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Introduction

The **LGMN REPORTER'S HANDBOOK** is the product of the efforts of many reporters working individually and together as teams to incorporate the ideas and recommendations of the field staff. This handbook has been organized into sections covering office and report administration, as well as report preparation for each major commodity reported. In addition to the normal procedures to be followed regarding the collection, analysis, and dissemination of market information, this handbook also provides detailed explanations of some of our more complex reports.

This handbook was written to be used by all LGMN employees as a reference guide to be reviewed on a regular basis. Reporters are expected to be familiar with its contents and apply these procedures in their daily market reporting duties. Administrative support employees should also be thoroughly familiar with the instructions pertaining to administrative responsibilities. While we have tried to make these guidelines as complete as possible, we realize they are not all inclusive. Therefore, employees should rely on their supervisors for guidance on issues that may arise which are not covered in the handbook.

Your suggestions and input to assist in the ongoing maintenance of an up-to-date handbook are greatly appreciated.

Michael Lynch, Director
Livestock and Grain Market News
Washington D.C.
November 2010

THE PURPOSE OF MARKET NEWS

The primary function of the Livestock and Grain Market News Division of the Livestock and Seed Program (LSP) is to compile and disseminate information that will aid producers, consumers, and distributors in the sale and purchase of livestock, meat, grain, and their related products nationally and internationally.

This information provides the industry with tools to determine where and when to buy and sell livestock, grain, and their related products. Market reports assist producers in their production planning and help promote orderly marketing by placing producers and others in the industry on a more equal bargaining basis. Related industries which process and distribute agricultural products also make considerable use of market reports to conduct and plan business operations. Statistics prepared by the Division are utilized by all segments of the industry and as basic data by agricultural colleges, universities, government agencies, and private research organizations.

DIVISION STATEMENT

Provide to the agricultural industry accurate and unbiased marketing information depicting current conditions relating to the trade of livestock, meat, wool, grain, and feedstuffs that will promote orderly marketing and enhance competition.

In pursuit of this mission, our employees are committed to work with the industry to identify changes in the marketing structure and stay abreast of these changes to develop and revise market reports that foster trust and maintain the integrity of our service. Suggestions for improvements in procedures, data collection, and dissemination are encouraged and welcomed from the industry. Reports will reflect consumer preference through the marketing channels to aid the production and processing industry segments.

LEGAL AUTHORITY FOR MARKET NEWS SERVICE

“Livestock Mandatory Reporting Act of 1999” – Legislation enacted by Congress on October 22, 1999, as an amendment to the Agricultural Marketing Act of 1946 provides for the Mandatory Program of reporting market information regarding the marketing of cattle, swine, lambs, and products of such livestock by certain livestock packers, livestock product processors, and importers.

"The Agricultural Marketing Act of 1946, under which marketing services activities were consolidated, contains this statement of duties concerning market news activities "... to collect and disseminate marketing information ..." and "... to collect, tabulate, and disseminate statistics on marketing agricultural products, including , but not restricted to statistics on marketing supplies, storage, stocks, quantity, quality, and condition of such products in various positions in the marketing channel, utilization of such products, and shipments and unloads thereof.

"The Shepherd Amendment" - Legislation enacted by Congress Aug. 11, 1916, authorized the Secretary of Agriculture "to gather from stockmen, livestock associations, State livestock and agricultural boards, common carriers, stockyards, commission firms, livestock exchanges, slaughtering and meat packing companies, and others information relative to the number of different classes and grades of marketable livestock, especially cattle, hogs, and sheep in the principal livestock feeding districts and growing sections; prices, receipts, and shipments of the different classes and grades of cattle, hogs, and sheep at livestock centers; prices of meats and meat food products, and the amounts of such products in storage, to compile and publish such information at such frequent intervals as most effectively to guide producers, consumers and distributors in the sale and purchase of livestock, meats, and other animal products, and to gather and publish any related information pertaining to marketing and distribution of livestock, meats, and animal byproducts.¹"

¹64th Congress, 1st session, 1916 - Agric. Ap. Act for fiscal year 1917 - Vol. 39 Statutes at large, page 473 - Office of Markets and Rural Organization - Congressional Record, Vol. 53, page 779.

ORGANIZATION AND GENERAL

Numbered Series of Instructions

I. PURPOSE

The general instructions of the service regarding organization and operation are issued in a series numbered according to major subjects. The complete set constitutes a Livestock and Grain Market News Handbook and will be kept in a loose leaf binder. This numbered series revises the Handbook issued in 1995 and supersedes any other instructions.

II. SUBJECT CLASSIFICATION AND NUMBERING

The selected general classifications for each handbook section are shown below.

1. Organization and General
2. Office Administration
3. Reports Administration & Dissemination
4. Preparation of Reports:
 - a. Slaughter Cattle
 - b. Feeder Cattle
 - c. Replacement Cattle
 - d. Slaughter Hogs
 - e. Feeder Pigs
 - f. Sheep and Lambs
5. Meat and Meat By-Product Reporting
6. Livestock Acceptance (Futures)
7. Grain and Feedstuff Reporting

Individual instructions on activities or topics falling within each of the above general subject classifications are numbered in sequence and identified by a number to the right of a dash, i.e., 933-1, 933-2, and so on. The sequential page number is also printed at the bottom for quick reference to an individual page.

III. MANDATORY LIVESTOCK AND MEAT REPORTING

The Livestock Mandatory Reporting Act of 1999 (Act) and subsequent Rules and Regulations established a mandatory program that requires the reporting of market information by certain livestock packers, and livestock product processors and importers. This Act requires reporting of cattle purchases, boxed beef sales, swine purchases, lamb purchases, lamb carcass and boxed lamb sales, and sales of imported boxed lamb cuts.

Livestock Mandatory Reporting Regulations see Appendix A.

IV. NOTICES

Temporary or one-time instructions that call attention to certain procedures in the numbered instructions that are not being properly followed, or those which emphasize certain points but do not alter or add to the basic instructions, will be issued in the form of memoranda. These memoranda should be kept in a separate binder from the numbered instructions and be accessible to all members of the staff.

V. UPDATING

The numbered series will comprise a manual of procedures and policies to be followed by all employees and offices of the Market News Division. In order to keep the manual current and to obtain the maximum benefit from it, insert new or revised instructions immediately under the proper series.

ORGANIZATION AND GENERAL

Organization of Market News Division

I. ORGANIZATION

The organization for conducting the Market News Service consists of the Market News Division of the LS Program in Washington, DC, and the Market News Division field offices. The Division Director, assistants, and area supervisors will coordinate and supervise the operations.

II. GENERAL PLAN OF OPERATION

- A. Instructions will be issued by the Washington office directly to the field offices and area supervisors.
- B. Area Supervisors will direct the operation of each market news office in their area. Supervisors will: (1) direct and coordinate the collection of information and the preparation and dissemination of market reports; (2) plan and approve leave for technical employees and assignment of relief reporters; (3) prepare performance ratings of officers in charge; (4) review and approve performance ratings made by officers in charge; and (5) help the Market News Division maintain and develop working relationships with Federal and State agencies, producers, and marketing and consumer groups for the purpose of collecting and disseminating market news information, obtaining policy and program recommendations, and promoting harmonious relationships and cooperation. Supervisors will be on call to give technical or other assistance to the market reporters in their area.
- C. An Area Supervisor will conduct correlations and examinations for certification of new Federal and State reporters and cross-utilized personnel.
- D. Market News Division offices will be headed by a reporter who will be technically in charge of all market news service at that office. The Officer in Charge will be a member of the operating committee when the office is part of an LS Program field office. On questions of technical operation and program matters, the respective market news offices will communicate with the supervisors assigned to handle such matters, as set forth below. In the event the supervisor is not accessible, and if it is advisable for the field office to submit the matter to the Washington office, an information copy of the communication sent to Washington will be forwarded to the supervisor.

- E. Federal-State Supervisory Responsibilities:** Federal-State supervisors will be responsible for the technical coordination and supervision of all livestock and grain market news activities within the respective State. The supervisor will work directly with State supervisors and headquarters staff to maintain a strong market news program through the utilization of State personnel. They will take advantage of opportunities to participate in activities which increase the value of the market news service to industry. The Federal-State supervisor will be alert for opportunities to participate in grading demonstrations, livestock or grain group meetings, feedlot and pasture tours, and grading of livestock shows and sales. The work schedule will be arranged to provide the Federal supervisor with time to visit the State reporters on a regular basis. At times, supervisors may be needed to report a market in the absence of the State reporter or grader. The Federal-State supervisor will be directly responsible to the Federal Area supervisor.
- F. Administrative procedures** will be handled as prescribed in *LS Program and AMS Instructions*. On questions of administrative procedure, offices will communicate with the Program Administrative Officer or the Headquarters Office.

III. DESIGNATION OF SUPERVISORY AREAS

**Livestock & Grain Market News
Organizational Chart**

December 2010

Director
Mike Lynch
Washington, DC

Deputy Director
Jennifer Porter
Washington, DC

Western Area Supervisor
Russ Travelute
St. Joseph, MO

Eastern Area Supervisor
Jim Epstein
Washington, DC

**Assistant to the
Director**
Rick Tanger

IT Supervisor
Cheryl Johnson

14 Field Officers in Charge

Kenneth Gladney, Amarillo, TX
James Ward, Billings, MT
Rich Hruska, Dodge City, KS
Randy Hammerstrom, Greeley, CO
Thomas Walthers, Kearney, NE
John Langanegger, Las Cruces, NM
Martha Hansen, Moses Lake, WA
Tina Colby, Oklahoma City, OK
Martha Hansen, Portland, OR
Brittany Koop, St. Joseph, MO
Corbitt Wall, St. Joseph, MO
Becky Sauder, San Angelo, TX
Justin Lumpkin, Sioux Falls, SD
Dennis Widga, Torrington, WY

13 Field Officers in Charge

Keith Williams, Jackson, MS
Dan Schussler, Columbia, SC
Jim Bernau, Des Moines, IA
Taylor Cox, Des Moines, IA
Bill Sumpter, Des Moines, IA
Steve Cheney, Little Rock, AR
Jack Colley, Louisville, KY
Carol Meinders, Minneapolis, MN
David Garcia, Montgomery, AL
Louis Langell, Nashville, TN
Levi Geyer, New Holland, PA
Kim Harmon, Springfield, IL
Terry Harris, Thomasville, GA

