

Why the farm tyre market is weighed down globally

Even though the broader sluggishness in the farm equipment market continues to influence farm tyre sales globally, recent research shows that opportunities exist as global sales are likely to surpass 42 million in 2018. Demand is led by tractors and harvesters, with trailers and sprayers following suit.



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Herewith some more findings from farm tyres market study by Fact.MR:

- Sales continue to remain concentrated in the independent aftermarket channel, with OEM and OES complementing demand.
- The farm tyres market is expected to grow at 6% CAGR through 2028.
- Sluggishness in the US farm sector remains a key restraining factor for the growth of farm tyres market.
- Weak commodity prices have cut farm earnings, which has led to a decline in equipment spending. The sluggishness continues to impact sales of both new and replacement tyres.
- Manufacturer focus has shifted to digitalisation and the adoption of innovative technology.
- Product differentiation has emerged as a key strategy for market players to increase sales.
- The prevailing low commodity prices are influencing farm owners to boost operational efficiency while reducing overheads. These developments have compelled farm tyre manufacturers to launch technologically superior and cost-efficient products in the market.
- In view of the evolving end-user demand, the launch of innovative agriculture tyres that are equipped with sensors is likely to gain ground during the assessment period.
- The prevailing scenario in the market has also induced a 'shop for value' trend among end-users. The weakness in global commodity prices has meant that farm owners are prioritising price over quality. The change in buying behaviour has led farm tyre manufacturers to make changes to production. Farm tyre manufacturers are now including cost-effective offerings in their portfolio.
- The radialisation trend in the farm tyres market is tapering off, however, radial tyres continue to be an attractive segment for manufacturers.
- In a bid to cater to the evolving demand from farm owners, manufacturers are focusing on increasing the tyre size to support heavy weights. Farm tyre manufacturers are shifting to Group 49, which are 7 ft. tall, and have a rolling circumference index of 256 inches. 20 to 45 inch rim diameter to grow at the highest CAGR, signifying a shift towards large radial tires. Size will continue to be a key focus area for manufacturers during the assessment period.
- Asia Pacific excluding Japan (APEJ) is predicted to lead the global demand for farm tyres, with nearly 20 million tyres

expected to be sold in 2018.

- Growth will be complemented by steady demand in North America and Europe. The weakness in commodity prices will continue to offset gains made in the lucrative market.

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