

'Tractor sales won't fall even if El Niño sets in'

US farm equipment major John Deere is celebrating 25 years of its journey in India. **SHAILENDRA JAGTAP**, India country manager (managing director & chief executive officer), in an interaction with Sanjeeb Mukherjee, dwells on its road map, pressing issues concerning the tractor market, and the industry. Edited excerpts:

Do you see any slowdown in tractor sales during FY24 if El Niño impacts monsoon and causes rural distress?

We don't foresee a slowdown as current indicators of the rural economy are positive. The impact of climate change is challenging, but we feel it may not immediately impact and slow down the industry. The reservoirs are sufficient at this stage and with normal monsoons we can expect growth. This will go a long way in supporting the transition to technologically-advanced farm machinery.

How has inflation impacted tractor prices? Has John Deere raised prices or does it plan to do so in future?

Commodity prices were volatile and did impact the industry significantly. But at the same time, we're sensitive to what farmers can take as price escalation, and appropriately pass only that to them.

How has the market been this time? Has FY23 been as good as FY22 or has it been somewhat subdued, given that FY22 was very good for all of you?

The market we are seeing is almost at the same level — or may be 1-2 per cent down. There will be around 850,000-870,000 tractors in the year (domestic sales). Last year, there were around 870,000-900,000 tractors. So, there is a minor dip.

Some experts say the bump in tractor sales during the past few years is due to demand from the construction sector. What is your take?

When we really look at it, this is what is happening in the agriculture market. Firstly, we have achieved record high food grain production.

Our fruits and vegetables production

has surpassed grain output. And in recent years, India is exporting a lot of food grains as well as fruits and vegetables. Another factor is that reservoir capacity is full. So, water is available, and the government is also steadily increasing the MSPs. Then, because of the use of technology in land

preparation, and on planting and spraying, the input cost for the farmer is falling due to lower utilisation of pesticides and fertilisers. That is improving the farm's production and productivity.



SHAILENDRA JAGTAP

India country manager,
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And with government support, the money available with the farmer is higher. Some tractors are definitely getting into construction, but agriculture is still good enough to keep the demand for tractors high. We feel farming is the driving force, though of course, construction is adding to it.

John Deere has completed 25 years in India. How has the journey been?

John Deere is celebrating 25 years in India. Since past 25 years, Deere has been serving customers in India and globally. In India, we are pioneers in bringing technologies that are critical to the farmer. These technologies are helping cultivators reduce input costs and improve farm productivity. We have brought in technologies like power steering, PowrReverser and MFWD, wet clutch and very recently, AutoTrac and AC cab.

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