GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO. 1458
TO BE ANSWERED ON 31/07/2026

FORMULATION OF NATIONAL FARM MECHANIZATION POLICY

1458. DR. AJEET MADHAVRAO GOPCHADE:

Will the Minister of AGRICULTURE & FARMERS WELFARE be pleased to state:

(a) whether Government proposes to formulate a comprehensive National Farm Mechanization Policy, drawing upon global best practices from South Korea, Japan, the United States, Israel and Australia, including establishment of a national institutional mechanism for research;

(b) whether Government intends to promote intelligent agricultural robots, women-friendly farm implements, skill development and encourage domestic and foreign private investment to accelerate mechanization, particularly for marginal farmers; and

(c) whether Government proposes to establish collaborative research, technology transfer and commercialization partnerships with South Korea and other technologically advanced countries to strengthen India's farm mechanization ecosystem, if so, the details thereof?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

(SHRI RAMNATH THAKUR)

(a) & (b): A Centrally Sponsored Scheme 'Sub-Mission on Agricultural Mechanization' (SMAM) under the umbrella of Rashtriya Krishi Vikas Yojana (RKVY) is already being implemented by the Department of Agriculture & Farmers Welfare (DA&FW) at the national level through the respective State Governments. It has the major objectives of increasing the reach of farm mechanization to small and marginal farmers and to the regions where availability of farm power is low and promoting 'Custom Hiring Centers' to offset the adverse economies of scale arising due to small land holding and high cost of individual ownership of agricultural machines.

The scheme provides financial assistance @ 40-50% of the cost of machines to farmers for the purchase of agricultural machinery and equipment. It also supports the establishment of Custom Hiring Centres (CHCs) with financial assistance @ 40% of the project cost for the projects costing up to Rs. 250 lakhs. Establishment of Farm Machinery Banks (FMBs) are supported with financial assistance @ 80% of the project cost for the projects costing up to Rs. 30 lakhs. The financial assistance towards FMBs for the North Eastern States is @ 95% of the project cost. Adoption of modern farm machinery, including precision agriculture tools, drones and other advanced mechanization technologies and women-friendly farm implements are encouraged under SMAM. The SMAM also supports testing and certification of agricultural machinery, capacity building, demonstrations and training to encourage the adoption of advanced technologies.

Along with the SMAM, the Crop Residue Management (CRM) Scheme is also implemented in the State of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh and NCT of Delhi to promote sustainable crop residue management through the provision of subsidized agricultural machinery, establishment of Custom Hiring Centres (CHCs), and other measures aimed at reducing stubble burning. Since 2023–24, the CRM Scheme is integrated with SMAM under the RKVY on a 60:40 Centre–State funding pattern. Horticulture mechanization is promoted under Mission for Integrated Development of Horticulture (MIDH) to improve farm efficiency and reduce drudgery of farm work force. Assistance under MIDH is provided for activities such as procurement of power operated machines and tools including plant protection equipments including import of new machines. Under the Agriculture Infrastructure Fund (AIF), support is provided in the form of interest subvention, credit guarantee coverage, and medium to long term debt financing for eligible agriculture infrastructure projects like CHCs and FMBs.

Research and development in agricultural mechanization are undertaken through the Indian Council of Agricultural Research (ICAR). It has seven institutes, which include six All India Coordinated Research Projects (AICRP) with 105 Centres across India, two All India Network Projects and four Consortia Research Platforms. The Government continuously reviews global technological developments and adopts suitable innovations and best practices, wherever appropriate, to improve the efficiency, productivity and sustainability of Indian agriculture.

The Government permits 100% Foreign Direct Investment (FDI) under the automatic route in the agricultural machinery manufacturing sector, encouraging global Original Equipment Manufacturers (OEMs) to establish domestic production units. This promotes domestic manufacturing, strengthens the agricultural machinery ecosystem and facilitates the induction of advanced technologies in Indian agriculture. Participation of domestic and private sector enterprises in manufacturing, innovation, and mechanization services are also encouraged to accelerate the adoption of modern agricultural technologies. The Agri Startups developing innovative agricultural machinery and digital mechanization solutions receive support through incubation, innovation challenges and funding under RKVY- Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RAFTAAR) programme. The Government promotes private-sector-led mechanization service delivery through CHCs and machinery rental platforms, allowing farmers to hire equipment instead of purchasing it. The Government has also simplified testing and certification procedures for agricultural machinery to promote quality standards and ensure faster market access for manufacturers.

(c): At present, there is no specific proposal to establish collaborative research, technology transfer, and commercialization partnerships with South Korea or other technologically advanced countries exclusively for agricultural mechanization. However, international cooperation in the field of agriculture, including agricultural mechanization, is undertaken through bilateral and multilateral collaborations with various countries under existing institutional mechanisms. Such cooperation encompasses collaborative research, technology transfer, capacity building, exchange of expertise, and other mutually agreed activities in accordance with the provisions of the respective agreements.

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