

In a push to farm machinery segment, M&M plans new products; to rejig dealership

G Balachandar

Chennai

Mahindra & Mahindra is working on more than a dozen new products in the non-tractor farm machinery segment and dealership rejig to grow its nascent farm machinery business exponentially over the next five years.

The top tractor maker's plan for quantum growth in the farm machinery segment has been prompted by increased demand in the market and brighter prospects of agri mechanisation in the country. The farm machinery market (excluding tractors) was estimated at ₹9,300 crore in FY22.

NEW AVENUES

"As leaders in tractorisation in India for several decades, we are now determined to grow



Hemant Sikka, President, Farm Equipment Sector, Mahindra & Mahindra

our farm machinery business by 10 times in 5 years," said Hemant Sikka, President of the Farm Equipment Sector (FES), Mahindra & Mahindra Ltd. The company has already planned a cumulative investment of ₹3,400 crore across FES business during 2022-24. This business grew 40 per cent at about ₹450 crore during the 9 months of FY23.

The company plans to

launch a new range of products with the help of its global Centres of Excellence in Turkey, Finland, and Japan.

"We will soon roll out new generation harvesters, boom sprayers, loaders, etc. Also, 15 new products are being developed in-house," said Sikka. The company has established a new exclusive farm machinery (FM) plant at Pithampur in Madhya Pradesh, spread over 23 acres and can manufacture 1,200 combine harvesters and 3,300 rice transplanters per year. The unit, along with its dedicated supplier park, will also manufacture products for export to global markets.

On the retail side, the company is rethinking its tractor network to market differentiated farm machinery products to increase sales and service reach for these products.

In addition to the organic expansion, the company has

also acquired stakes in agri start-ups and other farm machinery manufacturers.

NON-TRACTOR SEGMENT

Since India has a comparative advantage in tractors, tractor-mounted machinery is a complementary good that has a domestic market among large farmers. Self-propelled/hand-driven mechanised farm machinery has a market in emerging and developing countries with similar socio-economic structures says a report by the National Council of Applied Economic Research.

"India needs a vision for the next 15 years to convert itself into a production and export hub for non-tractor farm machinery. Policies should address current challenges and act as accelerators to convert India's dual farm machinery market into an advantage," it added.