

## REPORT TO BORDERS MACHINERY RING

# Results of focus group discussions to explore members' perceptions of machinery rings in relation to change, collaboration and sustainability

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### EXECUTIVE SUMMARY

Machinery rings are a form of agricultural cooperative that has become established in Scotland as a means for farmers (and other members) to reduce their costs through access to a range of services, including resource sharing and contracting, labour services, training and commodities purchasing. Since they were introduced in Scotland 25 years ago, machinery rings have developed large membership bases in some regions, including the Borders Machinery Ring (BMR) which has around 860 members.

In the context of the European Commission funded 'FarmPath' project and the Land Use Theme of the Scottish Government's Environmental Change Research Programme, this research investigates machinery rings as an **example of formalised collaboration** that may contribute towards the **sustainability of agriculture** at a regional level. Other examples of collaboration are also being studied in Germany and Portugal.

This report presents an overview of findings from **two group discussions** held with BMR members. Further group discussions (in the North East region) and interviews with farmers, machinery rings, national organisations and other relevant individuals were also conducted and are reported separately.

Group discussions were structured around three statements, that considered machinery rings in terms of **ideas relating to change, collaboration and sustainability**. This report highlights the key themes and range of opinions put forward during these discussions.

In response to the first discussion statement, *"The introduction of machinery rings is one of the most significant changes to affect Scottish agriculture in the last 30 years"*, the relative significance of machinery rings to other key changes in agriculture (e.g. reductions in labour, policy reforms) was questioned by participants. However, it was agreed that with the introduction of machinery rings farmers' capacity to **reduce the fixed and variable costs of production** was increased.

The primary significance of the ring related to its role in providing a **response to economic difficulties** faced by farmers. In terms of services offered, participants identified **commodities purchasing** (fuel in particular) as especially important; labour and contracting services were less prominent.

The second discussion statement proposed that, *"Machinery rings are an indicator of extensive collaboration in Scottish agriculture"*, which was met with agreement followed by discussion of **difficulties associated with collaboration** in farming (primarily relating to independence and control). Changes and developments that have affected the ring were a key topic of discussion; **growth and diversification** were suggested to have changed perceptions of the ring from that of a small group of farmers sharing

equipment, towards being a **substantial organisation providing services to a wide range of members**.



Finally, in relation to the third discussion statement, *"Agriculture is more sustainable in the Scottish Borders with machinery rings than it would be if they had not been introduced"* it was agreed that machinery rings do **contribute towards improved economic sustainability** of agriculture. However it was also suggested that machinery rings don't necessarily make agriculture more sustainable; as some form of **collaboration would have emerged**, regardless, in response to economic difficulties. Discussions of **environmental sustainability** related to current and potential roles, including services relating to renewable energies, green waste and composting.

Common themes and significant differences have been identified between groups in the **North East** (see Report to Ringlink) and **Scottish Borders regions**, which will be explored in later reports and papers.

## 1 INTRODUCTION

This report is based on the results of two 'focus group' discussions held with members of Borders Machinery Ring (BMR) Ltd. in the Scottish Borders agricultural region. These discussions took place during May 2012 and included 14 members from the BMR area.

The primary purpose of these two group discussions was to **explore members' perceptions and experiences of machinery rings**. In each focus group session, participants were asked to discuss machinery rings from three different perspectives (**change, collaboration and sustainability**), based on three central 'discussion statements' presented to the groups:

- 'The introduction of machinery rings is one of the most significant changes to affect Scottish agriculture in the last 30 years'
- 'Machinery rings are an indicator of extensive collaboration in Scottish agriculture'
- 'Agriculture is more sustainable in the Scottish Borders with machinery rings than it would be if they had not been introduced'

These statements were each intended to be a little bit **controversial in order to encourage debate** among the group, provided for a range of related questions to be asked, and allowed positive and negative aspects of members' experiences to be explored.

Both focus groups were conducted in **the same central location** (St Boswells) reflecting the fact that BMR has a single base (in Galashiels) and allowing members from different parts of the region to attend. A fairly **broad spectrum of members** was involved in each session.

