CLIMMAR
Centre de Liaison International
des Marchands de Machines Agricoles
et Réparateurs

Report of the 63th CLIMMAR congress | Venice (Italy) | October 20-23 2016

During the 63th edition of the annual CLIMMAR congress held in Venice (Italy) from 20th to 23rd October, 16 national dealer associations discussed about the future of agricultural dealer organisations. With difficult market conditions, continuing reorganisations of distribution channels and new upcoming European RMI regulations, the landscape remains to be very challenging.

The 63th congress was organised by Italian member association, UNACMA. All in all, 70 participants including delegates from dealers all over Europe as well as various speakers shared their conclusions and worries about their national markets. A special welcome was given to the representative of the China Agricultural Machinery Distribution Association (CAMDA), who joint the congress in Venice as a possible prelude for CLIMMAR membership.

DAY 1

President reports (in order of appearance)

The Netherlands | Fedecom | Erwin Ros

Fedecom works on 6 main activities:

1. Education: grow the number of students in educational programs of Fedecom Academy
    a. From 38 to 55 trainees
    b. From 355 to 380 supported students
    c. Again 6 dealers/owners/managers in strategic education program
2. Safety: new safety and inspection system called VA-Keur
    a. From 120.000 inspections to 140.000 annual inspections
3. Benchmarking: introduction of a bench mark tool for dealers
    a. 48 KPI's developed and defined by pilot-peer-group of 7 members
    b. Goal 2016 by the end of 2016: 100 participants
4. Exhibitions: 2 alternating annual outdoor exhibitions
    a. AgroTechniek Holland (agricultural machinery): 260 exposers with broad 3000 different machines, 54.000 visitors with a score of 8,6
5. Lobby: RMI
6. Government regulations: after 20 years of discussing, the registration of agromotive vehicles will become effective in 2017

Fedecom has approximately 950 members (manufacturers, importers and dealers).

Poland | PIGMiUR | Patryk Lajstet

PIGMiUR currently has 76 members and organises 3 exhibitions. It has its own development program for members and organised the 4th edition of the „Young Mechanic on Medal" and the 5th edition of the contest „Mechanic on Medal". The decrease in new tractor sales in 2016 is 30.1 % (-13.6% in 2015) and the only company reporting an increase in sales was Ursus. The decrease in new trailer sales is even bigger: 44.4% (+15.7% in 2015). The machinery market condition mostly depends on EU subsidies. In addition, farmers already renewed machinery during last CAP 2007-2013.

Hungary | MEGFOSZ | Zsolt Harsányi

Many of the planned calls for the 2013-2020 period subsidies are still missing and the decisions of the presented calls have not yet made. For these reasons, there was no support until now this year. This causes farmers to stop buying machines for horticulture and livestock farming. Another effect is caused by multiple auctions of farm land so farmers spend their money on land instead of on machines. Last but not least, prices for cereals are low for the 2nd year in a row.

Tractor sales (Western brands) until August were on the same level as 2015, about half of 2014 and comparable to 2013 and 2012. Harvester sales until August are slightly below 2015, above 2012 and 2014 and on a comparable level to 2013.

We have changed our strategy with the exhibitions. Until now we received price discounts for our members. It was very successful but now we try to focus every year less and less exhibitions. We would like to have only two important exhibitions in three years. We also continue the program to make more attractive our sector among young people. MEGFOSZ also arranged a cooperation with media parties for attractive advertising discounts and with fellow branch organisation MEGOSZ to organise common media activities and a common exhibition.

Switzerland | Agrotec Suisse/AM Suisse | Werner Berger

Since June 2016, the Swiss branch organisations introduced the new umbrella brand AM Suisse. AM Suisse consists of Agrotec Suisse (agriculture), Metaltec Suisse (metal industry) and Farriertec Suisse (horse shoeing smiths). Another milestone achieved in 2016 is the expansion of the education facilities in Aarberg costing around €10 million. About 2/3 of the budget of Agrotec Suisse is devoted to education.

Agrotec Suisse currently has 630 members and has been running its education facilities in Aarberg since 1968. In total, 4.600 scholars have been attending 15.000 training days at the facility in Aarberg in 2015. Metaltec Suisse has about 1.250 members and until its own education facilities. From 2017 on, both Agrotec Suisse and Metaltec Suisse will be training their members in the new facility in Aarberg. Annually about 400 youngsters start with an education in agricultural machinery.

Low milk prices and low cereals harvest have decreased farmers' willingness to invest which caused a decrease in tractor sales in 2016 (until September) of 13%.

Germany | LandBauTechnik-Bundesverband | Ulrich Beckschulte

The current situation regarding qualification and education:

- 8.450 apprentices (+2,6%)
    - 2,2 per company
    - 16,3% of the complete staff are apprentices
- 1.750 successful degrees for technicians (+1,0%)
- About 100 successful degrees for specialized Service-Technicians
- About 350 new masters

The campaign "Starke Typen" concerning apprenticeships as mechatronics technicians now has 42 partner companies and is being adopted internationally. The benchmarking campaign "ratios" is ending and for 2017/'18 the plan is to introduce a digital version with automatic data-input via a predefined interface and a quarterly review.

China | CAMDA | Ma Zheng, Special Envoy

China Agricultural Machinery Distribution Association (CAMDA) is a nationwide organization of agricultural machinery distribution enterprises and manufacturers that has about 1,000 members.

