

Domestic tractor sales down 6% in Q2 on high base, uneven monsoon

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Despite a strong month-on-month increase in September, the second quarter of this fiscal proved to be subdued for the tractor industry as total domestic volumes fell 6 per cent when compared with Q2 of the previous fiscal. Production and exports also reported a year-on-year decline lower in this September 2023 quarter.

Total domestic tractor sales stood at 96,934 units in September this year when compared with 1,13,686 units in September 2022, according to the data provided by the Tractor and Mechanisation Association. "The reason for the underperformance was a high base and an uneven monsoon, which has led farmers to be more cautious about buying new tractors. The postponement of the festive season to Q3 has also contributed to the

decline in sales," according to Saji John, Senior Research analyst at Geojit Financial Services.

OPTIMISTIC OUTLOOK

However, September 2023 volumes were significantly higher when compared with August 2023 domestic volumes of 53,249 units. Both Mahindra & Mahindra and Escorts Kubota reported an 11 per cent decline in domestic tractor volumes at 42,034

units and 10,114 units in September 2023.

Meanwhile, tractor makers have built up inventories anticipating a strong festive season offtake. "Improved rainfall in September, likely good kharif harvest, and with overall macroeconomic factors and farmers' sentiments remaining positive, we expect growth momentum to pick up in the festive months and possibly continue for the remaining fiscal," said Escorts Kubota.

Ploughing through

