

GOVERNMENT OF INDIA
Ministry of Agriculture
(Department of Agriculture & Cooperation)

**Proceedings of Farm Machinery Manufacturers' Meet held on
27.6.2009 at Krishi Vistar Sadan, IARI, and New Delhi.**

Members on the Dais:

1. Sh. T. Nanda Kumar, Secretary(A&C)
2. Dr. Mangala Rai, Secretary, DARE & DG, ICAR
3. Dr. M.M. Pandey, DDG(Engg.), ICAR
4. Sh. N.K. Das, Addl. Secretary, DAC
5. Dr. N.B. Singh, Agricultural Commissioner, DAC
6. Smt. Upma Srivastava, Joint Secretary(M&T), DAC
7. Dr. S.K. Tandon, ADG(Engg.), ICAR

Dr. S.K. Tandon, ADG (Engg.) welcomed the dignitaries on the Dais, farm machinery manufacturers, bankers, officials from State Department of Agriculture and other delegates.

In his welcome address, Dr. M.M. Pandey, DDG (Engg.) said that mechanization has picked up in last two decades and farm work force is expected to go as low as 36% by 2020 from 52% at present. However, due to lack of skilled technicians and proper training in the field of manufacturing of equipment, the quality of farm equipment has not been up to the desired level. Facility for subsidy link testing of farm equipment is inadequate in the country. There is no proper check on the quality of imported and indigenously manufactured farm equipment, even though the farmers are ready to pay more for quality equipment. He also said that this meeting has been held at right time as number of equipment have been identified for promotion under National Food Security Mission (NFSM) and other schemes and there is need to make good quality equipment available in all parts of the country. The custom hiring of equipment is another field which needs attention from all the stakeholders. He also emphasized the need for streamlining the testing of equipment, both imported and indigenously manufactured once.

Dr. Mangala Rai, Secretary, DARE & DG, ICAR was very happy to have the large number of manufacturers in the meet. He emphasized that there was no machine available in 70's, however now, we have machines for all operations except for critical operations such as sugarcane harvesting, cotton picking etc. He said that the zero tillage technology, which is covering about 3.2 million ha area, saves about Rs.700 crore annually. Similarly, there has been a large-scale use of laser land levelers and custom hiring of grain combines. He said that the tractor use is highest in the country even though the landholding is low. We need to develop the machines for SRI, Dryland agriculture, Fish netting, Silage making and concentrated feed block, pruning and protected cultivation. He emphasized that the use of farm implements and machinery would enhance the energy use efficiency, water use efficiency,

fertilizer use efficiency and pesticide use efficiency. Proper strategy needs to be chalked out for congenial atmosphere for R&D to develop this equipment. He stressed for planning as to how the prototypes of new equipment can be commercialized. He also laid emphasis on demonstration and popularization of new equipment. He also said that there is a tremendous business of Indian farm equipment in Africa. He made special mention of maintaining BIS standards, spare parts availability, service centres, machines for arresting erosion and intensification of agriculture.

Sh. T. Nanda Kumar, Secretary (A&C) in his inaugural address mentioned that agricultural mechanization has been flagged to be an important sector in Indian agriculture as the size of available land is a constraint and there is a shortage of labour during peak season and which is very costly. Uncertain weather is also an area of concern. He emphasized that the special attention should be paid to develop the technologies / equipment for horticulture, dairy, fishery, sugarcane harvesting, cotton picking etc. There is also need to develop multi-task machines. There is also need to develop the technology / equipment for small farms as small farmers do not have enough money to buy large equipment. There is a need to maintain quality, reliability and standards of farm equipment. There is lack of service centres and testing of farm equipment, which need special attention. He stressed that there is need to test the equipment in a time frame and also that the facilities should be created for testing of machines by SAUs. Special emphasis should be laid on the custom hiring of available farm equipment so that all categories of farmers could get benefit of machines. Government and Farm machinery manufacturers should join hand together to provide basic training to the farmers. Sufficient funds have been provided to Rashtriya Krishi Vikas Yojna (RKVY) but it needs to be properly utilized. He also mentioned that there should be an All India Farm Machinery Manufacturers' Association with whom a proper interaction / consultation could be made related to budget / policy / technology issue. He thanked the manufacturers for attending the meet in large numbers.