Farming types included **arable, livestock and mixed farming** businesses – based in both upland and lowland environments, reflecting the diversity of the region. Farm sizes ranged from **50 to 3300 ha** (many between 200-300ha) and employee numbers ranged from **1 to 11 employees** (mostly less than 5). Participants also included self-employed **labour providers**.

All of the participants were male, between 33 and 64 years old – mostly in their **40s and 50s**. Many joined the ring more than 20 years ago and others joined later (up to 3 years ago). **Commodities purchasing** was a frequently recurring rationale for joining the ring, but several participants' motivations also related to the ring's capacity to **facilitate labour (and contracting) relationships**; reasons such as 'supporting other farmers' and 'working together' were also mentioned. 'Purchasing fuel' was the most highly cited current use of the ring, followed by contracting and labour services. **Ring usage** by group participants varied from 'not often' and 'several times a year' to 'regularly', 'weekly' and full-time'.

The next three sections of this report address participants' responses relating to each of the three discussion statements separately, including analysis of agreement and divergence of opinions within and between groups. The final section includes a summary of the key messages relating to each statement.

## 2 MACHINERY RINGS AND CHANGE

This section explores participants' responses to the first discussion point introduced during the focus group sessions. The aim of this discussion was to explore what machinery rings do and to consider their importance in the context of the wider farming industry since they were introduced in the 1980s. In relation to the 'FarmPath' project, this point was important to investigate the 'transition process' taken by machinery rings, from being a 'niche' initiative created by local level actors, to becoming an established practice used by many farmers across the region they operate.

Participants were asked to discuss the following statement:

***'The introduction of machinery rings is one of the most significant changes to affect Scottish agriculture in the last 30 years'***

Initial reactions by the two groups were quite different – **one disagreeing** and suggesting that the statement 'goes a bit far' and **the other agreeing** on the basis that machinery rings have provided a suitable response to issues faced by farmers, particularly relating to costs:

- *"I think you're going a bit far there! [Laughter]... Put me down as a 'disagree'... Well I mean it's quite dramatic"*
- *"I agree with it right enough; it's the too easy answer, saves them having to spend a lot of money to buy a machine, which is sat in the barn for 10 months of the year..."*

In subsequent discussions of this first statement, several themes can be identified – which are explored in the following sections in terms of **'services and roles'** of machinery rings, ideas relating to the **'significance'** of machinery rings being introduced, and some additional **'issues'** raised by participants.

In terms of **context and other significant changes** that have affected Scottish agriculture in the last thirty years, participants suggested that **reductions in labour** on farms was important; which was also linked to developments in farm **technology** (e.g. precision farming) and difficulties associated with **new/young people** coming in to agriculture (e.g. lack of young farmers, increasing skills shortages). Several European policy changes were perceived to have had significant impacts, including **CAP reforms**, introduction of the **Euro**, and access to **new labour markets** (Eastern Europe in particular). Rising **costs of farm machinery**, increasing **scale** and amalgamation



across the sector, and other policy, market and economic stresses were discussed. The suggestion that farmers have had to become **more business-oriented** over the years, reflecting evolutions in farming, business and society more generally, was also made.

## Services and roles

**Access to reduced price commodities** (fuel in particular) was a substantial focus of discussions in both focus groups. Labour provision, contracting and renewable-energy services and were also discussed in a variety of contexts. The **relative benefits** of going through the ring or contacting suppliers directly (with respect to accessing contractors and purchasing commodities) were an important feature of discussions. In both groups, some participants suggested that buying **commodities** through the ring has helped to **reduce costs** (i.e. prices available through the ring were cheaper than going directly to the supplier). However, several participants suggested that the ring is **not always the cheapest option**. In this context, it was suggested that the ring might be more beneficial for members with smaller farm businesses, who do not already have the benefit of scale on their own. Suggestion of a **'two-tier' system for purchasing fuel** was raised in one group, whereby advance-booking of fuel (to support bulk-buying) was proposed as an alternative way to access cheaper fuel prices; in addition to the current system of 'spot-pricing' (based on the best price available to the ring on the day). Interestingly, al-

*"This is what I'm saying, it could have a two-tier effect and have some form of commitment for the long- the buyers that are willing to wait a week, and the buyers that are wanting the cheapest on the day."*

though **labour** was discussed by both groups, much less emphasis was afforded to the topic in the Borders in comparison to the North East region. Furthermore, there was a greater sense in the

Borders that machinery rings are used more as a **'back-up'** measure (i.e. contacting the ring as a last resort) than in the North East.