From October 26th to 28th, CAMDA organised the China International Agricultural Machinery Exhibition 2016 (CIAME 2016) in Wuhan City, Hubei Province. The annual exhibition is the biggest agricultural machinery exhibition in Asia and renowned for its scale and professionalism. In October 2017, CAMDA will host the 6th World Summit on Agricultural Machinery of the Agrievolution Alliance in conjunction with the CIAME. with the. The Agrievolution Alliance is comprised of 14 organizations representing more than 6,000 agriculture equipment manufacturers worldwide.

France | SEDIMA | Anne Fradier & Raphael Lucchesi

Especially in the dairy sector incomes and sentiments are down since July 2016. Farmers protest with appealing slogans like “I produce, I feed and I die”. SEDIMA is also conducting studies about dealerships concerning profitability, wages, service levels, et cetera.

Together with fellow branch organisation AXEMA (manufacturers), SEDIMA organised a convention about the farms and farmers of the future and also joint press conferences and round table discussions. Topics are “Shall we all become full liners” and the evolution of distribution channels.

It is the intention to introduce a complementary health insurance for companies in the sector Together with Malakoff Médéric.

15 regional meetings are attended by 400 participants focussing on the current economic situation. SEDIMA also made an agreement with the Gendarmerie (National Police) to address the issue with tractor theft. And it participates occasionally in meetings of the Farmers Union FNSEA.

Campaigns are being conducted to improve the image of working in the agricultural sector and to recruit youngsters for a profession in agriculture.

United Kingdom | BAGMA | Keith Christian

In 2016 BAGMA trained 400 technicians. The most popular training in 2016 has been for LOLER (Lifting Operations and Lifting Equipment Regulations 1998) inspections mandatory for all handlers and forklifts. There’s a consultation in progress on EU Directive 2014/45 for testing of fast tractors.

BAGMA put a lot of effort in communication including a new magazine, website and bi-weekly E-newsletters. In 2017 BAGMA celebrates its 100th anniversary and plans to improve members’ communications ever further. It will also put additional focus on garden machinery dealers.

Czech Republic | SDZT | Tomáš Kvapil

One member decided to leave in 2016 and therefore SDZT now has 47 member companies. Tomáš Kvapil is the new president and Dušan Benža is the new secretary as of October 2016. SDZT focuses on:

- Database of agricultural machinery manufacturers and sellers
- Statistics
- Fairs and exhibitions
- Legislation
- Publicity

In every even year, the Techagro indoor exhibition takes place in Brno and in every uneven year the Farmers Days outdoor exhibition and demonstrations take place in Kámen.

SDZT also introduced a new website: www.sdzt.cz

Latvia | LTRTA | Guntis Tigris

The number of members increased substantially to 30 (was 20). For the first time LTRTA held two general meetings this year. One with members to set the goals for 2017 and another at the "Agricultural Machinery 2016" exhibition. LTRTA is also involved in the organisation of a competition for young mechanics together with educational institutions. A representative of LTRTA is also working in technical colleges Advisory Convent. Lobby activities are underway with the Ministry of Agriculture to:

- Implement EU laws and regulations and in coordination of changes in existing law
- Negotiate about taking some obligations from Ministry to LTRTA members (such as comparison of identification number before registration)
- Collaborate with the Rural Support Service of Latvia LTRTA working on rules to get EU funding Agricultural Machinery
- Improve the tractor driver training and license acquisition system

A new initiative concerns the certification of service and maintenance of agricultural machinery.

Belgium | FEDAGRIM | Joost Merckx

FEDAGRIM is supporting its members with several workshops including customer satisfaction, spare parts management and show room arrangement. 65 dealers and 9 tractor brands took part in the Belgian DSI. FEDAGRIM is also assessing the economic situation and workshop profitability at dealers. The board of the organisation was recently completed with Jos Lowette as the new President and Jean-François L'Homme as Vice President. With the websites agrojobs.be and gardenjobs.be, vacancies and job seekers can be matched. Technical courses for unemployed people are also in place. At the biannual Agribex exhibition in December 2015, dealers presented the “Workshop Live”, live action like in an ordinary dealer’s workshop. The reactions to this were very positive and it drew a lot of attention.

Austria | ARGE | Engelbert Pruckner

The decreasing tractor market (33% less in 2015, 10% less until July 2016) not only causes concerns from a sales point of view, but also from a service and workshop point of view. Less sales means less future repair and maintenance. Austrian but Russian owned machinery manufacturer Vogel & Noot went bankrupt with Amazone and Belgian manufacturer Beyne buying the biggest parts of the company.

The main agricultural exhibitions Agraria (in Wells) and in Tulln will from now on only take place biannually.

The “Task Force Landwirtschaft” discusses with amongst other non-agricultural companies, trade, industry and politics about equal legal circumstances and tax rates. So-called “Urproduktion” like in agriculture is entitled to certain tax privileges and a discussion in underway of making it possible for certain non-agricultural companies to benefit from the same legal circumstances and tax rates. As an example: sawing trees into planks is not (fully) considered as “Urproduktion”.

In 2015 Austrian farms generated an average income of €19.478, a decrease of 17% compared to the year before. More information about this on www.gruenerbericht.at.

