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SEEDING

Social Economy Enterprises addressing Digitalisation,
Industrial relations and the European Pillar of Social Rights



**CASE
STUDY
GERMANY**

Agrargenossenschaft Trebbin eG



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SOCIALNA EKONOMIJA
SLOVENIJE

SYNDICAT
EUROPEAN
TRADE UNION



Agrargenossenschaft Trebbin eG



NAME OF THE PRACTICE	
AGRARGENOSSENSCHAFT TREBBIN EG	
Responsible actor	<ul style="list-style-type: none"> management (with the involvement of cooperative members)
Type of practice	<ul style="list-style-type: none"> business plan
Challenges addressed	<ul style="list-style-type: none"> automation of work
Employment impact	<ul style="list-style-type: none"> job retention skills and training
Geographical coverage	<p>The company is based in the former East Germany (Federal State of Brandenburg, county Teltow-Fläming), and stems from an agricultural production cooperative established in 1958.</p>
Sectoral coverage	<p>The main sector of activity of the cooperative is agriculture (both livestock and crops) which is also the activity most concerned by the practice.</p> <p>The company is also active in other branches of business such as the hire of construction and agricultural machinery, repair and agricultural engineering services for commercial vehicles and tractors, a vehicle painting centre, the domestic engineering and service division, a country hotel and a canteen.</p>
Company coverage	<p>The agricultural cooperative AGT Trebbin eG, as a relatively large agricultural cooperative enterprise, manages a total of 4,000 hectares of arable and grassland and cultivates mainly grain, corn and rapeseed.</p>

	<p>It provides animal feed (including grass, maize and lucerne silage) for animal production and maintains the cultural landscape.</p> <p>Approximately 70% of the area is leased land and 30% is owned by the cooperative. Livestock production is carried out by AGT Agrar GmbH Trebbin, a subsidiary of Agrargenossenschaft Trebbin eG, which has a herd of 950 dairy cattle yielding 9.5 million litres of milk a year, and rears calves, bringing the total to 1,700 animals.</p> <p>The first two points of the company's mission statement are: "Long-term safeguarding of existing jobs in rural areas and in agricultural production and preservation of the cultural landscape as a means of production and living space". The achievement of these goals is characterised by sustainability in economy and ecology as well as social responsibility.</p>
Occupational coverage	<p>The cooperative has 100 employees and the subsidiary company has another 30 employees (year 2020), including both full and part-timers. These are skilled workers. The individual areas are managed by master craftsmen.</p> <p>The cooperative had 58 members in 2018. Most of them are the founding members of the cooperative after the adjustment process that took place under German federal law on 11 November 1991 (this continued the agricultural production cooperative founded in 1958 under the German Democratic Republic, LPG Trebbin). Some are already retired, while others are still employees. The members are the owners of the land used by the cooperative and the employees of the board of directors or senior management. Employment is not tied to membership.</p>
Workforce addressed	<p>The 130 employees have an average age of 42 years. The generational change of the staff is not yet completed and is accompanied by rationalisation and a lot of further training, including in the digital area. Some older employees – traditional farmers – have gone into retirement 2 years early by taking advantage of the partial retirement model.</p> <p>Partial retirement has been possible in Germany since 1996 as a model for reducing working hours before entering the statutory old-age pension scheme. Both working hours and remuneration are reduced over the entire duration of the part-time work for older employees. Partial retirement must then be specifically agreed between employer and employee within the company. AGT eG uses the so-called "block model": the first half of the partial retirement is the working phase. The employee works full-time, but already receives a reduced semi-retirement salary. In the second half, the release phase, the employee is released from work and continues to receive his part-time salary. This model is often used because the employee's job can already be re-filled during the release phase and the older employee no longer works. The employer has to bear the costs of this model – at least 80% of the employee's previous pension contributions must also be paid in the part-time retirement scheme.</p>
ACTORS INVOLVED IN THE ACTION	
Company management	Yes
Worker members of the cooperative at large	Yes

Works councils	No
Trade unions	No
Employers' organisations	No
NGO	Yes
Public authority	No
DESCRIPTION	
Rationale for the adoption of the practice	<p>The market conditions in agricultural production pushed the company to make use of rationalisation leeway in order to remain economically viable. The preservation of livestock and arable production and the safeguarding of jobs were the decisive driving forces behind the use of the most modern, high-tech agricultural machinery available, and is primarily due to the size of AGT eG's operations.</p>
Process of the adoption of the practice	<p>The investments were decided by the management.</p> <p>The process data generated in the production process (machine running times and maintenance intervals, working hours and existing personnel capacities etc.) are made available for all areas of work (e.g. planning of training in machine maintenance) as well as for the optimisation of payroll accounting and personnel deployment.</p> <p>In addition, AGT Trebbin eG is a member of the Genossenschaftsverband der Regionen eV (Cooperative Association of the Regions).</p> <p>This Cooperative Association of the Regions is the largest of the cooperative auditing associations in Germany (there is a statutory audit under the Cooperatives Act), of which most agricultural cooperatives are members. It supports the cooperative especially in all important questions concerning accounting and the preparation of the annual financial statement – this includes the digitisation processes.</p>
Description of the practice	<p>Since 2012, operation has been undergoing an intensive digitalisation phase. In the last few years since 2017, the digital integration of the agricultural cooperative's sub-processes has also been accelerated.</p> <ul style="list-style-type: none"> • Milk production and calf breeding: <p>In 2014, €8 million was invested in a modern dairy plant for 800 cows, and 4 large buildings with cattle shed, repro-stable and calf barn were constructed. Since then, important parameters of animal health and milk yield have been recorded digitally.</p> <p>The employees evaluate the extensive data for each animal and can therefore intervene quickly if something needs to be changed in the interest of animal health. Since August 2014 this has been done in cooperation with the University of Berlin, Department of Veterinary Medicine. Each animal wears an electronic ankle bracelet, which essentially serves as a pedometer. It is used to check how often and how far the calf or cow has moved. The joint action plan with the university serves the purpose of quality assurance, and there are regular updates of the program with associated training for the staff.</p>

