



Agricultural Machinery Manufacturers' Association (AMMA-India)

National Body of Agricultural Machinery Manufacturers

(Registration No. 378 dated 20 September 2010 Under Society Act XXI of 1860)

Office: Unit No. 404, 4th Floor, Goodwill Square, S. No. 17/1A/1 Part, Dhanori, Pune – 411015

Proceedings of Agricultural Machinery Manufacturers' Meet (AMMM-2019)

(13-14 July 2019)

Annual Meet -2019 of All India Agricultural Machinery Manufacturers Association was held on July 14, 2019 at Hotel The Residency Tower, Coimbatore, Tamil Nadu. More than 200 agricultural Machinery Manufacturers from different parts of the country and China participated in the meet. A sizeable number of 35 manufacturers also participated from the China. Officials from the line departments of Tamil Nadu States and scientists of Tamil Nadu Agricultural University, Coimbatore, Central Institute of Agricultural Engineering and other institutions and organizations participated in the programme

Inaugural session of the programme: AMMM-2019 meet started at 10:00 AM with welcome address by Mr Rajkumar, Chairman, Tamil Nadu Chapter of AMMA-India. Chief Guest was Dr. N Kumar, Vice Chancellor, TNAU, Coimbatore. Other dignitaries seated on the dais were Dr. N C Patel, Vice Chancellor, AAU, Anand, Shri Ashwini Kumar, Joint Secretary (M&T), Department of Agriculture and Cooperation, Ministry of Agriculture and Farmers Welfare, Government of India, Dr M Din, Director, ICAR-CIAE, Bhopal, Dr. B Sridhar, Dean, College of Agril Engineering, TNAU, Coimbatore, Dr. R. Murugesan, Chief Engineer, Agriculture Deptt, Govt of Tamil Nadu, Mr. Balachandra Babu, Chairman, AMMA-India and Dr. Surendra Singh, Technical Advisor, AMMA-India.

Different issues and problems faced by the agricultural machinery manufacturers was raised by Mr. Balachandra Babu, Chairman, AMMA-India. Mr. Babu's speech is placed below for information and necessary action:

The Agricultural Machinery Manufacturers' Association (AMMA-India) was formed on January 17, 2010 at the behest of Secretary, Agriculture and Cooperation, Ministry of Agriculture, Govt. Of India and Secretary, Department of Agricultural Research and Education (DARE), Ministry of Agriculture, Govt. of India and Director General, Indian Council of Agricultural Research (ICAR) as earlier there was no National body of agricultural machinery manufacturers which could interact with Govt. for the policy framework, promotion of agricultural mechanization and discuss problems faced by this industry. The mission statement of AMMA-India is

"AMMA-India is committed to growth of Indian Agricultural Machinery Industry in such a way that it is able to assist the farmers in achieving sustainability and profitability through appropriate farm mechanization"

One of the biggest achievements of AMMA-India is the getting approval and establishment of 33 Testing Centres of agricultural machinery throughout India in addition to 4 Testing Centres by Govt. of India. These 33 new testing centres have been approved by Ministry of Agriculture, Govt. Of India at State Agricultural



Agricultural Machinery Manufacturers' Association (AMMA-India)

National Body of Agricultural Machinery Manufacturers

(Registration No. 378 dated 20 September 2010 Under Society Act XXI of 1860)

Office: Unit No. 404, 4th Floor, Goodwill Square, S. No. 17/1A/1 Part, Dhanori, Pune – 411015

Universities, Central Agricultural university, IIT Kharagpur, ICAR Institutes and State Govts. Agencies. Another four centres of FMTTIs have already been approved and would become functional soon. Now, there is at least one testing centre in every state. With the continuous efforts of AMMA-India, farm mechanization now is a key area in policy framework of Central as well as state Governments. Accordingly, Sub Mission on Agricultural Mechanization (SMAM) has been envisaged for implementation from XII plan onwards with the aim at catalyzing an accelerated but inclusive growth of agricultural mechanization in India. This sub-mission has been further revised in 2018-19 for the benefit of farmers and users. However, there are still many problems faced by this industry which needs immediate attention from the concerned authorities, some of them are: -

