

## REPORT TO RINGLINK

# 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 Ringlink in the North East of Scotland which has close to 2,600 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 **three group discussions** held with Ringlink members. Further group discussions (in the Borders 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, to consider 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"*, there was some agreement and some disagreement across the three discussion groups. Overall, machinery rings were **perceived to be important**, but in the context of a number of other significant changes the statement was generally deemed to be too extreme. Discussions related to the **services (and service)** provided by Ringlink, whereby **labour and contracting** related aspects were prominent. The formation of **new relationships** revealed an interesting shift in the way that farmers work – which appears to be characterised and legitimised by **formality**. Fundamentally, in terms of change, machinery rings have emerged as a **new, unique form of service provider** in the agriculture sector.

The second discussion statement proposed that, *"Machinery rings are an indicator of extensive collaboration in Scottish agriculture"*, which was met with some **agreement** across the groups, particularly in terms of the **number of farm businesses involved**. A key discussion point in relation to **collaboration** related to the ways, and how often, different members **engage with the ring**. Discussions also drew attention to a number of attributes that machinery rings

do not share with **other forms of agricultural cooperatives** (e.g. flexibility and relevance across agriculture types).



Finally, some agreement was reached in relation to the third discussion statement, *"Agriculture is more sustainable in North East Scotland with machinery rings than it would be if they had not been introduced"* on the basis that 'sustainability' be interpreted in terms of **profitability or viability** of farm businesses. In this context it was suggested that machinery rings have evolved to be a **responsive and forward-looking mechanism to support efficiency** across the agriculture sector; although wider implications of greater efficiency were also proposed. The role of machinery rings in terms of **environmental sustainability** was believed to be **limited**.

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

## 1 INTRODUCTION

This report is based on the results of three 'focus group' discussions held with members of Ringlink (Scotland) Ltd. in the North East agricultural region of Scotland. These discussions took place during March and April 2012 and included 25 Ringlink members from the areas surrounding Laurencekirk, Fochabers and Turriff.

The primary purpose of these three 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 North East Scotland 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.

The focus groups were conducted in **different locations**, to take into account geographical, organisational and historical differences in different parts of the Ringlink area. A fairly broad **spectrum of members** was involved in each session. Farming types were reflective of the North East more generally, including livestock

and arable farmers, with **mixed farming** prevalent across the three areas; typically more arable in the East. There were also several organic producers in the Fochabers area. Farm sizes ranged from **50 to 4000ha** (mostly less than 500ha) and employee numbers ranged from **1 to 55 employees** (mostly less than 10).

All of the participants were male, between 27 and 67 years old – mostly in their **40s and 50s**. Many joined the ring 'from the start' (i.e. when predecessor rings were formed in different parts of the current Ringlink area in the late 1980s) and others joined later; all of the participants had been **members of the ring for at least 6 years**. Supply of and access to **labour and machinery services** were the most common reasons for joining, but other services (e.g. 'centralised buying') and 'showing support' for the ring were also mentioned by a handful of participants. A wide **range of ring services are currently being accessed** by participants; some using the ring much more frequently (i.e. daily, weekly) than others (e.g. seasonally or 'rarely').

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 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'***

There were a number of common themes and responses that recurred across the three focus group sessions held in Laurencekirk, Fochabers and Turriff. However, each group identified additional issues and distinct perspectives on the **significance** of machinery rings, the **way that they have impacted** the agriculture industry so far, and suggestions relating to the **continuing role that they might play**.

First responses to this statement in the three group sessions varied considerably:

- *I think I disagree with it.*
- *So that's a 'yes'; move on!*
- *It's quite debateable, isn't it?!*

However, it was broadly agreed across all three groups that machinery rings **have had a significant impact** on agriculture in Scotland in the last thirty years.

*"It's significant to some businesses and not to others. But it's there for everybody"*

Other significant changes affecting agriculture that were identified by the groups included: developments in **technology**, including farm machinery and mobile phones; changes to agricultural **policy and subsidies**; issues relating to **labour**, resulting from mechanisation and competition with other sectors such as oil & gas and construction; **bigger, but fewer, farms**; and **increasing costs** associated with farming, including machinery and commodities such as fertiliser and fuel. Each of these changes has had some kind of **economic impact** for farmers.