Luxembourg | FEMAL | Romain Siebenaller

The FEMAL currently has 14 members that have 260 employees in total. The number of farms is decreasing not in the least due to farms getting larger causing smaller farmers to quit. This concerns 15 to 20 farms annually. Subsidies for investments in agricultural machinery will be reduced to a minimum (15 to 20% of maximum €100.000) within the next seven years.

Alike elsewhere in Europe, the milk prices are (very) low and the harvest quantities of cereals have dropped 20 to 30% compared to 2015 due to bad weather conditions. FEMAL expects farmers to invest dramatically less in the remainder of 2016 compared to previous years. A positive development are the plans to build a new yoghurt factory. The lack of qualified mechatronics engineers, employees and sales men is likely to cause problems.

FEMAL is active in the annual organisation of the “Landwirtschaftsmachinenwoche” that celebrates its 40th anniversary from December 1 to 5 2016. The organisation also publishes a brochure with 400 used machines of its 14 members.

Slovakia | AGRION | Juraj Huba

AGRION organised two machine demonstrations. In May about 20 companies participated with 100 forage machines and in September about 15 companies participated with 80 corn handling machines. The organisation currently has 51 members and 25 of them participated in the AGROKOMPLEX exhibition in August. AGROKOMPLEX takes place since 1974.

September marked the start of a new initiative on the specialised education of AGRO-MECHATRONICS in secondary professional schools where AGRION acts as an expert guarantor. From November on, the organisation will also start dialogues with the Ministry of Agriculture and Rural Development about provision of technical equipment for schools.

Sweden | MaskinLeverantörerna | Pär Thunström

The agriculture section of MaskinLeverantörerna currently has 125 members: 19 manufacturers, 28 importers and 78 dealers in four regions. Since the start of 2016 new general terms of supply of agricultural machinery “Lantbruk 16” are applied. The terms include a unique insurance for members that can compensate loss of production caused by the goods purchased, during the first 18 months from delivery to the buyer.

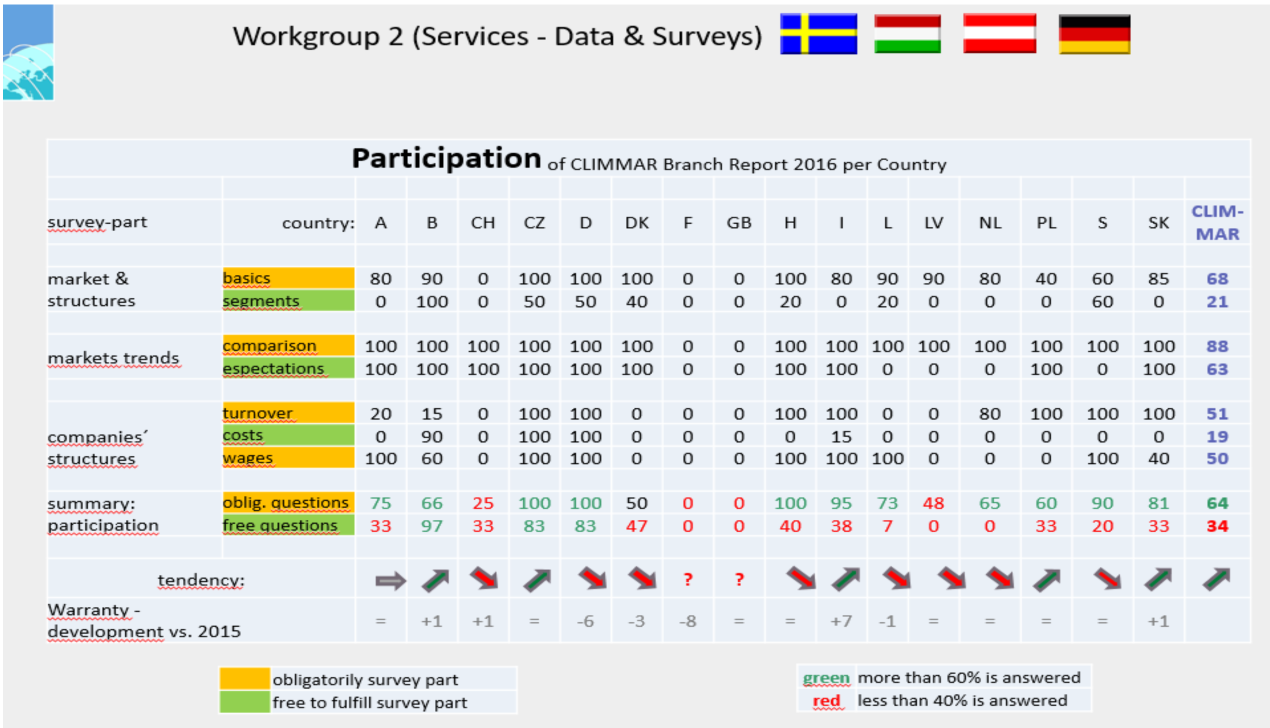
The fair of MaskinLeverantörerna in June 2016 attracted 90 exhibitors (only members allowed) and 12.00 visitors. During the CLIMMAR congress, another big fair, the Elmia was held in Jönköping.

Denmark | Dansk Maskinhandlerforening | Klaus Nissen

Denmark isn’t considering the current situation as a crisis anymore but as the ‘new normal’ situation! There’s also a big turmoil with respect to realigning distribution channels and structures. More about this in the section about the market circumstances.

