

## **AMACO: Farming Becoming an Agro-industrial Business**

You have never been to Kyiv's Agro exhibition on its closing day, have you? It is very indicative. The companies that use the exhibition time inefficiently start to pack their goods yet in the morning, some start at noon, and for some even the last day does not suffice. Work at the stands of such companies is in full swing till the evening, and it is real work, not just summing up the results and counting up the financial gains from participation in the exhibition. AMACO is among such companies. Very many current and potential clients keep gathering around the stand virtually till the "final whistle," which symbolizes the exhibition being closed, and sometimes even afterwards.



**AMACO's Director General Vitaliy Skotsyk describes Kyiv's Agro as the biggest and most practical agricultural exhibition in Eastern Europe.**

"It grows, develops year after year," Vitaliy clarifies his words. "There are very many visitors. The exhibition is becoming more practical as it is a forum for ongoing project negotiations, not simply mere talks. Another pleasant point is that there have been almost no price talks this year. The price is becoming a matter of secondary significance, while mostly the efficacy of this or that machinery set is becoming the focal point of discussions. People have started to think ahead.

**The indicator of this year is that agriculture is becoming really an agro-industrial business.**

In other words, agribusiness people do not simply plan to earn something but they calculate thoroughly what they invest and what they will get in return. There is now every condition for Ukrainian agriculture to become highly profitable.

The period of delivery of agricultural machinery has stretched out significantly, since the global demand for agricultural technology components is very high. Therefore, six-to-nine months elapse from the time an order is placed till the time agricultural vehicles and equipment come out of plants in the USA. For example, an order for a seeding machine to be delivered in spring 2009 was placed in February this year. We are reaching the point when exhibitions become irrelevant in January-February or May-June. As to me, one big exhibition is needed now. The optimal time for it is November. With crops harvested and annual results summed up, farmers can plan investments for the coming year, while producers of machinery and plant protection products can plan supplies to Ukraine for the coming year.

It is very important for the exhibition to remain as it is – business-to-business, i.e. a supplier is a buyer. Kyiv's agricultural exhibition cannot resemble those held in Hannover or Paris, because they basically demonstrate the achievements of agricultural machinery producers. They are image-oriented exhibitions as compared to ours, which are more practical.”

The zest of every agricultural exhibition is technical novelties. There always are many people around them: from an experienced collective farm head, who manages several tens thousand hectares of land, to a pupil, who is fond of machinery and materializes his hobby into photographing at the initial stage.

“In general, one cannot state that a lot of new models have been brought to the exhibition,” Vitaliy Skotsyk points out. “There are new models that were displayed at last year's exhibition in Hannover and put to serial sale this year.

The tendency noted by Ukrainian, American and European colleagues is that a great number of small companies having no market in their countries but seeking to sell something here, in Ukraine, have emerged. This testifies to market growth. At the same time, every company that feels respect for itself, and in particular AMACO, sought to bring something new as compared to the previous year. For example, it is the first time that we demonstrate a feed-harvesting line – a pull-type feed harvester. We demonstrate grain carriers for the first time as well.

Our conception is that it is necessary to offer our client an agricultural technology line, not simply sell some item of machinery. This year we are to install 17 grain drying and storage facilities and implement 12 irrigation projects in Ukraine. If they prove effective, we will be intensely moving in these directions next year as well. In August, we plan to install our first dairy farm in the Chernihiv oblast. Two other farms, similar to this one, will have been installed by the end of the current year. At the exhibition, we have a remarkable stand in the Livestock section, on which we offer technologies for pig farming, poultry farming and dairy livestock farming.”

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