



Economic Perspectives on Coexistence: What Is Known and Not Known About the Kinds of Economic Implications Associated With Coexistence Strategies

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Jim Zimmerman: Rosendale WI

2,700 Acres

Corn

Soybean

Wheat



NCGA's General Positions on Coexistence

- It's absolutely possible
 - Actually, it's working today (and has been)
- Requires a solid foundation based on communication
 - Fence line is key, landowners and growers need to be on the same page
- The value-added product has the responsibility to maintain that value

Coexistence Strategies: Economics

- Communication: minimal impact
- Physical Buffers: known impacts
 - Grains grown in buffers usually sold as commodity grain (not value-added):
Should be in original business plan for the value-added producer
- Temporal buffers: increases risks as maturity dates may not be optimal
- Rotation: variable impacts
- Contract Thresholds: case by case... leading to the unknowns -



Coexistence Grey Areas

- Contract Thresholds
 - Contract by contract?
 - Standardization?
- Geographic Bias
 - Possible contracting or scrutiny bias based upon known value added products
- Testing Bias
 - Market conditions possibly incent rejections of value-added



NCGA

Thank You

More Information:

www.ncga.com

www.corncommentary.com