- Arable production:

Also very investment-intensive are the modern tractors and agricultural machinery, which are bought or leased at the highest technical and digital level (costs: currently €250,000 for a tractor with the highest technical and digital specifications). Here, too, there are updates of the programs by the manufacturer or service provider at certain intervals, combined with both external and extensive internal qualification. At the beginning of 2020, for example, 2 new tractors and 1 additional agricultural machine were purchased, and 3 employees spent several days in March 2020 at the trainer/service provider's premises to receive training in setting up and operating these machines.

It is essential to find a suitable service provider(s) for modern machines so that the new programs and products can be integrated smoothly and without friction into the existing operational processes. This is guaranteed, for example, by the supplier Fendt. AGT eG is AGCO's contractual partner for a large part of its agricultural machinery. AGCO group supplies the required updates of the programs, and combines the processing of machine data with the resulting service and the required training.

Example: VARIO Guide track guidance system for machinery with high-precision satellite technology (for various tractors, combine harvesters, forage harvesters and self-propelled sprayers). The machines are used to their maximum capacity, there are no more defects or overlaps, and the area output increases. This also has a positive effect on the use of expensive equipment (savings of up to 10%). Exact dosage, fewer passes and less use of fertiliser and sprays reduce costs and also benefit the environment. At the same time the driver's work in the field is made noticeably easier and the result is optimised. Because, for example, the tractor automatically follows the correct course, the driver can concentrate fully on important things, such as monitoring the implements.

Example: Intelligent headland management with VARIOtronic: Recurring processes are stored and activated manually or automatically depending on the equipment. This saves time and enables error-free work. The system activates up to 39 sequence steps which can be called up via five different triggers. The individual sequence steps are put together individually. The operator selects from 74 possible settings: for engine and transmission control, hydraulic valves, front and rear linkage, front and rear power take-off (PTO) shafts, reversing fan and track guidance including the respective individual functions. Work is more precise and efficient. Savings in turning times, operating resources and protection of the soil through optimum turning operations. Fendt offers a choice of two receivers and numerous correction services, including via satellite.

Operation and documentation

The open and very user-friendly Fendtone system (on- and offboard) used on the agricultural machines allows access and connection to other systems.

	<p>The Fendt Task Manager allows work tasks, such as crop protection applications with several agents on one area, to be created easily and in a few steps and sent to the machine and operator. To do this, the machine, implement, operator and field are selected for a job in the Fendt Task Manager and sent directly to the machine. Once the job is created, it can be saved for further applications. This makes operational processes more efficient and the subsequent evaluation reduces the amount of work.</p> <p>With the VarioDoc system, all relevant data in the field is recorded fully automatically and documented in a field file. New orders are created from the PC or directly in the field in the terminal before work begins. Data transfer can be carried out via mobile radio, Bluetooth or USB stick.</p> <p>Each employee of the company has his or her own tablet with the work programs that apply to him or her.</p>
Dismissed alternatives	None
ASSESSMENT	
IMPACT OF THE PRACTICE ON:	
Job stability and secure employment	<p>During the digitisation phase, some employees, especially the older ones, were unable to cope well with the new technologies and the handling of the new programs.</p> <p>For the older employees, a smooth transition into the retirement phase was achieved. Some employees were able to leave the company early thanks to the partial retirement model, while experienced employees remained with the company longer after retirement on the basis of part-time and mini-job contracts.</p> <p>At the same time, the extensive high-level qualification measures used greatly increase employment security and lead to stable jobs. Such broadly qualified employees have their chance of success in the labour market much amplified. Each employee has a qualification and personal development plan, which is drawn up together with the employee's respective division manager. Progress in qualifications is taken into account in performance assessment and wage increases.</p>
Skills needs and training	<p>There has been a massive shift in job profiles, job descriptions and competence requirements in digitised agriculture: there is less human labour than in the past and the type of work differs significantly from traditional ideas of arable and livestock farming. There is a high demand for workers who can carry out abstract tasks, capture complex information about harvesting machines and processes on screens, set up systems and respond to error messages. Hard physical labour still exists in modern agriculture, but it is clearly on the decline. The ability to think abstractly and act safely in complex contexts has clearly gained in importance.</p> <p>In recent years it has been and still is more difficult to find suitable qualified personnel, as the processes to be coordinated are complex and performance expectations are high. Overall, the tension between increasing competence requirements in the agricultural sector and the need for qualified personnel has increased.</p>

Without sufficient understanding of technical interrelationships and interdepartmental processes and without the ability to correctly interpret and implement abstract system information, working in agriculture is becoming less and less possible.