Often in spite of price, **time saved** was identified as an important benefit of purchasing commodities through the ring. Benefits associated with accessing labour or contractors through the ring also related to time saved – both in terms of identifying suppliers and also the relative speed that they can be provided (due to greater access to suppliers). Participants also suggested that they would be **more likely to use the ring for some services than others**. For example, it was suggested that farmers are more likely to source fuel through the ring than fertiliser. Reasons for this included how often each commodity is purchased (which impacts on the amount of time spent sourcing the best price); the implications of potential price differentials between ring prices and prices obtained directly; and also the relative importance of quality.

A number of **different (but interrelated) roles** of machinery rings were proposed in the context of discussions; including roles that the ring currently plays and also aspects of the ring's role that appear to lack clarity for some members. In the context of the ring's role as an **intermediary** between supplier and demander members, participants rated staff and systems very highly; including financial (e.g. Direct Debit) and administration systems, which increase speed, efficiency and confidence for members. Participants also identified with the ring as a type of advisor or **information provider**, for example, knowledgeable staff being an aid to decision-making (e.g. before purchasing machinery). However, the ring's role as a form of

**'safety net'** in the event of difficulties presented some uncertainties and questions among group members (e.g. relating to liability in the context of non-payment or conflict resolution between members in the context of damages).

*"The ring just sits on the outside as an agent.*

*Yeah I didn't think that was the case...*

*Well you can double check and make sure.*

*No, but I'm sure you're right.*

*I'm saying personally I don't think it's right;*

*I think the ring should be your safety net...*

*I think they would be exposing themselves to potentially huge costs in certain circumstances."*

## Significance

Fundamentally, it was suggested that the significance of machinery rings relates to their capacity to act as a **response to economic difficulties** faced by farmers in the context of changing conditions, such as those described at the start of this section. This was expressed explicitly in the context of each group:

- *"Something needed to happen as more and more equipment became unaffordable; in a way it was essential that something happened. I mean it was the foresight of the original instigator that got the thing going, and yeah, we have to take our hat off to him."*
- *"To be honest, what's made the machinery ring a significant change is mainly market forces; the thing is we had to get leaner; and that's put us in the position that we had to go to the ring to try and save money."*

Participants suggested that the key benefits of machinery rings' existence relates to their capacity to help farmers **reduce their fixed and variable costs** of operation, based on the premise of working together. For example, by no longer needing to own every piece of machinery required (by leasing equipment through the ring) and/or by reducing the costs of machinery they do own (through additional work carried out as a supplier to the ring – thus claiming back a proportion of capital costs outlaid through income generated and reducing the cost per hectare over the lifetime of the machine). However, ways to reduce variable costs was proposed as the key focus of many farmers, in terms of the way that they use the ring.

*"You obviously look quite closely at your fixed costs. I think the rest of us don't; we just focus on the variables."*

**Responsiveness** associated with the service provided by the ring, was also suggested to be important in the context of worsening

weather conditions and reduced staff on farms to respond to weather windows for particular activities. The significance in this regard was linked to the 'original function' of machinery rings, i.e. providing a mechanism by which farmers can **work together** (and doing so in a way that rates are standardised and transparent). Collaboration in the context of machinery rings is explored in greater detail in Section 3, but it is important to note that the significance of farmers working together in the context of the ring was raised in the context of this first discussion. Indeed it was suggested that machinery rings have contributed to **changing farmers' minds** about sharing, and to building bridges between farmers who might not otherwise collaborate.

