

PAY FOR USE

FOR AFFORDABLE FARM MECHANIZATION

NEED, CHALLENGES
OPPORTUNITIES



Need For Farm Equipment Rentals and Custom Hiring

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- Small land holdings
- Underutilized equipment leading to lack of viability
- Equipment uses up a bulk of the capital leaving no money for allied activities like dairy, poultry
- Equipment ownership leads to build up of fixed costs whereas a weather dependant, price dependant..... variable output activity should have higher variable costs
- Developments such as NREGA are continuously driving down labour availability, creating greater need for bigger and larger machines such as cotton harvesters.



Benefits of Farm Equipment Rentals

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- Lower input costs-Interest outflow.
- Customer pays for use- equipment becomes a variable cost leading to lower cash requirements.
- The greater range available allows the customer to match usage with equipment rather than one size fits all approach.
- Provides previously unavailable products/ technologies to the average farmer- e.g. earlier smaller farmers had no choice but to burn crop residue but now they can easily avail equipments like baler. This also has positive consequences for environment.
- Water conservation technologies such as laser leveling now become accessible to small and marginal farmers.



Benefits of Farm Equipment Rentals

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- Professional equipment providers can keep researching and adding to equipment bank- something the smaller farmer just cannot do.
- Our major problem of Post harvest losses will be minimized. (Storage and logistics being the other factors).

A Farmer needs an array of equipments throughout the year but can not buy all.



Tractor 4X4 WD



Tractor



Trencher



Fodder



Direct Paddy Seeder



Laser Leveler



Turbo Happy Seeder



Sub Soiler



Rice Transplanter



Bed Maker



Gen Set



Front Loader & Back Hoe



Rake



Round Baler



Rotary tiller





Pit Digger



Precision Planter



Power Tiller



SPRAYER





Disc Plough



Twin Row Planter



Sugarcane Harvester



Bund Former



Fertilizer Spreader



Four Bottom Plough



Power Harrow



Sprayer



Challenges

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- ❑ High cost of capital
- ❑ Lack of trained manpower
- ❑ Seasonality of business.
- ❑ Low participation by Government/ State institutions
- ❑ Dealing with India's very small sized holdings leading to a large number of low value transactions
- ❑ Equipment manufacturers have a **sale only** mindset and view this as a threat rather than an opportunity



Opportunities

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- Professional equipment providers can keep researching and adding to equipment bank- something the smaller/local manufacturers just cannot do.
- A separate vertical/profit centre.
- Equipment/tractor manufacturers have tapped only 25% of the potential farmers/market.
- The greater range available allows the farmer to match usage with equipment, saving on fuel better yield.



SUGGESTED ROLE OF GOVERNMENT

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The Government can help this vital sector by doing the following

- Include agricultural equipment hiring in the priority sector list
- Evolve a favorable tax/ duty/ excise structure for this sector. i.e. lower excise rates for cars to be used in the taxi segment. Like the benefits offered to hospitality & tourism sector for import of vehicles/ machines.
- Exempt this sector from agricultural loan limits of Rs. 3/ 5 lacs because of capital intensive nature
- Convert capital subsidy on implements into smart subsidy.



SUGGESTED ROLE OF GOVERNMENT

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- Help in communication to small farmers.
- Banks to finance implements also.
- Promote skill development in agriculture. In case the Government cannot itself train people it should provide incentives to private sector players willing to do so. On this issue it would be pertinent to note that outside India skilled manpower in agriculture earns much more than in other trades.
- In the present (Indian) context where large number of small and marginal farmers need urgent support, such **Blended Value Business Models** should be promoted. To make effective use of government resources even equity participation by government should be considered.