**U.S. Department of Agriculture
Agricultural Marketing Service
Livestock and Seed Program
Washington, DC 20250**

LGMN Instruction No. 102-2

FIELD OFFICES AND OFFICER IN CHARGE

STATION	ST	PHONE	REPORTER	IN CHARGE	MAILING ADDRESS	ZIP
Amarillo	TX	(806) 372-6361	Kenneth Gladney		Amarillo Livestock Bldg, 101 S. Manhattan	79104
Austin	TX	(512) 463-7624	John Garza		P.O. Box 12847, Capital Station	78711
Baton Rouge	LA	(225) 922-1328	Keith Williams		5825 Florida Blvd., Room 1172	70821-3334
Billings	MT	(406) 657-6285	James Ward		Public Auction Yards Bldg Rm 2006 112 S 18 & MN Ave	59103-1191
Charleston	WV	(304) 558-2210	Dwayne O'Dell		1900 Kanawha Blvd East	25305
Clovis	NM	(575) 762-3705	Gary Lewis		P.O. Box 716	88101
Columbia	SC	(803) 737-4491	Daniel Schussler		P.O. Box 13405	29201-3405
Des Moines	IA	(515) 284-4460	Bill Sumpter	National Meat, MPR	210 Walnut Street, Room 767	50309-2106
			Jim Bernau	MPR Hogs, Organic Grain and Feedstuffs	210 Walnut Street, Room 767	
			Taylor Cox	IA Fed State Programs		
<i>State Office</i>		(515) 242-6237	Harold Hommes	State Mkt Bureau Chief	Wallace Building, 900 East Grand #502	50319
Dodge City	KS	(620) 227-8881	Richard Hruska		100 Military Avenue, Suite 217	67801-4945
Frankfurt	KY	(504) 564-0260	William Barrows		100 Fair Oaks Drive 5 th Floor	40601
Greeley	CO	(970) 353-9750	Randy Hammerstrom		Jerome Building 800 8th Ave, Suite 209	80631-9540
Jackson	MS	(601) 354-6818	Michael Lasseter		Farmers Central Market P.O. Box 4629	39296
Jefferson City	MO	(573) 751-4561	Steve Allison		MDA Market Development P.O. Box 630	65101
Kearney	NE	(308) 237-7579	Tom Walthers		Eagles Nest Plaza, Suite 47 4009 6 th Avenue	68845-3394
Las Cruces	NM	(575) 527-6861	John Langenegger		Boutz Plaza Bldg 4, 205 West Boutz, Suite 4	88005
Lexington	KY	(859) 255-7423	William Barrows		P.O. Box 1023	40588
Little Rock	AR	(501) 671-2203	Steven Cheney		2301 South University Rm 110-B	72203-0391
Louisville	KY	(502) 582-5287	Jack Colley		1321 Story Avenue	40206-1733
Minneapolis	MN	(612) 370-3258	Carol Meinders		P.O. Box 15084	55415
Montgomery	AL	(334) 223-7488	David Garcia		P.O. Box 3336	36109-0336
Moses Lake	WA	(509) 765-3611			1428 South Pioneer Way	98837-2484
Nashville	TN	(615) 781-5406	Lewis Langell		P.O. Box 40627	37204
New Holland	PA	(717) 354-2391	Levi Geyer		101 West Fulton Street P.O. Box 155	17557
Oklahoma City	OK	(405) 232-5425	Tina Colby		2501 Exchange Avenue Room 140	73108-2477
<i>State Office</i>	OK	(405) 521-3864	Johnny Roberts		2800 North Lincoln Blvd	73105-4201
Portland	OR	(503) 326-2237	Martha Hansen		805 SW Broadway, Suite 920	97205
Raleigh	NC	(919) 856-4377	Sherry Warren		1020 Mil Service Center	27699
Richmond	VA	(804) 786-3947	Brett Richardson		102 Governor Street, Suite 368	23219-3624
Salt Lake City	UT	(801) 538-7109	Mike Smoot		350 North Redwood Road	84116
San Angelo	TX	(325) 653-1778	Rebecca Sauder		P.O. Box 511	76903-0160
Sioux Falls	SD	(605) 372-8350	Justin Lumpkin		P.O. Box 39, Worthing, SD	57077
St. Joseph	MO	(816) 676-7000	Corbitt Wall Brittany Dreier	State of MO National Slaughter Cattle & Sheep	12819 Country Place Dr.	64505
Springfield	IL	(217) 782-4925	Kim Harmon		State Fair Grounds Box 19281	62794-9281
Thomasville	GA	(229) 226-2198	Terry Harris		502 Smith Avenue Stall 38	31792-0086
Torrington	WY	(307) 532-4146	Dennis Widga		1834 East A Street	82240
Washington	DC	(202) 720 4846	Mike Lynch		1400 Independence Ave, SW	20250

OFFICE ADMINISTRATION

Personnel and Confidential Information

I. CONFIDENTIAL INFORMATION

Information regarding sales, stocks, prices, etc., obtained from individuals or firms voluntarily is of a confidential nature and must not be revealed. Government or private agencies may in the course of investigations ask for details on some individual's or firm's operations. In most cases, an explanation as to the nature of market news work and respect for information given in confidence should explain why such information cannot be released. If a demand for information continues, refer the request to the Washington Office. Do not under any circumstances release any information of a confidential nature without prior approval from the Washington Office.

Information collected through the Livestock Mandatory Reporting program (LMR) shall be made available to the public in a manner that ensures that confidentiality is preserved regarding the identity of the persons, including parties to a contract and proprietary business information. All requests for information collected through LMR that is not released to the public will be referred to the Washington office. Any person that willfully violates the confidentiality provision of LMR may be assessed a civil penalty of \$10,000. AMS employees and other USDA employees who are permitted access to Mandatory Reporting Data in the course of performing their official duties are required to sign a confidentiality statement annually.

II. COURT TESTIMONY OR APPEARANCE

An employee who is asked to appear in court to testify on official matters shall contact the Washington Office for instructions. The employee must be subpoenaed in order to testify. In most cases, the employee will not be allowed to testify even if subpoenaed and the Department of Justice will notify the local Jurisdiction that the employee will not make an appearance. The employee may provide official records that are public documents in place of testifying.

III. PERSONAL STATEMENTS

Expression of personal views contrary to official policies and programs should be avoided.

IV. PROGRESS REVIEWS AND PERFORMANCE APPRAISALS

A. Performance Appraisals Form AD-435

The appraisal period is 12 months from Oct. 1 to Sep. 30. A rating of record may not be given unless elements and standards were established and communicated to the employee and the employee served under those elements and standards in the current position for at least 90 days. If the employee has not served in the position for 90 days, the previous position occupied by the employee will be used for rating purposes.

B. Progress Reviews Form AD-435A&B

Progress reviews are to be conducted with each employee at least once sometime during the appraisal period, preferably at the midpoint or April.

V. ETHICAL CONDUCT CERTIFICATION

Each new employee is to be provided 1 hour of official duty time to review the regulations within 90 days of the date he/she reports for duty. Each office should have a copy of the booklet "Standards of Ethical Conduct". These may be reproduced locally along with the Certification Statements for use in obtaining certifications from new employees. Completed certifications should be forwarded to the Washington Office. Intermittents are also required to complete the certifications.

OFFICE ADMINISTRATION

Grading Demonstrations and Related Activities

I. POLICY

Market News Division personnel in all field offices are encouraged to look for opportunities to conduct grading demonstrations and other activities that will enhance the market news service to producers. The scheduling of such activities and demonstrations, however, should be limited to days and times when the reporter can be away from regular market reporting activities.

Following are types of activities or meetings which are encouraged.

- A. *Grading Demonstrations* - Live animal grading demonstrations in the market area for producers, students, or other industry groups.
- B. *Industry Group Meetings* - Meetings within your reporting area where there is an opportunity to obtain information on current livestock or grain production and marketing plans or to discuss market news activities.
- C. *Feedlot and Pasture Tours* - Organized tours by market agencies or other livestock production or marketing groups where the market news service can be discussed.
- D. *Livestock Shows and Sales* - Live animal grading at shows and sales where premiums are awarded or sales are made on a grade basis.
- E. *Special Division Assignments* - Assignments to assist Standardization and other Department employees in grade demonstrations, shows, etc.

II. AUTHORITY TO INCUR ADDITIONAL EXPENSE

The Division Chief or your Area Supervisor must approve in advance an invitation to conduct grading demonstrations or grading service, to attend meetings, or to accompany tours that involve travel or other extra expense. (Requests that require a travel authorization (AD-202) separate from normal travel should be made by memorandum or electronically. Requests shall list the cost and brief description as to the nature of the invitation.

OFFICE ADMINISTRATION

Correspondence and Relief

I. CORRESPONDENCE

- A.** Field offices will forward to Washington a copy of all nonroutine letters or memos they write, other than those written directly to the Washington Office. Copies of letters and memos from the field offices to Washington should also be sent to Area Supervisors. If there is any doubt as to how an inquiry should be handled, the letter should be acknowledged and the writer informed that the inquiry has been referred to the Washington Office for further attention. A copy of all memos and other correspondence from Washington to field offices is sent to the appropriate Area Supervisor. However, the notation indicating the distribution of carbon copies is not usually shown on the original memo, except in instances when such procedure is necessary for the special information of the addressee.
- B.** Field offices will prepare a monthly general activity and situation report. This report should contain the type of information as listed in Exhibit A of this instruction. Field offices are not expected to cover each item listed in Exhibit A in each of their reports, and the list is not inclusive. The report will be sent electronically no later than the 3rd of each month to St. Joseph, Missouri. An electronic copy should also be forwarded to your Area Supervisor. The deadline is to be met even if it requires a negative report. Such reports are not limited to a monthly basis. Additional reports should be submitted as local conditions warrant. Subjects such as personnel activities and administrative functions should be sent in separate memorandums to the Area Supervisor, Division Director and Deputy Director.
- C.** *Disclaimer Clause* - Market News offices occasionally receive requests for names of manufacturers, dealers, selling agencies, etc. If a field office furnishes such names, USDA's position should be clearly explained to guard against (1) the assumption that the names listed imply endorsement of certain firms to the possible detriment of others, or (2) the impression that the lists necessarily include all dealers or agencies in a certain line. An approved form of disclaimer is as follows: "It is generally impractical to give a complete list of dealers, agencies, packers, etc., and in furnishing a partial list in an effort to aid you, it should be understood that no discrimination is intended and no guarantee of reliability implied."

D. *Annual Reports of Market News Activities*

All field offices must prepare an annual report of market news activities. The original copy will be forwarded to the Washington Office by Sept. 1. A copy will be retained in a permanent file for future reference. Offices will send a copy to their Area Supervisor. If any difficulty is encountered in preparing the desired information, the Area Supervisor should be contacted. It is important that the information be accurate and complete.

II. RELIEF

Each Market News employee shall maintain an up-to-date outline of duties and responsibilities for use by relief personnel. The outline shall include:

- ! Commodities covered;
- ! Time of day report is to be released;
- ! List of trade contacts including names, telephone numbers, etc.
- ! Radio and press requirements;
- ! Special reports issued, including title and when released;
- ! Administrative support assignments;
- ! Reports to Division headquarters;
- ! Reports to other agencies; and
- ! Other instructions peculiar to the office.

Exhibit A

Examples of information to be included in
General Activity and Situation Reports:

- ! Significant changes in market influences such as crop, planting, and harvest conditions, soil moisture and weather, insect damage, transportation problems, world conditions, etc.;
- ! Situations that may cause abrupt changes in supply or prices, such as storms, floods, fires, strikes, embargoes, etc.