Dr. N.B. Singh, Agriculture Commissioner in his address mentioned that cost of production is very high and farmers are not feeling agriculture as remunerative venture. We need to complete all the agricultural operations in time. There is a need to target the custom hiring of farm equipment available. There is only few manufacturers for sprinklers / drip irrigation and they have the cost monopoly. There is a need to have more number of manufacturers of sprinklers / drip irrigation equipment to have the competitive cost. We need to look for small machines motor operated and cost effective. There is need to pay special attention on the development of equipment for transplanting of rice, sugarcane harvesting and cotton picking.

After the inaugural addresses there was open discussions on agenda items. All manufacturers participated in the discussion and following points emerged:

Agenda Items:

1. Problems in manufacturing of need based farm implements & availability of machines in different states.

- (a) There should be visit of manufacturers to large industries.
- (b) There should be a government help in import of new technology / machine.
- (c) Government should provide financial help to the small scale manufacturers for up gradation of manufacturing plants. NABARD / Nationalized Banks should provide easy loans for this purpose.
- (d) There should be one time exemption in the import duty on the import of equipment by the manufacturers or ICAR institutes / SAUs may import the machines and it should be open to all the farmers and manufacturers.
- (e) There should be training to the manufactures and technicians working in the firms. Secretary (A&C) agreed and ICAR would provide the required training.
- (f) Manufacturers raised the problem in import of raw material used in the manufacturing of rotavator blades etc. Secretary (A&C) agreed to take up the matter with concerned officials provided the manufacturers give the details.
- (g) There was consensus among manufacturers to treat agricultural machinery industry as seasonal industry.
- (h) Regarding the strengthening of R&D in the country as proposed by Designtech Systems Limited, Pune Secretary (A&C) agreed and asked the firm to submit the detailed proposal.

2. Financing of farm machinery – Issues related to.

- (a) Loans on the agricultural equipment / small-scale manufactures should be treated on five cycle basis not on two cycle basis. Loan interest should be kept between 6-7 per cent.

3. Testing of farm machinery and BIS Certification – Issues related to.

- (a) There should not be repeated testing of engines on self-propelled combines.
- (b) Once the CMVR certificate is issued it should not be verified by the states.
- (c) CMVR on tractor operated combines and power tillers are not required. Government may look into.
- (d) There was a proposal from the manufacturers that the only design should be patented and not the technology.

- (e) Emission compliance raises the cost of engines for agriculture machines. It was agreed that ICAR will look into that.
- (f) All manufacturers emphasized to empower and provide requisite infrastructure to all SAUs and Cooperating Centres of AICRP on FIM, CIAE, Bhopal to test the farm equipment for subsidy purpose.
- (g) There was also a proposal to authorize state level Farm Machinery Manufacturers Association to set up the testing facilities on their own.

4. Financing & subsidy on agricultural implements and machinery – Issues related to.

- (a) Some of the manufacturers raised the issue of registration of farm equipment in each district in some of the states. It was opined that registration should be only at the state level.
- (b) Some of the manufacturers pointed out that the multiple certificates are required to get subsidy in some of the states.
- (c) Subsidy amount is not released in time by state Govts and some times takes 1 to 2 years to release the subsidy.
- (d) Subsidy amount should be released to farmers directly.
- (e) State agros should be kept out of supply of equipment under subsidy scheme as it raises the price of machine and also quality is not maintained. Farmers may be given free hand to purchase the equipment from reputed firms

5. Raw material and Tax structure – Issues related to.

- (a) There should be uniform Tax structure throughout the country on the agricultural equipment.
- (b) There is need to provide raw material on subsidized rate to small scale manufacturers.
- (c) There is a 10% entry tax on self-propelled combines in the different states. Government may consider waiving it off.
- (d) There should not be VAT and Octroi on the agricultural equipment as some of the states have VAT and some both.
- (e) Some of the manufacturers raised the issue of non-uniformity in sale tax on power tillers and on parts of power tillers. It should be rationalized.