Differences between farmers' experience of machinery rings in **different geographical areas** of Scotland were also noted by participants, whereby Ringlink was identified as a particularly strong machinery ring and the **strengths of the North East region** were acknowledged, in terms of the type of environment that Ringlink operates in (e.g. types of farming, proximity to other farms).

### Services (and service) provided

Participants identified a number of important roles that machinery rings play within the context of the agriculture industry – **labour and contracting**-related services in particular. Training was also given some emphasis by all three groups – whereby discussions of the training service provided were overwhelmingly positive. **Commodity trading** was discussed, but much less emphasis was afforded to the topic by participants in the North East in comparison to the Borders region (see Report to BMR).

In terms of the transition process that machinery rings have gone through since their inception, **diversification** of their portfolio to include this broad range of services has been identified as an important strength – but also a potential weakness if they become 'too diversified':

*"It's ever changing. The successful rings are not just dependent on the core business of labour."*

*"One problem that businesses face, you see it all the time, is that they almost over diversify... the successful businesses are the ones that concentrate on their core..."*

*I think I share Ewan's<sup>1</sup> concern about that – just getting too complex."*

Participants recognised the significance of machinery rings as a resource that was not previously available for farmers. In this context, their **responsiveness** and **efficiency** was emphasised among the key benefits of the service offered by Ringlink, as a result of **systems** set in place (e.g. 24/7 service, admin and payments), and the **people** and **technologies** underpinning them.

*"They have links to so many people, so many contacts, absolutely fantastic service, we've been very very fortunate to have this at a telephone call."*

The importance of strong leadership and knowledgeable and conscientious staff was identified as paramount to the effectiveness of the ring – whereby it was also suggested that new staff, without the appropriate 'work ethic' **"don't stay long"**. Another important benefit associated with systems introduced by the ring relates to the compulsory use of Direct Debit for payments, which was associated with reductions in bad debts and timescales for payment.

Some examples of miscommunication and **mistakes** were also discussed, although it was suggested that occurrences are infrequent and acknowledged that **"...with the best will in the world if there is a third party involved there's always room for mistakes."** However, there was some **uncertainty** shown in terms of how costs associated with such mistakes are rectified.

### Labour and contracting

The most novel aspect of machinery rings was the introduction of a system for farmers to **share physical and human resources** across farm boundaries: **"It has opened up the resources that are available on individual farms."** Furthermore, implicit links have been made between machinery rings as a mechanism to share resources and the **sustainability of farming in the North East**, particularly social and economic aspects (see also Section 4).

In relation to social sustainability, machinery rings were linked to opportunities for small-scale farmers (and successors) in particular, to generate **additional income** – as a supplier (of labour and/or machinery) to other farms via the ring. From the perspective of farm succession, machinery rings were identified as an opportunity and means for **young farmers to gain (wider) experience** across a range of farms. Also, in relation to wider issues relating to competition for labour in the North East of

*"If it wasnae for the ring, some young farmers would be stuck in a rut at home. At least they're out at other farms being told by somebody else... See how things work... It's good to see other places."*

Scotland (oil & gas in particular), participants suggested that machinery rings offer an effective system for **labour to be moved around the region**. As a result, more sustainable options for employment and access to labour in the agriculture sector have been created.

*"Labour is a big part of the whole thing, obviously; regular labour. Employing people gainfully the whole season around is just hugely difficult, so that's a big part of it really."*

A number of issues were also identified in relation to the **type of labour and allocation of suppliers** (labour and contractors) between members. There was some suggestion that, although a good supply of 'unskilled' labour can be access through the ring, there is a shortage of access to good 'skilled' labour. However, it was also suggested that this is reflective of a much larger problem relating to labour across the agriculture industry more generally.

In relation to the way that suppliers are allocated to demanders, it was put forward that **prioritisation** may be given to members with bigger farms and/or farms with more consistent demand, over members with smaller farms or less frequent demands. And, while the pragmatism of such decisions was understood from the perspective of suppliers (**"if they're a full-time employee of the ring they're obviously trying to give them as much work as possible"**), an underlying sense of inequity between members was conveyed.

*"I think for the smaller user of the machinery ring, he probably ends up not using it to the same extent because he knows he's going to end up – he's at the back of the line"*

<sup>1</sup> Pseudonym used to retain participant confidentiality.

