

MACHINERY RINGS - FACTSHEET

What they are

A grouping of farmers and others involved in agriculture who have come together to pool their resources as a means of controlling costs and making the best use of specialised equipment and expertise.

The concept was first put into practice in 1987 and there are now around 30 Rings operating in Great Britain.

Some are members of the Machinery Rings Association, a national co-ordinating body (see website www.machineryrings.org.uk and www.scottishmachineryrings.co.uk).

Membership

The members comprise farmers, agricultural contractors, self-employed farm workers, equipment hire companies, mechanics, and business advisers.

Structure

The Ring is a form of co-operative, usually with several hundred members.

There is a central office with a manager and a small number of staff who co-ordinate activities, operate the central database of members and services on offer and promote the Ring both internally and externally.

The costs of the Ring are met by levying a charge on all transactions that go through the Ring, these being controlled by the central office.

Operation

A member contacts the central office to request a service, e.g. machinery, labour or both.

He is put in touch with the nearest member who can satisfy that request.

Payment is made via the central office.

The Ring may act as a buying and/or selling group dealing with suppliers and purchasers outside of the Ring, for the benefit of the members.

In addition to member-to-member work, the Ring may contract to undertake agricultural type work for third parties, on behalf of the members; e.g. land reclamation and improvement work for local authorities and English Nature.

Because of the increasing sophistication of agricultural machinery it is normal practice to supply a trained operator with any equipment hired out.

Insurance Implications for Ring Members

All work within the Ring is provided at a commercial cost and not on a “neighbourly basis”.

Ring membership results in greater use being made of both machinery and labour thereby increasing the insurance risk. The extent of involvement in Ring activities needs to be ascertained to ensure cover and rating is adequate.

Agricultural contractors should already be adequately covered (and rated) in respect of work for Ring members.

The standard machinery, EL and PL insurances for a farmer may not be adequate to fully cover the hiring in/out of machinery and labour.

Work for third parties outside of the Ring is unlikely to be classed as “agriculture”.

Version210612