

VST Tillers Tractors to revive its US plans

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Antony Cherukara, CEO, VST Tillers Tractors Ltd

Farm equipment maker VST Tillers Tractors Ltd is reviving its plans for entry into the US market, following the recent India-US trade deal.

The company, which is eyeing the compact tractor segment in the US, had frozen its plans last year following the levy of tariffs by the Trump administration.

"We will be launching our US operations by the end of 2027," said Antony Cherukara, CEO, VST Tillers Tractors.

VST had registered a company in the US a couple of years ago, but had frozen the plans after the tariffs were imposed. "With 50 per cent tariffs, we couldn't operate. Now with the revision in tariffs, we have again started the plans. Our original plan was to launch a compact tractor in the US in 2027. We should be able to do that by end of the of 2027," he said.

The company is looking at a compact tractor in the range of 30-50 horse power for the US market. "There are key specific States in the US, which are focused on compact tractors and the industry is pretty large in the US compared to India. So, that is where we are planning to enter," he said.

The company is in the process of developing a global platform for the US market. "The development is happening in India and then we will be looking at exporting to the US and selling in the US. Eventually, depending on the conditions and the policies, we might have to look at something in the US as well," he said.

HUGE MARKET

Antony said the interest for the compact tractor is mainly coming from hobby farmers, orchards and vineyards in parts of California and other States. It's for mixed-use, and they call it garden tractors. This four-wheel drive compact size market in India is only about

50,000-60,000 tractors annually, while in the US it is upwards of 2,00,000 tractors, he added.

Also, the company is planning to set up a warehousing and distribution hub in Europe, most likely in the Netherlands, to cater to the growing demand for compact tractors in the continent. The warehousing hub is expected to come up in the first quarter of the next financial year.

VST exports compact tractors mainly to the European market. The company has seen its export earnings grow significantly to account for about 13 per cent of the total revenues currently, from around 4 per cent four years ago. "In the next five years, we want to increase our export earnings to about 25 per cent of the company's revenues," he said.

VST is optimistic about the impact of the recent trade deal with the European Union. "The taxes on Indian tractors weren't high earlier. We are studying. It should help us set up operations in Europe," he said.

With the setting up of European operations, the company expects to double its business in the region in the next four years, he said.

In Europe also, the use case is similar — garden tractors, hobby tractors, vineyards, orchards and horse stables.

The company is planning to launch the internal combustion engines (ICE) tractors in Europe and the US. "We are also ready with electric tractors. In fact, we have the technology," he said.