- ✓ **Simplified and Online Subsidy Distribution:** The Govt. is making continuous efforts to stream line the subsidy system in the country. DBT system is one step forward in this direction. Govt has already initiated regional training for state level officers & manufacturers in this direction. Now DBT is available to farmers as well as to manufactures/dealers as per requirement/demand. Sincere effort is appreciated to make it fully functional in all the states. Even now, there are hurdles like state level approvals, insisting on higher EMD & Security Deposits which are being enforced by various states. This is causing a lot of pressures on Agricultural Machinery Manufacturers, majority of them come under MSME Sector. This type of process has to come under single window system without any EMD or Security Deposit, since this does not fall under “Tender Scheme”.
- ✓ **GST on Agricultural machinery:** “Agricultural Machineries are taxed at 12% GST, whereas most of the inputs are in 18% and 28% bracket. Hence, the accumulation of GST credit due to the inverted tax structure is very high, leading to the blockage of the working capital of the industry. The process of refund is also not so simple and is not completely online, needing manual government official interventions leading to corruption and unnecessary hassle. Hence, the Government should immediately make the Inverted Tax structure refund process simpler, online and quicker so that the working capital of the Industries are not affected.”
- ✓ **High percentage of subsidy for Hi-tech machines:** The hi-tech machines should be provided to the farmers at a higher percentage of subsidies may be up to 75%, to encourage adoption of these kinds of machines.
- ✓ **Strengthening of approved testing centers:** Out of 33 new approved testing centers, many of them are not functional and need strengthening particularly in terms of man power. There should be provision of contractual man power hiring and expenditure may be met from testing fee charged. The Ministry of Agriculture, Cooperation and Farmers Welfare, GOI as well State Govts. should ensure that these centres are strengthened so that they are able to work efficiently.
- ✓ **Validity period of test reports of the agricultural equipment:** Meeting was held under the Chairmanship of Dr. K. Alagusundaram, DDG(Engg), ICAR on 10th August 2018 on the above captioned subject, for examination and to fix the category-wise validity period of test reports of the various agricultural machines tested at FMTTIs and Identified Institutes. Details are available on www.ammaindia.org. After the issue of the Office Order on validity of test report period, the test report which have expired their validity on the date of issue of office order and the test reports whose validity will be expired within one year from the date of issue of office order may be given a grace period of at least two years for their revalidation. This will help the manufacturers to submit their machine and get it tested to continue their business.
- **Easy Financing to Farmers & Industry:** Farmers are not able to get financial support for the implements except tractors, power tillers and combine harvesters. Loan for agricultural machinery below Rs. 2 lakhs should be immediately financed by all the banks to the needy farmers. Banks should not insist on Collateral



Agricultural Machinery Manufacturers' Association (AMMA-India)

National Body of Agricultural Machinery Manufacturers

(Registration No. 378 dated 20 September 2010 Under Society Act XXI of 1860)

Office: Unit No. 404, 4th Floor, Goodwill Square, S. No. 17/1A/1 Part, Dhanori, Pune – 411015

security for loan less than 2 Lakh rupees. Agricultural industry is engaged in serving purely agriculture, so they should be provided all financial assistance at the interest rate at par to that of Agricultural loans.

- **Formation of Marketing Board for Export of Agricultural Machinery:** There should be some agency to identify the Demand for agricultural machines – in the country & abroad, where the machines can be easily adopted. Enquiries from Abroad are not able to be finalized due to absence of authenticity by any Govt. agencies, especially African countries. Specialized Marketing Board /Agencies be formed to promote sale of Agricultural Implements & Machinery manufactured in India by MSMEs.
- **Specifications of farm equipment:** M&T Division of Ministry of Agriculture and Farmers Welfare has circulated specifications of 51 farm equipment. There are many discrepancies in specification provided for equipment. We request Govt. to re-consider them and rectify. Also there are more farm equipment are being manufactured and sold in the market, they should also be included in the list.
- ✓ **Re look at the basics of Standardization of Agri Machineries:** The recent standardization of Agri Machineries initiative, we feel has been wrongly conceptualized. Normally, the standardization has to be on Safety, End Performance and environment (like NVH) etc. But, presently the Standardization has been initiated on Construction of the machinery rather than the above. This will totally stop the innovation of new technologies, upgradation of technologies and R&D. Hence, the standardization of Agricultural machinery initiative to be redrawn with the above in mind. The standardization has to be only on linkage (attachment) between the implement & the prime mover (Tractor) like Power Take off shaft (PTO Shaft), three point linkage etc.
- ✓ **Strengthening Manufacturing & R&D:** Agri Machinery manufacturers also should come forward to take up the advancement in the new technologies in Agri machineries globally like Automation, innovation, robotics, GPS, more electronic controls etc.... Above all, the Agri Machinery industry also should take up the Industry 4.0 directions and move along with it. Not moving forward in establishing the new industry requirements will isolate us very quickly. On the same line, Government should come up and work with our manufacturers / AMMA in strengthening the Infrastructure for the Agri Machinery Industries in terms of “Technology Upgradation Fund” (TUF), More customised “Common facility Centres” (CFC) etc.
- ✓ **Exports:** With the Global Agri Machinery markets pegged at around US\$ 160bn, India’s export share is a miniscule today...only with the domestic market of around US\$ 8bn. If properly supported on infrastructure, modernising, Innovation and marketing support our Industry can take a share of the growing global Agri machinery market. Hence, we need to work more closely with the various ministries and their industry support programs to strengthen the capacity and capabilities.

