

CLIMMAR President's Report



Established in
1917

550 members,
agricultural and
garden machinery
dealers

Static membership
with a balance of
new members and
leavers most years

1200 Agricultural
Machinery Dealers

Estimated Industry
Potential
30%

1800 Garden
Machinery Dealers

Over 25.000
employees

Over 11.000
technicians (45% of
dealers staff)

BAGMA, UK



- The past two years have seen an unprecedented pandemic
- Worsening supply situation for all industries
- BREXIT
- Staff shortages
- A change in ownership of BAGMA, The British Agricultural and Garden Machinery Association.

Member Services Include



- Mainline banking
- BAGMA Training
- BAGMA legal & HR
- BAGMA Bank
- Card Processing Rates
- Branch & Connect meetings
- Conferences and events
- BAGMA insurance
- Health care
- BAGMA Direct
- Waste Management
- BAGMA vehicles
- Health & Safety

BAGMA Training

Delivered by BAGMA Trainers and BAGMA approved training Centre's or partners

- Handover and Install products and services to customers
- LOLER Thorough Examination of machinery and equipment for serviceability
- A/C servicing and refrigerant handling assessment
- Tractor-Trailer inspection and brake testing



CLIMMAR President's Report

2020 in the UK



- **2020** led us into a pandemic which has affected the whole world and businesses and people in the same way everywhere.
- In the UK the retail industry was closed down for some time as was the hospitality industry and many others.
- In the UK agricultural machinery and garden machinery dealers were allowed to stay open as they became designated as 'essential' businesses. BAGMA helped in the lobbying of government to ensure that this was the case.
- For both agricultural and garden machinery dealers 2020 proved to be a bumper year with many dealers reporting business increases of 20% or more over the previous year.
- Many adapted their businesses to meet Covid requirements and made better use of the internet. Staff were kept on and there were very few closures. Products were readily available and supply channels were strong.

CLIMMAR President's Report 2021 in the UK



- **2021** came crashing down on us like a ton of bricks, pandemic, Brexit, supply shortages, staff shortages, container shortages and more. What some would call a perfect storm.
- The longer term affects of the pandemic were starting to cause more issues with supply shortages due to reduced production capability and container shortages.
- The UK was losing its immigrant work force in large numbers and the travel, retail and hospitality industries were heavily compromised.
- Machinery dealers were still very strong and working well but starting to suffer from the effects of long-term product supply issues which impacted on their businesses. The garden machinery and outdoor power equipment businesses started to lose the gains made in 2020.
- Tractor sales (plus 50hp) up to the end of August 2021 were 8,693 which is 23% up on the same period of January to August in 2020. A positive statistic in a bleak situation.

BREXIT



- The final and long-awaited withdrawal from the EU caused havoc and ten months later is still a major issue in the UK with ridiculous amounts of paperwork required for imports and exports increased costs of custom clearances and freight
- Phytosanitary certificates and a raft of legislation that few people are able to understand.
- After 10 months somethings have settled down but there is a long way for the UK to go before, we will get back to anything like normal.
- BREXIT and the pandemic together caused massive price rises for machinery dealers, problems for suppliers and longer-term business issues that will not be resolved very quickly.

BAGMA Changes Owners



- So, we have a pandemic, we have Brexit and then in the middle of all this our owners decided that it was time to sell BAGMA because we would not fit in with the new strategy Bira were having to develop to survive the pandemic.
- We approached the Agricultural Engineers Association, the manufacturers and supplier's organization, who were immediately interested in purchasing BAGMA. This sale was completed on June 31st, 2021, and BAGMA is now owned by the AEA.
- We are a separate and independent business within the AEA with all our own policies, identity, staff and Council.
- This was a unanimous decision made by the BAGMA Council to ensure BAGMA's future and its continued independence representing the UK dealer network within an organization that can offer support, an understanding of the industry we work in and a commitment to the long-term future of BAGMA.
- Our move as been very positively accepted by industry and our membership and whilst outwardly we appear to be no different, inwardly we are working on many projects that will benefit our members and industry.
- Our membership remains static but healthy and our income is strong, and we are seeing a return to face-to-face training and a bigger demand for training than in 2020.

Today in the UK



- The UK dealer network is strong and resilient
- Industry is working with the issues it faces and suppliers and dealers are working together as much as they can to resolve supply and pricing issues
- Brexit is still an issue and will remain so for some time to come as will the pandemic.
- Our government is now taking measures to encourage migrant workers back to the UK to fill the many job vacancies we have.
- Furlough schemes have now closed and some of the short-term business support schemes are closing.
- Our industry is facing a skills shortage, difficulty in recruiting new staff and an ageing workforce
- The supply of a suitable staff is not able to meet demand and, in some industries, hourly rates and annual salaries are rising very fast which could cause further issues in the landbased engineering sector.
- BAGMA is creating its new business model within the AEA