A final point, relates to the relative benefits perceived to be gained by different types of members; for example, it was suggested that the **size of the farm** is important in terms of influencing farmers' need to use the rings and the relative benefits that they can obtain (e.g. increased buying power was suggested to be more beneficial for smaller farms rather than larger ones). It was also suggested that machinery rings provide a mechanism by which more **advanced and specialised technologies are made available** to a wider spectrum of farmers. Machinery rings also provide opportunities for a 'route into farming' for self-employed **labour** suppliers.

*"If you're [large] you probably don't need to use it because you've got a big buying power as it is, whereas if you're a smaller farming enterprise or a medium-sized farming enterprise you can probably tap into that."*

### MACHINERY RINGS AND CHANGE: KEY MESSAGES

A number of significant changes have affected farmers since machinery rings were introduced, which are believed to have contributed to the conditions that machinery rings respond to. Economic challenges and solutions were underlying discussions held by both groups, whereby machinery rings were proposed to provide a mechanism to reduce fixed and variable costs associated with farming. In this context, fuel was an especially recurring topic of discussion, followed by contracting services. Overall, participants' perceptions of the discussion statement were mixed, suggesting the significance of the ring is relative to individual circumstances and approaches.

## 3 MACHINERY RINGS AND COLLABORATION

The second point discussed with participants was intended to explore the notion of collaboration and how it relates to machinery rings. In relation to the FarmPath project, this discussion point was important in the context of research being conducted within the cluster of national teams investigating new forms of collaboration in agriculture. Other initiatives specifically based on notions of collaboration are being investigated in the Freiburg region of Germany and Alentejo region of Portugal.

Participants were asked to discuss the following statement:

### *'Machinery rings are an indicator of extensive collaboration in Scottish agriculture'*

Although different aspects relating to this statement were considered in greater depth, both focus groups expressed **general agreement** at the outset:

- *"True... It's the first step with collaboration in a way"*
- *"I'd agree with that without saying anything else really"*

### Issues

In spite of the benefits associated with machinery rings, participants also raised a number of **issues relating to different aspects of their function**. These related to things such as: seasonality (everyone looking for the same thing at the same time); loss of direct relationships between farmers and suppliers; apprehension relating to machinery breakages and conflict resolution; difficulties accessing skilled labour (e.g. stockmen); decreasing requirement for sons to stay and work on farms (the ring supplying additional labour/services when required); rings not always providing the cheapest deal and commission 'adding up'.

A topic of considerable discussion in one group related to the impact of machinery rings on contractor prices, which were perceived to be too low for suppliers to make any money. Although it was recognised that prices are set by supplier members (not the ring itself) and commercial suppliers outside the ring, it was suggested that competitive pricing between the two has **led prices to become depressed**. From the perspective of demander members, this has resulted in instances where it is more cost effective to use certain ring services than it is to operate owned machinery. This discussion reflected complex issues relating to market processes, however, there was some suggestion that the ring should take greater responsibility in terms of providing a suitable **benchmark** price to guide suppliers.

*"Well I collared one of the local contractors... and I was absolutely horrified when he told me how little he was actually charging."*

Interestingly, following initial agreement with the statement, discussions among both groups related to **issues and difficulties associated with collaboration** in agriculture, whereby farmers' disposition for 'independence' was frequently highlighted as a significant barrier. In this section, **factors influencing collaboration** (or non-collaboration) are suggested, followed by ideas relating to **how machinery rings have changed since their inception**, and consideration of machinery rings as a **form of agricultural cooperative**.

*"Collaboration, generally speaking, is quite difficult and the ring has done an awful lot in that direction I would suggest."*

## Influences on collaboration

A number of different influences affecting collaboration in Scotland were suggested across the two groups, including the characteristics of **individuals** (e.g. personalities, generational differences), **farms** (type, size, intensity) and **regions** (cultures, farming types). In this context, reasons why individuals might not collaborate were also a key focus, whereby reasons related to both **choices** (e.g. farmers' preference for independence) and **needs** (e.g. farmers operating at a certain scale, where they are operating efficiently without needing to collaborate). **Retaining control** of farm equipment was identified by one group as a 'good reason' for not using or committing fully to the ring, in order for farmers to be able to respond to weather conditions without delay. This example highlights the interplay of different factors beyond farmers' control, whereby uncertain weather conditions cannot be changed, but other aspects of planning and management can be. However, machinery rings were believed to have the **capacity to be more responsive** in this type of situation than individual contractors; i.e. if one contractor is held up, another supplier member can be contacted.

