

## **South America Tractor Market Size and Share Outlook - Forecast Trends and Growth Analysis Report (2025-2034)**

Market Report | 2025-06-28 | 166 pages | EMR Inc.

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### **Report description:**

The South America tractor market size reached around USD 9.88 Billion in 2024. The market is projected to grow at a CAGR of 5.40% between 2025 and 2034 to reach nearly USD 16.72 Billion by 2034. The market growth can be attributed to technological advancements in agricultural machinery and the introduction of sustainable tractor models. Moreover, rapid population growth has directly impacted the demand for food, thereby prompting farmers to adopt advanced ploughing and harvesting machines for maximising their yield.

South America Tractor Market Report Summary

Description

Value

Base Year

USD Billion

2024

Historical Period

USD Billion

2018-2024

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Forecast Period

USD Billion

2025-2034

Market Size 2024

USD Billion

9.88

Market Size 2034

USD Billion

16.72

CAGR 2018-2024

Percentage

XX%

CAGR 2025-2034

Percentage

5.40%

CAGR 2025-2034 - Market by Country

Colombia

5.9%

CAGR 2025-2034 - Market by Country

Brazil

5.7%

CAGR 2025-2034 - Market by Propulsion

Electric and Hybrid

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21.6%

#### CAGR 2025-2034 - Market by Drive Type

Four-Wheel Drive

6.0%

#### Market Share by Country 2024

Argentina

9.8%

#### South America Tractor Market Growth

The demand for agricultural tractors in Argentina is being driven by the robust growth of the agricultural sector in the country. Based on industry reports, agricultural activities are responsible for contributing a 7.2% share of the national GDP, which is higher than the regional average of 5.2%. Moreover, agricultural commodities account for nearly 58% share of overall exports and feed nearly 450 million people worldwide. Over 200,000 small-scale farmers grow crops on 14% of the total agricultural area. They produce 20% of the total agricultural commodities and account for the consumption of nearly 66% of all agricultural inputs. This is expected to sustain the future demand for heavy machinery to grow crops like cotton, sugarcane, soybean, wheat, and maize, among others. This is propelling the South America tractor market development.

Autonomous tractors are gaining traction in South America due to their ability to enhance efficiency, reduce labour dependency, and optimise farm operations. Equipped with AI, IoT, and GPS technology, these tractors enable precise seeding, fertilisation, and harvesting with minimal human intervention. Brazil and Argentina are leading in adoption, driven by large-scale commercial farming needs and growing investments in agri-tech innovations. Companies are launching autonomous solutions to improve productivity and sustainability, addressing labour shortages and high operational costs. This is leading to a favourable South America tractor market outlook. Additionally, favourable government initiatives supporting smart farming and digital agriculture are further accelerating the deployment of autonomous tractors across the region.

#### Key Trends and Developments

Mechanisation of agriculture; shift towards precision farming; introduction of sustainable tractors; and increasing demand for second-hand tractors are the major factors driving the South America tractor market growth.

#### August 2024

FPT Industrial established a strategic partnership with an Argentina-based company engaged in manufacturing agricultural machinery, Pauny. This collaboration is expected to boost the availability of 100% domestically produced tractors in Argentina, thereby increasing the South America tractor market value.

#### March 2024

Mahindra & Mahindra announced its decision to invest USD 11 million for the construction of a new tractor assembling plant in Ararica, Brazil. With an area of 14,000 m<sup>2</sup>, the facility is expected to produce 8,000 tractor units annually from production kits

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imported from India. This is expected to boost its export potential and leverage it a competitive advantage.

November 2023

Deere and Company announced its decision to construct a machinery testing and development centre for tropical agricultural products in Brazil. Spanning an area of 500,000 m<sup>2</sup>, the Brazil Technology Development Center is expected to be built in Indaiatuba, Sao Paulo, with a total investment of BRL 180 million. The new facility is expected to minimise the product development time for John Deere's solutions by nearly 40%.

May 2023

Belarus signed an agreement with the government of Brazil to construct two manufacturing facilities for agricultural tractors. The contract for the production of tractors for Brazilian family farms with an engine power of 20-25HP has been given to Minsk Tractor Works. This indicates increasing cross-border collaboration in the region.

Mechanisation of agriculture

Farmers are increasingly adopting tractors to boost productivity and efficiency. The shift from traditional methods to modern mechanised farming is driven by labour shortages and rising food demand. Governments are also supporting mechanisation through subsidies and financial assistance, promoting the use of tractors in small- and large-scale farming operations. This is facilitating the South America tractor market expansion.

Shift towards precision farming

Farmers in South America are investing in GPS-enabled tractors and smart equipment to improve yield, reduce input costs, and enhance sustainability. This trend is particularly strong in Argentina and Brazil, where large farms require advanced machinery for efficient resource management.

