

# Tech Mech

## The Road To Farmer Prosperity



**Mr Hemant Sikka**  
President  
Farm Equipment Sector  
Mahindra & Mahindra



We have developed global technology Centres of Excellence in Finland, Japan and Turkey, based on acquisition over the last decade, from where we are currently rolling out product solutions for the Indian and global markets.

Global mechanisation has been one of the key components of high agricultural growth and higher food security, with several studies suggesting a direct relationship between increased yields and farm mechanisation.

And while India is tractorized and is the largest tractor market in the world, as a country we are under mechanised, with far lower levels of non-tractor farm equipment compared to developed countries. India's farm equipment market is 7 per cent of the global market, with more than 80 per cent of the value contribution coming from tractors.

At Mahindra we have been the leader in the tractorisation of India for several decades, with a strong tractor portfolio, and are building skillsets beyond tractors through alliances and acquisitions in global agri tech companies and start-ups over the last decade, with the idea of taking technologies used in large land holding farms around the world and making them affordable and accessible to small land holding farmers.

We are now determined to be leaders in overall mechanisation of India's farmlands, with an aim to grow our farm machinery business by 10X in 5 years.

Besides GoI's ambition of doubling farm mechanisation by 2030 has led to the introduction of several schemes and policies to support greater mechanisation of Indian farmlands.

### Serving The Complete Agri Value Chain

At Mahindra we make products across the complete agri value chain from Land Preparation – Sowing & Transplanting – Harvesting – Post Harvesting / Material Handling, with a robust (F'23 YTD Q3) growth of 40%, with multiple growth levers and 15 new products being developed in-house at our FM plant in Pithampur.

We will be soon roll out products like the new generation harvesters, boom sprayers, loaders etc.

At Mahindra FES we have planned an investment of Rs. 3400 cr across the FES business for F22-24.

Our new farm machinery plant in Pithampur is Mahindra's first exclusive farm machinery manufacturing facility. It is strategically situated in the industrial city of Pithampur with access to a diverse

supplier base, enabling us to manufacture durable, high-quality, affordable and accessible 'Made in India, for India' farm machinery, marketed in both the Mahindra & Swaraj brands.

The new plant has well-planned lay-out, capable of rolling-out a series of new products designed at Mahindra's global technology Centres of Excellence in Finland, Japan and Turkey. The new plant is spread over 23 acres and has a capacity to manufacture 1,200 combine harvesters and 3,300 rice transplanters per year. The Pithampur plant, along with its dedicated supplier park, is eventually expected to provide employment to 1,100 persons. The plant will also manufacture products for export to global markets in Asia, Africa, Europe and Americas.

### Global Technology Centres of Excellence

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Our latest acquisition of Gamaya will enable us to develop and deploy next-generation farming capabilities, such as precision agriculture and digital farming technologies, giving us access to hyperspectral imagery analytics, artificial intelligence and machine learning, which captures and interprets useful information on the state of crops for the farmers.

We will continue to explore partnerships in this space, to introduce the best technologies for the Indian farmer.

### Pioneering Differentiated Farm Machinery Products

Besides introducing new FM products from our CoE's and setting up our new FM plant in Pithampur, we are rethinking our whole tractor channel of 2220 tractor dealer network selling Mahindra and Swaraj tractors, to market pioneering differentiated farm machinery products as well, to increase our sales and service reach for these products. We will also have some independent farm machinery dealers.

Besides we are also thinking of what we will do by way of improved exports of farm machinery products.

### Key Acquisitions & Partnerships

33% stake in **Mitsubishi Agri Machinery** – Japan – Global CoE for light weight tractors & products across the rice value chain.

100% stake in **Erkunt Traktors & Hisarlar** – Turkey – Global CoE for farm Implements

100% stake in **Sampo Rosenlew** – Finland – Global CoE for Harvesters and Forest Machinery

Partnership with **Dewulf** – Europe – Manufacture & Marketing of Potato Planting equipment in India. Under this agreement, Dewulf will work with Mahindra to bring its renowned potato planting technology to the Indian market.