- ! Indications of unusual increase or decrease of planted acres in an area;
- ! Unusual price changes in an area;
- ! Unusual changes in demand, supply, or movement of commodities;
- ! New elevators or export facilities or closing of or major changes in these facilities;
- ! Unusual price spreads (wide or narrow) or changes in price spreads between weights and/or grades;
- ! Significant changes in procurement policies;
- ! Significant changes in marketing practices;
- ! Changes in dissemination of market information, such as video auction or electronic marketing;
- ! Changes in State personnel that might change current policy in Federal-State programs;
- ! Public relations activities, such as judging livestock shows, conducting grading demonstrations, working with judging teams, etc;
- ! Meetings with the industry or contacts;
- ! Changes in the numbers of breeding stock slaughtered -- cows, bulls, sows, boars, ewes, etc.;
- ! Indications of unusual increase or decrease in beef cow herds in area;
- ! Changes in relative number of cattle grading Select and Choice or Yield Grade 4 and 5;
- ! Changes in weights (steers, heifers, cows, barrows and gilts);
- ! Changes in relative numbers of steers, heifers, and cows slaughtered;
- ! Pasture, crop, or weather conditions;
- ! Numbers of cattle on feed in specific area compared to a previous period;

- ! Trends in kinds or weights of cattle handled in feedlots;
- ! Length of feeding period in area and cost of gain;
- ! Feeder cattle supplies (condition and movement as they are and as they differ from normal);
- ! Indications of consumer resistance to higher meat prices for a commodity or in an area;
- ! New feedlots, new packing plants or closing or major changes of packing plants;
- ! Feedlot capacity in area and percentage filled;
- ! Details of contracting for cattle and lambs and information on numbers as well as prices;
- ! Significant changes in procurement policies, especially of major buyers or out-of-State buyers operating in your area (for example, livestock being purchased for Canadian export);
- ! Changes in marketing practices, such as carcass versus primal or fabricated cuts;
- ! Disease outbreaks;
- ! Discount or mud problems;
- ! Projected price trends; and
- ! Reliable information concerning futures deliveries.

OFFICE ADMINISTRATION

Retention of Records and Reports

I. GENERAL OBJECTIVE

- A. *Retention of Records* - In determining records and reports to be retained and the length of time each shall be retained, Market News offices will practice keeping only those that are necessary in rendering an adequate and useful market news service. (Certain tabulations of data collected must be retained permanently or selected items transcribed to permanent records.)
- B. *Worksheet Items* - Worksheets are not to be retained after the published reports become available, or after the data has been transcribed to permanent records.

II. RECORDS AND REPORTS TO BE RETAINED BY LOCAL OFFICES

- A. *Permanent Records* - The records and reports that are to be retained permanently by the respective offices, and those retained for only limited periods are listed in **Exhibit A**. This list establishes the pattern for maintaining the essential basic records and reports by the market news service on a national basis without unnecessary duplication between offices.
- B. *Rotating System for Those Retained for Limited Periods* - In the case of the records and reports retained for only limited periods, Market News offices will maintain continuous supervision to assure that the material is not allowed to accumulate beyond its period of usefulness. The most effective procedure is to discard the oldest material at the time current items are added to the file.

III. DISPOSAL OF OBSOLETE AND IRRELEVANT ITEMS

Each office will immediately establish and maintain files of records and reports in accordance with **Exhibit A**. All other material (obsolete and irrelevant) that the office may have will be disposed of in accordance with prescribed procedure.

Exhibit A: Reports Generated at Local Offices

Market News reporters are occasionally called upon as witnesses in court cases to testify as to prices and trade conditions on certain days. For that reason and for reference purposes, it is essential that local offices maintain records of local trade conditions. In maintaining these records, local offices will be guided by the following instructions.

Type of Market Reports	Period Retained
<i>Market Reports</i> – all reports are maintained electronically in an archival database for any future use by the originating office	Permanent Electronically
Reviews furnished to newspapers and radio stations	Only until copies can be verified - maximum 1 month
<i>Special Data and Reports</i>	
Annual Report of Market News Activities	Permanent
Correlation Reports	2 years
Selected markets posted on bulletin boards	None to be retained more than 2 weeks depending upon request
Printed market or statistical reports	Certain ones may be retained for 60-90 days depending upon need for reference
<i>Publications and Reports</i>	
U.S. Official Grade Standards for Livestock, Meat, Wool, and Mohair	Current Set
Grain Standards	Current Set
<i>General</i>	
Correspondence, memorandums, letters, etc.	In accordance with LS Program and AMS Instructions
Time and Attendance certified hard copy	7 years
Travel receipts	7 years

**Records and Reports to be retained by
 Livestock and Grain Market News Offices**

Records and Reports Prepared or Issued by Local Offices (Covers all records and reports issued in the Livestock and Grain Market News Division; thus, all items are not applicable to all offices.)

Basic Data	Period Retained
Detailed Grain and Feedstuff Quotations	Permanent
Detailed Livestock Quotations: Weekly, Monthly, and Annually	Permanent
Wholesale Meat Quotations: Weekly, Monthly, and Annual	Permanent
Wool and Mohair Quotations: Monthly	Permanent
Actual Daily Salable and Total Livestock Receipts (Form LMGS-182 and LMGS-182-1)	Permanent
Weekly Estimated Percent Cows & Stockers & Feeders	1 year
Grading certificates	1 year

OFFICE ADMINISTRATION

Travel Management

I. GENERAL OBJECTIVE

All travel will be performed in such a way as to realize maximum economy, and at the same time, effectively carry out the various programs of the Market News Division. Each traveler will be responsible for taking steps to assure the fulfillment of this objective.

II. PRACTICES TO FOLLOW WHEN PLANNING TRAVEL

A. Trips should be planned so that all contacts regularly visited in an area will be contacted on each trip to the greatest extent possible. Every effort should be made on each trip to view all livestock that may be marketed within the next month.

B. Reporters on relief assignments will limit travel to the vicinity of the office. Travel outside the office vicinity is more productive when performed by the regular reporter.

C. On an annual basis, all employees will be issued an AD-202 Travel Authorization for travel in their respective reporting areas.

D. Any travel outside of the normal reporting area or to national or regional meetings must be approved by the Area Supervisor or Director and may require a separate AD-202.

E. Livestock and Seed Program Notices set policy on the current procedure for authorizing and approving travel. Authorized approving officials must approve on a case-by-case basis travel involving situations noted below. Written justification is required for travel of this type and must be submitted to your Area Supervisor and Washington D.C. 30 days in advance of travel. (*Special Note:* This includes employees traveling on an annual authorization.)

1. A combination of business and personal travel requires a constructive travel cost comparison statement.
2. Annual leave taken during an official trip requires a constructive travel cost comparison statement.
3. Deviations for personal convenience from the normal mode of transportation or itinerary require a constructive travel cost comparison statement.
(*Example:* Employee elects to drive POV in lieu of using common carrier.)
4. Travel to resort areas requires a written justification.

5. Request for Actual Lodging expense that exceed the lodging rate for that area.

III. TRAVEL VOUCHER SUBMISSION

All travel vouchers are to be electronically submitted to the Washington, D.C. office for approval, in addition send a copy to your Area Supervisor. This will allow electronic entry of travel directly to NFC, which is less costly and shortens reimbursement time. The original voucher and supporting documentation and receipts should be filed at the local field office. If the voucher is audited by NFC the original voucher and all documents will be forwarded to Washington D.C. for submission to NFC.

IV. CHANGE OF OFFICIAL DUTY STATION VOUCHER SUBMISSION

The original voucher and all original documents for move vouchers must be submitted to the Washington, D.C. office for approval and in turn will be forwarded to NFC. Travel regulations concerning changes in official duty stations will be provided by Washington, D.C. office. Form AMS-4 must be submitted to Washington, D.C. before any move expenditures are incurred. Upon submission of AMS-4, an AD-202 will be prepared to authorize move expenses.

OFFICE ADMINISTRATION

Reproduction of Reports and Data

I. PRINTED, FACSIMILE, AND ELECTRONIC REPORTS

A. Reports

1. A limited number of market reports can be furnished to the news media at our expense provided the information is being used for dissemination to the general public. In Federal-State programs, the cost of disseminating these reports will usually be the responsibility of the State. Dissemination of reports to individuals, statisticians, other Government Agencies, universities, and consulting firms will be provided only if a stamped, self-addressed envelope is furnished.

2. Dissemination of reports from other Agencies is discouraged. These reports are available from the appropriate Agency.

B. Procedures for Copying and Disseminating Information

1. *Copy Requests:* When a request for information requires photocopying, fees shall be charged in accordance with the Department's fee schedule in Exhibit B to AMS Instruction 160-1.

CHARGES FOR COPYING:

Back copies of publications	\$1.50/copy
Paper copies.	25 cents/sheet plus clerical cost
Copy of diskettes	\$25 for 1 st disk, \$10/additional disk
Emailed data files	\$25 for 1 st 2 MB, \$10/additional 2 MB

2. *FedEx:* Information will be sent by Federal Express only if requester has a FedEx account number, or VISA or MasterCard.

3. *Fee Waivers:* Fees shall be waived when individual charges are less than \$3.00. Copies will be provided without charge to foreign governments; international organizations; local, State, and Federal Government organizations; and nonprofit activities designed for the public safety, health, or welfare.

If a fee is to be charged, inform the requester in advance of the amount payable, and if possible, collect the fee in advance. Checks or money orders shall be made payable to: USDA/AMS. Offices that don't have standard subscription account systems will forward checks and money orders to Washington headquarters for processing.

If you have any questions regarding the waving of fees, contact the Washington Office.

C. Mailing Lists

1. For Official Use Only: Mailing lists for the distribution of printed reports are for "official use only" and are not to be furnished to any individual, firm, or organization. If the person requesting the information is persistent, contact the Washington Office for guidance.

Government publications, including market reports, are not copyrighted and may be reprinted in whole or in part without special permission. Credit as to the source of the material is desirable.

2. Establishing a mailing list: No mailing list of any kind will be established without prior approval by the Director.

REPORTS ADMINISTRATION AND DISSEMINATION

Dissemination

I. PRESS AND COMMERCIAL NEWS DISPATCHES

A. Policy and Cooperation

All offices will contact local press associations, newspapers, and other media to secure dissemination of market news information. To the extent possible, necessary adjustments will be made in style, length, and issuing time of the reports to best suit the purpose of the disseminating agencies. Market reporters generally are better qualified to edit market reports than commercial disseminating agencies. No change will be made in the issuing time of a report without prior approval of the appropriate Area Supervisor. Arrangements will be made for the most desirable and efficient method of transmitting the report to the media contact. Transmission of reports to press associations and to some newspapers will be largely by telephone; however, increased use of electronic transfer and facsimile should be utilized. Most offices mail summaries of the local trade to the smaller newspapers in their areas. Periodic checks will be made to see in what manner the various disseminating agencies are releasing the reports furnished them.