Introduction of sustainable tractors

There is a rising demand for eco-friendly tractors as sustainability gains importance. Governments and manufacturers are focusing on electric and hybrid tractors to reduce carbon emissions. While adoption is still in the early stages, incentives and technological advancements are expected to increase the market size in the coming years.

Increasing demand for second-hand tractors

The rising cost of new tractors has led to a thriving second-hand tractor market in South America. Small and medium-scale farmers prefer used tractors as a cost-effective alternative. Companies are also providing refurbished models with warranties, ensuring affordability without compromising on quality. This trend is expected to grow as farmers seek budget-friendly options.

South America Tractor Market Trends

Increasing investments in capacity expansion by key players

As per the South America tractor market analysis, Mahindra & Mahindra is expected to invest nearly USD 20 million in Brazil by 2029 to meet the rising demand for agricultural tractors in Mercosur countries. Moreover, it is expected to extend financial support schemes for small and medium-sized farm holding owners who deliver over 70% of Brazil's agricultural output. With new

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investments in the production of tractor assembling facilities, the company is poised to attain significant growth in the coming years.

#### Shift towards sustainable tractors

Argentina's agricultural sector is responsible for nearly 44.3% of the nation's total greenhouse gas (GHG) emissions. This is substantially higher than other sectors, such as industrial processes (3.9%) and waste management (5%). This has prompted machinery manufacturers to introduce biomethane agricultural tractors in Argentina. This is one of the key South America tractor market trends. With the introduction of sustainable tractors, emissions from other agricultural activities like rice cultivation (1%), manure management (2.3%), and livestock rearing (97.7%) can be easily offset, thereby contributing to sustainable economic growth.

#### South America Tractor Industry Segmentation

The EMR's report titled "South America Tractor Market Report and Forecast 2025-2034" offers a detailed analysis of the market based on the following segments:

##### Breakup by Engine Power

- Less Than 35 HP
- 36 HP-100 HP
- 101 HP-200 HP
- 201 HP - 350 HP
- Greater Than 350 HP

##### Breakup by Type

- Orchard Tractors
- Row-Crop Tractor
- Others

##### Breakup by Drive Type

- Two-Wheel Drive
- Four-Wheel Drive

##### Breakup by Propulsion

- ICE
- Electric and Hybrid

##### Breakup by Country

- Brazil
- Colombia
- Argentina
- Others

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## South America Tractor Market Share

Based on drive type, the market is segmented into four-wheel drive and two-wheel drive. Over the forecast period of 2025-2034, the market for four-wheel drive is expected to grow at a CAGR of 6.0% as large-size farm-holding owners increase their demand for robust agricultural machinery and equipment.

Based on country, the market is segmented into Brazil, Colombia, and Argentina, among others. Argentina is projected to dominate the market, representing 9.8% of the overall market share. Over the forecast period of 2025-2034, the demand for agricultural tractors in Colombia and Brazil is expected to grow at a CAGR of 5.9% and 5.7%, respectively, aided by the increasing appeal for electric tractor vehicles and the expansion of the agricultural sector.

### CAGR 2025-2034 - Market by

Country

Colombia

5.9%

Brazil

5.7%

Argentina

XX%

Others

XX%

### Leading Companies in the South America Tractor Market

As per the South America tractor market analysis, leading companies are expanding their product lines with advanced, fuel-efficient, and smart farming solutions. Companies focus on automation, precision agriculture, and sustainability to meet rising demand. They are also strengthening local manufacturing, dealership networks, and financing options to support farmers, driving overall market growth and mechanisation in the region.

AGCO Corp.

AGCO Corp. was founded in 1990 and is headquartered in Georgia, United States. It is engaged in designing, manufacturing, and distributing smart agricultural solutions, including tractors, combine harvesters, seeding equipment, and grain storage systems.

AGRALE SA

AGRALE SA was founded in 1962 and is headquartered in Rio Grande do Sul, Brazil. It is a part of the Francisco Stedile Group and

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specialises in producing and servicing agricultural tractors and other types of heavy machinery.

ZETOR TRACTORS a.s.

ZETOR TRACTORS a.s. was founded in 1946 and is headquartered in Brno, Czech Republic. It specialises in producing auto parts like engines and powertrains for heavy agricultural machinery, including tractors.

CNH Industrial NV

CNH Industrial NV is a machinery manufacturing company that was founded in 2012 and is headquartered in Essex, United Kingdom. It is a publicly held company that also provides financial services.

Other players included in the South America tractor market report are Deere and Company, CLAAS KGaA mbH, Yanmar Holdings Co., Ltd., SDF S.p.A (Deutz-Fahr), Mahindra & Mahindra Ltd., and among others.

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