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Too Connected to Fail: The Effect of Alliance Network Structure on Farm Survival

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Poster prepared for presentation at the Agricultural & Applied Economics Association's 2011 AAEA & NAREA Joint Annual Meeting, Pittsburgh, Pennsylvania, July 24-26, 2011

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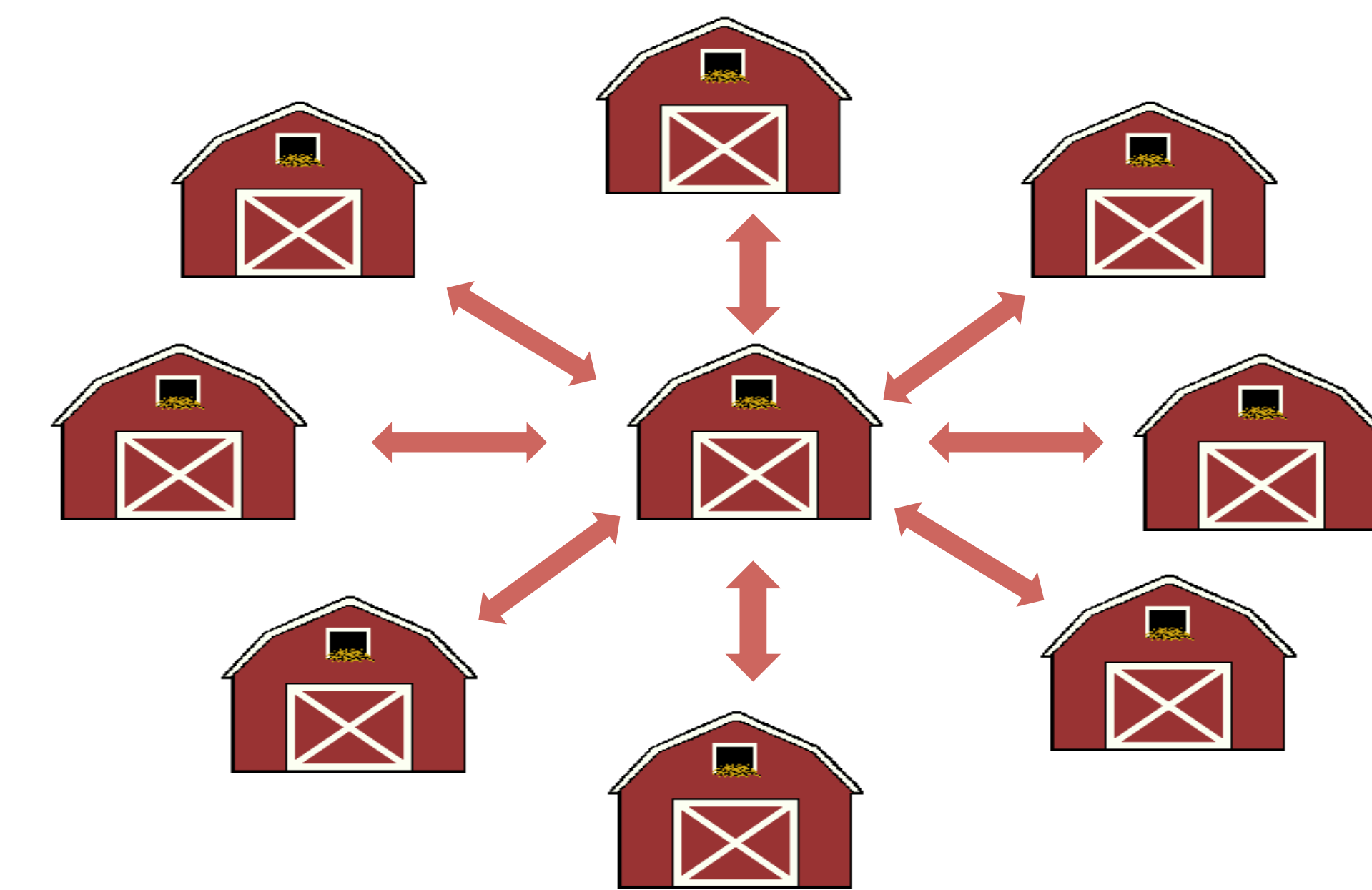
What did we do?

- Study how network characteristics (size, cohesiveness, scope) impact farm survival
- Examine alliance formation among U.S. commercial farms over 20 yrs

So what?

- Tax breaks to alliances instead of ad hoc payments
- Alliances reduce risk and should be encouraged particularly for new farms
- Alliance policy should vary regionally

Farmed



How did we do it?

- Used 20 yrs of FSA admin data to
 - Construct farm networks
 - Create dynamic panel data
- Network analysis to correlate network characteristics with farm survival

What did we find?

- Positive relationship between network size and farm survival
- Networks vary with predominant crop
- Substitution between network size and disaster payments