



Harvest Depends on Harvesting Machinery

Lidagroprommash produces agricultural equipment meeting high international standards

Rychard SALATA, Economy of Belarus Magazine

In accordance with the State Village Revival Program, the Belarusian agricultural sector will be fully revamped by 2010 through purchase of the best foreign equipment and, what is essential, through the development and production of domestic agricultural machines. According to First Deputy Minister for Agriculture and Foodstuffs of Belarus Nadezhda Kotkovets, Belarus is not that rich so as to spend much money on outdated equipment or to buy expensive machinery from abroad. Lidagroprommash is among those vested with the responsibility to help the country fully modernize its agricultural sector.

We can do that too

The main products made by Lidagroprommash are universal pneumatic drills CIIV with 3,4- and 6-meter width of cut for sowing grain, pulse plants and mixed grass crops, drills CTB for sowing clean-tilled crops, and direct seed drills CKC-2. On the whole, Lidagroprommash offering range includes more than 25 types and modifications of agricultural hardware, of them 10 have no analogues in the post-Soviet area.

– Last year we launched production of a multifunctional tillage combine AIII-6A, Lidagroprommash Director General Viktor Kruglyi says. – The new machine is designed to sow grain, pulse plants and mixed grass crops. It simultaneously prepares the seedbed for sowing and packs the seeds. AIII-6A performs several functions at a time which helps significantly save fuel and lubricants. When the device is used, the crops show their maximum germinating capacity and their yield is at least one third up.

According to experts, AIII-6A is the best tillage combine in

Belarus with the annual economic return estimated at Br9,844.74 thousand. In terms of its technical specifications, the device is not inferior to the analogous one produced by Lemken, the European leading manufacturer of agricultural equipment.

Last year the Lida-based company made 29 such machines which, after working in Vitebsk fields, deserved the highest

appraisals of specialists. This year about 200 AIII-6A will be produced. Vitebsk, Russian and Ukrainian companies have already placed orders for these machines. Russian and Ukrainian grain growers made a trial order of 30-50 AIII-6A which can cultivate even unprepared seedbed.

Apart from that, the company developed and launched the production of a fertiliser grain drill C3TM designed for sowing of grain-crops, leguminous plants and grass crops and simultaneous fertilising of the seedbed. It can change the row spacing and can be used with different number of coulters.

The seed drill CIIV, a patent for which Lidagroprommash bought from the German firm Akkord, served as a basis for fertilizer drill CV-12. The fact that virtually



Lidagroprommash General Director
Viktor Kruglyi



every farm in the country has CY-12 attests to its enormous popularity.

– In 2001-2006, the company rolled out about 700 various modifications of drills, the Lidagroprommash General Director says. – We market our products and components for them both domestically and internationally. Thus, we trade with Russia, Kazakhstan, Ukraine, Lithuania, Iran, Poland, the Czech Republic. Last year, for example, export beat all the expectations having grown by 18%. Needless to say that our top priority is to satisfy the demand of the domestic customers as the country's food security depends on their performance and the quality of the hardware they use.

The company has no problems with marketing the drills. Lidamade potato harvesters are in hot demand as well. The marketing research also proves it profitable to produce such handy and efficient agricultural implements as tedrakes. The customers also show great interest in tractor trailers 2 ПТС-14. This 14-ton trailer is made of high-duty materials and impresses by its build quality which is really superb. For instance, you will probably not find another trailer in the CIS so finely and firmly assembled that it can transport water without wasting a drop along the way.

– Of course, we have lots of ideas about developing and launching production of new pro-



ducts. This year new implements will account for 30% of the total output, Viktor Kruglyi says.

Special Pride & Joy

After developing manufacture of the cutting-edge drills eight years ago Lidagroprommash made another resolute step forward: in 1999 it launched the production of grain harvester CASE-525H under a license contract with CASE, one of the world's leading producers of combine harvesters. The cooperation has become a breakthrough in the national mechanical engineering.

