Positive Market Outlook for Grassland Equipment

PRESS RELEASE

Brussels/Feucht, 24 October 2017 – Manufacturers of grassland equipment are upbeat about the market and expect a moderate growth of 3% for the 2017-2018 season. Due to higher prices for farm-gate raw milk dairy farmers and contractors have been able to invest in this type of equipment. This was the key conclusion of the meeting of the CEMA Product Group “Grassland Equipment” in September at AGCO in Feucht (Germany) which brings together manufacturers of mowers, tedders and rakes.

Given last year’s uncertainty about the low price-levels of dairy products on the world market, manufacturers had originally expected that dairy farmers and contractors would be very reluctant to invest in new grassland equipment. However, fortunately and somewhat unexpectedly, from autumn 2016 onwards, price levels of farm-gate raw milk developed positively. As a result, manufacturers successfully drove efforts to meet the growing market demand for their grassland products.

Today, dairy analysts expect a rather stable market environment for the coming 10 months, even with an upward potential, provided there are no unexpected geo-political developments. On a world-wide scale, demand for dairy products currently exceeds supply, giving excellent export opportunities for dairy products from Europe. On the world market, demand for milk fat is high. Analysts recognize the uncertainty about dairy products supply from New Zealand and Australia versus demand from China, the high stock levels of skimmed milk powder and a possible impact from the exchange rate Euro – US Dollar. Altogether, manufacturers are optimistic about the market for grassland equipment for the season 2017-2018 and expect a moderate growth of 3%.

Group elects Martin Fischer (CLAAS) as new Chairman

The CEMA Product Group “Grassland Equipment” started in 2014. According to Theo Vulink, Convenor of the Group, “From the start on, all leading European manufacturers were present and enthusiastic. Led by Chairman Wilhelm Voß from Krone, the Group has built a solid foundation for an open-minded and constructive platform. After the statutory term of 3 years and a change in position in the Krone company Mr. Voß resigned. The Product Group is delighted that participants unanimously appointed Mr. Martin Fischer from CLAAS as their new Chairman”. Mr. Fischer expressed his thanks to Mr. Voß for his valuable contribution to building the CEMA Product Group “Grassland Equipment”.

The CEMA Product Groups are alliances of the leading European manufacturers of agricultural equipment. The main focus is placed on the joint assessment of the market based on dedicated statistics. Currently, 9 companies from five European countries are members of the CEMA Product Group Grassland Equipment. Prerequisite for participation is the membership in a national industry association, which belongs to the European umbrella association CEMA. More information is available under http://www.cema-agri.org/page/product-groups-0
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CEMA (www.cema-agri.org) is the European association of agricultural machinery industry. The industry represented by CEMA includes 4,500 manufacturers of agricultural machinery. 135,000 persons directly work in this branch of business, 125,000 persons work indirectly in distribution and maintenance. The companies are mainly small and medium-sized manufacturers according to the EU definition and generated a total turnover of 27 billion euros in 2014.