

Machinery ring Agraco: 'Together, we are stronger'



Flanders (B)

Example of successful cooperation between dairy farmers in the purchase of agricultural products and on the use of machines from a contract work company



- 42 Farmers (8 board members)
- Collective purchase of agricultural products
 - Seeds, AI, milk powder, fertilisers, silage foil, ...
 - Volume discount

Machinery ring AGRACO (April 2005)



- Contract work company (LWB)
 - Purchase of machinery
 - Maintenance of the machinery
 - Rent machinery to the farmers

Added value for all partners and stakeholders

"In spite of several attempts, the collective purchase of electricity failed."



- Modern machinery available against better prices
- 6% VAT instead of 21%
- Wide range of machinery
- Volume discount on collective purchase of agri products
- Lower variable cost for the individual farmer
- Less investment in own machinery, less storage area needed for machinery

- Critical success factors**
- Engagement of a number of farmers in the same area
 - Good task division, good functioning board
 - A contract work company prepared to cooperate
 - Interesting machinery offered to the farmers
 - Trust and transparency
 - Extension of machinery with more clients as a consequence
 - Traders prepared to deliver by collective purchases

Dairy Farmers



Contract work company (LWB)

- Good relationship with the individual farmers of the machinery ring
- Efficient use/rendability of available machinery
- Extension of machinery with more clients and more employment as consequences



Advantage of Agraco Bocholt compared to other machinery rings is the cooperation with the contract work company: "Involving the contractor in the machinery ring, improves the relationship between the contract worker and the farmers which creates a win-win situation for all partners in the cooperation. The large offer of interesting machinery at the early start of the cooperation raised the interest of a large (29) group of farmers."