The suggestion that there is limited collaboration in Scottish agriculture and **'farmers are not good at collaborating'** permeated

*"It's remarkable it has survived for so long in this area because- it's a good example of collaboration. And yet we've all agreed that we're not- or at least I've said that we're not very good at collaborating. But it's a remarkable thing that it has."*

conversations. However, it appears that machinery rings represent a form of collaboration that is acceptable in the context of farmers' ways of working; this suggestion is explored further in the next two sections.

## Development and change

A particular topic of discussion by one of the groups related to the impact of changes that have affected the ring, and influenced perceptions of the ring, over time. There were several interrelated aspects to this discussion including: the relative **size of the ring**, in terms of membership numbers; the impact of diversification, in terms of the **type and range of services** provided; and the **changing membership** as a result of diversification. Over time, the ring is suggested to have 'grown arms and legs', developed into a diverse service provider, and come to serve a wider customer-base than just agriculture. Indeed, one participant suggested that the ring has 'metamorphosed'. The **importance of fuel**, in particular, was identified as a central business concern of the ring by one group; **as opposed to facilitating machinery sharing relationships**, as it was in the past. Indeed it was suggested that the ring is **"more of a buying group these days"**.

*"There used to be a machinery ring, movement of machinery between farms; but now it's all- the bulk of it has swung to the fuel job and everyone is coming to them for fuel."*

Participants' perceptions of the ring appear to have been impacted by this shift in a number of different ways. It appears that the ring simply represents **something different** from what it did in the past

(predominately a **service provider**, discussed in the next section), which was not necessarily seen in negative terms. However, relative to the original idea of sharing between farmers and 'helping each other out', the **ring's key function** was often seen to have been changed in favour of commodities services.

Several participants revealed their early membership numbers (which reflects the order members joined in) and suggested that, as **numbers grew** they no longer knew or recognised new members; in combination with the **growth in non-farming members**, it appears that as the ring has grown and become more diverse, members have associate with it **less as a group or network** they feel part of and **more as an organisation** that they access for services (**"When it first started off it was a ... nice cosy little group. Instead it has grown into a massive organisation that you kind of lose the identity."**). In both forms, participants as a whole appeared to consider the ring as a form of collaboration – or a facilitator of collaboration involving farmers.

*"Once you get past 200 I haven't got a clue who they are, and you see this list in the newsletter which says x, x, x and x have joined, and you think, 'well I don't think I recognise any of them! We might recognise the odd one- and you've got these quite diverse organisations, which have decided to join the ring for whatever reason, and some of them have got nothing to do with agriculture at all!"*

*"It's not what it originally set out to be, but to survive I think it has to."*

Importantly, there was suggestion that changes and developments to the ring, in terms of the range of services provided, were made in response to demand or interest shown by the membership; for example, renewable energy production (**"I know that they had members asking about renewables, there was obviously this increasing interest in renewable energy being provided on farm, either for ourselves or sold to the National Grid or whatever; like especially the Feed-in Tariff coming in, so I think they responded to the membership's interest in that side of things."**). It was also suggested that provision of such services has helped to raise wider awareness of opportunities available to farmers: **"They've taken it upon themselves to get the energy things involved, you know. Now, would we have all done that on our own? Probably not."**



## Rings as service providers

In response to the proposition that machinery rings are a form of agricultural cooperative, participants predominately suggested that they do not think of them that way. Instead participants proposed that rings are more commonly recognised as a type of **service provider, supplier or facilitator**. Correspondingly, it also was suggested that machinery ring members are more like 'customers' to the ring.

