

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