CLIMMAR Branch reports (by Ulrich Beckschulte)

During the previous survey in 2015, 12 out of 15 CLIMMAR members took part in the branch reports and 51% of the obligatory questions were answered. The 2016 edition showed a better response with 14 out of 16 members participating and 64% of the obligatory questions being answered. Some members improved their answering ratio (B, CZ, I, PL and SK), but some also didn’t unfortunately (CH, D, DK, H, LUX, LV, NL and S). Austria stayed stable and France and Great Britain did not participate.


Workgroup 2 (Services - Data & Surveys)

Participation of CLIMMAR Branch Report 2016 per Country

survey-part	country:	A	B	CH	CZ	D	DK	F	GB	H	I	L	LV	NL	PL	S	SK	CLIM-MAR
market & structures	basics	80	90	0	100	100	100	0	0	100	80	90	90	80	40	60	85	68
	segments	0	100	0	50	50	40	0	0	20	0	20	0	0	0	60	0	21
markets trends	comparison	100	100	100	100	100	100	0	0	100	100	100	100	100	100	100	100	88
	espectations	100	100	100	100	100	100	0	0	100	100	0	0	0	100	0	100	63
companies´ structures	turnover	20	15	0	100	100	0	0	0	100	100	0	0	80	100	100	100	51
	costs	0	90	0	100	100	0	0	0	0	15	0	0	0	0	0	0	19
	wages	100	60	0	100	100	0	0	0	100	100	100	0	0	0	100	40	50
summary: participation	oblig. questions	75	66	25	100	100	50	0	0	100	95	73	48	65	60	90	81	64
	free questions	33	97	33	83	83	47	0	0	40	38	7	0	0	33	20	33	34
tendency:		→	↗	↘	↗	↘	↘	?	?	↘	↗	↘	↘	↘	↗	↘	↗	↗
Warranty - development vs. 2015		=	+1	+1	=	-6	-3	-8	=	=	+7	-1	=	=	=	=	+1	

obligatorily survey part
free to fulfill survey part

green more than 60% is answered
red less than 40% is answered

The results of the CLIMMAR Branch Report consist of:

- National branch view - **markets & structures**
- National Branch view - current situation: **trends**
- Dealers view - **company averages**
- Dealers view - **warranty conditions**

National branch view - **markets & structures**

The question is if everyone interpreted the question about the number of dealer companies in the same way. The 4,330 companies in Germany comprise of all companies that are active with service activities to agricultural machines, construction machines and engine powered tools. On average 819 dealer companies were reported. Highest number in Germany (4,330) and lowest number in Luxembourg (14). Closest to the average are Austria (900) and Netherlands (730).

On average the number of people working for the number of dealers mentioned above in CLIMMAR countries is 7,617. Highest number of employees in Germany (43,939), lowest in Luxembourg (180), closest to the average are Italy (8,300) and Netherlands (6,900).

The average number of apprentices is 1,222. Highest number again in Germany (7,534), lowest in Luxembourg although less countries answered this question. Closest to the average is Netherlands (825).

The turnover of the branch in €1,000 on average is €2,126. Highest turnover in Germany (€8,782), lowest in Latvia (€52), closest to the average is Poland (€1,875).

The average number of tractors sold in CLIMMAR member states is 7,879 units. Most tractors are sold in Germany (40,184, but no figures of France & Great Britain included!). Lowest sales number in Luxembourg (168). Closest to the average is Austria (5,741).

From the above-mentioned statistics, relations like average turnover per company, average turnover per employee and average tractor sales per company can be calculated. All details in the presentation, but the highlights are as follows:

- The average turnover per company is €2,597 (x €1,000)
  - Highest in Denmark (€5,200)
  - Lowest in Latvia (€190)
  - Germany (€2,028) and Italy (€1,818) below average
- The average number of employees per company is 9,3
  - Most employees in Denmark (10,1)
  - Lowest in Italy (3,8)
- The average number of apprentices per company is lowest in Austria (0,1) and highest in Germany (1,5). Germany is the only country with an above average figure.
- The average turnover per employee is €279 (x €1,000)
  - Highest turnovers in Belgium (€450), Italy (€482), Netherlands (€457) and Sweden (€449)
  - Lowest in Latvia (€27)
- The average tractor sales (>50 hp) per company are 5,7 units
  - Best-selling (or lowest number of authorised) dealers in Slovakia (16,8) and Hungary (14)
  - Lowest number of tractor sales in Italy (0,5)

National Branch view - current situation: **trends**

The sales trends of new equipment in the first half of 2016:

- Were negative in A, B, CH, CZ, D, H, I and PL
- Were equal in Denmark
- Were better in SK

The sales trends of used machinery were worse in Austria and Poland and equal or better in the other countries that answered this question. Austria also suffered regarding workshop and parts turnover. Other participating countries equal or better. Striking is the investments atmosphere that is worse in A, B, CZ, D, DK, I, PL and SK and equal in CH and H. No country answered this question positive!