6. Custom hiring of agricultural machines.

- (a) There should be good quality and reliable machine available for custom hiring.
- (b) Bankers should be asked to recognize Agri – service and Agri – clinic as Agri – business.

- (c) The Entrepreneurs and custom hiring service centres should ensure minimum 6-7 months usage of machines.
- (d) The Government may provide financial package for sets of machines suitable for different agro-climatic regions and suitable training to entrepreneurs to make custom hiring a profitable venture. Some agencies should identify the interested persons for the custom hiring services, give them the proper training, and financial help at low interest rate.

7. Formation of All India Manufacturers Association.

- (a) Tractor and Farm Machinery Manufacturers Meet has been proposed from January 16 – 18, 2010 at Punjab Agricultural University, Ludhiana with special agenda of formation of All India Agricultural Machinery Manufacturers Association (AIAMMA).

There was brief presentations by Dr. Surendra singh, PC (FIM), CIAE, Bhopal on improve farm equipment for different crops and agro-climatic conditions. During his presentations he highlighted some of the equipment designed and developed for different crops and field operations. He also pointed out that the ICAR is working with some of the industries under Public Private Partnership (PPP) policy of the government for development of the equipment for SRI, sugarcane harvesting and cotton picking. He also listed the formation of many state level farm machinery manufacturers association. During his presentation he mentioned that a Tractor and Farm Machinery Manufacturers Meet has been proposed from January 16 – 18, 2010 at Punjab Agricultural University, Ludhiana with special agenda of formation of All India Agricultural Machinery Manufacturers Association (AIAMMA).

Smt. Upma Srivastava, Joint Secretary (M&T) during her presentation highlighted the policies and programmes of the government regarding the promotion of agricultural mechanization. She said that the training stipend has been proposed to be raised to Rs.5,000/- per farmer per month under outsourcing of training of farmers. She also informed that subsidy of 40% and up to Rs.4.00 lakh is available for establishment of Post Harvest Technologies under bi-lateral agreement through ICAR. Similar assistance of 40% is also available to farmers for establishment of such technologies costing up to Rs.2.00 lakh.

Dr. MM Pandey, DDG (Engg.) ICAR summarized the proceedings and thanked the delegates and manufacturers in particular for attending the meet and taking parts in proceedings very sincerely.

Tractor, power tiller, farm machinery manufacturers and Farm Machinery Associations from different states submitted representations to the Secretary, A&C, Govt. of India and Secretary DARE & DG (ICAR). These representations were examined and state-wise/organizations-wise recommendations prepared and placed below for necessary action:

A] Maharashtra	
1	Govt. agencies procured a farm implements and machinery on various subsidy schemes. They insisted on testing and inspection of such implements, which is already tested and inspected by Bureau of Indian Standards. Such type of repeated testing may be avoided.
2	The loans provided by the nationalized banks to agricultural implements manufacturers may be given special interest rate 4% less than normal rate of interest for industries.
3	Tax on purchase of raw material such as steel, plastic, rubber and brass by the agricultural machinery manufacturers range from 12.5% to 4%. This should be rationalized and there should not be VAT on the purchase and sale of agricultural machinery and related raw material and spare parts.
4	The testing of implements for subsidy purpose is required to be done by the Central Testing Institutes in India. These Institutes are heavily loaded and waiting period is some times even two years. State Agricultural Universities may be authorized to do the testing.
5	Distribution of agricultural machinery under subsidy scheme in Maharashtra is through Maharashtra Industrial Development Corporation (MIDC). The cost of equipment goes up and the same time quality of the equipment is not maintained. Therefore, the distribution of the agricultural equipment under the subsidy schemes should be directly through manufacturers.
6	The State of Maharashtra also charges 3-4% Octroi on the sale of agricultural machinery. This should be abolished.
B] Punjab	
7	The agricultural machinery manufacturers should be sponsored for visits and training to developed countries for acquiring knowledge.
8	The raw material and other inputs use in manufacturing of agricultural machinery should be exempted from the excise duty and VAT.
9	The agricultural machinery or any parts required to be imported by the manufacturers should be exempted from custom duty and excise duty.
10	In order to bring new technology and latest agricultural machinery and to promote and spread mechanization at faster rate the industries should be given free hand to copy, develop and manufacture agricultural machinery.
11	Backhoe loader which is used in agriculture is essentially an agricultural item and should be exempted from excise duty.
12	The Agricultural Manufacturers Meet as organized on June 27, 2009 should be organized every 6-12 months to solve the problems of manufacturers.

13	The tractor manufacturers had to spent considerable time and expenditure in testing of farm equipment for CMVR certificate. When the manufacturers approach State Transport Registering Authorities of respective states for registering the tractors, they denied and again asked for physical verification of tractors in their office. Therefore, the State Transport Registering Authorities should be directed to allow registration of tractor based upon the CMVR certificate issued by the testing authority.
14	The duration of field test in tractor testing is on higher side. This results in abnormal delay in release of test report. There is a need to reduce this testing time.
15	<p>The testing fees of Rs. 2,70,000/- plus service tax in respect of Initial Commercial Testing (ICT) of tractor and Rs. 2,60,000/- plus service tax in respect of Batch Testing (BT) of tractor is also on very high side and that too are again reviewed after three years. This leads to discouragement for manufacturers especially for those whose production is small. Therefore, it is suggested that testing fees should be applicable based on the production figure by the respective tractor industry. Moreover, the fees should be reviewed after every five years instead of three years.</p> <p>The testing fees of Rs. 3,15,000/- plus service tax in respect of self-propelled combine harvester and Rs. 2,40,000/- plus service tax in respect tractor operated combine harvester is also on very high side that too are again reviewed after three years, this leads to discouragement for manufacturers. Therefore, it is suggested that testing fee should be applicable based on review after five years instead of three years.</p>
16	CFMT&TI, Budni (MP) is the only designated Tractor Testing Authority in the country, which is not sufficient to cater the need of testing work of all tractor manufacturers. Therefore, one such more Institute in North India be developed and recognized as testing authority.
17	The Nationalized Banks now invariably ask for Tie-up with the manufacturers and execute Memorandum of Understanding (MOU) for retail financing of tractors. This certainly leads to many problems, besides wastage of time and delay in supply of machines to the farmers/customers. Therefore, NABARD should be made a Nodal Agency to examine the Test Reports and issue necessary order to all the Banks accordingly. Moreover, the NBFC/Private Banks should also be asked to advance tractor loan on the same terms and conditions including interest rate as of Nationalized Banks.
18	There is a need to upgrade the technology in the country. Therefore, the manufacturers, who are willing to import newly developed machines should be helped by way of exemption of import duty.
19	When self-propelled combine harvester is submitted for commercial test at the Testing Institute the Institute re-test the engine fitted in self-propelled combine harvester, this is not required as the engine fitted in the self-propelled combine are either of Ashok Leyland or Kirloskar make and the same are already tested. Therefore, in testing of self-propelled combine harvester the engine testing should be exempted and test report of engine submitted by the manufacturer may be taken into consideration by testing authority.
20	The testing fee for issuing of CMVR certificate for roadworthiness is Rs 50,000/-, which is also on very high side. Such a higher testing fee should be

