

TRACTOR AND PLOUGHING SERVICES

1. INTRODUCTION

The potential of a tractor and plowing service business in Uttarakhand is substantial, given the state's strong reliance on agriculture and its diverse topography. Uttarakhand's agricultural sector consists of a variety of crops, including staples like rice and wheat, as well as cash crops such as horticultural produce and medicinal herbs. The presence of numerous small and marginal farmers creates a demand for affordable and tailored services, especially in regions with challenging terrains. By embracing these nuances and fostering strong relationships, the tractor and plowing service business can contribute meaningfully to Uttarakhand's agricultural landscape and community well-being.

2. SERVICE & ITS APPLICATION

The primary service involves providing tractor-based agricultural services, including plowing, harrowing, seed bed preparation, planting, weeding, and fertilizing. Other specialized services include offering solutions for cash crops, horticulture, and medicinal herbs cultivation. Utilization of modern agricultural technologies, such as GPS-guided tractors, can enhance precision and efficiency.

3. DESIRED QUALIFICATION FOR PROMOTER

A background in agriculture, agronomy, or related fields is advantageous for the business. Besides, the promoter must hold the knowledge of local farming practices and an understanding of the agricultural ecosystem in Uttarakhand. They must also possess business management skills for effective operation, planning, and marketing.

4. BUSINESS OUTLOOK AND TRENDS

The agricultural landscape in Uttarakhand faces unique challenges, with a significant portion of the state's land covered by forests and wastelands, leaving only approximately 14% available for cultivation. Despite this limitation, Uttarakhand is at the forefront of sustainable agriculture practices, aligning with global trends toward environmentally friendly and resource-efficient farming methods. The state's emphasis on sustainable agriculture is reflected in the gradual adoption of modern technologies to enhance productivity in the agricultural sector. In this context, the demand for tractor and plowing services in Uttarakhand is expected to grow, driven by the need for efficient and advanced solutions. The adoption of precision farming techniques, GPS-guided tractors, and data analytics is likely to see an uptick as farmers seek ways to optimize their limited cultivable land. The growing trend towards cultivating cash crops and horticultural produce presents a specific niche for tractor services. Specialized offerings catering to the unique needs of these crops, such as precision planting and fertilizing, are anticipated to be in demand.

5. KEY BUSINESS ELEMENTS

The key business elements for a tractor and ploughing service in Uttarakhand are crucial for ensuring the success and sustainability of the venture.

- **Quality and Well-Maintained Equipment:** The backbone of the business lies in the quality of the equipment. Well-maintained tractors and plowing machinery ensure efficient and reliable services.
- **Skilled and Trained Staff:** Having a team of skilled and trained staff is essential for operating the machinery safely and effectively.

- Adherence to Environmental and Regulatory Standards: Complying with environmental and regulatory standards is essential for the long-term sustainability of the business. This includes proper waste disposal, ensuring fuel efficiency to minimize environmental impact, and obtaining necessary permits and licenses.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The highest sown area is under wheat crop (34.79%) followed by rice with 24.3%. Mandua, a traditional millet crop has 15.1% sown area, while the area under pulses is 4.61%. With a trend towards cultivating cash crops and horticultural produce, there is a niche market for specialized tractor services that cater to the unique needs of these crops. Highlighting precision planting, fertilizing, and other specialized services can tap into this growing market. But there are certain challenges. Uttarakhand's diverse topography and hilly terrain may pose challenges in terms of accessibility to certain agricultural areas. Besides that, some areas may still adhere to traditional farming practices. Convincing farmers about the advantages of mechanized services and overcoming resistance to change can be a marketing challenge. Tractors serve versatile purposes beyond agriculture, including the transportation of construction materials during the off-season.

7. SUPPLY OF RAW MATERIAL

Raw materials include fuel, lubricants, and replacement parts for tractors and equipment. Establishing relationships with reliable suppliers is crucial for the continuous operation of the business. Moreover, periodical service, repairs and maintenance of tractor will be required.

8. BUSINESS MODEL

The business will require a designated space for administrative tasks and customer relations. A separate space must fulfil storage and maintenance requirements of tractors and equipment.