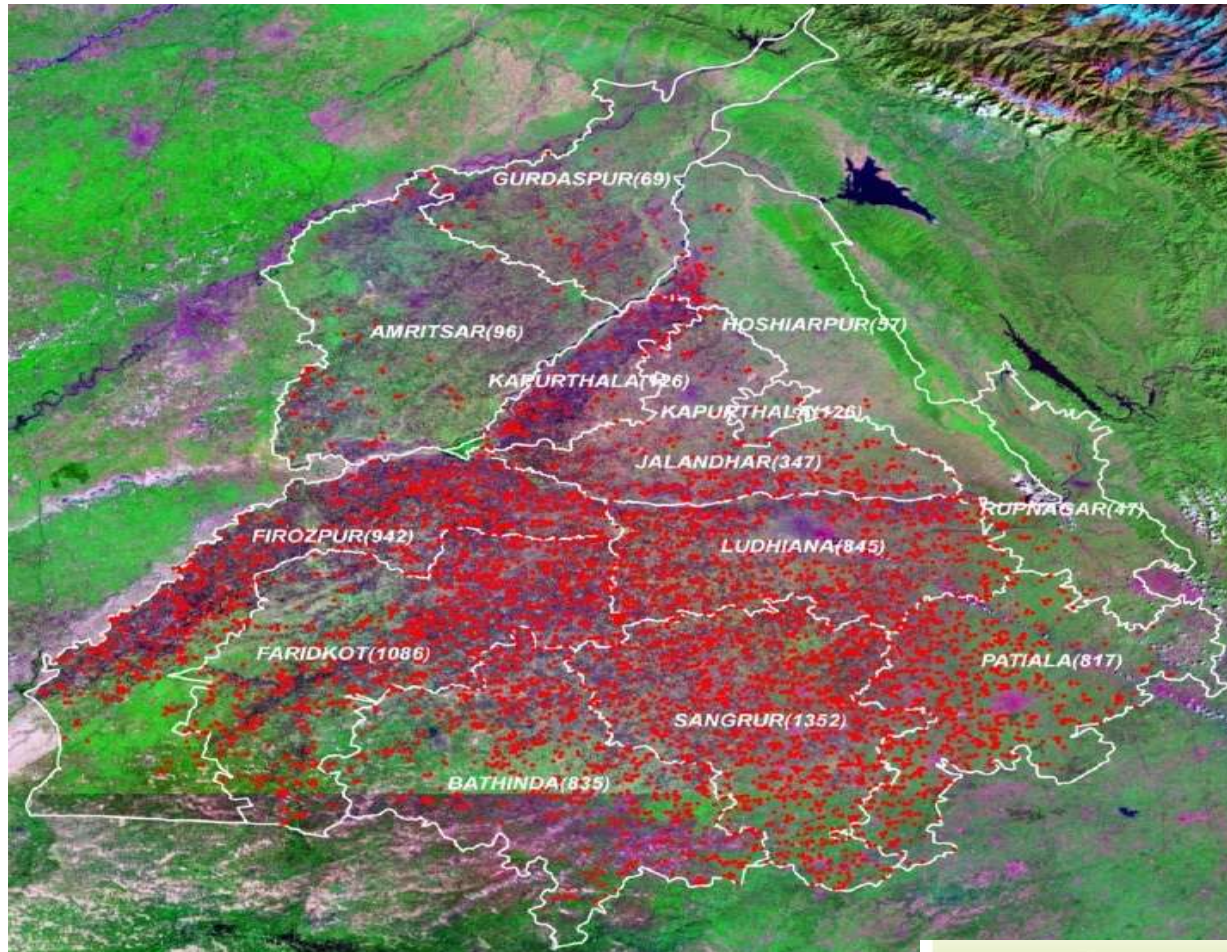
Results

- More than 5000 families have started to take Tractors & Implements on rent.
- People have started High Tech Equipment like RMB Ploughs & Sub Soilers.
- After taking training from us Farmers have purchased Balers. They are earning money as well as saving environment.
- 800 village youth got employment on custom hiring of Residue collection machines.



Results- Rice Straw Management

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Zamindara Farm Solutions



Results-Rice Straw Management

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Zamindara Farm Solutions



Awards



Awards

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November 1, 2012

Mr. Vikram Ahuja
Chief Executive Officer
Zamindara Farm Solutions
Fazilka, Punjab, India

Dear Mr. Ahuja,

We are very pleased to have Zamindara Farm Solutions (ZFS) interest and support in partnering with Africa LEAD in the agribusiness professional placement program sponsored by USAID. Access to agricultural mechanization is a big challenge to many farmers in Africa, especially small holder farmers who lack the necessary scale and resources to access the appropriate technology; and yet plays a critical role for achieving growth in the sector and food security for the impoverished.

The objective of the program is to place leaders in the emerging agricultural equipment sector from Africa in an internationally recognized agricultural equipment enterprise such as Zamindara Farm Solutions; an organization that has a history of working with small holder farmers to learn first-hand international best practices in agricultural mechanization to bring back to their industry sector.

Gus Roberts from Liberia, Titus Gakwaya from Rwanda and Aaron Ngobi from Uganda have been recognized by their respective country as participants in this important program where they can serve as leaders in the growth of their agribusiness sector.

We are very excited about the upcoming program that Zamindara Farm Solutions has proposed for November 11 through December 1 2012 and look forward to opportunities to partner and expand this program as we move forward.

This letter serves as a Non Disclosure Agreement because we understand the unique knowledge that Zamindara Farm Solutions has gained over the years and agree to maintain our confidence in any proprietary knowledge shared.

We are greatly appreciative of your support and role in the positive benefits gained from shared knowledge that will serve as change agents for African agriculture.