	reduced to Rs 10,000/- and should be reviewed after every five years.
21	A special attention is needed to develop specialized marketing agencies to promote sale of agricultural implements and machinery manufactured in small-scale units. The need of the hour is to support this industry by identifying the demand areas in our country and abroad, where the machinery can be easily adopted. Such an agencies should develop the network to boost the sales of these equipment's not in India and other third world and developing countries.
C]	Karnataka
22	To increase the farm power availability at faster rate, the manufacturers need help from Government in respect of getting raw material at subsidies prices with exemption on taxes. The arrangements may please be made or suitable advise/instructions to be given to raw material manufacturers to supply the materials directly to the manufacturers by avoiding middle agents.
23	Help from Govt as subsidy is very meager. For example the Central Govt. extended subsidy benefit on multi-crop threshers only Rs 12,000.00 which is not even 10-15% of total cost of thresher. Hence, we once again requested for enhancing of subsidy based on the cost of machinery or percentage on different capacity and models. Like wise other types of agricultural equipment and implements may also be considered.
24	Either Govt. of India or State Governments call to participate in RC Tenders from manufacturers/dealers to quote supply prices of agricultural machineries with very high rate of EMD. The small manufacturers are not able to participate in tenders with high EMD. So kindly minimize the EMD so as to enable them to participate in tenders and to give better services.
25	The custom duty imposed on importing items is very high, the same may be reduced.
26	In India, some of the States have exempted levy of VAT i.e., say 5-6 States. Kindly look in the matter for exemption of VAT on agricultural machineries and accessories to other States also.
27	Major portion of subsidy fund is going only to tractors and power tillers may say 80-90%. Remaining 10-20% fund available to equipment/implements. So kindly arrange to fix fund utilization on percentage basis i.e., out of total subsidy fund 40% to equipment/implements, 30% to tractors and 30% to tools and accessories like sprayers/dusters/pump sets, etc.
28	It is one of the major issues i.e., testing of farm machineries. The short term commercial test reports are not accepting at all India level and the some of the States also are not accepting such test reports if the reports are issued in other States. So, kindly to recognize one or two state Agricultural Universities as Testing Centres and such Universities Test Reports invariably be considered in any of the States in India. Especially in Karnataka, the University of Agricultural Science, Raichur is having all infrastructures for conducting tests of all types of agricultural equipment/implements, etc. So, kindly up-grade this University as one of the testing centres in Karnataka State.

D]	Tamil Nadu
29	Loans from nationalized banks may be made available at subsidized rate of interest for agricultural machinery manufacturers.
30	Registered SSI agricultural units may be exempted from EMD for the state/central government tenders.
31	Subsidy may be announced and released at the beginning of the financial year itself.
32	Zero rate of VAT for agricultural machinery and implements may be introduced.
33	Exemption may be given from import and customs duty for import of agricultural components, CKD etc.
34	All schemes announced by the Ministry of Agriculture may be informed to the Associations in time.
35	Technological and financial support may be extended for the R&D activities of the manufacturers at their campus with institutional assistance.
36	Ministry of Agriculture may identify and award the innovative manufacturers yearly-state wise.
37	Foreign visits arranged by the Ministry of Agriculture may include the participants from the south so as to have the knowledge of modern techniques in manufacturing of agricultural implements. Also these visits explore the possibilities of marketing their products globally.
38	Farm machinery testing and certification facilities at TNAU, Coimbatore may be implemented immediately.
39	Subsidy on capital investment may be given for agricultural machinery and implements manufacturers.
40	Nationalized Banks while sanctioning loan to farmers may accept manufacturers quotation only.
41	Exemption of import duties and zero % sales tax will bring down the cost of the machine instead of giving government subsidy to the selected farmers.
42	Emission norms should be relaxed and fee structure should be reduced for the small engines, which is used for agriculture.
43	Emission certificate from the manufacturer from OECD country should also be accepted in India.
44	Technology and financial support (Funds to be allotted for the R&D activities to the private sector under PPP Programme).
45	Manufacturers may be provided with special funds under the Technology Development Board, Department of Science and Technology, Govt. of India to improve their products, arrangements to make visits abroad, agricultural universities, manufacturers factory visit to know how about the industry.

