

Domestic tractor sales dip in August, exports steady

ON TRACK. ICRA projects industry growth at 1-4% in FY25 on forecasts of good rain

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The domestic tractor industry witnessed a year-on-year and month-on-month decline in August 2024, while exports showed steady improvement on a monthly basis. Total domestic tractor volume stood at 50,134 units in August 2024, down 6 per cent from 53,249 units in August 2023.

When compared with July 2024's volume of 59,529 units, last month's sales fell by 16 per cent, according to data from the Tractor & Mechanization Association.

Mahindra & Mahindra Ltd reported a slight dip in sales with 20,518 units in August 2024, compared to 20,647 units in August 2023. Meanwhile, Escorts Kubota's volume remained flat at 5,205 units, nearly un-



HOPES UP. Despite volume seeing a single-digit dip in August, the sentiment remained positive due to improved rain REUTERS

changed from 5,198 units in the previous year.

Industry-wide wholesale volume saw a single-digit decline in August 2024, although sentiment remained positive due to improved monsoon and progress in kharif sowing, according to rating agency ICRA.

PRODUCTION DOWN

Total production in August 2024 stood at 93,176 units,

compared to 94,125 units in August 2023 and 96,380 units in July 2024. However, tractor exports from India grew to 8,599 units in August 2024, up from 8,423 units in July. The upcoming festival season, combined with an above-normal monsoon, a bumper kharif harvest, and favourable terms of trade for farmers, is expected to fuel growth, said Hemant Sikka, President of the Farm Equip-

ment Sector at Mahindra & Mahindra Ltd. For the April-August 2024 period, total domestic tractor sales stood at 3,72,449 units, slightly higher than the 3,71,537 units in the corresponding period last year.

RAIN-FED GROWTH

With the South-West monsoon progressing and waterbodies getting replenished, prospects for rabi season appear strong. Escorts Kubota noted that continued government support should accelerate demand.

ICRA projects the domestic tractor industry to grow at 1-4 per cent in FY2025, supported by forecasts of good rain. In FY2024, the industry saw a 7 per cent y-o-y decline, with total volume at 8.8 lakh units, affected by a high base effect and uneven monsoon patterns.