

Global Farm Tractor Market to Reach \$131.5 Billion by 2034 with 5.3% CAGR Growth

Farm tractors boost yield & efficiency with advanced ag-tech, precision farming, and rental options driving global market growth.

ROCKVILLE, MD, UNITED STATES, February 13, 2025 /EINPresswire.com/ -- According to a new report by Fact.MR, the global [farm tractor market](#) is estimated at US\$78.46 billion in 2024, with worldwide sales projected to grow at a 5.3% CAGR by 2034.

Essential for farm mechanization, tractors help farmers boost productivity and yield by efficiently pulling a range of implements for key operations such as tilling, planting, and harvesting crops, highlighting the shift toward efficient, modern farming practices.

The global farm tractor market is growing due to rising demand for safe, high-quality food. Favorable lending options help farmers invest in advanced machinery, enhancing productivity. Tractors, essential for soil preparation, are the most versatile farm equipment. They feature powerful engines and attachments like tillers, front-end loaders, spreaders, plows, box blades, and trailers, making them indispensable for various farming tasks, from cultivation to harvesting, boosting overall agricultural efficiency.

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The global farm tractor market is witnessing strong growth, driven by technological advancements such as autonomous and electric tractors, which enhance efficiency and sustainability. Continuous innovations in machinery and fuel technology now enable tractors to run on compressed natural gas, liquefied natural gas, vegetable oil, kerosene, diesel, and propane. The adoption of automation, telematics, and GPS-equipped tractors is rising, as these technologies significantly improve productivity and operational efficiency. Increasing agricultural activities worldwide are further fueling demand, with farmers increasingly relying on tractors to



manage larger farm areas more effectively. Additionally, various governments are supporting tractor adoption through financial incentives, low-interest loans, and subsidies to enhance farm mechanization and productivity. The need to cultivate previously unused land and expand agricultural operations is also driving demand. Tractors remain essential for key farming activities such as planting, land clearing, and harvesting, making them indispensable tools for modern agriculture.

Key Takeaways from the Market Study:

The global farm tractor market is expected to grow at a CAGR of 5.3%, reaching US\$ 131.5 billion by 2034.

In 2024, East Asia is expected to dominate the global farm tractor market, accounting for 42.1% of the total share. Europe also remains a significant market, driven by its vast agricultural landscapes in countries such as Germany and Spain. In the United States, farm tractor adoption is high due to strong government support in the form of subsidies, grants, and tax breaks, which make modern agricultural machinery more affordable for farmers. These financial incentives reduce the economic burden on farmers, enabling them to upgrade from outdated tractors to advanced, technology-driven models. As a result, the demand for new tractors continues to rise, aiding the modernization of the agricultural sector and improving farm productivity. In 2024, the U.S. farm tractor market is valued at US\$ 18.39 billion and is expected to grow at a 5.3% CAGR, reaching US\$ 30.76 billion by 2034. The government's commitment to supporting the agricultural industry ensures continuous investment in high-efficiency farming equipment.

Japan also plays a key role in the global farm tractor market, with sales steadily increasing due to a strong emphasis on food security and self-sufficiency. Given its limited agricultural land, Japan relies heavily on mechanization to maximize productivity. Tractors help farmers efficiently cultivate, tend, and harvest crops, ensuring a stable food supply. Additionally, Japan's well-established packaged and instant food industry depends on local agricultural production, driving demand for farm tractors. Farmers are increasingly utilizing tractors for planting, harvesting, and transporting crops to meet the growing demand from food processing companies. In 2024, Japan's farm tractor market is valued at US\$ 8.47 billion and is projected to grow at a 5.4% CAGR, reaching US\$ 14.38 billion by 2034. The rising demand for high-quality agricultural products continues to fuel the adoption of modern farm machinery, further strengthening Japan's agricultural sector.

Key players in Farm Tractor Market:

Key players in the farm tractor market are Kubota Corporation; Mahindra & Mahindra Ltd.; Claas KGaA mbH; Antonio Carraro; Escorts Group; Force Motors Ltd.; New Holland Agriculture; Yanmar Co., Ltd.; Indo Farm Equipment Limited; AGCO Corporation; Argo Tractors S.p.A; CNH Industrial Österreich GmbH.

Growing Demand for Two-Wheel and Low-Horsepower Farm Tractors in Small-Scale Farming:

Two-wheel farm tractors are in higher demand than four-wheel variants due to their affordability, versatility, and suitability for small-scale farming. Also known as walk-behind tractors or power tillers, these machines offer a cost-effective solution for farmers with limited budgets. Their lower price point makes them an attractive option for small farm owners who need essential mechanization without a significant financial burden. Additionally, their compact size and maneuverability allow them to operate efficiently in restricted spaces, making them ideal for small plots of land or areas with narrow pathways. These tractors are widely used for various agricultural tasks, including transporting, harrowing, plowing, and tilling, providing small-scale farmers with an effective and affordable alternative to larger tractors. Their ability to perform multiple functions while maintaining a low cost has made them an indispensable tool in many regions where smallholder farming is prevalent.

Farm tractors with up to 30 HP are also in high demand due to their efficiency and adaptability for small- and medium-sized farms. These compact tractors are easy to handle, making them well-suited for navigating typical farm obstacles and working in confined spaces. Their power range strikes a perfect balance between affordability and functionality, offering sufficient strength to perform essential farming activities such as plowing, tilling, and carrying loads while remaining fuel-efficient and cost-effective to maintain. Farmers benefit from their capability to integrate with various agricultural implements, enhancing productivity without incurring high operational costs. As a result, these low-horsepower tractors continue to be a preferred choice for farmers looking to optimize their operations within budget constraints.

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Competitive Landscape

Key players in the farm tractor market are focusing on technological advancements to enhance productivity, efficiency, and precision. Innovations include telematics, precision farming, and autonomous capabilities. In August 2023, Mahindra & Mahindra introduced the 'OJA' series of lightweight 4WD tractors (21-40 HP), while New Holland launched the T4 Electric Power Tractor, the first all-electric utility tractor with autonomous features. Deere & Company acquired Bear Flag Robotics in 2021 to expand its AgTech capabilities. That same year, New Holland North America unveiled the T7 Heavy-duty Tractor with PLM Intelligence, and TAFE introduced the DYNATRACK Series, offering advanced performance and versatility.

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[Agricultural Tractors Market](#): The global sales of agricultural tractors will likely garner a market value of US\$ 63 million in 2022 and is expected to register a CAGR of 6% by accumulating a market value of US\$ 113 million through the assessment period 2022 to 2032.

[Autonomous Tractors Market](#): The global autonomous tractors market is valued at US\$ 1.5 billion in 2023. Overall market value is anticipated to reach US\$ 13 billion by 2033, advancing at a remarkable CAGR of 24% from 2023 to 2033.

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