



“It makes perfect sense to work closer together to achieve what we want to.”

The competitive edge of collaboration

**Technical
Purchasing partners**

Economies of scale, purchasing clout and a more strategic outlook are often cited as the stand-out benefits of working together, but many have concerns. CPM talks to AF Group and its members about how to overcome these.

By Tom Allen-Stevens

Fellow farmer is a term that, could be said, has many facets. Sometimes your neighbour is your closest collaborator while at others, they're your fiercest competitor.

The plus and downsides of collaboration are felt across the industry, and nowhere is this more acute than with co-operatives and buying groups, notes AF Group business manager for crop production Martyn Rogers.

“The industry's seen a lot of consolidation in recent years. At one end there are fewer manufacturers and distributors. At the other, there are fewer farmers, and farms are getting bigger. But with farmer-owned buying groups, there's not been a lot of change over the past decade, which makes you wonder whether they're operating as efficiently as they could be.”

AF Group is arguably well placed to judge — as the largest farmer-owned buying group in the UK, it now has 4000+ members and a turnover of crop protection inputs alone of

over £100M. But unlike many other buying groups, it's expanded considerably since it was formed as Anglia Farmers in 2003, bringing together a total of just under 1000 members when Loddon Farmers and Mid Norfolk Farmers joined together.

Particular strength

“Understandably, many buying groups are wary of mergers and acquisitions — members value the personal touch of dealing with those who know their business. We've grown largely through collaboration, however. We have a particular strength in buying crop protection inputs and work with other groups to bring their members the benefits, without losing identity or compromising on service provision,” Martyn explains.

Although other groups AF work with are treated as one member, it now has an aggregated membership of more than 7000. This brings those farmers considerable collective buying power, argues Martin. “We now have strategic relationships with key suppliers and manufacturers who themselves can see the benefits, in terms of improved planning and distribution efficiencies.”

The increase has come through geographic spread. “The buying groups we work with are largely outside our core area in the Eastern Counties,” he explains. “They offer their members a fantastic service for livestock feed, for instance, but don't benefit from the expertise or purchasing power on arable inputs we have. There's a benefit for us, too — we're gathering more experience on grassland herbicides, for example, which

helps members in our core areas where these are less of a priority.”

He recognises farmer needs have changed, too. “Some of the larger businesses in the membership can negotiate deals just as competitive as ours, so we have to add value in other ways. That's where the personal touch comes in, which is one of our highest priorities — we aim to understand their businesses, there's always an expert just a phone call away, and we treat all members as individuals, from the smallest family business to the largest multi-site enterprise. Those core values have never changed as we've grown.

“We've also expanded our product range, so offer good deals on building supplies, phone contracts, fuel and energy, alongside our core crop protection and nutrition products. But AF Group's core strength is farmers working together — farming faces challenging times and the more we collaborate, the greater the benefits for all involved.” ▶



Martyn Rogers wonders whether buying groups are operating as efficiently as they could be.

Effective slug control for your cereal crop this Autumn

With the rapid onset of autumn making the arrival of wetter weather inevitable, UK cereal growers must be wary of the increased potential for slug activity in damp seedbeds and should take every precaution to protect new cereal crops with an effective molluscicide.

According to the AHDB, slug damage costs UK farmers an estimated £100m per year; the impending loss of metaldehyde means that ferric phosphate will be the only molluscicide active ingredient available to UK growers in the medium-term. ADAMA has therefore developed a ferric phosphate slug pellet which is manufactured to the same standards as its popular **Gusto®** pellets, thereby enabling growers to continue to apply the right pellet at the right time and at the right dose.

Everything you liked about Gusto® pellets in a ferric phosphate formulation

Gusto® IRON is a 2.94% ferric phosphate molluscicide for use in cereals, and a wide range of other crops. The new slug pellets offer advantages over other ferric-based molluscicides, in particular excellent palatability and extended durability during wet weather. **Gusto® IRON** slug pellets also retain their distinctive blue colour for longer – making them easier to detect once applied – and, compared to market standards, are less susceptible to mould formation in wet conditions.

