

# AGCO, Your Agriculture Company establishes a 2-tier Distribution Model in South Africa

*A new way forward for the distribution of AGCO brands in South Africa from 1 October 2020*

JOHANNESBURG, GAUTENG, SOUTH AFRICA, September 30, 2020 /EINPresswire.com/ -- [AGCO](#), a worldwide manufacturer and distributor of Challenger, [FENDT](#), [Massey Ferguson](#) and Valtra brands



has adopted a 2-tier distribution model that will support South African dealers directly from the region's headquarters in Johannesburg, effective from 1 October, 2020. The move to bring all business operations in-house is informed by a refreshed customer-centric approach, as AGCO

draws closer to its dealer network. The restructure presents a great opportunity to unlock significant value in the distribution chain, empowering dealers to offer a more efficient service to farmers.

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*Managing Director of AGCO Africa, Dr. Dominik Reus*

To date, the distribution of AGCO's Challenger, FENDT and Massey Ferguson brands in the local market has been subcontracted to BHBW, a Barloworld and BayWa company, while the Valtra brand has been distributed by Valtrac (Pty) Ltd. The change in distribution is a phased-out process. Firstly, Massey Ferguson & Challenger dealers will 'lift and shift' to direct accounts with AGCO Distribution Management. This will be followed by the establishment of

the first local dealer network for The world's most efficient tractor series, FENDT. Valtra machines however, will continue to be distributed by AGCO's partners, Valtrac.

Managing Director of AGCO Africa, Dr. Dominik Reus explains, “Contributing over 40% of the African market, it was time to revise how we do business in South Africa. The enhancements we are putting in place will open direct lines of communication with our dealers. This will ensure a swift and effective distribution process from placing orders to delivering products, while keeping AGCO on the pulse of the market response to our product offering.”

Improving the profitability of AGCO's dealers so they can offer farmers improved customer service is at the core of the revised distribution model. The direct route to dealers will increase their competitiveness as their success is based on individual performance and innovation instead of that of a distributor.

"Dealers will now have more control of their trade and the confidence that they have the full support of the designer, manufacturer and now distributor of their trusted agricultural machinery and solutions."

AGCO is ensuring a steady pipeline of new stock for whole goods and parts from its international factories during the phased out process to move distribution of all its brands in-house. An invitation for expression of interest has been extended to all dealers of agriculture machines who understand what the FENDT brand represents and are willing to position their dealerships to deliver on AGCO strategic growth plans.

AGCO's revised distribution model comes at a time when the world is facing a challenging economic environment with greater demand for food security and nutrition. It offers an opportunity for AGCO to contribute to the growth of a robust agricultural industry in South Africa.

For more information on AGCO's Distribution Management in South Africa please contact the team on [RSA.Distribution@agcocorp.com](mailto:RSA.Distribution@agcocorp.com)

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Local Massey Ferguson dealers can now go directly to the manufacturer and designer of their trusted machines, AGCO.



AGCO will establish the first FENDT dealers in South Africa

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