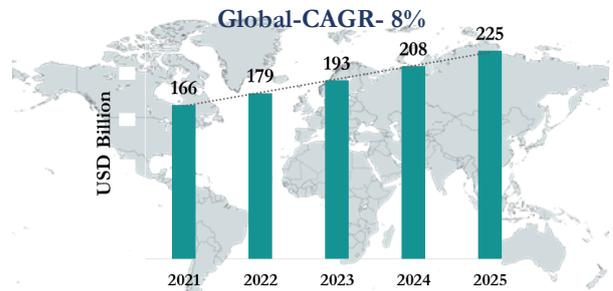
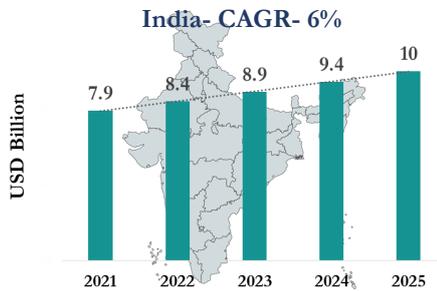


Status and scope for farm mechanization in India

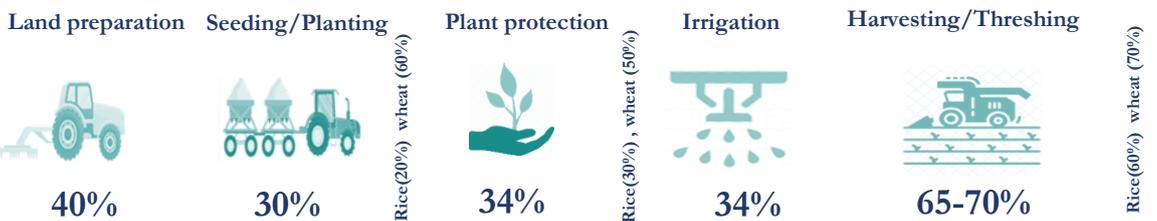
India is one of the leading global crop producers with respect to agricultural production. The overall farm mechanization level of the country is 40% which is lower than other developing countries such as China - 65%, Brazil - 75%, developed ones like the USA and European countries with 95% and Russia 85%. However, India has observed growth in farm machinery usage and have significant opportunities and scope for the mechanization of agriculture.

Market size

(Agriculture machinery)

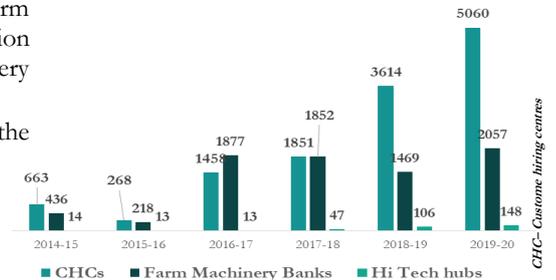


Extent of Mechanization



Market trends

- Present trend is towards the use of high capacity and energy efficiency farm machinery on custom hiring basis
- Significant increase in farm power availability (FPA)- 2.0 kW/ha in 2017 to 2.5 kW/ha by 2022 and 4.00 kW/ha by 2030
- Integration of small and marginal farmers into farm mechanization through promotion and modernization of custom hiring models and Agriculture Machinery Banks
- Hi-tech Hubs of High-Value Machines to balance the adverse economies arising due to small and fragmented landholding and high cost of individual ownership



Competition dashboard

- John Deere
- TAFE Motors and Tractors Limited
- International Tractors limited
- Escorts Limited
- Mahindra and Mahindra
- CNH Industrial (India) Private Limited
- VST Tillers Tractors Limited

Highly competitive and fragmented with many medium and small scale players

Key drivers

- ### 1. Increasing Crop Intensity

Requires the usage of farm machinery to carry out agricultural operations efficiently.
- ### 2. Enabling government policies

Government subsidies and low import duties on agricultural equipment
- ### 3. Contract farming

Increased penetration of corporates, enabling farmers to get the benefit of technology, training and financing
- ### 4. Untapped market

Low penetration in other segments of farm equipment compared to tractors (~80% market share and ~20% rotavators, threshers/power tillers)