The suggestion that **specialist contractors** might be the 'victim' of machinery rings (as a result of being 'squeezed out' by greater numbers of farmers becoming involved in 'part-time contracting') was discussed by one group in particular. This included suggestions that contractors might '**lose jobs**' as **machinery rings have greater capacity** to fulfil demands – particularly in circumstances where farming is dictated by short periods of suitable weather. However, benefits to contractors were also suggested, including opportunities to **access a wider market** and/or to specialise further by operating as a ring member.

### Relationships

Relationships were discussed in the three focus groups – in particular, a perceived shift in relationships between individual farmers, and also the importance of relationships between farmers and the ring organisation.

Suggestions that machinery rings provide a mechanism that **facilitates farmers' working together** in a way that formalises transactions and relieves social 'stigma' were discussed at the start of one focus group in particular. In this context the groups suggested that, as an intermediary, machinery rings remove the difficulties of discussing prices and provide a fixed timescale for payments between farmers. Also, as a uniting organisation, machinery rings 'tie farmers together' in a way that brings a range of beneficial services

### MACHINERY RINGS AND CHANGE: KEY MESSAGES

From the time that machinery rings were introduced in the 1980s, considerable changes have occurred that affect farmers. These include wider changes to agricultural policy, technological developments, and rising costs associated with farm machinery and other inputs. On the basis of discussions held across the three focus groups it is suggested that the introduction of machinery rings in Scotland does represent a significant change, but to describe as 'one of the most significant changes' is too strong an insinuation. Machinery rings have emerged as an important actor and service provider, presenting new opportunities and adjustments to what is perceived as normal and acceptable behaviour for farmers in Scotland.

## 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 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'**

Again, common themes have been identified across the discussions had by the three focus groups, but particular aspects were discussed in greater depth by some groups than others. First responses across the three groups were less divergent when compared to the first discussion point:

- "Well that's just what it is."
- "Difficult not to agree with that to be honest"
- "Statement of the obvious"

to individual farm businesses. That is not to say that **independence** was not important; indeed several participants emphasised its importance to themselves and others. A key strength of machinery rings which resonated with the idea of individual farmers' independence was their **flexibility** – in terms of being accessible to individuals who chose to engage on a regular basis as well as those who prefer only to use the ring as a last resort.

Relationships between members and **ring staff** were also designated with some importance; which was believed in some part to be dependent on the personality and nature of staff employed by the ring and their ability to forge relationships with members. This is potentially even more important in terms of ring staff's role as the main **feedback mechanism** for members to report on quality and make other suggestions for improvement. However, participants generally favoured the **introduction of a new more formal means** for member feedback.

*"One thing I would say it's done is encourage – it's got away from the stigma of farmers getting somebody else to do their job. At one time the farmer would buy a new baler for 100 acres because he didnae want his neighbour to think he couldnae afford to buy one... Whereas now, the thought of, it's more cool to use a machinery ring or a contractor rather than have to have everything yourself."*

Beyond participants' initial reactions, discussions continued on to consider the proposition in greater depth – including **motivations** and **frequency** of members' engagement with the ring, views relating to **loyalty, commitment** and **scale**, and perceptions of the ring as a form of **agricultural cooperative**.

### Geography and scale

Sheer numbers of farm businesses involved in Ringlink were identified as a key signifier of extensive collaboration. In this context, the groups perceived membership levels to be **high** in terms of **actual numbers** and also as a **proportion of farms** in the area.

Scale was also discussed in terms of the **geographical area** covered by Ringlink, including the implications of mergers and competition in past and current 'boundary areas'.

The importance of scale was interpreted in a number of ways and related to **different services** in different ways. For example, the importance of **economies of scale** (in commodities markets in particular) was identified as an important benefit of collaborating with other farmers in the context of the ring. Issues relating to members' **loyalty** to the ring were also raised in terms of the ring's potential to further increase buying **power in commodities markets**.

One group in particular discussed the suggestion that all members buy all their commodities through the ring. However, a number of participants suggested that increased **commitment** to achieve bulk in this way would be unworkable in the context of how machinery rings currently operate.

In other words, without a strict requirement to go through the ring (which was not recommended by participants), it was suggested that members will take advantage the best price available: **"The arguments are compelling to go all cooperative-minded, but they are also compelling for someone getting a better price... Someone always breaks ranks and it's always on price."** Discussions of loyalty are continued in the next section.