The sales trends of new equipment for the second half of 2016:

- Are predicted to be negative for A, B, CH, CZ, D, H, I and PL (so trend first half continues)
- Are predicted to be equal in Denmark (no change compared to first half)
- Are predicted to be better in SK (no change compared to first half)

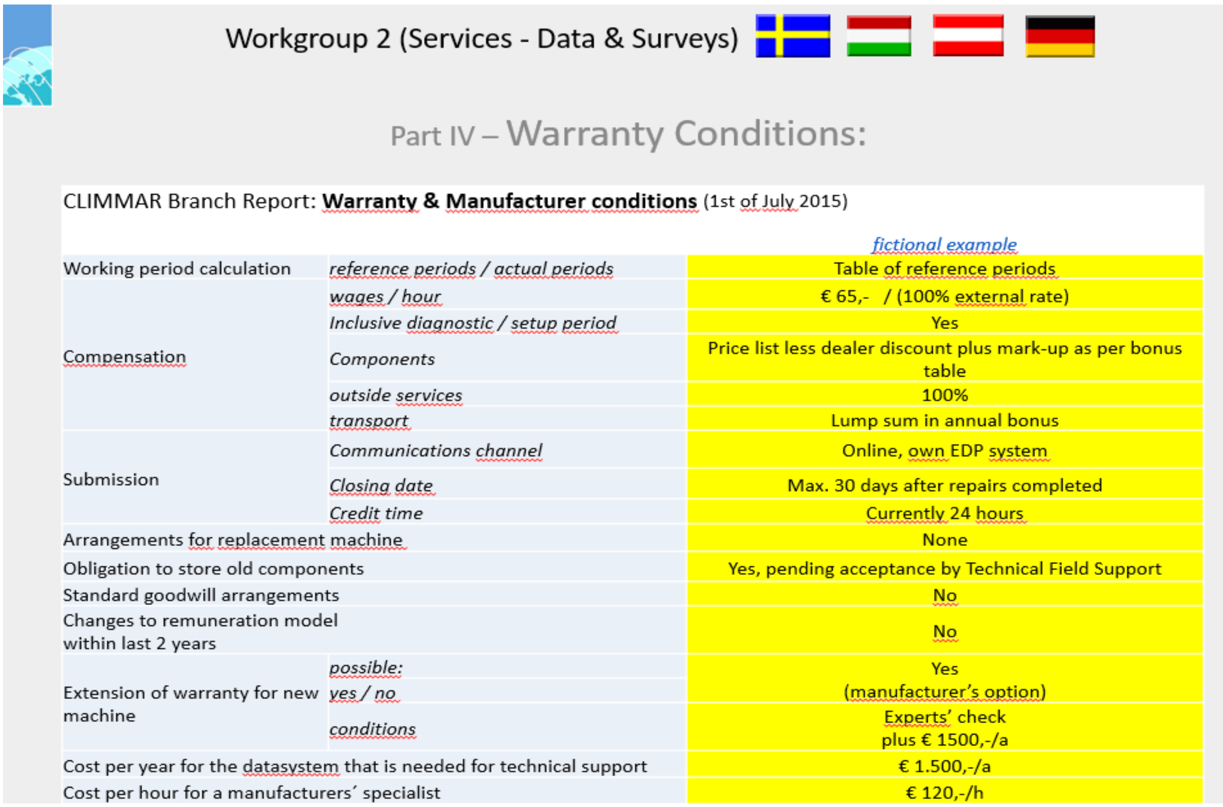
The trends for used machinery sales, workshop and spare parts turnover, costs and investments are predicted to be similar to the first half of 2016 as well.

Dealers view - **company averages**

The average mechanic wage per hour in participating CLIMMAR countries is €15.73. In Sweden, the wages are highest (€26.70) and in Czech Republic wages are lowest (€7,80). Closest to the average are Austria (€15.00) and Belgium (€15.54).

The average master salary per year in participating CLIMMAR countries is €40.465. In Italy, the salary is highest (€70,000) and lowest in Slovakia (€16,000). Closest to the average are Germany (€39,370) and Luxembourg (€40,000).

Dealers view - **warranty conditions**



CLIMMAR Branch Report: **Warranty & Manufacturer conditions** (1st of July 2015)

		fictional example
Working period calculation	*reference periods / actual periods*	Table of reference periods
Compensation	*wages / hour*	€ 65,- / (100% external rate)
	Inclusive diagnostic / setup period	Yes
	Components	Price list less dealer discount plus mark-up as per bonus table
	outside services	100%
	transport	Lump sum in annual bonus
Submission	*Communications channel*	Online, own EDP system
	Closing date	Max. 30 days after repairs completed
	Credit time	Currently 24 hours
Arrangements for replacement machine		None
Obligation to store old components		Yes, pending acceptance by Technical Field Support
Standard goodwill arrangements		No
Changes to remuneration model within last 2 years		No
Extension of warranty for new machine	*possible: yes / no*	Yes (manufacturer's option)
	conditions	Experts' check plus € 1500,-/a
Cost per year for the datasystem that is needed for technical support		€ 1.500,-/a
Cost per hour for a manufacturers´ specialist		€ 120,-/h

All details on the branche report 2016 is to be found on: www.climmar.com/activities/climmar-branch-reports.

