

58. CONTRACT PRODUCTION AND MARKETING

We support:

1. Monitoring the current changes in marketing practices for many farm commodities, which are moving from farmer to buyer without entering the open market, but are being produced and marketed by contractual specifications.
2. The representation of agriculture and assistance in the area of contract marketing. We support the assignment of staff to research contracts being considered and provide education, information, and advice to attorneys representing farmer members about the ramifications of contracts being entered into and ensure that farmers engaging in contract production and marketing are adequately protected.
3. Seeking measures to ensure that adequate price discovery remains in place for all noncontracted farmers.
4. An improved United States Department of Agriculture (USDA) commodity price reporting system based upon required price reporting by first purchasers.
5. Seed and chemical companies to include local elevators in the premium structure, thus making specialty crops available to more farmers.
6. Individual member farmers in their efforts to negotiate fair and equitable production contracts by developing an information clearinghouse and glossary of terms for production contracts.
7. Educating farmers about the risks involved with buyers call provisions and ensuring that these provisions include:
 - A. Specific delivery periods with negotiated final delivery date.
 - B. Payments to seller if delivery period exceeds original contracted delivery period or if buyer "calls" for delivery prior to the contracted delivery period.
 - C. Pricing ability to and beyond delivery.
8. Working to develop contract language that will limit farmer liability for grain quality or type to the initial point of delivery.