In relation to other services, particularly sharing labour and machinery, **locality** was perceived to be of particular importance in terms of **logistical reasons** in matching supply with demand. The implications of **single or multiple rings** serving particular geographical areas was also considered – including discussion of neighbours being brought into the same ring as a result of past ring 'mergers' (e.g. Turriff area) and discussion of competition between rings in 'boundary areas' (e.g. Moray and Angus).

*"But the fact that these smaller rings have all merged means... this lad two miles down the road, which might have been the guy that could have done your job, was actually not in this ring so he couldnae do it."*

## Engagement and loyalty

A recurring discussion across all three focus groups related to the ways that individuals utilise their ring membership. It appears that several types or **categories of members** can be identified, from: **frequent users**, who may wholly rely on ring services for the everyday operation of their farm business; to **'fire brigade' or 'insurance policy' users**, who revert to ring only in emergency situations. Other categories of users were also identified in-between – for example, those who may use the ring for **particular services** but not others, and those who choose to **'support the ring'** in principle by being a member, but circumstances may mean that they do not need to use the ring on a regular basis. Social reasons associated with

using the ring were also suggested, in terms of providing opportunities for staff **"to be allowed out occasionally!"**

*"It's just because we've got an equal labour requirement through the year now that we dinnae really need to go and hire labour in for peak periods."*

The suggestion that **machinery rings operate on the basis of need, as opposed to want**, was made on a number of occasions; which indicated that at the most fundamental level **farm economics** (particularly times of financial hardship) are at the root of individuals' interaction with the ring.

Practical reasons such as a **lack of need** because their business is neither over nor under-capacity in terms of equipment or labour, and personal and philosophical reasons such as **preferences for independence** and **perceived threats** associated with the role played by machinery rings, were suggested as reasons for non-membership and non-engagement by members.

*"I know a neighbour who operates with a manager and the manager will not entertain joining the ring; I see it as a fear of his job actually... The ring could just about run it. You could do away with many of the men; do away with the manager..."*

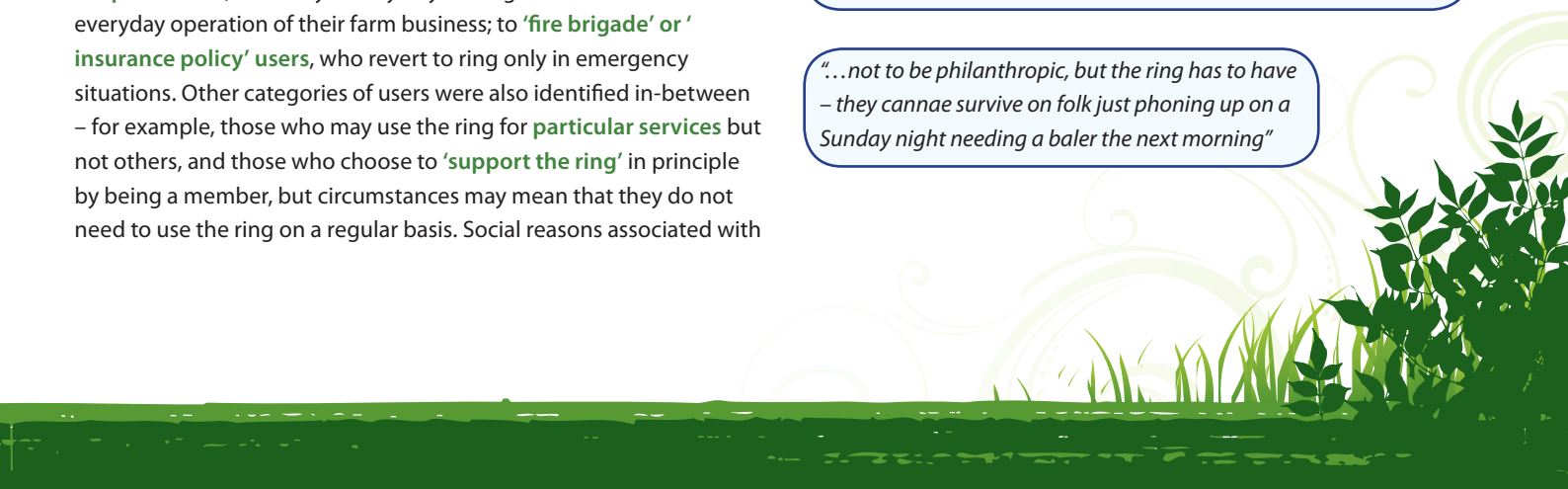
Discussions revealed that the concept of loyalty in the context of machinery rings is multi-faceted, and particularly complex with respect to the matter of give-and-take between the ring and its members. Several suggestions were made to equate **frequency of use** with **loyalty to the ring**. However, difficulties were proposed in relation to the **repayment of loyalty** by the ring to individual members (for example, through preferential allocation of suppliers to their demand). Such issues appear to stem from the ring's role as an **agent acting on behalf of both supplier and demander** members and also link to issues relating to prioritisation and inequity (see Labour and Contracting, Section 2). Another difficulty associated with loyalty was in relation to commodities trading, as the ring acts on behalf of supplier and demander members, who each aim to get the best financial deal for themselves.