B. Credit Line

The simple credit line inserted within the report (USDA or Federal-State) will identify the report as being an official report prepared by a representative of the LS Program. Disseminating agencies should be encouraged to use this identification. However, they should be informed that this credit line is to be used only on reports that are reproduced as they are released by the Market News office.

II. RADIO, TELEVISION, AND AUTOMATIC TELEPHONE ANNOUNCEMENT SYSTEMS

A. Policy

All offices will give their fullest cooperation to radio and television stations in their area by providing reports on the livestock, meat, grain, and wool trade for broadcasts and by appearing on programs. Considering the importance of broadcasting, it will be the responsibility of each Market News office to contact area program directors of radio and television stations, offering to cooperate fully in disseminating news of the livestock, meat, grain, and wool trade. Such cooperation will include providing adequate market reports, reporters appearing on programs when so requested, and offering practical suggestions to facilitate the program.

B. Voicing Market News Reports

The Organic Act that established the USDA gave it duties "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, in the most general and comprehensive sense of that word...." This statement is designed to suggest some guidelines to personnel of the Agricultural Marketing Service about voicing market news reports.

1. Voice Opportunities: Market News personnel should take the initiative in seeking out ways to diffuse the information they have acquired. They should make it known that they are ready at all times to respond to any reasonable invitation that will help get this job done more effectively. This may include voicing market news on a local radio or TV station, telephoning it to a station in another city for recording, or cooperating in other ways to get the information out promptly and accurately.

2. Precautions: Such a policy risks some pitfalls that should be recognized and avoided, if it is to be carried out successfully.

AMS employees should not be publicly identified with a radio or television station in any manner that suggests they are employees of the station. They should not voice commercial announcements nor endorse commercial products, nor do anything that might imply the Government is endorsing one station or program or product over another. Employees shall avoid any activity or statement that would imply favoritism or unequal treatment.

Many stations employ radio or television farm directors, organized into regional associations and a national association. Sometimes the farm programs are among the first to be dropped in times of general retrenchment. USDA and the colleges over the years have probably contributed to the establishment of such positions by stimulating an interest in farm news and supplying the material for farm programs. We depend on many of them as outlets for our material and should try to assist them in obtaining and disseminating our information.

Ordinary prudence suggests that we should stay alert to situations where we may make an enemy of one of these directors, by implying in any way that a Government employee is their rival or competitor.

We should make every effort to convey that we are ready to help and be of service. In other words, Market News people can very well respond to invitations to voice Market News material directly or through tapes--and make it known that they are available. However, they should not carry it to the point of making the station feel they are pushing themselves in or pressuring the station to let them voice material.

In any discussion with media representatives, and especially when pointing out errors or misstatements, employees should make it clear that they recognize the freedom of the press (including radio and television). They should never give the impression that they are "telling" the station, or the newspaper, what it can or cannot do--or even how it can or cannot handle the market news we supply. If we feel it necessary to correct them, we should do so tactfully on the assumption that the mistake was an oversight and that the station reporter or broadcaster wants to be fair and accurate. We can suggest, but we cannot demand.

III. PREPARATION OF REPORTS

In preparing material for radio, reporters will keep in mind that the information is for the *ear* as contrasted with news copy written for the eye. Use simple language, avoid long sentences; talk as though you were telling a friend about the day's trade. Market News personnel reporting the market on TV should be appropriately dressed and use visual aids such as simple price charts and photos as much as possible.

IV. AUTOMATIC TELEPHONE ANNOUNCEMENT SYSTEMS

Reporters should encourage and promote installations of telephone recording systems with private sponsors wherever possible. Automatic telephone answering devices are in the best interest of the public and of AMS, for they provide faster, more current service to our users and they often cut down our manpower requirements for answering requests. (*See sidebar, "Sponsorship of Recorded Market News".*) A directory of offices with automatic telephone announcements systems, along with telephone numbers, will be published monthly (or as space permits) in the Livestock, Meat, and Wool Market News Weekly Summary and Statistics and Grain and Feed Market News Weekly Summary and Statistics. There are several Federal/State programs that utilize "800" numbers and touch-tone specific reports for various commodities. These systems are very comparable to regular number or one line "800" numbers; however, multiple messages can be disseminated at the same time. Recorder messages should be brief and to the point.

SPONSORSHIP OF RECORDED MARKET NEWS

The use of automatic telephone answering devices is definitely in the best interests of the public and of AMS. They provide faster, more current service to users and they often cut down personnel requirements for answering requests. They should be encouraged in every possible way.

In brief, our policy should be as follows:

Sponsorship by private organizations--whether commercial or profit--is within the public interest.

Voicing of the market news data itself may be done by either a Market News reporter or by the sponsoring organization.

Identification of the sponsor's name may be included in the recording--*provided* the identification is *not* voiced by a Government employee.

Obviously, no Government employee can receive outside reimbursement for voicing the market news

These instructions are consistent with current USDA rules for the broadcast of market news by AMS personnel, and must be adhered to.

- ! Identify yourself and the Market News Service.
- ! Speak clearly and at a normal rate. Pause between commodities.
- ! Keep the message brief by eliminating unneeded qualifying terms.
- ! Establish an orderly sequence or pattern for the message.
- ! Specify the date and time when the recording will be updated and use it routinely.
- ! Update the recording on time.
- ! Listen to the recording and check for errors.

V. APPEARING ON SPONSORED PROGRAMS

While the policy of the Department permits USDA employees to provide market news on commercial broadcasts, the Department insists that neither the broadcasts nor the commercial announcements shall imply Government or Department endorsement of the advertiser, their product, or service. Neither shall it be stated or implied that the sponsor does the *actual reporting*, has the reporting *done* for them, or has overall responsibility for the compilation of the information used. Further, it is desired that credit shall be given to USDA-AMS or to the Federal-State market news service. The USDA or the Federal-State arrangement provides the reports; the sponsor provides the *facilities*.

The most acceptable method of presenting market reports in a sponsored broadcast is to have station personnel make commercial announcements without reference to the market news which follows or precedes it. Another satisfactory method is to have station personnel present the commercial announcement and conclude with the statement that the AYZ Company is pleased to provide facilities for the presentation of USDA or Federal-State market reports on livestock and grain, etc.

Any question that may occur to a market reporter about the propriety of participating in commercially sponsored programs on local stations or local or regional networks because of conditions or situations not considered in "good taste" should be referred to the Washington Office for approval.

REPORTS ADMINISTRATION AND DISSEMINATION

Market News Communication System

I. REPORTS RELEASED

No report should be released before prior approval of the Washington office. New reports will be assigned ID number by Washington for identification purposes and for electronic transmission. Please notify the Washington office when reports are discontinued so they can be deleted from the communication system. Complete list of reports located at: <http://www.ams.usda.gov/LSMnpubs/allrep.htm>.

II. COMPUTER OPERATION

The officer in charge of the Market News office is responsible for ensuring that the computer is in service during regular office hours. All employees in the office should be trained to operate the computer in order to provide uninterrupted transmission of reports and messages during periods of annual leave or emergency absence. This includes sending and receiving market information, messages, and entering data into the Oracle Database.

III. TRANSMISSION SCHEDULE

The Market News Support Unit (MNSU) has overall responsibility for supervision of the Backweb and BW_USDA client software which is used to transmit and receive market reports. Each Market News office is assigned a filing schedule for regular reports.

Daily Reports: The scheduled filing time for dissemination of reports from each office will be followed as closely as possible. These schedules have been developed through experience in reporting each market and reflect the earliest time at which trade has normally progressed sufficiently to allow the preparation of designated reports. On any day when trade develops earlier than usual, reports should be prepared as soon as adequate information has been obtained and the report filed ahead of schedule. If marketing practices change or for other reasons it regularly becomes impossible to file reports near the scheduled time, the reasons and recommendations for a schedule change should be suggested to the Area Supervisor. Radio stations, press services, and market agencies need to receive specific reports at the customary time. Therefore, it is necessary that reports be filed on schedule if they are to be of maximum benefit to the industry.

IV. LOCATION OF INFORMATION FOR PUBLIC VIEWING

Each Market News office will provide a convenient place and means of making market reports available to press representatives, trade members, and others who visit the office.

V. COMPUTER SYSTEMS SECURITY

Whenever an employee leaves his/her desk temporarily their computer system should be locked. This can be accomplished by pressing Ctrl/Alt/Delete, then select the option to Lock Computer. This will prevent others from accessing the computer while the owner is not present at the computer. The computer can be unlocked by pressing Ctrl/Alt/Delete, enter the NT password, and then press Ok. All employees should disconnect from the network when leaving the office for the day. In inclement weather areas, it is advised that computer systems be powered off at the end of each business day. All employees should change their NT passwords at least every ninety days.

When employees leave Market News notify personnel in Washington so their NT, Outlook and dial in accounts can be deleted.

VI. USE OF GOVERNMENT OFFICE EQUIPMENT

Government office equipment (which includes e-mail and the Internet) is an important tool for carrying out the programs and activities of AMS. These resources provide for quick and efficient communication and access to a wealth of useful information. Under this policy, AMS employees have certain privileges and responsibilities. By authorizing limited personal use of Government office equipment, AMS regards its employees as responsible individuals, capable of balancing this privilege with Agency expectations.

Please refer to AMS directive 3300.1 located on the AMS Intranet site for additional information concerning use of government office equipment: <http://insideams.ams.usda.gov/>

PREPARATION OF REPORTS

General Policy

I. REPORTING GUIDELINES

Reporters are responsible for compiling a record of important transactions of a specified market or marketing area. Compiling such releases and related statistical data requires an accurate evaluation of a cross section of the trade. The reporter must include factual data on supply, demand, trade activity, price trends, volume, and quotations by class, grade, and/or weight. Reporters must gain and hold the confidence and respect of trade members (1) by proving their ability to retain confidential information and (2) by establishing a reputation for fair and equitable treatment of all members of the trade. The reporter should strive to have the trade recognize that they are rendering a service and are seeking information for reporting purposes. Complete reporting of all transactions should be encouraged from all segments of the industry. Information gathered from a wide portion of the industry broadens the reporting base, lends integrity to our reports, and provides for a better report. Each reporter should be able to intelligently discuss the overall market situation and marketings, not only in the area of the individual market reported, but also at other markets throughout the country. A reporter should not attempt to be dictatorial or predict the future of the market but should be able to intelligently discuss forthcoming market directions. Reporters may trade information but should be careful never to reveal a sale prematurely, and at no time should a reporter reveal confidential bids or asking prices. If a reporter reveals confidential information or releases it prematurely, the result will be lack of trust and confidence on the part of trade members, making it doubly hard for the reporter to gain any information until it has become common knowledge. A reporter may use confidential information in the preparation of reports if by so doing it does not reveal situations or conditions that would be detrimental or objectionable to the informant.

II. POINTS TO BE KEPT IN MIND

- A. All reports released by market news offices are official Departmental documents. Therefore, the dignity of the Department will be maintained in preparing reports. Reporters will also exercise great care to see that official grade standards are applied accurately. Uniform terminology increases the nationwide value of the reports. The use of undefined or nonstandardized terms often makes reports confusing. Printed reports are frequently certified under the seal of the Department of Agriculture for use as evidence in court proceedings.
- B. The reports are widely disseminated to all classes of readers and listeners--many of the people may not understand or have a clear conception of the meaning of many terms commonly used by trade members.
- C. The reports are designed to serve many people who may not readily understand or

interpret the many-syllable words sometimes used by market writers.

