

Japan Tractor Market Research Report 2025-2030

Market Report | 2025-07-10 | 111 pages | Arizton Advisory & Intelligence

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Report description:

The Japan tractor market is expected to grow at a CAGR of 1.11% from 2024 to 2030.

IMPACT OF TARIFF

The impact of tariffs on the Japan tractor market is going to be high. As a major exporter of tractors, Japan would face reduced demand if tariffs were imposed, as manufacturers would bear higher costs, raising export prices. This would encourage importing countries to shift toward domestic production, leading to a decline in Japan's tractor exports and impacting its manufacturing sector.

JAPAN TRACTOR MARKET TRENDS

Integration of Data & Technology in Agriculture

The integration of agricultural data plays a vital role and contributes to increased productivity, stable production of high-quality crops, and environmentally responsible practices. In Japan, this trend has led to rising demand in the tractor market for machines that are compatible with digital platforms and capable of processing complex data inputs.

Robottractors, using 5G connectivity, have been applied to tasks such as pesticide application and grass-cutting functions that would otherwise require significant physical labor. These machines can be monitored and adjusted remotely, making them suited to areas where the workforce is limited. Data collected during operations can also be fed back into predictive models for future planning. Also, the robotization of Japanese agriculture is increasingly popular, in this country that is often on the front line of the world in terms of technology. Faced with the accelerated aging of its agricultural population (more than 60% of Japanese farmers are over 65 years old) and the lack of labor in the sector, the country is now turning to robotization and automation in order to modernize its agriculture.

Electrification of Agricultural Machinery

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Recently, the development of electric agricultural machinery has been promoted in the agricultural sector against the backdrop of the development of electrification technology in the electric vehicle field, the announcement of greenhouse gas reduction targets by the Japanese government, and the problem of a shortage of agricultural workers.

In recent years, the number of people working in agriculture has declined significantly. According to official statistics from the Ministry of Agriculture, Forestry and Fisheries, the number of core agricultural workers who work as self-employed farmers was 1.757 million in 2015 and fell to 1.164 million by 2023. This decline is mainly due to the shrinking rural labor force, caused by population concentration in urban areas and an aging population. Under these circumstances, electric agricultural machinery is gaining attention as a means to address labor shortages and significantly improve work efficiency, according to SHIZEN ENERGY Inc. in 2024.

MARKET DRIVERS

Shortage of Laborers

Japan's agriculture industry is facing a serious labor shortage issue. With the aging population and young people turning away from agriculture, it is becoming more difficult to secure agricultural workers, which is having a major impact on farm operations. According to a survey conducted by the Japan Chamber of Commerce and Industry in 2023, about 70% of small and medium-sized enterprises responded that they are short of manpower. Of these, more than 60% responded that it is affecting their business. This is forcing the agricultural sector to rely more on tractors and machinery to maintain productivity with fewer workers.

Government Support and Subsidies

The government is implementing various policies to support agricultural workers. Agriculture is an important industry that supports the nation's food supply, but climate change, market competition, and rising costs of materials have made management stability a challenge. Therefore, the government aims to support farmers through subsidy systems and tax incentives and to achieve sustainable agricultural management. Policies aim to reduce the burden on farmers and promote the growth of agriculture.

INDUSTRY RESTRAINTS

High Initial Investment Costs

Tractors in Japan represent a significant financial investment for farmers, primarily due to their advanced technology and the country's unique agricultural landscape. This high initial cost can be a substantial barrier, especially for small-scale and aging farmers. For instance, in 2023, Japan imported 1,987 wheeled tractors for a total of \$175.9 million, putting the average cost per unit at approximately \$88,500, significantly higher than in countries like India, where top-end tractors range from \$17,000 to \$40,000.

Aging and Declining Farmer Population

The aging and shrinking farmer population in Japan has led to a significant decline in the core agricultural workforce over the past few years. For instance, according to the results of the Ministry of Agriculture, Forestry and Fisheries' "Statistics on Agricultural Labor Force," the number of core agricultural workers, which was 1.757 million as of 2015, is estimated to be 1.164 million in 2023, a decrease of approximately 35%. This is directly restraining the Japanese tractor market as fewer active farmers lead to lower tractor purchases and reduced investment in mechanized farming.