Dr. B Sridhar focused on the importance of agricultural mechanization especially on precision agriculture and need to increase the use of hi-tech machinery to increase production and productivity. He also emphasized to develop low cost machinery/technology and demanded more subsidies on agricultural machinery. He was in favour to give after sale service by the manufacturers.

Dr. M Din, Director, ICAR-CIAE Bhopal gave in detailed on machinery/technology developed by the CIAE to perform different operations of all the crops. He also stated to use the improved agricultural



Agricultural Machinery Manufacturers' Association (AMMA-India)

National Body of Agricultural Machinery Manufacturers

(Registration No. 378 dated 20 September 2010 Under Society Act XXI of 1860)

Office: Unit No. 404, 4th Floor, Goodwill Square, S. No. 17/1A/1 Part, Dhanori, Pune – 411015

machinery for cost saving, increase productivity, reduced drudgery and generating more net returns as compared to traditional practices.

Dr. R Murugesan opined on the more use of improved and precision machinery and take the benefits of mechanization.

Shri Ashwani Kumar, Joint Secretary (M&T), DOAC, GOI started his speech with great pleasure and honour provided by the AMMA-India and invited him in the AMMM-2019 meet. He highlighted that the small land holding (below 2 ha) is about 87%, machinery cost is very high, financial power of the farmers are poor and GOI providing help to the farmers through different schemes like Rashtriya Krishi Vikas Yojana (RKVY); National Food Security Mission (NFSM); National Horticulture Mission (NHM); and lately the Sub-Mission on Agricultural Mechanization (SMAM) etc. Scheme on training to the farmers on farm machinery is also going on with a cost of Rs. 2000/farmers provided by the ministry. He opined that there is a need to organize training/workshop to provide training to agricultural machinery manufacturers by PAU, HAU and TNAU. Power Tiller industry not coming under single system of marketing due to cost variation. There are also variations of cost in rotavator and other machines. He gave assurance that the GST issues will be taken care soon. The Department will organize National Conference on testing in 2-3 months and will have discussion on the validity of testing of machinery under changing scenario of technology. He raised concern on developing more variant of equipment with small variations and it should be stopped. He was in favour to form a high power expert committee to decide the name of machinery considered under subsidy.

Dr. N C Patel, Vice Chancellor, Anand Agricultural University, Anand appreciated the efforts of AMMA-India in organizing the meet regularly and advised the organizers to invite Govt. institutions, academicians, manufacturers and farmers. There is a need to strengthen the Testing Centres, need based availability of matching implements and connecting ICAR, SAUs, academia and industry together. He also focused to develop Drone, AI technologies, Robotics, direct benefits transfer, solar based water pumping, PV technologies, power generation through crop residue, solar energy and mechanization of horticulture to maintain environment.

Chief guest Dr. N Kumar, Vice Chancellor, TNAU Coimbatore gave remarked that only 10-15 implements are very much popular among farmers and why not other implements. He said that the AMMA-India is only association clubbing academicians/researchers, government officials and industry of agricultural machinery. He suggested opening agricultural machinery service centres at District/block levels.

Souvenir was released on this occasion. Dignitaries were honoured.

Vote of thanks was delivered by Shri Mitul Panchal, Secretary, AMMA-India at end of the inaugural session.



Agricultural Machinery Manufacturers' Association (AMMA-India)

National Body of Agricultural Machinery Manufacturers

(Registration No. 378 dated 20 September 2010 Under Society Act XXI of 1860)

Office: Unit No. 404, 4th Floor, Goodwill Square, S. No. 17/1A/1 Part, Dhanori, Pune – 411015

Technical Session I

Dignitaries on Dias: Dr. Gajendra Singh, Former DDG (Engg), ICAR, Dr. N C Patel, Vice Chancellor, AAU, Anand, Dr. V M, Mayande, Former Vice Chancellor, Dr. PDKV Akola, Shri Ashwini Kumar, Joint Secretary (M&T), Department of Agriculture and Cooperation, Ministry of Agriculture and Farmers Welfare, Government of India, Dr. M Din, Director, ICAR-CIAE, Bhopal, Dr. B Sridhar, Dean, College of Agril Engineering, TNAU, Coimbatore, Dr. R. Murugesan, Chief Engineer, Agriculture Deptt, Govt of Tamil Nadu, Dr. P P Rao, Director, FMTTI Anantpur, Mr. Balachandra Babu, Chairman, AMMA-India and Dr. Surendra Singh, Technical Advisor, AMMA-India.