- D.** Short sentences and short paragraphs dividing the various classes make the report more readable.
- E.** Uniform and consistent use of official class and grade terms will promote better understanding among producers and trade members, enhancing the value of market reports and broadening the field of service.
- F.** Avoid emphasis on insignificant statistics.
- G.** Use the everyday language of producers or other people served by the reports; avoid terms common only to the local market.

III. PHRASEOLOGY

Reports will be phrased in clear, positive, and precise terms leaving no doubt as to the intended meaning. Ambiguous terms and expressions will be avoided. All reports and correspondence will be carefully reviewed before release to eliminate errors and to correct faulty phraseology. When reports are released by telephone, the recipient should read back the report to assure that a correct copy is received.

IV. UNNECESSARY WORDS

It is often possible to condense reports and improve dissemination and readability by grouping sales of similar weight, price, and grade rather than by listing numerous sales separately. By framing the report mentally or on paper while the information is being collected, the reporter can write or dictate quickly, using the least number of words. The result is more accurate and concise reports. Reports will be edited to eliminate unnecessary words and improve style and meaning without adversely affecting the value of the report or delaying its release.

V. REPORTING

Reporters may use discretion to exclude sales or purchases that are substantially above or below the general price range for the day. However, before excluding these lots the reporter should make an effort to determine why the price falls outside the generally established price range to be able to explain to industry members and others why a price is not used. Market reports should reflect prices paid in the market and reporters should not try to establish the market or influence price levels. Reporters should encourage buyers and sellers to cooperate and to assist them in making accurate appraisals of supply, demand, trade activity, trends, prices, volume, and significant features of the day's trading. After covering their assigned areas, reporters should carefully evaluate the information received before compiling a report. The reporter should ensure that reports reflect a complete and accurate picture of market conditions and they are not geared to satisfy or cater to individuals or groups. Prepare reports in an interesting and factual

manner; however, descriptive trade terms, as well as official grade names, are required to be uniform and accurate so that market news reports will convey the same meaning in all sections of the country. The report should be prepared in a manner that would allow average producers to evaluate and determine the approximate value of their livestock, grain, or hay by using the market reports. Prices derived under conditions that are not normal for that market should be omitted unless the conditions are specified.

A. Daily Reporting

Reports will describe market conditions existing up to the time the report is filed. Later releases should include any pertinent information not included in the previous release. Such events as storms, floods, fires, strikes, embargoes, and any other event or situation that may cause abrupt changes in receipts or price trends will be included in market reports along with appropriate and careful explanations. When abrupt changes occur for no readily recognized reason, every effort should be made to learn the cause. However, reporters should avoid repeating rumors and making assumptions without sound basis.

B. Weekly Reviews

These afford the opportunity for a more objective and complete analysis of current market conditions. Monday's developments in the trade frequently appear somewhat different when viewed from Thursday's perspective. Additional facts are often available for consideration and for a reappraisal or expansion of comments previously reported. Factors such as weather, pasture and crop conditions, seasonal livestock movements and marketings, exports, feed-price ratios, shifts in demand, and any other factors having a significant influence in the market area will be considered and appropriate comment included.

VI. REPORTS IN DIRECT OR COUNTRY BUYING AREAS

Price data, trends, and volume in direct trading are obtained by telephone and/or direct contact with buyers or sellers. Reporters at offices in such areas must follow up by frequent visits to packing plants, buying stations, or ranches and feedlots to observe methods of trading and character of receipts. Accounts of sales at plants, feedlots, and buying stations will be reviewed periodically to assure the accuracy of the report received by phone. Contract sales with prices fixed on an indefinite figure can be reported if the reporter knows the volume traded, approximate delivery date, and conditions of sale. If the reporter is unable to quote the actual sale, contract sale volume figures may still be added to the current week's movement figures to present a clearer picture of the total movement within the area. Contract volume should be specified by number and/or percentage.

VII. AUCTION MARKET REPORTING

The operations of auction markets vary among themselves; consequently, reporters will have to fit their methods to the type of auction being covered. In doing this, the reporter should adhere to established market news policy and procedure. Reporters should observe enough sales of each class to obtain a complete cross section of the trading. However, the reporter should not report auctions strictly by tabulating observed sales. Reporters should interview as many trade members, producers, and others as possible -- before, during, and after trading -- and combine information obtained from the trade with the data derived from sales observed. The problem of "passed out" livestock at auctions varies from market to market, but livestock passed out with no sale shall not be used in the report. "Bid in" or "buy back" livestock fall into the same category and shall not be reported. Use caution when quoting individual head sales in the report. The report should cover the bulk of the cattle trading at the auction to reduce abnormally wide price spreads. Individual head sales that are more than \$1 above or below the bulk of sales should not be reported. Refer to feeder and slaughter cattle sections for procedures to be followed where weighted average programs are used.

VIII. OTHER SOURCES OF INFORMATION

A. Other Market News Offices

Many commodities are traded across reporting areas. When a reporter obtains market information vital to another area, the reporter should contact the appropriate office to pass on the information.

B. Publications From Other Government Agencies

Various Federal, State, or local government agencies, as well as universities and colleges, issue publications that may provide additional sources of information that can be used for background on the markets. Only official and USDA releases may be utilized in our printed reports or placed on telephone recordings. The source or a credit line shall be given for data originating from sources other than our Division.

C. Trade Publications

Conscientious reading of available bulletins and publications can provide a source of information that can assist you in evaluating market conditions and the performance of your duties.

IX. ACCURACY OF INFORMATION

Market News reports have an important influence on commodity trading, stabilizing markets, and directing the flow of commodities. The reports provide producers or receivers with factual information about prices and supply. Therefore, accuracy is of the utmost importance to Market News. (Each Officer-in-Charge is fully responsible for the accuracy of the reports issued by the office.)

A. Ensuring Accurate Reporting

1. Establish a large number of reliable contacts. Usually, there should be at least three contacts handling the commodity before a price is released. If the use of information from fewer firms seems necessary, the reporter must be sure that release of a report will be acceptable to those trade contacts involved.
2. Select contacts from all facets of the trade, especially from both sellers and buyers. Reporters should be alert and contact new individuals or firms entering into business.
3. Strive for consistency of price comparability.
4. Compare your market reports with those released by other Market News offices and by commodity exchanges.
5. Gain the confidence of your contacts so you will be given accurate information. Contacts should be visited periodically, at least once a year. These visits should be well planned, with an appointment made with the contact to assure availability.

B. Validating Prices

When a doubt exists as to the validity of any price information, the information must be verified before it is included in the report. If a price cannot be verified, the sale should be excluded from the market news report.

C. Working with Difficult Contacts

No general rules can be handed down for handling dishonest, misleading, or indifferent contacts. The market reporter must learn how dependable each source is in furnishing reliable market information. Market news reports should be impartial and reporters should not be influenced by trade wishes or motives in conflict with existing market conditions. Reporters should periodically, when practical, review sales slips or invoices to assure the information given to them is accurate.

X. COVERAGE

Market reporters should make every effort to develop and maintain adequate coverage of all commodities assigned to them. Reporters should encourage buyers and sellers to cooperate and to assist in making accurate appraisals of the market. The information obtained should include the following:

- ! Location and time that trading occurred
- ! Price and any discounts or premiums that may apply
- ! Tone or price trend of the market
- ! Volume of transaction, date of delivery, weight, or other conditions of sale such as slides, shrink, windows, etc.

Official USDA class and grade terms or specifications developed by the Division or Program as official terminology are to be used by reporters in describing livestock, meat, grain, and their related products covered by market reports. Exact terms of the official grade standards will be utilized and applied in market reporting. Local and indefinite terminology will not be used.

A. Grade Description

The following guidelines should be followed in determining the grade description of a livestock consignment for market reporting purposes. If the consignment includes 80 percent or more of one grade, the consignment will be considered a single grade lot and be described in the market report using the appropriate single grade term. If less than 80 percent of a consignment falls into one grade, the consignment will be considered as a mixed grade lot and all grades comprising over 10 percent of the consist will be used in describing the lot. Grade numbers should never be used in the plural form.

B. Capitalizing Initial Letter of Official Grade Terms

The first letter of each official grade term will be capitalized. Since words frequently used as descriptive adjectives in the reports are often the same as grade terms, such as commercial feedlot, etc., the practice of capitalizing the first letter of grade names will reduce the likelihood of confusion.

PREPARATION OF REPORTS

Market Terminology

Normally, the introductory paragraph of the market report should contain information that describes market conditions and other factors that affect trade or prices. When used, the terms described below should be placed in the following order: receipts, trend, demand, and trade activity.

I. RECEIPTS/SUPPLY/OFFERINGS

These terms may be used to indicate the actual or estimated deliveries of the particular item being reported. "Total receipts" refer to all products or commodities offered for whatever purpose. "Receipts" indicate the number of the particular item available for sale on a particular day at each market regardless of whether it is received at the market that day. Generally, the "receipts" include holdovers from previously counted or estimated supply. Acceptable terms to be used in reference to the supply/offerings are: "light," "moderate," and "heavy."

II. DEMAND

Demand may be described as "very good," "good," "moderate," "light," or "very light" in relation to what is considered typical or normal demand at each market or marketing area for the day or period, allowing for seasonal changes. In evaluating demand, the reporter will bear in mind that a good demand might exist for certain grades, weights, or classes, while at the same time, others are in light demand. A reporter should be currently informed as to the nature of demand as indicated by the estimated proportions sold to local packers, order buyers, feeder dealers, grain elevators, processors, and etc. Indicated shifts in the needs of the various buying interests could well be a forewarning of a changing market. Demand should not be confused with "market activity." An active trade at firm to higher prices for light supplies does not necessarily imply a better demand than existed the previous day for larger supplies. Neither does a slow trade at weak-to-lower prices on heavy supplies mean a light demand, since the price level may be influenced by expansion of the supply rather than by contraction of demand.

III. TRADE ACTIVITY

Information will be obtained on the relative rapidity or slowness with which sales are being made, and the reporter also should observe and comment on any material changes in the pace of trading as the trade progresses through the day. However, it is not necessary to mention trade activity in all reports unless there is a change from the normal activity at the market.

Aggressiveness of buyers in seeking supplies, attitude of sellers toward disposing or holding their supplies, and other signposts can indicate what the activity will be. Such terms as "active," "moderate," "slow," and "inactive," usually are used to indicate the degree of action in relation to the normal activity of a given market or marketing area. Trade activity should be given before price trends. However, in some instances such as an active market at .50-1.00 lower prices, it is equally factual and more understandable to the producer to write the report, ".50-1.00 lower but active at the decline." Trading activity is hard to define in direct and auction reporting areas and is often confused with demand and therefore should be avoided.