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JAPAN TRACTOR MARKET SEGMENTATION INSIGHTS

INSIGHTS BY HORSEPOWER

Tractors in the 30-50 PS segment accounted for the highest share of the Japanese tractor market in 2024 and are projected to grow at a CAGR of more than 1.15% by 2030. These machines are commonly used in medium-scale farming operations and are suited to typical landholding sizes in Japan. Their consistent demand is supported by their compatibility with a range of crop types and adaptability to the country's mixed farming practices. Furthermore, the 20-30 PS segment accounts for a significant share of the Japanese tractor market. These tractors are primarily used in smaller field environments and for specific applications such as horticulture and orchard maintenance. Their size and operational profile align with the needs of farms operating on fragmented or sloped land, which is characteristic of many agricultural areas in Japan.

Tractors under 20 PS accounted for more than 4 thousand units in 2024. This segment is generally used for light-duty work and low-scale farming activities. These tractors are typically deployed in tasks such as greenhouse operations, landscaping, and upkeep of compact fields, where larger equipment is not feasible. Moreover, tractors above 50 PS accounted for the smallest share in 2024. These high-powered tractors are used in limited regions where larger and more mechanized farming operations exist. However, their adoption remains low due to the predominance of smallholder farming structures across the country.

Segmentation by Horsepower

- Under 20 PS
- 20 - 30 PS
- 30 - 50 PS
- Above 50 PS

INSIGHTS BY DRIVE TYPE

In the Japan tractor market, 2WD tractors dominated in 2024, supported by their suitability for small and fragmented landholdings, lower acquisition and maintenance costs, and compatibility with the country's typical flat or moderately sloped terrain. However, 4WD tractors are gradually gaining traction, particularly in regions with uneven landscapes where higher power, traction, and operational flexibility are required for intensive farming and multifunctional applications.

Segmentation by Drive Type

- 2 WD
- 4 WD

GEOGRAPHICAL ANALYSIS

Tohoku accounted for the highest volume in the Japan tractor market in 2024, with more than 6 thousand units. The region's extensive agricultural area and crop diversity contribute to sustained equipment demand. Tohoku's mix of fruit cultivation, rice farming, and upland vegetable production across diverse terrains leads to consistent demand for specialized and adaptable tractor models, making it a key market in Japan's agricultural machinery landscape. Furthermore, Hokkaido accounted for a significant share of the Japan tractor market, with a forecasted CAGR of more than 1.20%. The region's large-scale farming operations and relatively consolidated landholdings influence the volume of tractor usage.

The Chubu tractor market accounted for a volume of more than 4 thousand units in 2024. Chubu's combination of rice paddies, wheat fields, and upland vegetable cultivation across diverse landscapes ensures ongoing demand for multi-functional tractors capable of switching between wet and dry field configurations efficiently. Furthermore, the rest of Japan accounted for the largest combined share and a CAGR of more than 1.05%. The region includes a mix of terrain types and agricultural practices, driving moderate and steady demand for tractors.

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Segmentation by Geography

- Japan
- o□Tohoku
- o□Hokkaido
- o□Chubu
- o□Kanto
- o□Rest of Japan

JAPAN TRACTOR MARKET VENDOR LANDSCAPE

The Japan tractor market is consolidated, with five major companies?AGCO Corporation, CNH Industrial, Deere & Company, Kubota, and Mahindra, holding 50%- 60% of the total market share. These companies offer a wide range of tractors used across different farm sizes and applications. The market is driven by factors such as mechanization needs and the integration of digital technologies in farming. Major players focus on meeting these requirements through new product development and updates to existing models.

Key Company Profiles

- AGCO Corporation
- CNH Industrial N.V.
- Deere & Company
- KUBOTA Corporation
- Mahindra Tractors

Other Prominent Company Profiles

- IHI Agri-Tech Corporation
- Kawasaki Heavy Industries, Ltd
- Mitsubishi Mahindra Agricultural Machinery Co.,
- ISEKI & CO., LTD.
- YANMAR HOLDINGS CO., LTD
- Cornes AG Corporation

KEY QUESTIONS ANSWERED:

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

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