

'Our farm machinery sales to hit ₹1,000 crore in FY25'

Mahindra & Mahindra (M&M) has managed to grow market share to 43.8 per cent in the domestic tractor market in FY25 (till January). The firm is also eyeing growth in the farm machinery segment. **HEMANT SIKKA**, president of the farm equipment sector of M&M, talks to Sohini Das over a virtual platform, about his growth plans. Edited excerpts:

What will be the growth of the tractor industry in the current financial year (FY25)?

We are bullish on our tractor outlook. I think the fourth quarter (Q4) is going to be a pretty strong one. We are looking at a 15 per cent growth in Q4, which will lead to a full-year growth guidance of about 7 per cent. The reservoir levels are good, the kharif crop was very good, and the going has been strong. Now all crops are in the phase of ripening and hopefully we will get a good harvest for rabi as well. We have not come out with the guidance for FY26. It will take a bit more time to see the early indications on monsoons, which we usually get by the end of April.

What kind of domestic market share will you end FY25 with?

M&M has done really well in terms of strengthening its domestic tractor position — our market share has traditionally been around 41 per cent, and this year, we are at 43.8 per cent year-on-year (Y-o-Y) in January. Our teams go out and fight for market share every day. We don't want to comment on February and March numbers at the moment.

Demand for horticulture tractors is on the rise. Your comments.

We are clearly seeing this macro trend play out over the last 15-20 years. Cereal production in India is seeing a lower growth rate, whereas horticulture rate of growth is much faster. In fact, if you see the India food basket, horticulture used to be about 9 per cent, but now it is 13 per cent, and this change has happened in the last 10 years. It is extremely good for the tractor industry because as crop diversification happens to horticulture,

there are new use-cases for tractors.

How are the lightweight sub-30 HP tractors OJA and Target doing?

Our lightweight tractors segment — OJA (under M&M brand) and Target (under the Swaraj brand) — has come up well with horticulture. India used to be a strong market for heavy, multi-utility tractors.

Of the total 949,000-unit tractor market in India, lightweight smaller tractors will get around 50,000-55,000 units, which is around 6 per cent or so of the total market. This is roughly the size of the total market in countries like Turkey, and Thailand. In India, this segment is typically strong in states like Maharashtra, Karnataka, etc.

After the launch of Target and OJA, between our two brands, we have gained over 7 per cent market share in this less than 30 HP lightweight tractor segment.



HEMANT SIKKA
President, Farm
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You had plans to double exports riding on the OJA. How is that going?

The OJA is actually developed as a global tractor platform. India is one of the markets, but it will not be the largest market for OJA. The largest market for OJA will be the US. In the US,

the less than 40HP market is a very very large market, and we have to play with our best product there. So, OJA is a global platform. India is one of the markets, not the only market or the lead market. The lead market is going to be the US for this. After launching the product in Cape Town, South Africa, we have unveiled and started to sell it in the US, in Thailand, and, the first batches for seeding (the market) are going into Brazil, and Australia. In Thailand and the US, we are getting very good



response to our product.

But, is the US tractor market in a downcycle?

The whole tractor industry in the US has been in a bit of a downcycle for almost three years now. But we believe that with the interest rate cycle reversing in the US, the market will bounce back... and that's why we are in a very good position with our new products.

What kind of growth outlook do you have for the farm machinery segment?

In the last two years, we have grown our farm machinery business by 40 per cent Y-o-Y. And this year we will grow at around 20 per cent. So, we are very happy with the growth because in the last three years, our business has grown by almost 150 per cent. Therefore, this year we are likely to cross a very major milestone of ₹1,000 crore, and we are very happy with it.