E]	Andhra Pradesh
46	The Govt. of AP has appointed the APS Agro Ind. Dev. Corpn. Ltd. as nodal agency for supply of agricultural machinery/implements to the farmers under various subsidy schemes of Govt. of India. At present the APS Agros is adding 4% on the firm-supplying price as their service charges. This leads to heavy burden to the small and marginal farmers. It is requested to kindly consider this point.
47	In the other States the State Govts. have exempted the VAT on agricultural machinery/implements being supplied under subsidy schemes to make available the items required by the farmers at low cost. But in Andhra Pradesh the Govt. of AP is charging 4% VAT on agricultural machinery/implements. This may be abolished.
48	In most of the State Governments the subsidy being allowed is Rs 50,000.00 or 50% of subsidy whichever is less. But the Govt. of AP is allowing the subsidy of Rs 30,000.00 fixing the maximum limit on each item. Due to this the farmer is forced to pay Rs 20,000.00 extra on each item. It is, therefore, requested to kindly consider this point also as per the central government guidelines.
49	At present the Govt. of India is imposing the imported duty on paddy transplanters, sprayers or horticultural tools, which are being imported by the suppliers for agricultural purpose. The collection of imported duty will be leading to increase in cost of the agricultural machine. It is, therefore, requested to kindly arrange to consider to exempt import duty on agricultural machinery like paddy transplanters, sprayers, horticultural tools, which are mostly used by the farmers of India.
50	The Govt. of AP is consuming lot of time in releasing the subsidy after supplies are affected to the farmers. Due to this delay the manufacturers and the dealers are facing lot of financial crisis due to blocking of lakhs of Rupees of subsidy with the government. In this connection we request the central government to kindly arrange to issue guidelines to AP Govt. to release the subsidy within one month from the date of supply of the equipment to the farmers.
51	As on today the manufacturers/dealers have to receive the subsidy of Rs 21.10 crores for the machinery/equipment supplied to the farmers during the year 2008-09 from Govt. of AP. It is requested to direct the AP Govt. to release the pending subsidy at the earliest. If the Govt. of India considers the above suggestions favourably it will be much beneficial to the small and marginal farmers and manufacturers.
52	It is requested to issue necessary instructions to the Bankers for sanction of non-subsidy portion loans for high cost equipment like multi crop threshers, harvesters, planters, rotavators, etc. on top priority basis.
53	The APS Agro Industries Development Corporation Ltd. which is a nodal agency for implementing the subsidy schemes are framing lot of procedure and conditions for entering into agreement for supply of the required equipment under subsidy scheme. This lengthy procedure is to be simplified.