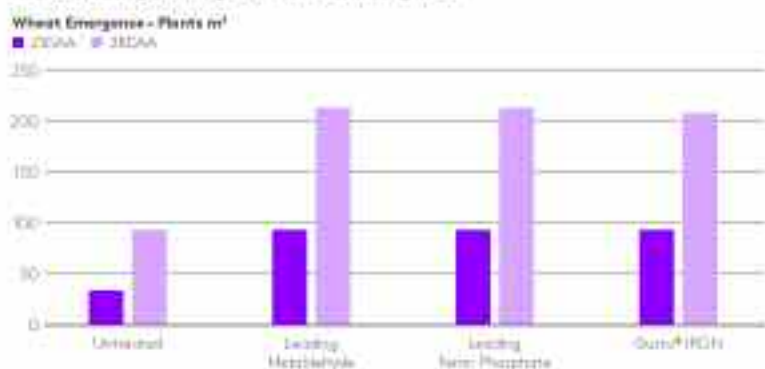
High quality, long-lasting, palatable bait

Gusto® IRON slug pellets are manufactured using a two-stage drying technique. This **Desidro™** ensures an ideal balance between persistence and palatability, with ADAMA's pellets proving hard enough to ensure good rain resistance, but also remaining palatable to slugs even when first applied. The **Desidro™** process also ensures excellent ballistic characteristics for an accurate spreading pattern and baiting point density.

Pellet efficacy

Recent trials show **Gusto® IRON** can significantly improve the emergence of wheat seedlings on a par with the leading metaldehyde and ferric phosphate products.

Effect of slug damage on wheat emergence



Location: Northdown 3rd Year, 1st year, 1st of 2nd year, 2nd year, 3rd year, 4th year, 5th year, 6th year, 7th year, 8th year, 9th year, 10th year, 11th year, 12th year, 13th year, 14th year, 15th year, 16th year, 17th year, 18th year, 19th year, 20th year, 21st year, 22nd year, 23rd year, 24th year, 25th year, 26th year, 27th year, 28th year, 29th year, 30th year, 31st year, 32nd year, 33rd year, 34th year, 35th year, 36th year, 37th year, 38th year, 39th year, 40th year, 41st year, 42nd year, 43rd year, 44th year, 45th year, 46th year, 47th year, 48th year, 49th year, 50th year, 51st year, 52nd year, 53rd year, 54th year, 55th year, 56th year, 57th year, 58th year, 59th year, 60th year, 61st year, 62nd year, 63rd year, 64th year, 65th year, 66th year, 67th year, 68th year, 69th year, 70th year, 71st year, 72nd year, 73rd year, 74th year, 75th year, 76th year, 77th year, 78th year, 79th year, 80th year, 81st year, 82nd year, 83rd year, 84th year, 85th year, 86th year, 87th year, 88th year, 89th year, 90th year, 91st year, 92nd year, 93rd year, 94th year, 95th year, 96th year, 97th year, 98th year, 99th year, 100th year



KEY FACTS...

Gusto® IRON offers several key advantages over other molluscicides including excellent palatability, good durability and consistent control of all key UK slug species:

- A rainproof formulation, made with **Desidro™** technology
- **Gusto® IRON** pellets retain their colour – staying bluer for longer makes them easier to detect
- Baiting point consistency: 45/m² at 5kg/ha
- Compared to market standards, **Gusto® IRON** pellets are less susceptible to mould formation



For more information visit www.adama.com/uk

Gusto® IRON is supplied in 25kg bags and has a maximum and minimum of 1kg per dose and a maximum total dose of 20kg/ha/year. For more information or to receive a free trial information pack containing a Gusto® IRON calibration guide plus a free pen and rubber, please visit www.adama.com/uk. Gusto® IRON is a registered trademark of the ADAMA group. Gusto® IRON contains ferric phosphate. Always read the label and product information before use for further product information, including warning phrases and symbols, refer to www.adama.com/uk or call The Technical Helpline on 0635 660 660.

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Purchasing partners

► So what are the concerns about closer collaboration? Norfolk grower Kit Papworth became AF's chairman shortly after the merger, overseeing much of the group's subsequent expansion. "Farmers by their nature are stubbornly independent," he comments. "There's also the concern between buying groups that they'll pinch each other's members."

"But I believe we've reached peak spend in UK agriculture — the more progressive farmers are growing their businesses by reducing horsepower and chemical inputs, some even farming less land. Overall there'll be less outlay, so collaboration is inevitable if farmers want to maintain good value for money."