The combine harvester meets all international standards and excels Russian grain harvesters Don and Niva in such specifications as engine power, cost effectiveness and productivity. The Lida analogue of CASE-525H was named Lida-1300. First harvesters were assembled from components imported by the Ministry of Agriculture and Foodstuffs and Belagroservice; the components were provided to the company under a tolling contract. In 1999-2003 a total of 912 such machines were produced. Gradually, Lidagroprommash launched production of the majority of components and today this harvester is 88% Belarus-made in terms of its value.

Combine harvester Lida-1300 in action

– We make combine frames, cabs, tankers, augers, transfer vehicles and hundreds of other details and components. We buy only what we cannot produce, says the Director General. – Of course, we prefer domestic suppliers. Thus, we buy powerful and reliable engines Д-262 from Minsk Motor Works, tires from Belshina. As a result Lida-1300 became twice as cheap as its foreign analogue.

COMPANY BRIEF

The company was founded in 1958 when a machine and tractor station grew into Lida Vehicle Repair Works specialising in repair of Russian trucks. In 1993 it was renamed Lida Agro Industrial Engineering Firm. Some years later the company shifted to production of agricultural implements. Three years ago it became joint stock company Lidagroprommash with the main stock of shares (98.6%) belonging to the state.

The company produces over 25 types and modifications of agricultural machines, many of which have no analogues in the CIS. Lidagroprommash has an STB ISO 9001-2001 certificate. Its products are certified with the German DIN standards.



Lidagroprommash production facility

Now in pursuance of the instruction of the President, the company is working on launching production of an even more productive harvester – analogue of the German Lexion-560, with production capacity of 14kg of grain per second.

In short, Belarusian producers of agricultural hardware should make implements meeting the highest international standards. “It is obvious that we and our Gomel colleagues can do that. The more so that our plant is fitted with cutting-edge equipment,” Viktor Kruglyi stresses.

Indeed, the necessity to produce new component parts for Lida-1300 fuelled the large-scale modernization of the plant. In 1999-2003 alone EURO 2.24 million worth of cash payment and loans was utilised to buy new technologies and equipment. The blank production facility and mechanical shop were revamped; a paint facility was put in operation. Last year, some Br4.4 billion was allocated for purchase of high-tech equipment, namely, three Swiss cutting-edge plasma-cutting units which make exact analogues of imported components and Slovak noise-free turner TRENDS. The company has also hydraulic shearing machines, band saws which are much more economical than disk saws. The blanking facility, which



produces more than 1,000 parts, has been retooled as well. The modernization is still in progress. Thus, this year Br3.3 billion is to be earmarked for these purposes.

Lidagroprommash team realises the present-day necessity to make competitive products for both domestic and foreign markets, which is possible only if one has relevant technologies and gear.

Efficiency is Top Priority

– The main criterion of successful performance of any company is economic efficiency. A company has no future if it is not profitable or has no floating assets, the Lidagroprommash General Director believes.

Timely funding of the production of combine harvesters bore positively on the company's performance last year. In accordance with the Program of Providing the Agricultural Industry with Agricultural Machinery for 2005-2010 passed by President's Decree №137 of March 17, 2005, Lidagroprommash was expected to make 200 Lida-1300 harvesters in 2006. It made 255 of them.

Last year the company successfully met its development targets. Thus, the output soared by 43.2% as against the previous year, or by Br85,900 million in comparable prices. Exports grew by 18% while the target was 10.5%. All in all, exports amounted to \$1,786.3 thousand. The energy consumption was three times lower than expected; profitability reached 28%, twice as high. The total revenues reached Br12,392 million.

Last year the company also reported an increase in asset turnover. This will benefit the company's financial standing in the 9 months of 2007 as summer is always a hot season in terms of agricultural machinery sales. The increase in autonomy ratio (i.e. the share of the company's own capital in the total advanced capital) shows receding dependence on loans. As a result, Lidagroprommash net profit margin is expected to be 14.6% in H1 and 28% in Q3 2007. ■



Universal vacuum drills CPV6