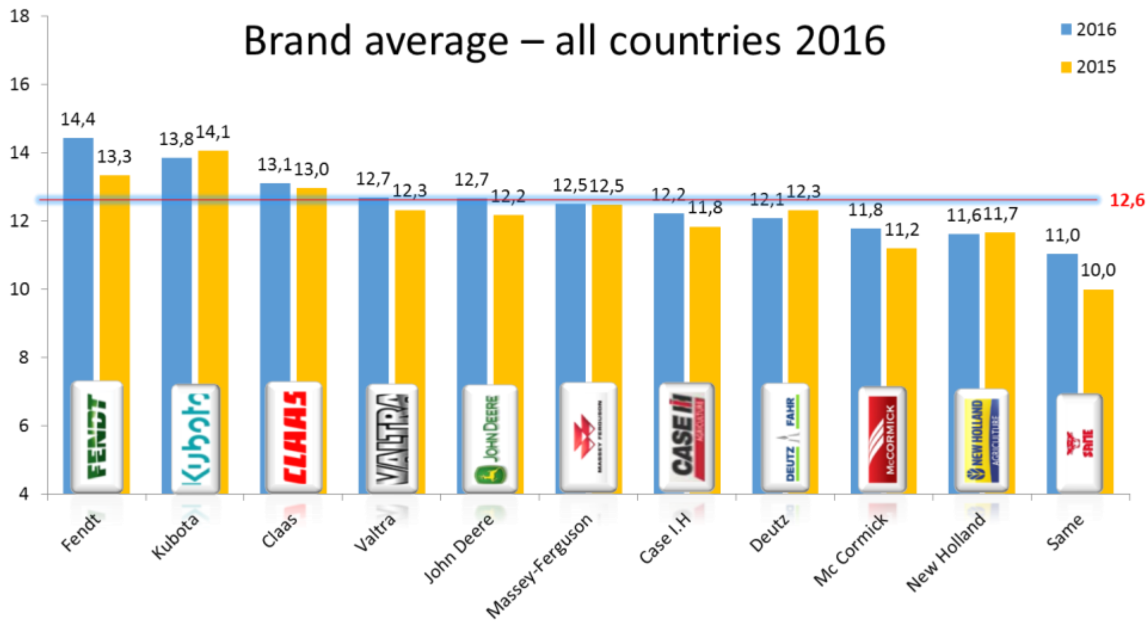
DSI Results 2016 (by Alain Dousset and Anne Fradier)

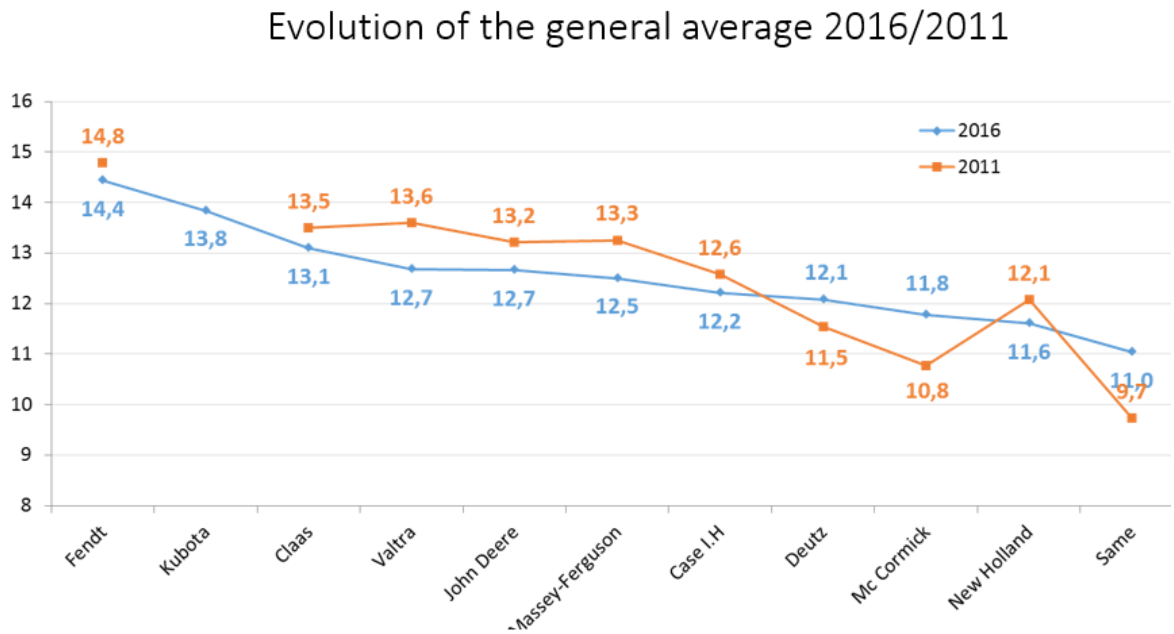
1,205 dealer companies from nine countries took part in the annual DSI questionnaire about the relationship(s) of dealers with tractor manufacturers. On average, the overall satisfaction index increased slightly from 12.4 in 2015 to 12.6 in 2016. Compared to 2015, three additional tractor brands were evaluated totalling to 11 brands.

