

PARTNERSHIP PERILS: A TALE OF TWO CITIES

SESSION OUTLINE

- General Types of Partnership Arrangements
- The Ag Partners Experience
- The Agri-Industries Experience
- Discussion Q&A

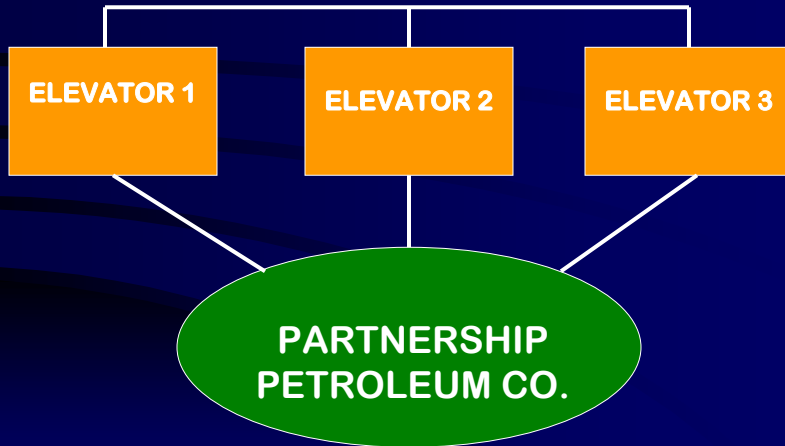
POTENTIAL PROBLEM AREAS FOR PARTNERSHIPS

- **How the Partner Firms Are Organized**
 - **Cooperative/ Cooperative Partnerships**
 - **IOF /IOF Partnerships**
 - **Cooperative/IOF Partnerships**
- **The Partner Firms' Location in the Value Chain**

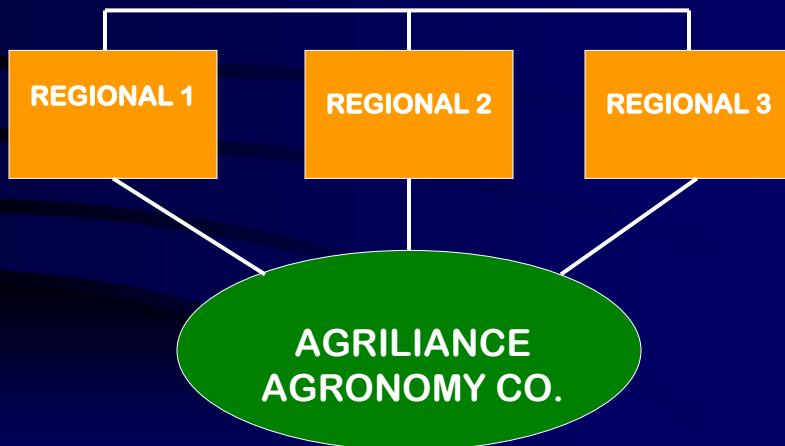
THREE GENERAL TYPES OF PARTNERSHIPS

- **Horizontal Partnership With Another Firm at the Same Level in the Value Chain**
- **Both Firms Are Involved in the Same or Similar Business Activities and Seek to Improve Performance One Level in the Value Chain**

HORIZONTAL PARTNERSHIP



HORIZONTAL PARTNERSHIP



THREE GENERAL TYPES OF PARTNERSHIPS

- VERTICAL PARTNERSHIP WITH A FIRM AT ANOTHER LEVEL IN THE VALUE CHAIN
- THE PARTNERS WORK TO IMPROVE PERFORMANCE UP AND DOWN THE VALUE CHAIN

VERTICAL PARTNERSHIP

VITAMIN PRODUCER



REGIONAL COOP

LOCAL COOP



LIVESTOCK PRODUCER

PARTNERSHIP
FEED MILL

THREE GENERAL TYPES OF PARTNERSHIPS

- **COMPLIMENTARY JOINT VENTURE WITH A FIRM OUTSIDE YOUR VALUE CHAIN**
- **EACH FIRM BRINGS UNIQUE COMPETENCY AND CONTRIBUTION TO THE PARTNERSHIP**

COMPLIMENTARY JOINT VENTURE

**RURAL
ELEC. COOP**

**LOCAL
SUPPLY
COOP**

**JOINT VENTURE TO
PROVIDE FUEL
CELLS TO PATRONS**

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graph TD; A[RURAL ELEC. COOP] --- B[LOCAL SUPPLY COOP]; A --- C[JOINT VENTURE TO PROVIDE FUEL CELLS TO PATRONS]; B --- C;
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COMPLIMENTARY JOINT VENTURE

INDUSTRIAL
CONSTRUCTION
COMPANY

BIODIESEL
COOP

PARTNERSHIP WITH
KNOWLEDGE TO
BUILD BIODIESEL
PLANTS

AG Partners and AGM

- **THEY ARE ONE OF THE MOST CHALLENGING TYPE OF PARTNERSHIP TO ESTABLISH AND MAINTAIN**
- **BOTH ARE HORIZONTAL PARTNERSHIPS**
- **BOTH ARE COOPERATIVE //OF PARTNERSHIPS**