F]	Orissa
54	The growth of this sector has declined, affected by the callous attitude of the financial institutions and support from the government and its agencies. Another area of attention of the Finance Minister, Govt. of India and Reserve Bank of India is the approach towards the implements manufacturers should be changed. The implements are purchased by the farmers in pre and post harvest seasons, namely <i>kharif</i> and <i>rabi</i> . The SSI's manufacturing agricultural implements should be financed on the basis of 2-3 cycles (turnover) of the finance required for the industry, instead of the normal five cycles for SSI units as recommended by Nayak Committee. Further SSI's manufacturing agricultural implements should be charged interest by Banks at the rate charged for agriculture to farmers, i.e., 6-7%. This will boost the farm mechanization programme and invite more capacity in producing farm implements.
55	The Orissa State Govt. has issued guidelines for implements procurement vide letter No: Imp (Imp)-30/94...35728/Ag. Dated 15.12.1994, the manufacturers shall receive 50% of the billed amount within seven days of supply. The small-scale industries manufacturing implements and have mostly become sick/accounts turned NPA.
56	SSI's manufacturing agricultural implements should be reimbursed the input VAT for the raw materials, spares, components in respect of manually operated implements since such items are VAT free and are not eligible to get the input VAT benefit. Whereas power operated implements manufacturers get VAT input benefit.
57	Govt. should announce Agriculture Policy for the States. The targets fixed must be achieved in time bound manner. State Govt. should create a revolving fund of Rs 10 crore from state plan sanctioned by Central Govt. to overcome the delay in release of payment to SSIs manufacturing agricultural implements. Govt. should declare 50% subsidy for all implements without any upper limit. The neighboring state like Chattisgadh, Andhra Pradesh, Jharkhand, Karnataka, Tamil Nadu etc. have already declared 50% subsidy for all types of agricultural implements to woo the farmers for farm mechanization. It will be not out of place if we suggest that VAT on all types of implements should be withdrawn including on spares, raw materials, inputs for implements of all types.
G]	Madhya Pradesh
58	The Central/State Governments should provide subsidy on the agricultural machinery upto 75%.
59	Loan to small-scale farm manufacturers at the rate of 3-5% be given from the centralized banks.
60	For the subsidy purpose minimum price of the machine should be extended from Rs 10,000/- to Rs 50,000/-.
61	The tax structure on the raw material may be rationalized.
62	There should not be VAT on sale of agricultural machines in the State of MP.

H]	FIAT Group, New Holland, Greater Noida
63	Considering field balers as commercial equipment results in 12.5% VAT. The same may be abolished
64	There is no subsidy on field balers. Subsidy may be provided on the balers also.
65	There is a higher custom duty on farm equipment, and even some equipment has special duty of 4%. This should be rationalized.
66	There is no support for financing equipment like sugar cane harvesters/cotton pickers. The same may be considered.
I]	VST Tillers & Tractors Ltd., Bangalore
67	The demand for power tiller has been growing steadily in the recent past. Central Govt. increasing the central subsidy on power tillers to Rs 45,000/-. Many of the states like Karnataka, Orissa, Chattisgadh etc are giving a higher subsidy ranging from Rs 50,000/- to Rs 90,000/-, which has also given big boost. Other states may follow the same.
68	There has been a huge increase in the cheaper import of power tillers from China. Some time back the Govt. had tried to prevent the influx of poor quality of power tillers by imposing minimum performance standard prescribed by the CFMTTI, Budni. This was only a brief hurdle, which has been surpassed, and there are nearly a dozen players importing different brands of power tillers from China. The total cost of these imports from China are in the range of Rs 60,000/- which are being sold in India at a price ranging from in excess of Rs 1,10,000/- to Rs 1,30,000/- which is marginally less than good quality indigenous power tillers. These power tillers are also qualified for central subsidy of Rs 45,000/- or even the high subsidy as available in different states. The power tillers made in China are already subsidized in their country for export and secondly, it is also known that their cost of production is highly administered and hence, not comparable to cost of manufacture in India.
69	The State Govts have been purchasing power tillers on 75% to 100% subsidy wherein the contract is awarded in favour of a single distributor on the basis of lowest price. The quality and durability of indigenous power tillers is far superior to the power tillers imported from China, which is not built to last for years. There is no level playing field between the import from China and the power tillers manufactured in India and the continuing trend will have an adverse impact on indigenous manufacturers. The sub-standard quality of power tillers will erode the confidence of farmers in the concept of power tillers.
70	The almost similar pricing structure leaves huge margin for players of imported power tillers, which can be leveraged in the market.
71	The criteria of lowest price fixed by the governments for various tenders does not give any credence to the quality and durability of power tillers which generally should be capable of serving for decades.
72	Central Govt. subsidy on power tillers, which are imported, should be withdrawn.