Mr. Baldev Singh, FMR Chairman, AMMA-India and Mr. Rajkumar, Chairman, AMMA-India, Tamil Nadu Chapter raised some issues as below:

1. Standardization issues

- a) As many of the parameters for the products (mainly Rotavators, Power Weeders, Transplanters and Cultivators) need changes, informed about the changes needed in parameters. (The changes needed have been sent to the JS office).
- b) As the test certificates do not reflect all the points of the standardization parameters, the test reports need to be changed accordingly which is not possible to be obtained in short period. Hence, requested for 2 years time period for the manufacturers to comply with the standardization initiative.
- c) Also, as there are many small parameters (e.g. like provision of stand in rotavators or hardness of blade etc.) for which complete retesting is not necessary. A technical verification camp to verify and issue the certificates for such small variances to be arranged instead of full retesting of the product.

2. Sample size for testing

The Sample size for testing is very high for around 20 and 10 for up to Rs. 35,000 and Rs. 35,000 to below Rs. 1,00,000 and value products respectively. Also, the sample size for imported machinery is lower at 5 nos. irrespective of price which is working against the small manufacturers and supporting the imports. Hence, requested to keep the sample size as 3 nos. for all products irrespective of pricing and increase the sample size to 20 for imported products.

3. Agricultural trailers for subsidy – up to 5 tons capacity

Presently the agricultural tractor drawn trailers are approved under subsidy programs under SMAM guidelines up to 3 ton capacity only. As most farmers use 5 ton capacity, requested the ministry to consider up to 5 ton capacity under SMAM.

4. RTO Registration issue for Agricultural tractor drawn trailers



Agricultural Machinery Manufacturers' Association (AMMA-India)

National Body of Agricultural Machinery Manufacturers

(Registration No. 378 dated 20 September 2010 Under Society Act XXI of 1860)

Office: Unit No. 404, 4th Floor, Goodwill Square, S. No. 17/1A/1 Part, Dhanori, Pune – 411015

As the agricultural tractor drawn trailers have been facing big problem of testing for CMVR (as no test agency is taking up testing), the RTO registration is not happening in the new online registration system, Parivahaan. Hence, requested Joint Secretary to arrange a meeting with the Road Transport Ministry to arrange for a meeting to clarify on testing of Trailers and the RTO online registration issue.

5. Cheap Imports severely hurting local manufacturing industry

As there is big problem of cheap imports of Agricultural Machineries in the segments of Power Tillers, Power Weeders, Brush cutters and Track operated Combine harvesters, the domestic manufacturing industry is unable to even survive. The cost differences are more than 30-60% in these machineries, which is making the domestic manufacturing industry highly impossible to compete and survive. Hence, requested to take up the issue with the relevant ministry to increase the Basic Customs Duty on the above products from the present 7.5% level to 30%.

6. Heavy EMD in many states for subsidy registration

As the subsidy registration for the Companies and products are done at state levels, each state are asking for heavy EMDs and Security deposit. Recently, Karnataka government has released their tender showing EMDs and security deposits to the tune of 90 lakhs (EMD 10 + security deposit of 80 lakhs) just for one product like power tillers. As blocking such high amount of cash with each states is highly draining the working capital of the manufacturers, who mostly from MSME sectors, requested to take it up with the states to waive the EMD and security deposits for the subsidy registrations for the MSME sectors in line with the other tender norms nationally.

7. Implementation of DBT in all the states

Following the implementation of DBT through agrimachinery.nic.in in TamilNadu, no other state has further taken up the same. Hence, requested the speedy implementation of the DBT system in all the states for the transparent and efficient subsidy schemes implementation.

8. Financing schemes in place of subsidy schemes

As the subsidy is reaching only few farmers and also with low efficiency in execution leading to wastage of subsidy amount (due to high cost of execution and high drain of money in the process), requested to look at the financing scheme to farmers with very low interest instead of subsidy schemes.

Mr. Ashwani Kumar, Joint Secretary (M&T), DOAC, GOI replied in details all the issues raised point-by-point. He assured the manufacturers that he will take up all issues with concerned authorities and discuss in next meeting to be held in his office shortly.



Agricultural Machinery Manufacturers' Association (AMMA-India)

National Body of Agricultural Machinery Manufacturers

(Registration No. 378 dated 20 September 2010 Under Society Act XXI of 1860)

Office: Unit No. 404, 4th Floor, Goodwill Square, S. No. 17/1A/1 Part, Dhanori, Pune – 411015

