

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

LOK SABHA
UNSTARRED QUESTION NO. 299
TO BE ANSWERED ON THE 22ND JULY 2025

FARM MECHANIZATION AND AGRICULTURAL WORKFORCE

299. SHRI PRABHAKAR REDDY VEMIREDDY:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the reasons that the country's farm mechanization is only 45% when compared to US's 95%; Brazil's 75% and China's 60%;
- (b) whether it is a fact that the share of agricultural workforce has dropped from 60% in 1991 to just 39% in 2023;
- (c) whether it is also a fact that a uniform GST rate of 5% or 0% on all agricultural machinery and their components make mechanization affordable for small and marginal farmers, stimulate demand in under-mechanized regions and encourage adoption of new technologies; and
- (d) if so, the details of the plans that the Government implement to push mechanization and increase workforce in agriculture?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): The adoption of mechanization by the farmers of various States in India depends on varying factors such as socio-economic conditions, geographical conditions, crops grown, irrigation facilities etc. As per the estimates of 2020-21 of Indian Council of Agricultural Research (ICAR), agricultural mechanization level varies across different crops and their farm operation in the country. Overall, the operation-wise average mechanization levels across crops are 70% for seed-bed preparation, 40% for sowing/planting/transplanting, 33% for weeding and inter-culture, and 34% for harvesting and threshing, resulting in an overall average mechanization level of 45%.

(b): The shift in workforce from primary (agriculture) sector to secondary and tertiary sectors is a normal phenomenon of the development process experienced by countries across the world and the same is true for India, as well. As per Periodic Labour Force Survey (PLFS) conducted by National Statistics Office (NSO), Ministry of Statistics & Programme Implementation (MoSPI), the percentage of workers in the usual status engaged in agriculture and allied sector is given below:

S. No.	PLFS Survey year	Percentage of workers engaged in Agriculture
1	2020-21	46.5
2	2021-22	45.5
3	2022-23	45.8

Source: Annual Reports, Periodic Labour Force Survey, MoSPI. (2019-20 to 2022-23)

(c): Agricultural implements like hand tools and animal-driven tools are exempt from GST, while machinery for soil preparation and harvesting is taxed at 12%. Machines for cleaning and sorting agricultural produce are taxed at 18%.

(d): Agriculture is a State subject and Government of India supports the efforts of States through appropriate policy measures, budgetary allocation and various schemes/programmes. Various schemes implemented by Department of Agriculture & Farmers Welfare supports modern agricultural practices and technology adoption, boosting productivity, promoting diversification into various agro-based sectors aiming to transform rural agriculture, enhance market access, and improve the livelihoods of farmers, encourages entrepreneurship among farmers, Farmers Producers Organization (FPOs), and start-ups for creating job opportunities.

The Sub-Mission on Agricultural Mechanization (SMAM) is implemented with the specific aim 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 (CHCs)' to offset the adverse economies of scale arising due to small land holding and high cost of individual ownership of agricultural machines. Under SMAM, in order to make farm machinery more accessible and affordable to farmers, financial assistance @ 40-50% of the cost of machinery depending on the category of farmers is provided for purchase of agricultural machines. With a view to make available machines and equipments to farmers on rental basis, financial assistance for establishment of CHCs of the project cost up to Rs. 250 lakhs is provided @ 40% of the project cost and financial assistance for establishments of Farm Machinery Banks (FMBs) of the project cost up to Rs. 30 Lakhs is provided @ 80% of the project cost. The rate of financial assistance for establishing FMBs in the North Eastern States is @ 95% of the project cost.