*"Yeah it's a service, I don't see it as a cooperative, I see it as a service."*

One aspect identified, which was perceived to separate machinery rings from other agricultural cooperatives is the **lack of commitment demanded** as a machinery ring member; indeed 'you can walk away at any time'. In relation to the ring's membership fee, participants suggested that it is a relatively small amount of money to pay ("**low opportunity cost**") in order to access services that the ring provides. One participant referred to the membership fee as a form of 'loyalty premium'; in spite of which he suggested that he did feel the loyalty

to the ring that he maybe should. **Decreasing feelings of loyalty** were also associated with the growth and scale of the ring.

*"That's what I mean, I don't think of them as a cooperative because there's no commitment; you can walk away any time."*

As previously noted, ring membership now extends beyond the traditional farming sector, whereby participants suggest that new **non-farming members** "**must perceive there to be a market for them in the ring**"; for example, fencing contractors who have become members. Alternatively, non-farming members were suggested to be using the ring (membership listing) as a form of marketing tool. In his context, a flower shop was mentioned as an example.

Overall, the service provided by ring staff was **rated highly**, including openness and responsiveness to queries for things out with the current remit of services offered.

## MACHINERY RINGS AND CHANGE: KEY MESSAGES

On the whole, participants in both groups agreed that machinery rings do exemplify extensive collaboration, in spite of fundamental issues associated with collaboration in the agriculture sector (e.g. relating to independence and control). Although the basic function of the ring as an agent and facilitator of relationships between members has not changed, it appears that members' perceptions of the ring have been affected by changes that have occurred over its lifetime. In this context, a perceived shift towards commodities (particularly fuel) being a significant focus of the business was important. Furthermore, it appears that growth and diversification of ring membership and services provided have reinforced perceptions of the ring as simply another service provider, while weakening perceptions of the ring as a network or group of individuals who collaborate with each other.

## 4 MACHINERY RINGS AND SUSTAINABILITY

The aim of the third and final discussion point in the focus group sessions was to consider the impact of machinery rings on the sustainability of agriculture in the Scottish Borders. In the context of the FarmPath project, this discussion was important in order to understand the ways that machinery rings can be related to the concept of sustainability and role that they may play towards 'achieving' it (in terms of its economic, social and environmental components) at a regional level.

Participants were asked to discuss the following statement:

***'Agriculture is more sustainable in the Scottish Borders with machinery rings than it would be if they had not been introduced'***

In one respect the two groups had a similar response to this statement, in terms of considering **alternative paths** than might have been taken in absence of machinery rings. In this context, initial responses in both groups suggested that collaboration in some other form would probably have happened:

- *"No, I don't think they are more sustainable; I think if machinery rings hadn't come along we might have seen more localised collaboration between farmers"*
- *"I think the rings or a form of the rings, whether it's called something else would have happened... So to say that it has an effect on sustainability, I don't think it's strictly relevant"*

**Economic sustainability** of agriculture was also a particular focus by both groups, and subsequently attention was given to **environmental and social aspects**. However, interestingly, each group chose to focus on either social or environmental sustainability; meaning that both elements were discussed to some extent by one of the groups. In the context of this final discussion, issues relating to **by-passing the ring** (i.e. direct transactions between supplier and demanders) were also raised by both groups.

*"There's nothing to protect the machinery ring in terms of, 'well you know what, I quite like that guy, I'll just by-pass the ring and I'll go direct'."*



## Alternatives to machinery rings

The suggestion that agriculture would have evolved to include some form of collaboration (particularly relating to sharing resources as opposed to commodities) was made by participants in both groups, on the basis that **economic circumstances demanded** farmers find ways to manage their costs in an efficient way. In this context, the relative benefits (and drawbacks) of different types and scales of collaboration (including machinery rings) were discussed. In one group, the suggestion was made that the evolution of **smaller scale collaboration is more sustainable** (including varying degrees of formality, e.g. neighbouring contracts vs. in-kind cooperation). However, it was also suggested that relying on this type of arrangement would result in **less collaboration overall**, as a high degree of interaction and commitment would be required of all parties involved. As a result, it was proposed that this type of collaboration (or cooperation) **“only works if you get on really well with your neighbour”**; highlighting the **importance of people and relationships** in order to make collaboration (of any form) work.

