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Sustainable Transfer of Adapted Production Know How — Example of a Small-Size License Production Project for Reversible Ploughs in India

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Abstract

The intention to produce locally adapted but better performing soil tillage equipment with a local Indian specialist was the target of the LEMKEN GmbH & Co. KG, Germany's leading producer of soil tillage equipment. The project was in first instance a non-profit project but contains elements for a long-term benefit of both partners. India was chosen to start such a project as the country is known to be the world's largest tractor market. All the international tractor companies have license operations in place but yet no implements are available to follow the need for more sophisticated farm machinery.

Steps towards the realisation of the project were:

1. Identification of the right partner: Deccan Farm Equipment pvt. Ltd. in Kolhapur, State of Maharashtra.
2. Determination of the cooperation and road-map to realisation: License production with the founding of a Joint Venture company.
3. Identification of the right product: Reversible plough with different options
4. Steps to know how transfer: Meetings, staff exchange, senior expert program.
5. Branding and marketing of the product in India.
6. International export activities and cooperations.

Latest steps were the launching of the series production in November 2002 and the representation of the product on the international SIMA exhibition in Paris in February 2003. The main problems the project has met so far were the long-lasting and time-consuming know-how transfer, especially on the treatment and handling of the steel, the quality level of production, the communication difficulties and adoptions to black cotton soils and sugarcane cultivation which are common in the project area.

Continuous monitoring and improvements of the production quality and international export trading activities beneath the sales and marketing progress in India are the main topics for the near future. This shall become a base for a successful and long-term cooperation between two independent companies and become a model for a medium-size German producer to respond to the requirements of globalization.

Keywords: India, joint venture, know how transfer, license production, reversible plough