IV. TRENDS

Trends should describe the difference in the present general price level in relation to the last market day when a sufficient volume was available for a comparison. Although price comparisons become more difficult to ascertain for auctions held less frequently than weekly, industry members will benefit from this information. The report should reference the date or time period when the trend is called for periods that span more than a week. Trends will be based on bulk prices for the most part. The quality of the commodity should be taken into consideration when establishing trends. Formulating a trend based on the comparison of the top and bottom quotations does not necessarily depict the true market. Sales outside the normal range usually have little influence on the trend. Daily trends will be made on each class represented but may be grouped together when they are the same. During periods of unusual circumstances, a clearer picture can often be presented, particularly on Monday, by adding a comparison of prices for a week ago. Some appropriate terms for use in describing price trends are "steady," "firm," and "weak" when no measurable amount of advance or decline has occurred. When the terms "higher" or "lower" are used, the specific amount of the advance or decline should be shown. The amounts so reported usually will be approximately the same as the increase or decrease recorded in the detailed quotations or weighted average from 1 day or period to the next. Weekly trends will be compared with the closing prices of the previous week regardless of the fluctuations during the week. Comments on the fluctuations may be useful if the trend was uneven. Occasionally, comments on long-range price comparisons in a weekly summary may provide a better understanding of the general situation. However, caution should be exercised so as not to confuse commentators scanning our reports during a broadcast.

V. PRICES AND VALUES

Care will be exercised in using the terms "price" and "value." The "prices" at which livestock and grain and their related products are sold are not necessarily their "value." The terms are not synonymous and must not be used interchangeably.

VI. REFERENCE OUTLINE FOR MARKET NEWS TERMINOLOGY

A. **Market** - A term with several meanings.

- ! A geographic location where a commodity is traded.
- ! The price, or price level, at which a commodity is traded.
- ! (Verb) - To sell.

B. **Market Activity** - The pace at which sales are being made.

- ! Active - Available supplies (*offerings*) are readily clearing the market.
- ! Moderate - Available supplies (*offerings*) are clearing the market at a reasonable rate.
- ! Slow - Available supplies (*offerings*) are not readily clearing the market.
- ! Inactive - Sales are intermittent with few buyers or sellers.

C. **Price Trend** - Refers to the direction that prices are moving in relation to trading in the previous reporting period(s).

- ! Higher - When the majority of sales are at prices measurably higher than the previous trading session.
- ! Firm - Prices are tending higher, but not measurably so.
- ! Steady - Prices are unchanged from previous trading session.
- ! Weak - Prices are tending lower, but not measurably so.
- ! Lower - Prices for most sales are measurably lower than the previous session.

D. **Supply/Offering** - The quantity of a particular item available for current trading.

- ! Heavy - Volume of supplies is above average for the market.
- ! Moderate - Volume of supplies is average for the market being reported.
- ! Light - Volume of supplies is below average for the market being reported.

E. Demand - The desire to possess a commodity coupled with the willingness and ability to pay.

! Very Good - Offerings or supplies are rapidly absorbed.

! Good - Firm confidence on the part of buyers that general market conditions are good.

! Moderate - Average buyer interest and trading.

! Light - Demand is below average.

! Very Light - Few buyers are interested in trading.

F. Mostly - The majority of sales or volume.

G. Undertone - Situation or sense of direction in an unsettled market.

VII. EXPRESSIONS TO BE AVOIDED

! *Demand Lacking*: Avoid --since demand is still present if any buyer is willing to purchase at a price, even though the price is not one that the seller is willing to consider.

! *Nothing Done*: If salesmen have sorted or otherwise prepared the product for sale and/or have indicated tentative prices at which they are willing to entertain bids, it is a misnomer to say that "nothing has been done," even though no sales have been made. More appropriate would be to state "no early sales" or "not enough sales by 11:00 to establish price trends."

! *Trade Demoralized*: Trade is not "demoralized" unless the supply so greatly exceeds demand that sellers find it impossible to make sales, except at levels very decidedly below prices that general conditions at that given time would normally warrant. Even then, the shipper may have options for holding the commodity over for another day, forwarding to another market, or taking the commodity back to the farm or ranch. Thus, unless general, nationwide conditions indicate a drastically and rapidly declining economy, use of the word, "demoralized" should be avoided. A statement that supplies are considerably in excess of current local demand, and if available, the probable volume that failed to move out of first hands will be used as a more accurate and factual description of conditions.

- ! *Demand as a Substitute for Trade Activity:* The term "demand" should not be confused with market activity. Do not use such expressions as "demand slow" or "demand active." Do not use the phrases "market improved" or "market more attractive." If the market was "improved" or "more attractive" to a seller, then very probably the reverse would be true to the buyer. More factual would be statements such as "market active," "demand good," "price trend firm on heavy supply."
- ! *Lower Grades, Under Grades, etc.:* Do not use these expressions unless they are connected with a statement such as "Choice fairly active, steady, lower grades, etc." Conversely, it may be acceptable to write "Standard and Select slow but higher grades fairly active." It is generally preferable to use specific grade terms, e.g., Choice and Prime, instead of Choice and better, or Standard and Select, instead of Select and below. The phrases "middle grades" and "in-between grades" should not be used.
- ! *Desirable and/or Undesirable Kinds:* Whether a product is or is not "desirable" depends upon (1) the use to be made of it and (2) who is supposed to find it "desirable" or "undesirable," as the case may be. Usually, there is an outlet for every class and grade. If distinct preferences exist for certain classes, weights, or grades, such preferences should be described to the extent that they are significant.
- ! *Butcher Cattle:* The expression "butcher cattle" is too broad. The specific classes and grades of slaughter cattle will be mentioned. The term "killing cattle" also is objectionable. "Slaughter cattle" is preferable.
- ! *Fat for Slaughter Livestock:* The term "slaughter" should be used rather than "fat" when referring to livestock intended for immediate slaughter.
- ! *Similar Grades:* The terms "same grade" or "same grades" will be used, or the grade terms will be repeated for the sake of clarity to indicate which grade or grades are involved.
- ! *Grassy or Grassers:* In referring to cattle marketed directly from range or pasture areas, the term "grass cattle," along with the appropriate grade term, may be used. Generally, the grade terms alone will suffice without the use of "grain fed" or "grass cattle." "Grassy" or "grassers" will not be used.

- ! *Quality*: Quality is an important grade factor, but should not be used solely as a descriptive term in market reports. Phrases such as "quality below that of yesterday" mean little to anyone outside the immediate area. It would be more appropriate to say "Select to average-Choice slaughter steers predominated."
- ! *Moderately Active to Slow*: This expression adds nothing to the report. If the market on certain classes, weights, or grades is active or slow, or if the market is active or slow, early or late, or in certain areas, this activity should be mentioned but the expression "moderately active to slow" should be avoided.
- ! *And Below - Or Above*: Occasionally, a reporter may not be sure of the lowest or highest price on a class of livestock, and a few have used such expressions as \$50.00 and below, or \$70.00 and above, or Canner \$30.00 down. These expressions should be avoided because they do not tell how far above or below. The same applies to such expressions as "or more" and "or less" when reporting price trends.
- ! *Odd Head*: Avoid use of this term. Use "individual," "selected head," "few head," or the actual number.
- ! *Rates for Prices*: Since many livestock producers associate the term "rates" with charges made by stockyard companies or selling agencies, the use of this term as synonymous with "prices" should be avoided.
- ! *Gain for Advance*: "Gain" or "gains" are commonly associated with increase on weight during the feeding period. "Advance," "upturn," or "higher" are preferred when reporting price trends.
- ! *Loss for Decline*: Here again "decline," "downturn," "lower" are preferred.
- ! *Several Types of Writing to Avoid*: Avoid flamboyant language--long or unusual terms not ordinarily used by the average reader of a market report; long, involved, and cumbersome sentences; purely localized expressions or slang.
- ! *She Stock*: This is one of the many terms carried over from an earlier era and still used by some members of the trade in referring to cows and heifers. The specific class names are preferred.

- ! *Steady to .50 cents to \$1 Higher (or Lower)*: Instead state, "steady to \$1 higher," "mostly 50 cents to \$1 higher," or "few early sales steady, bulk 50 cents to \$1 higher."
- ! *"Market" for "Trade" or "Price"*: The term "market" is used in many ways in the livestock, meat, and wool trade. Instead of "market active," it is preferable to state "trade active."
- ! *Choice Load*: Use of such expressions as "Choice load 1100# Yield Grade 3 slaughter steers: should be avoided. Preferred usage: "Load Choice 3 1100# slaughter steers."
- ! *Lightweights, Heavyweights, Handy weights, etc.*: Actual or estimated weights will be used and such expressions as "lightweight," "medium weight," "handy weight," "strong weight," "heavyweight," will be avoided.
! *Supplies Adequate*: Adequate will not be used solely as a description of supplies. Supplies "heavy," "moderate," and "light," in conjunction with a description of the demand or activity, will be used. "Demand adequate" should also be avoided.
- ! *Were Reported or Were Quoted*: Such phrases are merely extra words with little meaning and are not accurate since we are doing the reporting.
- ! *Steady to \$1 Higher or Lower Than Earlier*: If the trend changes from earlier, a complete trend must be given. For example, "*prices steady through midsession but late sales \$1 higher.*"
- ! *Fed 150 Days*: Such phrases are unnecessary since rate of feeding varies widely. The appropriate grade will suffice.

PREPARATION OF REPORTS

Slaughter Cattle Report

I. MANDATORY REPORTING

Under the Mandatory Reporting Act of 1999, all Packers that slaughter over 125,000 head of cattle annually must submit information to USDA Market News regarding all negotiated, formula and forward contract sales, including packer owned cattle and information on daily committed and delivered numbers.

A. Confidentiality Guideline - In order for a report (regional or national) to be published, at least 3 companies have to submit data 50% of the time or more over a 60-day period. No one company can account for 70% or more of the cumulative market volume for any individual report over a 60-day period. In cases where only one company submits data for individual reports, the same company can not be the sole reporting entity more than 20% of the time during a 60-day period. This guideline is commonly referred to as the 3/70/20 rule.

B. Definitions

1. **Negotiated purchase** - A cash or spot market purchase by a packer of livestock from a producer under which the base price for the livestock is determined by seller-buyer interaction and agreement on delivery day. The livestock are scheduled for delivery to the packer not more than 14 days after the date on which the livestock are committed to the packer.
 - a. **Negotiated Cash** – This agreed upon price is a final fixed price that will not change.
 - b. **Negotiated Grid Base** – The original base price negotiated between buyer and seller when the deal is struck.
 - c. **Negotiable Grid Net** – The final net price paid to the producer after premiums and discounts have been applied to the negotiated grid base.
2. **Forward Marketing Arrangement** – The advance commitment of cattle for slaughter by any means other than through a negotiated purchase or a forward contract using a method for calculating price in which the final price is determined at a future date. The original base price may or may not be known at time of slaughter – only the mechanism of arriving at the base price may be known.