*“The problem is, I said to the neighbour, ‘yeah I’ll do all your stuff no problem every year’; and then it comes to a bad year and you’re really struggling – that neighbour would be annoyed with you and the fact is you’d have maybe let him down. Whereas with the ring, you can turn round and say ‘no’ and the ring goes to someone else, and someone else does that job. And that’s the good flexibility about the ring, compared to on a one-to-one collaborative job.”*

Questions relating to the **importance of ownership**, including joint ownership, of equipment were also raised. This fed into debates about the importance of relationships and the relative importance of control to individual farmers; whereby machinery rings were suggested to be an opportunity for farmers to collaborate to reduce their costs, while retaining **greater individual control** of their farm business. Furthermore, machinery rings were suggested to offer farmers greater **flexibility** (and potentially reduce tensions) by consequence of the much larger resource base they have access to.

## Economic, social and environmental

In terms of sustainability, participants indicated that machinery rings’ primary role relates to the **economic sustainability** of farming. In this context, it was suggested that machinery rings contribute in a number of different ways – the key way being helping to **reduce**

*“If you are reducing your costs it’s making the whole thing more sustainable”*

**costs** (including retained labour and machinery costs). As a cost-reducing mechanism, it was suggested that banks may point farmers in the direc-

tion of machinery rings and might also be more comfortable supporting farmers who are members.

Participants also suggested that machinery rings have helped to **stabilise costs** and create a level playing field in terms of prices by means of guide prices (for some services) published in the ring’s handbook. Prices published in the handbook were also suggested to be a source of information used at the Scottish Agricultural College and an **aid to decision-making**. For example: **“It actually gives’ you scope to work out what’s easy to make money on. We bought a fert spreader to spread up to 24 metres and we went from, when I started, three different spreaders and three different guys tied up for a period**

**of spreading fert for three weeks. Now we’ve gone down to one man covering the whole thing and he’s got time to go and work somewhere else.”**

**Environmental sustainability** was discussed in one focus group to a much greater extent than the other. Participants identified ways the ring is currently contributing and additional ways that the ring could potentially contribute. However, interestingly, it was suggested that the machinery rings’ role in efforts to improve environmental sustainability on farms is a ‘moot point’ as there is **no real policy incentive** driving farmers to change.

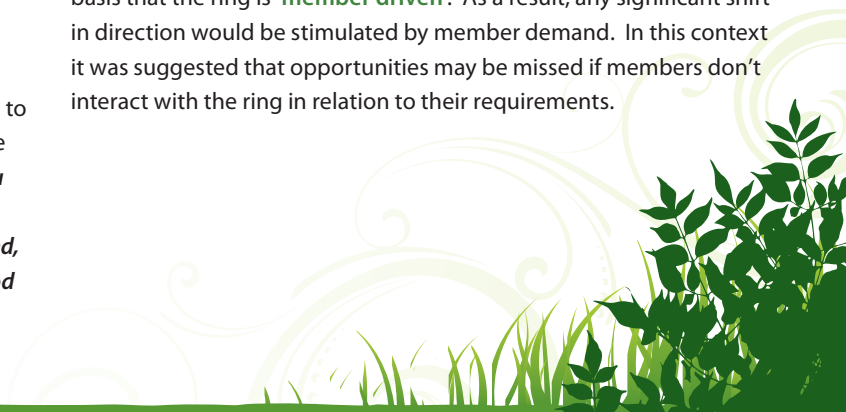
*“There’s currently no real laid down legislation for us as farmers to actually grasp a hold of and take that bull by the horns, so it’s a moot point actually unless you want to do it on your own bat.”*

In spite of perceptions that the Borders as a region is some way behind Aberdeenshire in terms of developing **renewable energy production on farms**, praise was given to the ring for the role they have played in information transfer, research, coordination, due diligence and supply of services to implement such development. It was also suggested that ring staff show **‘real passion and interest’** for renewables, in spite of the fact the ring often appears to miss-out on direct benefits for services provided. Issues relating to **public perceptions** and **planning consent** were discussed at some length in relation to preventing wind energy developments in particular. In terms of future developments, a **potential role** for the ring in coordinating collaboration for bio-gas production was suggested (citing Germany as an example).