He recalls there were concerns from both Loddon Farmers and Mid Norfolk members that coming together would mean they'd lose influence and that the combined group would have priorities that would differ from traditional values.

"There can also be personality clashes.

But these problems are all surmountable for the greater good, as long as the group continues to be entirely focused on working for the benefit of its membership. There were also differences in accounting procedures between the two groups that had to be managed, some of which still exist today.

Personal touch

"But collaboration doesn't have to be a merger. Most of the arrangements AF Group now has are partnerships that allow the incoming group to keep its own identity, structure and procedures. People deal with people, and whatever change you go through, it's important that personal touch is retained."

There are some benefits of farmers working together he says are a "given", with increased purchasing power being the obvious one. "It also allows you to behave in a more corporate way in the marketplace, so you can have a more strategic approach to making purchases. That's how you can build

good supply relationships with building material suppliers and providers of other non-farming goods, for example."

But there's one area where farmers are failing to work together, and Kit's frustrated that the full benefits of closer collaboration still haven't been realised. "The cost of taking on a new IT system is astronomical. AF Group has had to bear that cost, and every single other buying group has or is in the process of doing so independently. But why wouldn't we all want to run off the same system? There's a clear lack of common sense here."

An example of where it works is the AF Import button within Farmplan's Business Manager, he says, that allows invoices to be imported straight into farm accounts. "The capacity for error when rekeying financial entries is massive and the cost to all farm businesses of this laborious bookkeeping is immense. No farmer wants the cost nor the hassle, so why isn't it all automated?"

It underlies a fundamental change he

Purchasing clout and an easier life are key priorities

The Marshland Group of farmers first formed in the mid-1990s when four or five farmers saw the sense in combining their purchasing power. "By 2010 we had 14 members and 20 accounts with a combined spend of over £6M," recalls David Hoyles of GH Hoyles, based at Long Sutton, Lincs.

"It was Tony Wing who made it work — he was brilliant at working with suppliers and bringing us the service we wanted. When he announced in 2016, at the age of 80, he wanted to retire, we realised pretty quickly we couldn't replace him."

The group tried a dedicated purchasing arrangement with one supplier. "But it lacked the personal attention to service — the understanding of how our businesses run. We don't always want

Jeremy Oatey wants to concentrate on managing the crops, but benefits from independent advice.



the lowest price, but we want good value and we want our lives to be made easier."

So Marshland joined AF Group in 2019. "As well as good prices, you get purchasing clout — AF have the knowledge of the bigger picture and use that to the benefit of members," he notes.

An advocate of closer collaboration between farmers, David's now an AF Group board member. "It was always our concern that Marshland would lose its identity. That hasn't happened — we've retained our unique values and these are respected by AF, helped by dedicated meetings and updates," he says.

For Agricola Growers, based in Torpoint, Cornwall, the main reason to join AF Group was to get good value purchases without the hassle and complication of re-invoicing across the eight contract farming agreements the business runs over its 1500ha of arable crops.

"We want to concentrate on managing the crops. The difficult bit is sourcing the chemical," says founder and managing director Jeremy Oatey, who runs the business with his wife, Sarah. "But what started as a functional relationship is now a two-way conversation."

Agricola growers was formed in 2004 and specialises in growing daffodil bulbs and potatoes. Its sister company HF Produce supplies washed, peeled and prepared vegetables to local bakeries, particularly for Cornish pasties.

"Three of us in the business are BASIS and FACTS qualified, so we do all our own agronomy. But sourcing chemical is hugely time-consuming, so it makes sense to get



David Hoyles wants good value without the hassle of sourcing inputs, but is keen that Marshland Group retains its identity.

someone else to do it," says Jeremy.

The orders through AF Group are placed together but invoiced separately and despatched to specified locations. "It may not be the cheapest way to source chemical but it's by far the most cost-efficient. We now don't even both to cross-compare prices.

"The main benefit we didn't expect is the service. AF Group has qualified people you can call for advice — they're totally independent and working for the members, which gives it more integrity than a distributor."

Agricola also benefits from the industry insight and updates members receive from AF. "We don't use them for everything, but the agchem operation is really slick. It means we can grow our business and work with new farms and estates, however they'd like to work, without increasing our admin burden," notes Jeremy.