- d. **Formula Base** – The base price is not negotiated but is based on some other price (such as plant average or weighted average price) or value determining mechanism that may or may not be known at the time the deal is struck. The final net price is determined after application of premiums and discounts. The producer normally has few, if any options, concerning the pricing once formula agreement as been reached.
- e. **Formula Net** – The final net price paid to the producer after premiums discounts have been applied to the formula base price.

3. Forward Contract – Forward contracts are those purchases based on the CME and a very limited number based on other futures type pricing mechanisms such as the Mid-America Exchange, the Chicago Board of Trade, and other futures trading exchanges where the price is available for months in the future and a price can be locked in at any time based on those prices. Forward contracts may also include a straight cash deal for delivery in excess of 14 days.

- a. **Forward Contract Base** – The beginning price based on some future publicly reported price (usually the CME). The final net price may or may not be adjusted by applying premiums and discounts.
- b. **Forward Contract Net** – The final net price paid to the producer after any adjustments have been made to the forward contract base price.

4. Packer-Owned Cattle – Cattle that a packer owns for at least 14 days immediately before slaughter.

C. Price Spreads - Reporters will search through all data and sort out any information that appears out of line. Price spreads should be kept as narrow as possible in order for them to be meaningful to industry, although reporters must use caution when excluding prices. Reporters may exclude a price if there are obvious errors in the data, if a price is significantly out of line from the latest established market, or if it represents a single transaction and in the opinion of the reporter, the price does not reflect the market. Reporters do have the discretion to sort and exclude data but it is important to remember a valid reason must be given for each transaction a reporter excludes.

D. Narratives -A commentary will be added on all negotiated summary reports. This commentary may include trade activity, demand, supply, volume, price trend, and price range. The price range should also indicate at what price the bulk of the trade took place. Reporters must be careful not to speculate or release any information that does not meet the confidentiality guidelines. All information submitted by packers to Market News is confidential and cannot be released to anyone unless it appears on a report.

E. Slaughter Cattle Weighted Average Reports - A weighted average is a mean value made up of varying prices, weights, and head counts to assign a single weighted price or weight. Weighted average reports are widely used by industry in a number of ways to make daily marketing decisions. Many companies use the averages as an accurate gauge of current live cattle prices, weights and sales volume. Consequently, they are a very important part of Market News' output.

The direct trade areas that make up the 5-Area Slaughter Cattle Weighted Average Report are: Colorado; Iowa-Minnesota; Kansas; Nebraska; and Texas-Oklahoma-New Mexico. The weighted averages are computed by using information provided by the packer. It should be noted that weights used in the report could be estimates provided by the packer. Although the averages are computer generated, a reporter should have a sound working knowledge of the principles involved in the computations. **See Exhibit A and B.**

II. VOLUNTARY AND AUCTION REPORTING

A. Volume of Sales Reported - For direct trade reports, reporters will collect prices and sales volume from feedlots only. The primary purpose of the voluntary reports is to indicate when trade "breaks loose" in a particular area. Volume included in the voluntary reports may not encompass all trades in the region but should provide the industry with supplemental information when trading begins. Complete sales volume will be provided by mandatory direct trade reports.

B. Price Spreads - Price spreads should be kept as narrow as possible on both voluntary and auction reports. Reporters can do this by reporting individual grades or by changing weight ranges. If a sale appears out of line with the current supply and demand situation, the sale will be ignored when formulating price ranges. Undue stress will not be placed on so called "top-sales", thus neglecting price comment on lower grades of cattle. All prices quoted will be dollars per hundred weight unless otherwise specified.

C. Narratives - Narratives on voluntary or auction reports should include detailed comments. Current conditions of weather, pasture and feed may be mentioned as well as comments used to more accurately describe price differences for slaughter cattle.

D. Designating Position Within Grade - Terms used to describe the upper, middle and lower third of each grade of fed cattle, calves, and vealers are “high”, “average” and “low.” Such terms will be written high-Choice”, “low Prime”, etc.

E. Sequence of Grade Terms - When prices are quoted for a combination of grades, the lower grade term will be used first in the sequence, such as “Select and Choice Slaughter Steers 71.50-72.00.” The inclusion of more than two grades in a single price spread will be avoided except in rare instances when price ranges are very narrow. When lower grades sell above higher grades, each grade will be quote separately. If yield grades are used, the numerical grades will be in ascending order such as Choice 2-3 Steers.

F. Descriptive Terms Used in Conjunction with Grades. - The terms “high dressing”, “gaunt”, “full, or other similar terms may be used to more accurately describe price differences for slaughter cattle. These terms will be used only as additional adjectives in conjunction with official USDA grade terms.

III. SLAUGHTER COW GUIDELINES

	Percent Lean	Weight
Breakers	75-80%	850-1200 lbs.
Boner	80-85%	850-1200 lbs.
Lean	85-90%	850-1200 lbs.
	85-90%	750-850 lbs.
	85-90%	Under 750 lbs.

Each office should adjust weight ranges so they are suitable to fit their particular markets. Offices should report only those cows where a significant supply exists. High and low dressing should be used when needed. Premium White Cows will be reported as supplies warrant. Also, sales that are extremely high or low should be avoided so that price ranges are as narrow as possible.

Exhibit A: Calculating Weighted Averages

If a plant turns in the following information:

Head Count	Avg. Weight	Avg. Price
10	1,250	\$71.00
23	1,290	\$69.25
47	1,195	\$71.75
90	1,300	\$70.50

To Calculate Weighted Average Weight use the following formula:

Sum (count x weight) ÷ Sum (count)

Head Count	x	Weight	= Total
10	x	1,250	12,500 lbs
23	x	1,290	29,670 lbs
47	x	1,195	56,165 lbs
<u>90</u>	x	1,300	<u>117,000 lbs</u>
170			215,335 lbs

Weighted Average Weight = 215,335 lbs ÷ 170 = 1267 lbs

To Calculate Weighted Average Price use the following formula:

Sum (count x price) ÷ Sum (count)

Head Count	x	Price	=	Total
10	x	\$71.00	=	\$710.00
23	x	\$69.25	=	\$1,592.75
47	x	\$71.75	=	\$3,372.25
<u>90</u>	x	\$70.50	=	<u>\$6,345.00</u>
170				\$12,020.00

Weighted Average Price = \$12,020.00 ÷ 170 = \$70.71

Only Steer and Heifer data will be used in the weighted average formula. Dairybred, Heiferettes, etc., will be used only in calculating the total Confirmed Head Counts.

Exhibit B: Example of Typical Daily 5 Area Weighted Average Report

5 AREA DAILY WEIGHTED AVERAGE DIRECT SLAUGHTER CATTLE - NEGOTIATED
Texas/Oklahoma; Kansas; Nebraska; Colorado; Iowa/Minnesota feedlots

Head Count: 22,431 Week Ago: 96,214 Last Year: 68,113
Week to Date: 236,726 Week Ago: 122,921 Last Year: 139,725

LIVE FOB BASIS - Beef Breeds					
	Head Count	Weight Range	Price Range	Avg Weight	Avg Price
STEERS					
Over 80% Choice	135	1,375-1,375	69.00-69.00	1,375	69.00
65 - 80% Choice	797	1,060-1,640	67.00-70.75	1,389	69.06
35 - 65% Choice	4,972	1,050-1,375	67.75-70.00	1,178	69.05
0 - 35% Choice	1,120	1,250-1,400	69.00-69.00	1,283	69.00
Total all grades	7,024	1,050-1,640	67.00-70.75	1,223	69.04
HEIFERS					
Over 80% Choice	1,645	1,275-1,325	68.00-69.50	1,293	68.96
65 - 80% Choice	687	1,200-1,325	68.00-69.00	1,241	68.63
35 - 65% Choice	2,198	1,075-1,300	69.00-70.00	1,135	69.24
0 - 35% Choice	236	1,175-1,175	69.00-69.00	1,175	69.00
Total all grades	4,766	1,075-1,325	68.00-70.00	1,207	69.05
DRESSED DELIVERED BASIS - Beef Breeds					
	Head Count	Weight Range	Price Range	Avg Weight	Avg Price
STEERS					
Over 80% Choice	1,033	828-859	108.00-109.00	837	108.61
65 - 80% Choice	740	650-880	106.00-110.00	801	108.71
35 - 65% Choice	2,151	700-880	106.00-109.50	751	108.84
0 - 35% Choice	-	-	-	-	-
Total all grades	3,924	650-880	106.00-110.00	783	108.76
HEIFERS					
Over 80% Choice	448	803-819	107.00-108.00	810	107.58
65 - 80% Choice	467	730-915	108.00-110.00	792	108.43
35 - 65% Choice	775	675-775	109.00-110.00	718	109.41
0 - 35% Choice	-	-	-	-	-
Total all grades	1,690	675-915	107.00-110.00	763	108.65
WEEKLY ACCUMULATED					
	Head Count	Avg Weight	Avg Price		
Live Steer	69,183	1,293	69.33		
Live Heifer	54,551	1,185	69.54		
Dressed Steer	38,402	844	108.12		
Dressed Heifer	43,462	769	108.88		
SAME PERIOD LAST WEEK					
	Head Count	Avg Weight	Avg Price		
Live Steer	35,131	1,292	68.30		
Live Heifer	39,051	1,188	68.46		
Dressed Steer	18,201	850	106.17		
Dressed Heifer	13,080	772	106.61		
SAME PERIOD LAST YEAR					
	Head Count	Avg Weight	Avg Price		
Live Steer	41,646	1,299	61.01		
Live Heifer	36,616	1,167	61.01		
Dressed Steer	18,811	851	99.97		
Dressed Heifer	16,594	764	99.82		

PREPARATION OF REPORTS

Feeder Cattle Reporting

I. REPORTING GUIDELINES

Livestock reporters are responsible for compiling a comprehensive record covering all facets of the feeder cattle trade, including direct trading, livestock auctions, video and internet auctions, and board sales. This data should represent a cross section of the day's or week's trade. Factual data should relate to supplies, demand, trading activity, and price trends on represented weights, grades, and classes of livestock. Reporters should recognize and maintain the "confidentiality" of this information in order to establish an unbiased position among the trade members.

Reporters should recognize that they are rendering a service to the industry and are seeking information for reporting purposes only. Reporters should willingly trade information with their sources. However, they should maintain confidentiality of the information at all times and not reveal information prior to the actual sale. Reporters should strive to establish a wide range of reliable contacts which will be used on a daily/weekly basis for compiling the market information. All information should be evaluated by the reporter before issuing the respective report to ensure the report accurately reflects actual market conditions at that time. Any significant factor which affects price changes, trading activity, or demand should be explained in the market report. These factors could include local weather, grazing conditions, sharp price changes in the Chicago Mercantile Exchange (CME), strikes, crop conditions, crop reports, etc.

