

# Domestic tractor sales plough ahead in May on strong farm sentiments

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In an indication of steady demand on the back of robust farm sentiments, domestic tractor sales reported positive growth both year-on-year and on a sequential basis. Exports exhibited improvements on a sequential basis.

Total domestic tractor volumes increased by 2 per cent at 83,267 units in May 2023. However, sales increased by 5 per cent when compared with April 2023 volumes of 79,288 units, according to data from Tractor

& Mechanization Association.

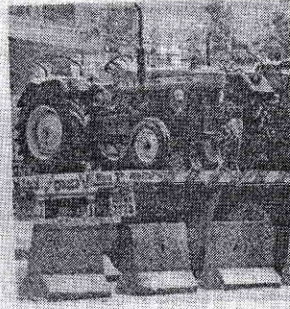
Industry representatives said domestic tractor wholesales remained at healthy levels in May, with advance estimates indicating a healthy rabi harvest.

## POSITIVE FACTORS

Escorts Kubota reported a positive growth of 13.5 per cent in tractor sales at 8,704 units last month.

"Overall, the macroeconomic factors and farmer sentiments remain positive, resulting in a positive sales trend across most geographies," said the company.

Mahindra & Mahindra re-



ported a marginal y-o-y decline of 3 per cent in domestic sales at 33,113 units in May. However, the company is positive about the demand in the near term.

Overall, the tractor industry expects the current momentum to continue in the near-term led by normal rainfall forecast, adequate reservoir levels, better liquidity and consumer credit availability.

Total tractor production was lower at 79,928 units in May compared with 103,563 units in May 2022.

Exports showed some improvements in May, with 9 per cent growth over April. However, they were down 28 per cent compared with exports of 11,582 units in May 2022.

Domestic tractor volumes are expected to moderate this fiscal on a high base of FY23.