

Precision farming the only way forward for Thai agricultural sector

Leading agricultural machinery manufacturer Siam Kubota sets out to modernise the country's agricultural practices



Siam Kubota, Thailand's largest agricultural machinery manufacturer, has announced its plans to achieve 67 billion baht in revenue for 2025, an 8% increase from its 62 billion baht earnings in 2024. With the Agriculture and Cooperatives Ministry forecasting agricultural GDP growth of 1.8-2.8% this year, following a contraction in 2024 due to adverse weather conditions, the country is poised to drive modernisation in Thailand's farming sector.

Siam Kubota's president, Kazunori Tani, said the company's growth strategy would focus on expanding precision farming technologies and agricultural services across Thailand and Southeast Asia. The firm currently derives 60% of its revenue from domestic sales and 40% from international markets, especially ASEAN countries like Cambodia, Laos and Myanmar.

"The agricultural service provider sector is expanding, and government initiatives in precision agriculture are creating new opportunities," Tani said. "We're seeing similar growth potential across ASEAN markets."

The company's 2025 strategy, dubbed "Perform and Transform", centres on four key initiatives: ecosystem development, precision farming expansion, sustainability integration, and AI-driven efficiency improvements.

Senior executive vice president Waraporn Osathapan said the company plans to increase its renewable energy usage to 40% by the end of this year whilst optimising machinery operations.

Industry analysts note that Siam Kubota's push aligns with broader regional trends, as Southeast Asian nations work to modernise their agricultural sectors. Cambodia and Laos are projected to see agricultural GDP growth of 1.4% and 3.1% respectively, driven primarily by increased rice production.

Among the new machinery being launched this quarter are an upgraded L-Series tractor and the DC-120X combine harvester, featuring a common rail engine designed for improved harvesting efficiency. A 173-horsepower M7-172 tractor aimed at large-scale sugarcane farmers is currently in development.

However, the sector faces significant challenges. Thailand's Agriculture Minister Narumon Pinyosinwat has highlighted ongoing pressures from climate variability, geopolitical tensions and rising production costs. The International Monetary Fund's modest global growth projection of 3.2% for 2025 could also impact agricultural equipment demand.



Beyond economic pressures, the sector faces several structural challenges. Thailand's ageing farming population poses a significant concern for future agricultural productivity.

Siam Kubota's president believes agricultural technology and innovation could help address the ageing workforce issue by attracting younger generations to high-tech, profitable farming but also points to the urgent need for comprehensive irrigation infrastructure development to ensure water security and sustainable productivity.

Market observers suggest that Siam Kubota's success in achieving its revenue targets will largely depend on the effectiveness of government policies promoting modern farming techniques and the stability of agricultural commodity prices. The company's ability to adapt to changing weather patterns, which have significantly impacted farming operations across Thailand, will also be crucial.

Source: The Nation Thailand on 19 February 2025
<https://www.nationthailand.com/business/corporate/40046444>