*"You can't please every member."*

Another aspect of loyalty (and **'morality'**) discussed relates to the question of using the ring for services at all times, as opposed to retaining or building **direct relationships outside the ring**. This included a number of discussions in relation to whether members should use the ring 'fully' (i.e. not just as a back-up).

*"I don't always use the ring as fully as I might, the likes of fuel, I'll go and buy fuel elsewhere and I think – I suppose morally it's almost wrong."*

*"...not to be philanthropic, but the ring has to have – they cannae survive on folk just phoning up on a Sunday night needing a baler the next morning"*



A variety of views in agreement and disagreement were discussed – including an interesting differentiation of **rules for historical/ independent relationships versus relationships established via the ring** (i.e. cutting the ring out of transactions after initial contact has been established), whereby the former was generally perceived as somewhat more acceptable than the latter.

*"I think the ring understands that historically, if there was a group of neighbours who always did the same thing then they leave them alone."*

### Rings as cooperatives

Although there was some recognition that machinery rings are a form of agricultural cooperative, all three groups agreed that they are quite **different from other cooperatives** that they have experience and/or knowledge of. The relevance of machinery rings to a **cross-section of agriculture types**; the **range of different services** that rings cater for; and their appearance as a **'service provider'**, 'call centre', 'facilitator' or 'hub', which can be accessed **'sporadically'** according to need, were identified as distinguishing features of machinery rings relative to other coops. There was a sense conveyed by some participants that machinery rings are different from 'true cooperatives', which were characterised by more comprehensive buy-in and greater rigidity. Rings were also suggested to be more **'forgiving'**, in terms of allowing members to

**retain control** over how, when and if they use them in the context of their individual farm businesses.

Across the groups, there was some suggestion that the **motivations** underpinning machinery ring membership might be different from other examples of collaboration in agriculture (e.g. other cooperatives). For example, it was perceived that farmers often do not join the ring to collaborate with other farmers (e.g. to achieve a shared goal); instead, membership was often aligned simply with **gaining access to the services that rings provide**. It was also suggested that members are often not bothered by having 'ownership' or control in the context of organisation, management or decision-making by the ring. However, the **lack of a formal mechanism** for members to 'interact' with or 'challenge' the ring and how it functions was picked up again in the context of this second discussion point.

*"We're nae doing it to collaborate, we're doing it so that every business gets what they want oot of it, you ken. And that by inference means collaboration... and that ultimately helps a'body."*

*"I think what I'd like to see a bit more is the question put by the ring to its members, 'what can we do better?'; because I think regardless of how well we're functioning as businesses or as a cooperative, we have to challenge the way we do things."*

## MACHINERY RINGS AND CHANGE: KEY MESSAGES

Participants generally believed that machinery rings represent an example of wide-spread collaboration in the agriculture sector, in terms of numbers involved and the geographical spread of members. However, the nature of collaboration in the context of machinery rings was perceived to be unique, and different from other forms of agricultural cooperatives in terms of the ways that farmers engage with the ring; the frequency of that engagement; the 'forgiving' nature of the ring in relation to supplementary relationships and transactions occurring outside of ring; and the implications of the intermediary role played by the ring between its members. Discussions relating to loyalty between the ring and its members raised a number of interesting questions and potentially irreconcilable contradictions relating to expectations and competition.

## 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 North East Scotland. 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 North East Scotland with machinery rings than it would be if they had not been introduced'***

Participants' interpretations of 'sustainability' in the context of this discussion **predominately related to economic aspects**, in terms of the rings' contribution towards the profitability, viability and success of farm businesses. Social aspects of sustainability were also acknowledged in discussions, but the perceived relevance of machinery rings for **environmental sustainability was somewhat more limited**.

