

# Top Farms Group – cooperation in the supply chain in the „Symbiotic Model”



The Top Farms Group, one of the largest agricultural enterprises in Poland, bases its development on building synergistic relations with partner farms in three dimensions: economic, technological and social as part of cooperation in the multidimensional "Symbiotic Model".

## Summary

Cooperation within the "Symbiotic Model" between the Top Farms Group as a leading entity and partner family farms generates synergy effects and is an example of co-operation in the integrated value chain.

So far cooperation is limited to cultivation of selected crops (mainly cereals and vegetables). Resources of the leading farm can be used in partner farms allowing to increase profitability and production efficiency. An access to know-how, technology, machinery services and the supply chain of the leading company gives a chance to optimize production costs and increase incomes.

In the **economic** dimension, the leading farm – the Top Farms Group, contracts specific crops on partner farms, provides means of production (costs might be settled after the harvests), guarantees purchase prices and certainty of commercial transactions, ensures collection and storage of crops, etc.

In terms of the **technology**, the leading farm provides desired varieties of crops as well as agronomic advises that support implementation of good agricultural practices including methods increasing soil fertility based on and the foundations of regenerative agriculture in particular. Top Farms, which is the largest producer of nonGMO soybean in Poland is actively promoting cultivation of this valuable crop. Depending on the needs, specialized services using state-of-the-art equipment might be provided.

In the **social** sphere, the leading farm supports local development. Different actions undertaken improve the quality of life of local residents and benefit natural environment. Building water reservoirs which, apart from their retention and recreational functions, are a habitat for many species of animals, may serve as an example. The leading farm cultivates the culture and traditions of agriculture, among others enlarging the system of windbreaks in the area of the Dezydery Chłapowski Park through planting new and caring for the existing strips of trees and shrubs that protect the fields from wind erosion.

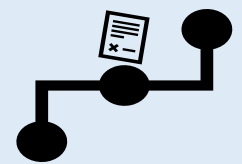
Cooperation in the social dimension also means support and education of local children and adolescents – the creation of a training center, apprenticeships for students, an educational program for children, subsidies for local agricultural schools, which are used by the families of the hosts cooperating with Top Farms.

The leading farm also invests in infrastructure so that local partner farms can more effectively carry out the tasks entrusted to them. An additional aspect is the support of local cultural, sports and rehabilitation institutions, local administration units as well as places of worship.

## Objectives

- Integration within the supply chain (farmer – Top Farms – processor) and within the local community around educational, cultural and infrastructural needs.
- Ensuring the profitability of smaller farms by enabling the implementation of the most advanced cultivation technologies, including the most suitable varieties of crop, and an access to large customers in the supply chain.
- Protection of the environment by promoting and implementing solutions based on the foundations of regenerative agriculture.
- Supporting the local community in meeting educational, cultural and infrastructural needs.

### VALUE CHAIN



Farmers – Top farms –  
Processing industry

### PUBLIC GOODS



Water and soil quality  
+  
CO<sub>2</sub> storage in soil  
+  
increasing biodiversity



Vitality of rural areas



Food quality and safety

## CONTRACT TYPE

Private – private contract between a farmer and an agricultural enterprise

**Contract form:**  
written and oral



**Payment mechanism:**  
Purchase price of agricultural produce determined in advance, settlement of means of production after harvest



**Project financing:**  
The Top Farms Group provides high prices thanks to the production method



**Start:** 2017  
**End:** ongoing

**Duration of contract:**  
Until post-harvest

## Data and Facts – cooperation terms

### Indirect Effects:

- Development of the local community along with integration around the leading farm
- The fertility and "health" of the soil through the application of the principles of biology (regenerative agriculture) in the framework of contracts for partner farms;
- Viability of rural areas - the program provides tangible economic and social benefits for farmers, which contribute to the vitality of the areas in which they operate;
- Technological development of partner farms (specialized advanced varieties, access to the latest agricultural technologies).

### Participation:

Number of farms: 151

Location: farms located in the Wielkopolskie and Opolskie provinces

Average size of contracted agricultural land per farmer: 16 hectares

**Total area of agricultural land included in the collaboration within the symbiotic model amounts to 2,460 hectares in 2021.**

Contracted crops	(hectares)
Wheat (including seed wheat)	900
Potatoes	350
Spring barley	630
Canola	50
Triticale and rye (including seed triticale)	205
Other	325



### Involved parties:

Cooperation between the parties requires trust, willingness to open communication

### Farmer requirements:

- Openness to cooperation with a large-scale agricultural enterprise
- Willingness to take the risk of growing specialized crops
- Appropriate quality and size of arable fields
- Adequate distance from the warehouse infrastructure of the Top Farms Group

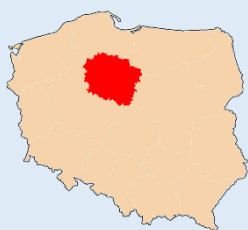


Cooperation within the "Symbiotic Model" generates synergy effects with the farm environment: in the area of support for local communities, infrastructure development, youth education, cooperation with science, promotion of soybean production, regenerative agriculture.



## LOCATION

## POLAND



The cooperation within the symbiotic model concerns mainly the Wielkopolskie and Opolskie provinces, where the Top Farms Group has its largest economic centers and where cooperation with large-scale farms has been a phenomenon that has been occurring for many years

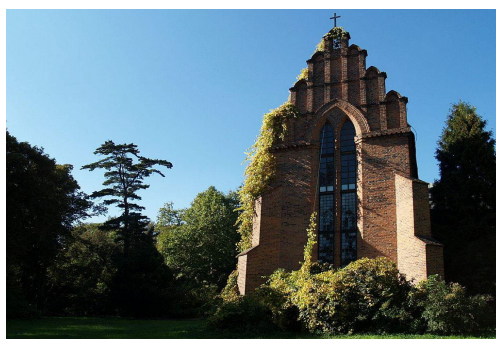
**Conditions of participation:** cooperation under the „Symbiotic Model” can be undertaken with the Top Farms Group by any farm that will be able to meet the basic quality requirements for crops selected for cooperation and which is located at an appropriate distance from the Top Farms Group infrastructure. Commencement of cooperation is also based on a joint decision of the evaluating parties: profitability of production on the given land, availability of infrastructure necessary to maintain an effective supply chain. The cooperation is dedicated to those farms that seek long-term stabilization under predetermined conditions.

### Risks/uncertainties for participants:

- Yield & weather risk
- Commercial risk related to a significant increase (decrease) of SPOT prices

### Financing/payments (possibly benefits):

- Stable and transparent cooperation
- Attractive purchase price
- Purchase of crops immediately after harvest
- Specialized machinery services and consulting – which reduces the risk for the farmer, especially in the case of specialized crops
- The possibility of examining the soil and developing an individual cultivation technology, including a fertilization plan



## SUCCESS OR FAILURE?



### Briefly - the evaluation of the effects

From the very beginning, the cooperation under the „Symbiotic Model” has been a success both for the Top Farms Group and the participating farms.

It brings measurable financial benefits, reduces production risks and thus stabilizes cooperation within the supply chain. For farms, cooperation with the Top Farms Group reduces revenue risks related to price volatility, the need to finance production, and looking for recipients.

Every year, an increasing number of farmers join the cooperation. The only limitation for the further development of this type of contracts is logistics and storage capacity of the Top Farms Group.

## SWOT Analysis

