rate of the Germany tractor market?
3. [] Which horsepower segment dominates the Germany tractor market share?
4. [] What are the significant trends in the Germany tractor market?
5. [] Who are the key players in the Germany tractor market?

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