The question of whether machinery rings have been **influential** in the context of agricultural sustainability in the North East (or if they have simply been **responsive** to the changing conditions affecting agriculture and society more generally) was discussed; and was also reflected in the first responses to the statement:

- *"I think it's probably correct in my view that a lot of businesses wouldn't have been as successful without the ability to use the ring."*
- *"I would say the simple answer to that is yes!"*
- *"If it makes it more sustainable it makes it easier; but I'm not sure if the ring's the catalyst for the sustainability of agriculture."*

A fundamental discussion across the three focus groups related to whether improving the sustainability of agriculture is within the **remits of machinery rings**. In this context it was suggested that the functions of the ring are ultimately **member driven** and the ring's **role is to respond**. Nevertheless, machinery rings have been described as effective in increasing the efficiency and viability of farm businesses as a consequence of the role that they play.

## Viability

**Labour services** were frequently identified as important. It was suggested that some farms would 'struggle' without the ring acting as a labour pooling mechanism, which can either be accessed for services on demand (e.g. seasonally) or used to generate supplementary income by supplying labour to other farms (e.g. where farm successors cannot be fully sustained at home). Improved **access to equipment and new technologies** was also discussed by one group in particular, whereby it was suggested that rings allow a broader spectrum of farmers to either own or lease bigger and more efficient equipment.

*"Back to sustainability... I would say the technology brought on to a farm, there are a lot of small places who can contact the ring and get the best of equipment to make the best jobs...and now the brilliance of the new technology has improved their yields, and they're more profitable. So I believe the statement is more sustainable because of the technology that's out there available; not to purchase something at £100,000 if they can take it on and pay £20 a hectare."*

On a number of occasions it was suggested that the ring is particularly important for certain types and sizes of farms; for example, **small farms**, where access to equipment, labour and technologies may otherwise be unfeasible due to costs; **organic agriculture**, where requirements for (often seasonal) labour are high; and **new entrant farmers**, who may have limited contacts in the industry and limited access to other capital resources. Conversely, it was suggested that **livestock farming may not benefit quite so much** as other farming types, as the type of services required (i.e. skilled labour) are not so readily available via the ring (discussed in Section 2). It was also suggested that the ring might not be so crucial to farms of a certain size, which have the capacity to operate machinery and retain staff efficiently without the ring (e.g. by using machinery over larger acreages).

By helping to preserve the economic sustainability of farming in some of the ways described above, it could be argued that machinery rings also **contribute indirectly** to aspects of **social** (e.g. preservation of family farms; encouragement of new entrants) and **environmental** (e.g. organic farming) **sustainability** in the North East.

## Efficiency

It was widely agreed that one of the key benefits of the ring relates to greater efficiency in the **way that resources are used**; including equipment and labour. For example, through access to the ring's labour pool, **costs** associated with retained labour on farms may be reduced. Difficulties associated with the **seasonality** of farming may

be avoided to a greater extent, as the collective labour pool can be used across different farm types at different times of the year (e.g. arable in summer, livestock in winter). Other efficiency savings and gains suggested include: **time saved**, by making a single phone call to the ring (e.g. to form seasonal labour squads) and increased yields through **access to bigger and more efficient machines**.

However, **negative implications of greater efficiencies** were also discussed, including: a suggestion of 'laziness' in the sector, by rings making life easier for farmers; and a lack of need to 'pull younger people in' as farms can 'manage' by using the ring to access labour on demand. In this context, it was suggested that machinery rings are **good at 'keeping people' in farming (e.g. sons), but not at bringing new people in**. This idea is potentially significant, as concerns relating to attracting new and young farmers were also discussed.