	2011	2012	2013	2014	2015	2016
BELGIUM	-	-	-	36	40	63
DENMARK	96	76	108	84	92	93
FRANCE	288	269	303	332	308	280
GERMANY	313	305	244	301	274	285
ITALY	58	-	-	-	168	143
POLAND	38	32	30	46	63	42
THE NETHERLANDS	163	168	174	199	176	149
SWITZERLAND	131	100	96	132	-	-
UNITED KINGDOM	-	145	180	122	133	150
	1087	1095	1135	1252	1254	1205

Highest brand average was for Fendt (14.4, up from 13.3 in 2015). Lowest brand average was for Same (11.0, but up relatively the most from 10.0 in 2015). A few brands saw their average score decrease:

- Kubota (13.8, down from 14.1 in 2015)
- Deutz-Fahr (12.1, down from 12.3 in 2015)
- New Holland (11.6, down from 11.7 in 2015)





All details about this year's DSI Results can be found here: www.climmar.com/activities/climmar-dealer-satisfaction-index-%28dsi%29.

Lobby issues – RMI (by Jelle Bartlema)

The EU wants to "open up" the market of repair and maintenance information by the EU regulation 167/13. One main issue in this regulation is to define the details of the access to any repair and maintenance information through a CEN-standard. The representative technical body in CEN for this file is the TC 144 Working Group 2 consisting mainly of manufacturers and chaired by Mr Alt from the German association VDMA. The Working Group has made a draft standard for this EU regulation without any involvement or consultation of other parties, such as the independent services and repairers companies of which Mr. Arathymos is representing the CLIMMAR part.

In all meetings so far this year, manufacturers have shown that they are not willing to accept any changes or influence from other parties to draft a new standard. They do not want involvement from others.

There will be an official CEN meeting in December of this year where the status of the draft standard again is measured. If there is no solution and acceptance on the new route to draft a new standard with the involvement of other parties, the CEN does not have any more options than to give the assignment back to the European Commission saying that they were not able to come to a mutual decision on a draft standard. When this happens, the European Commission will take over the process and the influence of both sides will be much more limited.

Conclusions:

- The work done so far seems little in result / effect, but has been necessary for getting involved in the process and to become a recognized party in writing the new draft standard
- The coming months will be crucial for the continuation of the process:
    - Scenario 1: there will be acceptance to work together with the manufacturers on a new draft standard, or:
    - Scenario 2: the EU will take over the process and we have to see and wait what the next steps will be
- We will organize a special RMI meeting in January 2017 to participate on the outcome of the scenario's
- From CLIMMAR we call on the CEMA / manufacturers to work together with us on this important file for our sector!

More information on the lobby items of Climmar can be found here:
www.climmar.com/activities/climmar--lobby

Training and Skills (by Gilbert Daverdisse)

The goal of the working group is to increase the quantity & quality of inflow young people and develop staff to the required qualification levels. The participation in EuroSkills should therefor increase to 75%.

The first purpose of the working group is to promote our jobs and the training schools for mechanics. EuroSkills competitions achieve this purpose, as a continuous process in the different participating countries.

Seven CLIMMAR member countries currently participate in the EuroSkills competitions: Austria, Denmark, France, Germany, Latvia, Switzerland and Netherlands. For the eight not participating countries (Belgium, Czech Republic, Hungary, Italy, Luxemburg, Slovakia, Sweden and UK), the reasons preventing from participating are: financial, no interest from schools, suppliers or dealers, no capacity (personnel). The proposed actions will be the followings: to find sponsors, to increase the coordination between the different partners, to use the communication of WorldSkills itself.

The next event will be held in Gothenburg, Sweden from 30 November to 4 December 2016. Increase of the participation for our skill: 8 countries instead of 7, with the arrival of Russia.

More information on the training and skills activities of Climmar can be found here:
http://www.climmar.com/events/events/skills-competition

Mandatory inspection of sprayers - SPISE Working Group (by Jaco Kole - SKL)

SPISE stands for Standardized Procedure for the Inspection of Sprayers in Europe and is a working group established in 2004 by Prof Heinz Ganzelmeier.

The main objectives of the SPISE Working Group are harmonising and promoting the inspection of Sprayers in Europe, exchange information on the sprayer inspection activity between EU Member States, the European Commission and other stakeholders and stimulation of the mutual recognition of inspected equipment. SPISE advices could represent a reference when international standards are not available.

Requirements for new sprayers from January 1st 2012: European Directive 127/2009/CE: ‘Environmental safety’ requirements via self-certification - CE mark. For machines in use, the EU Directive 2009/128 is applicable. All spraying equipment is use in EU before November 26, 2016 has to get the first inspection within 5 years after purchase. After 2020 the interval will change to 3 years.

The mandatory inspection of spraying equipment offers chances for European dealers as most of the inspections are done by dealers:

- Opportunity to provide extra service to your customers
- Repairs needed for approval (labour + spare parts)
    - Field-crops sprayers: 50% (established system - 70% (new system) needs repairs

    - Air-assisted sprayers: 60% (established system – 70% (new system) needs repairs
- Upgrading of old sprayers / selling new sprayers
- Specialize to be Application Expert (not only technique but also the application itself)
- Extension to users => also in calibration
- Easier trade of used machines

Besides, the national dealer organisations can play a key-role in national consultation bodies. Together with users, manufacturers and authorities create a well-functioning inspection scheme. They could also play a key-role also in reaching the SUD objective to reduce PP use and environmental risks.

The complete presentation can be found here: www.climmar.com/congressess/climmar-congress-2016-venice-italy, file Mandatory_inspection_of_sprayers_in_Europe,_SPISE.