Other aspects of environmental sustainability discussed included collection, composting and supply of **green waste** from the Scottish Borders Council, whereby it was suggested that the ring could potentially respond to similar opportunities and contracts in the future. It was also suggested that better **‘pooling’ of fuel jobs** for delivery to farms in closer proximity could be achieved.

**Social aspects** were also discussed (by one group in particular), including **opportunities to interact** with other people working via the ring (which was suggested to be important in the context of reduced farm workforces) and the importance of **relationships with machinery ring staff** (which was identified as an important determinant of how and if members use the ring). Good ring staff was associated with the success of the ring, in terms of engendering familiarity, interaction, loyalty and trust with members on contact.

In terms of improving the sustainability of agriculture, it was suggested that the ring could not do much to make improvements, on the basis that the ring is **‘member driven’**. As a result, any significant shift in direction would be stimulated by member demand. In this context it was suggested that opportunities may be missed if members don’t interact with the ring in relation to their requirements.



## By-passing the ring

An interesting debate, which came up at the end of discussions with both groups, related to situations when members by-pass the ring and **deal with suppliers directly**. In this context, a range of scenarios, circumstances, views and implications were debated. Ideas relating to **honesty, trust and morality** permeated discussions, as well as rationalisation of actions (and responses) and discussion of the **relative benefits** of going through the ring versus going direct.

*"The problem is the ring is then seen just as an introductory service and the farmer is then deciding he's going to take out that 2% commission, or whatever that's in there, in the hope that it's going to provide cheaper or whatever. That's a negative."*

Overall, participants agreed that services organised directly by the ring should be invoiced through the ring (thus being subject to the ring's commission). However, an apparent **grey area** relates to subsequent demand for the same supplier and whether it may be deemed morally just for the demander to contact the supplier directly for that service the next time it is required (thus avoiding payment of the ring's commission). A key criticism of this action was that it implies that the ring acts as a form of **introductory service**, as opposed to acting as an enduring facilitator of transactions between members. One implication of by-passing the ring in this way, which was suggested, is that the ring has had to keep **diversifying and growing** in order to secure new sources of revenue.

## MACHINERY RINGS AND CHANGE: KEY MESSAGES

Although machinery rings appear to be associated with improved sustainability of agriculture (economic in particular), it was suggested that Borders agriculture is not necessarily more sustainable with the ring than it would have been had they not been introduced, on the basis that some form of collaboration would have emerged as a result of difficult economic conditions faced. However, it is notable that collaboration was associated with improved sustainability for farmers; particularly in light of discussions under discussion statement two. Machinery rings role was predominately associated with economic aspects of sustainability (i.e. reducing costs). However, participants did also identify existing and potential roles relating to environmental sustainability and testified to the importance of relationships between machinery ring members and staff for their success. Finally, the sustainability of machinery rings themselves was discussed; in terms of the morality and implications of members' by-passing the ring after initial contact is established.

## 5 SUMMARY

Two group discussions were held with fourteen machinery ring members in the Scottish Borders. This report reflects participants' perspectives in relation to three central discussion statements, which were chosen to explore machinery rings from the perspectives of change, collaboration and sustainability.

Key findings relating to each topic include:

- In response to economic difficulties, the introduction of machinery rings has increased farmers' capacity to reduce fixed and variable costs associated with agricultural production; purchasing fuel via the ring was identified as particularly important.
- Machinery rings were perceived as an example of extensive collaboration in agriculture, but growth and diversification have reinforced perceptions of the ring organisation as a service provider and reduced members' sense of being part of a group.
- Machinery rings were primarily associated with economic sustainability, but suggestions also related to their current and potential roles in improved environmental sustainability of agriculture (e.g. renewable energies, green waste and composting).

Due to the amount and nature of information collected, it has not been possible to include everything in this report, but each section highlights key themes discussed and shows the range of opinions.

Further reports and papers based on this project have been prepared and are forthcoming.

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