Purchasing Partners

Coronavirus has brought to the fore the benefits of a supply chain that has integrity and reliability. Key to the success of an arable business is knowing who to trust and when price should give way to convenience.

In this series of articles *CPM* has teamed up with AF Group to provide some insight into how crop protection, fertiliser and other key inputs travel through the supply chain to the farm and looks at how some of the UK's leading arable businesses ensure their inputs deliver exactly what they need to meet the challenges of a griculture today.

As the leading farmer-owned buying group, AF Group operates nationwide entirely for the benefit of its 4000+ members. Its small but experienced team have the expertise, not just to plan strategically and administer the purchasing choices of its members. It gives market insight to enable the best decisions to be made and works collaboratively to achieve maximum value — true purchasing partners.



Kit Papworth believes UK agriculture has reached peak spend, so collaboration is inevitable if farmers want to maintain good value for money.

believes must take place for agriculture to progress. "Farming will undergo its fourth agricultural revolution over the next five years and the capacity for technology to

help that change cannot be underestimated. But unless you're a specialist grower, we'll all be buying the same stuff. It makes perfect sense to work closer together to achieve

what we want to — that's not about losing the personal touch nor individual flair. It's about enabling and enhancing both." ■

Complementary capability increases capacity to collaborate

Tarf Valley was the first agricultural co-operative in Scotland, founded in 1903, and now has over 1200 members and a turnover of £73M. Based at Castle Douglas, Dumfries and Galloway, and with ten branches that also have farm shops, it supplies mainly feed and fertiliser to predominantly livestock farmers.

"By comparison the arable side is relatively small — we're not big enough to negotiate good deals with manufacturers," notes Stair Brown, who looks after the group's seed and crop protection requirements.

Tarf joined AF Group as a single member in 2019, for which it pays a small percentage of its turnover. Products purchased are generally distributed to the ten Tarf branches. "You put an order in and it gets done. Our members don't see much difference apart from brand-name chemicals at similar or better prices to generics.

"The difference for us is that our four in-house agronomists can focus on advising members, and we benefit from technical advice and access to information we'd never have on our own. This allows us to plan independently and grow our arable business," says Stair.

He notes that Tarf has had its concerns over working with AF Group. "We work closely with another co-operative, especially on the animal health side, and didn't want to spoil that relationship. But it's worked extremely well and proven a good fit. We feel we're buying arable inputs a lot better and not being told what we should be doing."

Aspatria Farmers has recently brought its business back to AF Group for arable inputs, explains Aspatria's chief executive Tim Wilson. "We moved away after a ten-year relationship

with AF over concerns they were taking our members — they had a relationship with First Milk that created tensions."

Celebrating its 150th year, Aspatria lays claim to being Britain's oldest co-operative, based in the northern Lake District, with 960 members across North Cumbria, south west Scotland and the North East. 95% of its membership are livestock farmers and 80% are dairy producers. Arable inputs comprise less than £2M, or 19% of its turnover, managed by two in-house agronomists.

"We aim to help members treat their grass more as a crop and want our agronomists focused on this, rather than talking to suppliers," says Tim. "So we need a partner who can procure these, who are imbued in that side of the industry — we encourage farmers to co-operate, so we ought to co-operate with other groups ourselves."

He says there's a good synergy with AF Group, and the previous fears over the relationship haven't resurfaced. "It comes down to trust. It's easy to find people with expertise, but you want to work with people who are honest and find solutions for you without having to worry about guarding your interests. The personal relationship is key."

But while Tim supports closer collaboration, it has to be done with care. "History is littered with co-operatives that have failed, such as Midlands Shire Farmers and Countrywide. It's not just about getting bigger by geography, but about recognising each other's strengths and not being too proud to admit someone else can do a job in a particular area better than you can. We only exist to help our members run their businesses better, and provided we remain farmer-focused, there's every reason to collaborate closer."



Stair Brown finds he can plan independently and grow the arable side of the business.



Britain's oldest co-operative, Aspatria is open to collaborate with other buying groups, but remains member-focused.



Tim Wilson wants agronomists focused on helping members treat their grass more as a crop, rather than talking to suppliers.