9. BUSINESS PROCESS

The following steps form the business process;

- Initial Consultation: The promoter must engage in discussions with farmers to comprehensively understand their specific agricultural requirements.
- Needs Assessment: The next step is to conduct a thorough assessment to determine the appropriate tractor and ploughing services needed. This may include soil testing, evaluating the terrain, and considering factors such as crop rotation and pest management.
- Scheduling Services: The promoter must develop a service schedule based on the identified needs, crop cycles, and prevailing weather conditions.
- Logistics Planning: Then accordingly, the promoter must plan logistics for on-site service delivery, taking into account the transportation of equipment to the designated agricultural areas.
- Equipment Calibration: The promoter has to ensure that all equipment, including tractors and ploughing machinery, is well-maintained and calibrated for optimal performance.
- On-Site Service Delivery: At implementation stage, the promoter must provide as per the planned services on-site, adhering to the identified needs of the farmers.
- Professional Staff Deployment: The promoter must deploy skilled and trained staff to operate the machinery and provide expert advice during the service delivery.
- Post-Service Follow-Up: Towards the end, they must conduct post-service follow-up with farmers to ensure satisfaction and address any concerns or additional needs. This step is crucial for maintaining customer relationships and obtaining feedback for continuous improvement.

10. MANPOWER REQUIREMENT

Sr. No.	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed/ Agriculture Expert	1	-	-	-
2	Tractor Driver	2	9	0.12	2.16
3	Skilled labour	1	9	0.1	0.9
	Total				3.06

11. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

12. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	0.17
2	Equipment and Furniture Exp.	15.15
3	Working Capital	1.06
	Total Project Cost	16.38

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	6.55
2	Bank Finance	9.83
	Total	16.38

14. FURNITURE AND FIXTURES

Sr. No.	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Tractor	2	5.00	10.00
2	Ploughs	4	0.25	1.00
3	Harrows	4	0.15	0.60
4	Seed Drills	4	0.50	0.60
5	Disc Harrows	4	0.30	1.00
6	Cultivators	4	0.15	0.60
7	Fertilizer Spreader	4	0.15	0.60
8	Office Furniture	3	0.25	0.75
	Total			15.15

Tractors must be bought from authorized dealers and showroom in Uttarakhand. The entrepreneur can avail machines and required tools after thorough research and analysis. Below is the tentative list of machinery suppliers in India. Besides these, online platforms such as India Mart can also be explored for ordering machinery online.

1. Doon Motors & Tractors
Pitthuwala Chowk, Shimla Road,
Mehuwala Mafi, Dehradun- 248171,
Uttarakhand, India
2. Surjeet Agro
Saharanpur Road, Opp Govt. Sr. Sc. School,
Herbertpur, Dehradun,
Uttara hand, India
3. Shubham Tractors
58, Mohanpura,
Roorkee, Hardwar,
Uttarakhand, India

15. SALES REALISATION

Sr. No.	Product	Sales in Percentage
1	Tractor & Ploughing Services (Ploughing, Discing, Harrowing, Seed Bed Preparation, Seed Drilling, Weeding, Cultivating, Fertilizer Application, Crop Rotation Assistance, etc.)	100.0%

16. PROFITABILITY CALCULATIONS

The basis of profit calculation is;

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	20.16
B.	Cost of production	
i)	Raw materials	4.03
ii)	Utilities	4.00
iii)	Manpower Cost (Salaries/wages)	3.06
iv)	Administrative expenses	0.36
v)	Selling & distribution expenses	0.78
vi)	Rent	0.45
vii)	Interest	1.08
	Total (B)	13.76
	Gross profit/loss (A – B)	6.40
	Less: Depreciation	2.30
C.	PBIT	4.11
D.	Income-tax	0.82
E.	Net profit/loss	3.28
F.	Repayment (Annual)	1.66
G.	Retained surplus (E-F)	1.62

17. BREAKEVEN ANALYSIS*(Rs. in lakhs)*

Fixed cost	
Land & Building Rent	0.45
Depreciation	2.30
Interest	1.08
Manpower	0.92
Total Fixed cost	4.74
Variable cost	
Raw materials	4.03
Utilities	4.00
Man Power	2.14
Administrative expenses	0.36
Selling & distribution expenses	0.78
Total Variable cost	11.31
Contribution margin	20%
Break-Even Point in Value	23.70

18. STATUTORY/GOVERNMENT APPROVALS

To commence a business in tractor & ploughing services in Uttarakhand, there are several statutory and government approvals required meeting with the legal compliances. These approvals include;

1. Registration of business under relevant act such as MSME act as it offers several benefits in terms of subsidies, financial incentives and convergence benefits from other schemes.
2. Registration for applicable taxes i.e. Goods and Service Tax depending upon the type and turnover of the business is mandatory.

19. TRAINING CENTERS AND COURSES

There are few specialized Institutes that provide training and certification

1. Central Farm Machinery Training & Testing Institute
P.O. Tractor Nagar,
Sehore, Budni-466445
M.P., India
2. Junagadh Agricultural University
Motibag, Junagadh- 362001
Gujarat, India
3. Institute for Industrial Development
Multi-Disciplinary Training Centre,
Gandhi Darshan Rajghat-110002,
New Delhi, India

Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.