USA Precision Agricultural Services Dealership Survey (by Bruce Erickson)

Dr. Bruce Erickson PhD, Agronomy Education Distance and Outreach Director Department of Agronomy of Purdue University presented the results of an survey done in 2015 on the adoption of precision farming by dealers and distributors of a.o. crop protection chemicals, fertilisers and seeds. The annual survey originates from 1996 and thus in 2015 the 17th survey was done. The response rate of the survey usually is between 15 and 20%. The results are published in Crop Life magazine and on the Purdue website.

Mr. Erickson splits precision farming activities in two variations: position dependent (like guidance and section control) and position and data dependent (like soil & yield mapping, VRA and big data). Guidance systems tend to deliver the biggest advantage with small implements in large fields. Section control has the biggest advantage in smaller fields and fields with more irregular field edges.

The adoption by aforementioned dealers of autosteer guidance and section control currently (2015) is at a very high rate between 74 and 83%. The adoption of position and data dependent technology is a slower process. This ranges between 19 (soil conductivity mapping & UAV's/drones) and 67% (soil sampling with gps). Especially the adoption of UAV's is expected to rapidly grow towards 38% in 2018.

The profitability that the dealers achieve on precision farming tools has grown over the years. In 2003 on average 31% of the dealers managed to make a profit out of offering precision solutions. In 2015 this has gone up to 60%. The top 2 barriers for not accepting precision farming is: the equipment changes too quickly and increases costs, the fees we can charge for precision aren't high enough. For farmers, the number one barrier is: farm income pressure limits use of precision services.

The complete presentation can be found here: www.climmar.com/congressess/climmar-congress-2016-venice-italy, file PRECISION_AGRICULTURAL_SERVICES_DEALERSHIP_SURVEY.

Round Table Discussion on market circumstances

Low prices for commodities like milk, meat and arable products have led and are still leading to lower incomes for farmers throughout Europe resulting in lower demands for new tractors and machinery. In Germany for instance, LandBauTechnik-Bundesverband reports an average downturn in the market leading to lower dealer margins and uncertainty. Globals like f.e. John Deere decreased the number of authorised dealers from 60 to under 40 and Agco (Fendt) and Claas force large dealer companies to choose a single and exclusive brand strategy. We estimate that cooperatives like f.e. Agravis and BayWa service up to 50% of their regional markets. Germany currently has 500 tractor dealers for the most important 8 brands. British BAGMA sees Agco and New Holland dealers going out of business whilst others put (renewed) effort in garden and grounds care machinery. There are 25 John Deere dealers (down from 40) and 11 Claas dealers with 22 outlets, partly owned by Claas. The overall agricultural machinery market has gone down by 20%. The devaluated English Pound offers chances for exporting used machinery. French SEDIMA sees the number of private dealerships increasing. Agricultural dealers no longer grow regionally, but nationally and new companies build new distribution channels. One example is Groupe Dubreuil active with car dealerships, petrol distribution and airline transport which has bought several successful Case IH and New Holland dealerships and now owns 23 outlets. In both Italy and Sweden several tractor and machinery manufacturers have started with direct sales. In Italy, multiple manufacturers (like MaterMacc and Goldoni) are now owned by Chinese manufacturers. One of the largest New Holland quit business with other brands filling the gap. New European distribution models are becoming effective.

Despite of the market conditions stabilising again, Danish Dansk Maskinhandlerforening is experiencing turmoil in dealerships. Several brands including Agco, Claas, John Deere and Väderstad reorganise their distribution channels both severely and rapidly. One third of the Agco dealers is gone and LMB Danmark A/S took over the Claas importership. Most striking is the new strategy of

John Deere, that will transfer its complete importer and dealerships within six months to Semler Gruppen, the importer of Volkswagen Group.

Alike the bigger countries, smaller markets also suffer from severe market conditions. Belgian Fedagrim speaks of a downturn of 15% and also in Luxembourg sales are down dramatically. Tractor sales decreased from 229 in 2013 to 124 until October 2016. Combine sales are down from 12 (2013) to 4 and forage harvesters are down from 12 (2013) to 2 units in 2016 so far. Grey import of new tractors and machinery is causing increasing problems in most European countries. Austrian association ARGE reports one third less tractor registrations in 2016 so far. More worrying is the average gross profit of dealer companies of only 1,9%. A striking 34% of the dealers is making a loss on operations.

DAY 2

On the second day, the floor was given to the sponsors of the 63th CLIMMAR congress and the organising committee would like to thank the following companies and persons:

- **Argo Tractors**, Mario Danieli
- **Raico S.r.l.**, Denis Soprani
- **KRONE Italia s.r.l.**, Stefano Castellani
- **Breviglieri**, Lamberto Ripari**EIMA/FederUnacoma,** Marco Acerbi
- **Image Line,** Cristiano Spadoni
- **ENAMA**, Sandro Liberatori

Mr. Liberatori elaborated in two presentations on the Certification of Agricultural machines as an important tool for a globalized agriculture and the Certification of Energy production plants as a new activity for farmers and dealers. Both his presentations can be found here: www.climmar.com/congressess/climmar-congress-2016-venice-italy, files Certification_of_Agricultural_Machines_as_an_important_tool_for_a_globalised_agriculture and Energy_production_plants_as_a_new_activity_for_farmers_and_dealers.