*"The ring is helping us to utilise the labour pool very efficiently, but that might not be helping us to expand the labour pool. Or we're not being encouraged to expand the labour pool ..."*

*"That's a slight negative, that's true. You find you can manage without having to carry somebody and train them up because you know you can get somebody at short notice to fill in the gaps."*

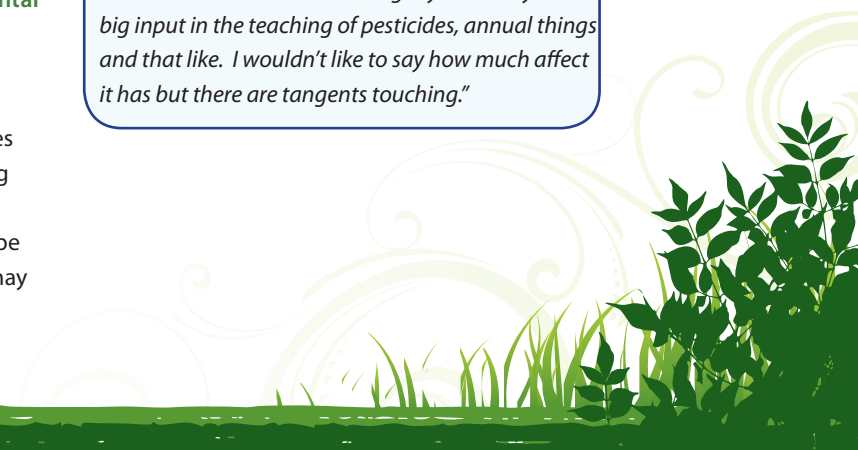
## Environment

Across all three focus groups it was suggested that machinery rings have a **very limited role** in terms of the environmental sustainability of agriculture. For example, machinery rings were not perceived to 'alter the way anyone farms technically' and responsibility for farmers' 'patch of the environment' was believed to be that of each individual, not the ring.

*"I dinnae think the ring has got any input as far as that's concerned."*

However, participants did also suggest some **examples of where the ring is currently contributing** to the environment in some way, including: participation in the Farm Woodland Scheme (mentioned by all three groups); allocation of suppliers based on geographical proximity (thus limiting mileage travelled); coordinating access to expensive machinery required for environmental purposes; finding markets for recycling materials (e.g. black polythene); training; and involvement with on-farm renewable energy companies.

*"I don't know if you're going to take in tangents but you've got like they're doing work with the Forestry Commission, trying to identify farms that has small woodlands and so you and your neighbour maybe could work together to pull in a harvest or get your woods sold better. You've also got your – they're a big input in the teaching of pesticides, annual things and that like. I wouldn't like to say how much affect it has but there are tangents touching."*



## Influence or response

A number of interesting discussions emerged in relation to how agriculture might look **if machinery rings had not been introduced**, including suggestions of other less structured and formalised forms of cooperation between farmers and more direct use of agricultural contractors. Essentially, agriculture would have simply *“evolved in a different way”* had they not been introduced. However, one group noted the **‘bottom-up’ evolution** of machinery rings, whereby farmers were involved in their development as a response to conditions faced at the time.

*“But it was driven by farmers in the North East, ken, to make it in the first place. And it’s the agriculture – needed it, there was demand for it really.”*

The insinuation at the root of these discussions appeared to be that machinery rings have provided a suitable mechanism that **helps farmers to respond to challenges** associated with working in the agriculture sector – thus making individual businesses more ‘sustainable’. Predominately, the way they do so is based on member demand, but the importance of effective leadership was also noted in terms of influencing their evolution.

## MACHINERY RINGS AND CHANGE: KEY MESSAGES

Discussions of sustainability highlighted the relative importance of economic (and social) aspects to the participating farmers; whereby ‘sustainability’ was most frequently interpreted in terms of profitability and viability of farm enterprises. In this context it has been suggested that machinery rings contribute to the sustainability of farming by facilitating access to a pooled resource base, which promotes greater efficiencies across the sector. In terms of environmental sustainability, a far more limited role was suggested, although specific examples were noted. One of these examples, the Farm Woodland Scheme, exemplifies the dual role played by the ring, in terms of responding to demand and also providing leadership that might contribute to the overall sustainability of agriculture in the region in terms of economic, social and environmental aspects.

## 5 SUMMARY

Three group discussions were held with twenty-five machinery ring members in the North East of Scotland. 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:

- Machinery rings have emerged as a new, unique form of service provider in the agriculture sector, whereby the most novel function in their portfolio relates to sharing machinery and labour across farm boundaries.
- Machinery rings were suggested to be different from other forms of agricultural cooperatives, particularly in relation to the relative flexibility members have to engage with the ring in whichever way best suits their farm business.
- Machinery rings were most frequently associated with improving the economic sustainability (or viability) of farming, by facilitating greater efficiency in the way that resources are used and accessed by farmers.

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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