Experience in Custom Hiring of Farm Machinery in Sri Lanka

Mr. Seyad Ahamad Anwar
Machinery Owner
Personal Background

• Age: 41
• Former employer of Sri Lanka Ports Authority
• Coming from farming family having tractors
• Experienced farm machinery operator
• Resigned from the Govt. service to look after farming and started four wheel tractor hiring in small scale in 2005
Beginning

- Started large scale machinery hiring in 2007 with 02 wheel type combine harvesters and a four wheel tractor.
- Four wheel tractor used for supporting combine operations
- Business was very attractive
- Very few competitors
Present Situation

- Owner of 5 large scale Combine harvesters (one track type and four wheel type)
- Employed 12 Nos operators in seasonal basis
- Covering about 600 ha in Maha and 525 ha in Yala season
- Main income is from hiring combine harvesters.
Combines Parked in off season
Problems and Constraints

- Very high competition (more than 500)
- Introduction of new technology (Track type combines are preferred over wheel type)
- Hiring rates reduced from Rs. 15,000 ($ 116) per ha to now about Rs. 7500 ($ 58) per ha.
- Low profit margin (high labour wages, high fuel cost and increased R & M cost)
- Involvement of a middle man (Brokers)
- Climatic problems (Flood and drought)
Institutional Support

* Farm machinery are supplied without import duty
* Training facilities available, but not utilized (not known)
* Majority of the capital invested in leasing base
Suggestions

- Organize Association for machinery hiring entrepreneurs
- Introduce mechanism to approach farmer directly without the middle man (brokers)
- Train operators in government institutes.
- Provide concessionary loans
- Support to select appropriate machinery