For this reason, Agrargenossenschaft Trebbin eG responds with external and internal training measures and trains its own staff in order to have sufficiently trained personnel after the training. Company-specific qualification requirements, such as for handling new technologies or process organisation, are met on the basis of internal training by technical personnel or management. The cooperative uses its employees' existing competences to further qualify itself through its own efforts and to spread the existing know-how more widely within the company. The employees also very much welcomed the introduction of tablets: a trainer from the software supplier trained them and an internal colleague helps with input questions etc. With the purchase or leasing of every new modern machine (such as ultra-modern tractors), several specialists are trained externally for several days by the manufacturer or service provider. They then pass on their knowledge and experience to other employees in the cooperative on site.

Training: There are currently 13 trainees. Training is provided in the following professions:

- Farmer (currently 7)
- Animal farmer
- Vehicle painter
- Motor vehicle mechatronics technician
- Agricultural and construction machinery technology mechanic
- Cook
- Management assistant for office management
- Agricultural service specialist

The cooperative was awarded the title Ausgezeichneter Ausbildungsbetrieb 2018 (Excellent Training Company 2018) in the green professions in the state of Brandenburg. In 2019, for agricultural and construction machinery mechatronics technicians, the trainees of AGT eG became state and guild winners in Berlin and Brandenburg.

In the case of new hires, the company tries to persuade its own trainees to stay with the cooperative. Thanks to their training in this high-tech and digital company, they are also prepared for the best and are therefore particularly suitable.

Working conditions

The regular working hours of 07.00-16.00 every day are appreciated as very family-friendly. Working conditions have changed due to the digitisation process, especially in that the work has become physically easier. AGT eG attaches particular importance to occupational safety measures, including further training. The organisation of work has been digitised throughout and thus improved for all employees. Meetings that used to be time-consuming can now be dispensed with. The cooperative endeavours to offer attractive jobs for women and girls. This applies in particular to trainees: for example, it invites trainees to join its company on the so-called "Job Market Girls Day" on site to get to know each other.

	<p>To support their health, all employees receive a monthly fitness voucher.</p> <p>In the area of work organisation, the digitalisation outlined above resulted above all in an optimisation of personnel deployment. The unsystematic assignment of work tasks, which previously took place during morning meetings, has been replaced by systematic work planning with a much longer lead time.</p>
Company performance	<p>Even if the measures adopted have led to increases in effectiveness and productivity, this does not mean that profit would increase directly. However, there are also no high losses, so that it follows that the rationalisation achieved roughly balances out the high investments and the high proportion of working time spent on training. In order to realise productivity increases in the future as well, a part of the time gained must be invested in further training measures. Ambitious production and work concepts can only be implemented with sufficiently qualified personnel. In any case, the increased turnover of AGT eG and its subsidiary in both milk and arable production in 2017 and 2018 is visible – and this despite the extremely severe drought in Brandenburg and the less fertile soil in the Fläming.</p> <p>The reported loss in 2018 is largely due to losses of receivables from the sale of the company's own biogas plant in 2018 to an energy company (stronger focus on agriculture and services with agricultural machinery).</p>
Overall strengths and weaknesses	<p>Innovation has been introduced in the company without any negative impact on employment.</p>
Overall opportunities and threats	<p>Since 2012, the AGT eG cooperative has been investing massively in modern, digital and sustainable animal and plant production, supplemented by other related business areas. Due to the extensive qualification of the employees and the training of skilled workers inside the company, the company has good prospects of securing the existing jobs and ensuring training at a high technical level in the future.</p> <p>The threats continue to be the extremely severe drought in East German agriculture, which has grown worse since 2017, and the effects of European agricultural policy, including the trend in the milk price.</p> <p>With regard to employment, there is a risk that qualified personnel suitable for every job cannot be found (not all apprentices remain on the farm, since some study after their training or move to another location).</p>
Potential for social partners and collective bargaining to upscale/transfer the practice	<p>n/a</p>
Potential for public authorities to support upscaling/ transferring the practice	<p>This potential for transfer can be considered high. This applies in particular to the digital integration of sub-processes in agriculture and the experience gained in cooperation with scientific institutions. For the authorities (the public sector), the task is to equip their own digital systems with suitable interfaces to the farms and their data and products, and to secure them for the future.</p>

**List of annexes,
sources**

- Balance sheets of the years 2018 and 2017
- Facebook: <https://www.facebook.com/agteg>
- Twitter: https://twitter.com/agt_trebbin_eg?lang=en
- Company website
- Other sources: extracts from publications in the press and scientific articles, plus news blog on the company's website

Company website

www.agt-eg.de

This case study was prepared by Innova eG (Germany).