

## **Livestock - Contracting and Consolidation**

### **Key Terms and Concepts:**

Upon completion of this course, the student should be familiar with the following terms, concepts, and programs.

#### **Production contracts**

Identity-preserved crops  
Specialty crops  
Value-added products  
End use tailored variety  
Composition based grain marketing  
Expressed contracts  
Implicit contracts  
Breach of contract  
Uniform Commercial Code (UCC)  
Twelve Basic Rules of Contracting

#### **Warranty**

Express and Implied Warranty  
Warranty of merchantability  
Warranty of fitness  
Warranty disclaimers  
Repudiation (anticipatory breach) of contracts  
Accord and satisfaction of contracts  
Act of God (*Force Majeure*) clauses  
Commercial impracticability clause of UCC  
Price discovery  
Written and oral contracts  
Statute of frauds  
Contracting opportunities  
Concentration of production  
Fairness of contracts  
Vertical integration  
Vertical coordination

## **Marketing Contracts**

Cash forward contracts

Futures contracts

Marketing agreements

## **Legislations regulating production contracts**

Agricultural Fair Practices Act (AFPA)

Packers and Stockyard (P&S) Act

Poultry Producers Financial Protection Act

## **Industry concentration in animal production and distribution**

Industry consolidation

Four firm concentration ratio (CR4)

Price spread

Producer centrism

Competitive capitalism

## **Meat trading**

Meat supply chain

Competitiveness of supply chain

Intra industry trade

Protectionist trade barriers

Tariffs

Tariff-rate quotas

Non-tariff quotas

Sanitary trade barriers

## **Links:**

### **Support groups for farmers involved in contract production – the US:**

National Contract Poultry Growers Association

<http://www.cropusainsurance.com/associations/poultry/default.asp>

Farmers' Legal Action Group

<http://www.flag-sa.org/>

Rural Advancement Foundation International, USA

<http://www.rafiusa.org/>

ETC Group, USA

<http://www.etcgroup.org/en/materials/publications.html?id=94>

Center for Rural Affairs

<http://www.cfra.org/>