Thank you. Yours Truly,

David Tardif-Douglas
Chief of Party

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AFRICA LEAD Agribusiness Leadership Program Zamindara Farm Solutions Partners with Africa LEAD

The world attention on food insecurity threats in Africa has brought an infusion of funds and expertise to bear on vastly increasing the agricultural potential across the continent. Among the different tactics in place is building a cadre of African agricultural specialists trained in all aspects in the development and commercialization of the agricultural industry.

Africa LEAD is a three year USAID program whose purpose is to support the capacity building program of the US Government's Feed the Future (FTF) initiative, which aligns US Government assistance with Africa-owned agriculture development plans that are aligned with the African Union's Comprehensive Africa Agriculture Development Program (CAADP). The goals of Africa Lead's agribusiness professional placement program are in harmony with a vision that Africa's future success depends upon the ability of its entrepreneurs and business people to create and retain wealth through private enterprise.

Objective— Professionals are placed in an internationally recognized agribusiness to learn first-hand and to gain an understanding in international best practices in their respective field to bring back to their enterprise and industry sector. These 'champions for change' are critical players in the concerted effort to anchor the improved capacity for modern agribusiness growth into the next generation of commercial leaders across the African sub-continent. The relationships forged during these Africa Lead partnerships are strategic links to long term business advantages.

Industry Challenge— The agriculture industry in Africa is based on small holder production where farmers lack access to agricultural mechanization to improve productivity and expand their production base. They are too small in size and lack sufficient resources to purchase the necessary equipment.

Solution— Zamindara Farm Solutions (ZFS) is a Private Limited corporation operating since 1949 as a full service agricultural equipment company based in Fazilka, Punjab, India. ZFS sells new equipment, provides maintenance and parts, leases equipment with operators, establishes satellite enterprise village centers and contracts mechanized agricultural services. In addition, ZFS runs a training center on agronomic best practices, equipment use and maintenance and farm economics. ZFS links farmers to extension services through video conferencing university and research facilities.

Zamindara Farm Solutions is well suited to partner with Africa LEAD in the agribusiness professional placement program. ZFS's business model of providing a wide range of equipment to small holders to meet any need through a leasing program is very applicable to Africa. Punjab's 1.5 million farming families produce 40% of India's wheat and rice on 4.2 million acres. Punjab's small and marginal farmers are not in a position to procure equipment due to the scale of their operations combined with the relatively short duration of the crop cycles—40 days for wheat and 60 days for rice.

Partnership— Africa LEAD has a valued partner in ZFS in the development of the agriculture sector in Africa. In 2012, ZFS hosted three agribusiness professional placements from Liberia, Rwanda and Uganda, and in 2013 three from Rwanda, Tanzania and Uganda.

For more information contact David Tardif-Douglas, Chief of Party
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Awards

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To,
 Mr. Vikram Ahuja,
 Zamindara Farm Solutions,
 Ferozpur Road,
 Fariika, Punjab 152123

Date: 10.07.2009

Subject: Technical Working Group (TWG) of CSISA for Delivery and Adaptive Research

Dear Mr. Ahuja,

We are pleased to inform you that Cereal Systems Initiative for South Asia (CSISA), a BMGF funded project, (a brief narrative enclosed) brings together public-private-sector organizations and international agricultural research centers (IRRI, CIMMYT, IFPRI, and ILRI) to reduce hunger and increase food and income security for resource-poor farm families in South Asia. The CSISA project will provide an overall strategy and a new umbrella for contributing new science and technologies to accelerating short- and long-term growth in cereal production in South Asia.

The CSISA project initially focuses on 9 hubs (comprising 70 districts located in Bangladesh, India, Pakistan and Nepal) that represent intensive cereal production systems in South Asia. The hubs will play a pivotal role in geographically differentiated delivery of technologies for rapid adoption of improved seed and crop management practices, understanding critical components of public-private partnerships, and developing business plans to stimulate private-sector investments. Each hub will be supported by a Technical Working Group (TWG) drawn from public-private partnerships. The group will serve as a technology delivery team, for seamless integration of adaptive research with delivery of conservation agriculture based resource conservation technologies to the farmers. The TOR of the TWG are enclosed for your kind perusal. The Hub Manager will act as the Member Secretary for the TWG.

Keeping in view your vast experiences, I would like to request you to serve as a member of TWG and extend your kind support and co-operation for the success of CSISA. The member secretary of TWG will shortly contact you about the meeting.

We thank you again for your continued cooperation and support. We will appreciate a line in confirmation from your end.

With best regards,
 Yours sincerely,



Dr. Raj Gupta
 Regional Delivery Coordinator (DACST)
 CIMMYT- (Bangladesh and India)



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Thank You
Vikram A. Ahuja

