

Associative Economics:

Contract: main instrument in the added-value chain

Elements of an associative contract

- Long term contract
- Sharing of risks
- Distribution of added-value
- Transparency
- Quality of product and process
- Payment terms: pre-financing?
- Three-party contract

Long term contracts

- **Time Frame** with extension options (usually 5-10 years)
- Specification on the **minimum quantity and quality purchased** each year
- **Non-financial requirements** (e.g. deforestation is not allowed)
- **Price finding mechanism** both agree on and neither is disadvantaged
- **Price adjustment** process to maintain economic viability in case of unexpected cost increases include floor price and ceiling price
- **Conflict management** process
- **Insurance** against side selling, and **non-compliance**

Exercise

Important information

Course platform

- Library: Powerpoint & exercises
- Query form for content-related questions for Q&A sessions
- Telegram chat link for conversation and exchange
- Support: sarah.sommer@goetheanum.ch

Next Zoom Questions&Answers live session

Thursday

If you have any questions about the material we worked on or about the exercise, please write to us in advance if possible **via course platform**

Sources

Lecture 6,
29. July 1922, Dornach
GA 340

Thank you

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<https://www.sektion-landwirtschaft.org/en/training/deepen-biodynamics/deepening-courses>