II. TERMINOLOGY

It is standard procedure in all reports to identify why price differences occur when the weight and quality of an animal are similar and other conditions, cause the animals to sell at different price levels. In addition to frame size and muscling, descriptive terminology or other price determining factors such as flesh condition, fill, etc. may be necessary in order to help explain price differences or to narrow price ranges. Descriptions of flesh condition such as "thin", "slightly thin", "moderately fleshy", "fleshy", and "very fleshy" should be utilized to describe or explain price differences. The term "stocker cattle" may be used for thinner fleshed cattle or calves that are more valuable for grazing than for immediate shipment to feedlots. Using the calves or yearling comment is necessary to differentiate between calves and yearlings even when similar weights and grades are selling at or near the same price level. Yearlings are those cattle that are 12 months of age. Market reporters usually do not know the exact age of the cattle and must rely on the physical appearance of the animal to determine the age or in the case of direct cattle the information provided by the contact. The number of days weaned or vaccination records have no bearing on whether an animal is a calf or yearling. The weight division between calves and yearlings for market reporting purposes is 600 pounds. No comment is required on calves weighing less than 600 pounds, but all calves weighing more than 600 pounds must be identified as calves. Yearlings weighing less than 600 pounds will be identified on the reports as

yearlings and it is not required to identify yearlings weighing more than 600 pounds. At times thin, full, fleshy, or other approved comments may be more appropriate to describe the price difference and should be used in place of calves or yearlings.

In some areas, the point of origin is an important descriptive term in reporting feeder cattle and can be utilized in market reports. Examples include: Flint Hills of Kansas; high desert areas in Oregon, Gunnison Valley of Colorado, Texas Panhandle, etc.

A. FRAME SIZE & MUSCLING SCORE CATEGORIES: Usually, the bulk of the cattle will be reported under the *Medium and Large* frame category. The *Medium* frame category is useful in reporting predominantly English cattle that are expected to finish at a relatively light weight. The *Large* frame category is useful in reporting Holsteins, exotic, or crossbred cattle that are expected to finish at a weight over 1350 lbs. Single grade categories (ex. *Medium*) should only be used if at least 80 percent of the reported lot is of that category, otherwise mixed categories (ex. *Small and Medium*) should be used.

<i>MEDIUM AND LARGE</i>	Includes cattle from Medium-50 to Large-70 percent (Expected finish weights of 1175-1350 lbs for steers and 1075-1250 lbs for heifers)
<i>LARGE</i>	Holsteins, other breeds over large 70% (finished weight over 1350 lbs)
<i>MEDIUM</i>	Cattle from Medium 0 to Medium 50 percent.
<i>SMALL</i>	Included cattle that are small (Expected to finish under 1100 lbs for steers and under 1000 lbs for heifers)

Official USDA muscling scores are (*1,2,3,4, & Inferior*). In market reporting, these scores should be coupled with the corresponding frame size in a manner that best represents the cattle being reported. The minimum muscle thickness for each guide is: *Number 1* moderately thick muscling; *Number 2* tends to be slightly thick; *Number 3* thin muscling; and *Number 4* is reserved for cattle that do not meet the qualifications for *Number 3*. Unthrifty, unsound, or double muscled cattle are graded *Inferior*. Usually, *Number 4* and *Inferior* cattle are not reported. Many times, groups of cattle of mixed grades are marketed and should be reported accordingly. If less than 80 percent of the reported lot is of one grade, a mixed classification should be used (ex. *1-2*, or *2-3*). The *Number 1* category is useful in reporting exotic or heavily muscled English cattle. Brahman cross and lighter muscled English cattle typically fall in the *Number 2* category. *Number 3's* usually include dairy breeds or predominantly Brahman cattle.

B. FLESH CONDITION DESCRIPTIONS: - *Thin Flesh:* Typical thin feeder cattle are angular in appearance. Their rib bones and the hooks and pins in the pelvic region are plainly visible. There is also a definite ridge formed by the dorsal processes in the short loin region. Various regions of the body such as the round, loin, rib cage, shoulder, etc. are plainly visible, and the muscular nomenclature is easily distinguishable. There is no evidence of smoothness associated with fat deposits. Thin cattle have a loss of flesh to the point that they are showing signs of muscle loss. These cattle often sell at a premium, because of compensatory gain (the expected efficient and speedy weight gain experienced when these cattle are given a proper ration).

Average Flesh: Typical average-fleshed feeder cattle have slight evidence of fat in the areas of the tail head, flanks, cod, and brisket that make them appear smoother and not as angular as thin-fleshed cattle. The rib bones, and hooks and pins in the pelvic region are slightly visible. The edge formed by the dorsal processes in the short loin region is barely evident. The various regions of the animal begin to blend together and have a smoother appearance than thin fleshed cattle. Average is intended to be a constant evaluation based on the above description and not relative to the area or season of the year. Average fleshed beef cattle (flesh score 5) will have approximately .25 inches of fat cover at the 12th rib. Dairy animals will have slightly less than .25 inches of fat cover over the 12th rib.

Fleshy: Typical fleshy feeder cattle are beginning to show moderate fat deposits in the cod, flanks, brisket, and around the tail head. The rib bones and hooks and pins in the pelvic region are barely visible if distinguishable at all. The animal has a smooth appearance including, the curvature over the loin. Feeder cattle fleshier than typical may have fat cover more associated with slaughter cattle and show indications of being on a silage and/or grain ration. Fleshy cattle often sell at a discount, due to the expected weight loss upon change of environment.

NUMERICAL FLESH SCORING SYSTEM:

	1
THIN	2
	3
	4
AVERAGE	5
	6
	7
FLESHY	8
	9

III. REPORT FORMAT

A consistent report format should enhance the opportunity for users of our information to adapt the information for their specific needs. The news media can selectively use only the narrative style report, while buyers, sellers, financial institutions, and others in the industry can utilize the detailed information. All reporters should use the following format guidelines:

A. A proper heading including the name of the auction or trade area covered by the report and the date the trading occurred. The receipts or number of feeder cattle that were covered in the report should follow the heading.

B. Narrative paragraph that includes price trends, trading activity, supply and demand comments. Reporters are encouraged to recognize other significant price-related factors that may affect the market that day such as weather, crop reports, grazing conditions, etc. The narrative section can also be used to describe cattle that are selling above or below the normal price range for the same weight and grade which could include a general statement covering condition or flesh.

C. The body of the report includes market information; such as grades, weight ranges, and price spreads.

D. The source line should be at the end of the report, telling the reader the origin of the report and where to obtain additional information.

Descriptions entered in the computer comment section causes a separation in weight groupings and segregates cattle within the same weight. (Example, thin and fleshy cattle within the same 50-lb. weight group are segregated according to the comments and are printed on two separate lines.) Reporters should use these comments wisely as excess comments add excessive length to reports. The first 14 comments are standardized among offices and may not be changed by the local office. Additional comments are discouraged and should only be used for extreme circumstance as they will not be retained in the Division data base.

STANDARDIZED WEIGHTED AVERAGE COMMENTS:

**Thin Fleshed
Fleshy
Gaunt
Full
Fancy
Value Added
Brahman X
Calves
Yearlings
Per Head
Replacement
Mexican Origin
Canadian Origin
Split Loads *
Load *
Guaranteed Open
Source/Aged**

*** For Direct and Video Auctions Only**

Value added are those cattle that meet one of the following Criteria:

1. Electronic Identification Tags
2. Source Verified
3. Weaned
4. Vaccinated
5. Qualify for Natural Beef Programs

Single head lots of cattle will normally be ignored unless they fit into the normal price range. The only exception to this will be in auctions with light volume or those that sell one head at a time. Reporters are cautioned not to let a few "singles" widen the price ranges in the categories.

IV. RECORD RETENTION

Laptop computers will hold a limited amount of data. When the storage is near capacity, the machine will begin to operate sluggishly and eventually cease to function. Records should be purged from the laptop on a regular basis to maintain operating efficiency. In the event the Commodity Futures Trading Commission has need to analyze our records we can provide them data from the permanent records located in the Oracle database.

V. STATISTICAL REPORTS

A. Detailed Quotations

1. Laptop weighted average detailed quotations should be used as generated by the computer. All editing of an auction file should be completed prior to sending the report on the communication system. This will ensure the prices on the disseminated report will agree with those in the data base. Weighted averages are the preferred method for detailed quotations. It is not necessary to carry a simple average if a weighted average is computed.
2. In the absence of a weighted average program. Detailed LS 214's quotations should be prepared for each day when there is a sufficient volume of livestock sold that are representative of trade conditions. Weekly, monthly, and annual detailed quotations will be generated by the Livestock and Grain Market News data base. Price spreads for detailed quotations, used to compute simple averages, should be kept as narrow as possible to effectively represent the grade and weight for the class.

B. Receipts - Receipts of livestock should be entered in the Livestock and Grain Market News data base to coincide with the report issued. This will enable historical information to be retrieved by individual sale location and will facilitate the preparation of weekly reports.

VI. FEEDER CATTLE MARKET REPORTS

A. AUCTION MARKET REPORTS - A wide cross section of trade members (buyers, sellers, order buyers, auction operators) should be interviewed to establish the market report. This exchange of information should include all classes, USDA grade terms, weighing conditions, and other relevant descriptive terminology. Reporters are not required to stay until the end of the sale, but should view and record sales for a majority of the volume to establish a representative cross section. Cattle which are "bid in or passed out" should not be included in sales data. Price spreads should be kept as narrow as possible. As a general guideline, price ranges should not exceed 10 percent of the sales price. (Example: If 400-500 lb. feeders are selling in the \$110-\$120 range, price spreads should not exceed \$12 for that weight range). Reports are more meaningful if price spreads are narrow. In narrative reports, reporters are encouraged to use the words "mostly," "bulk," "majority of sales" to indicate where the majority of sales have occurred. In narrative reports, reporters are encouraged to narrow price spreads using 50 lb. weight breaks, descriptive terminology, or other terms to explain price differences.

Price trends need to be concise and easily understood by the various users of our service. Reporters will make every effort to keep trends as simple as possible. Rarely will trends less than \$1 higher or lower, be utilized in feeder cattle market reports. Livestock Auction reports should follow a standard format to maintain consistency between offices. (Exhibit A)

Many auctions now have their sales broadcast over the internet and viewers can call to bid on the cattle in the ring as if they were attending the sale. These sales should be included in the regular auction report with no special designation assigned to the cattle. However, if a video auction is held in conjunction with a live auction these cattle must be separated from regular auction cattle. The video auction cattle should be handled as described in paragraph (E) of this instruction and either placed in a separate section at the end of the regular auction report or a separate report can be issued on the video auction cattle.

B. WEIGHTED AVERAGE REPORTS - The weighted average program (utilizing laptop computers) requires special emphasis to maintain consistency between offices. This program has led to more accurate statistical information for all industry-related users, and is utilized for CME settlement prices. It should be noted there are two basic types of users of feeder cattle market information: (1) producers and buyers of feeder cattle and others needing the traditional reports showing price ranges for each weight range and grade and (2) statistical users such as the CME, government agencies, financial institutions, and others needing only a single price for a given weight range. In order to maintain consistency among all Market News offices, the guidelines in Exhibit B should be followed concerning weighted average reports.

C. CME SETTLEMENT PRICE - The CME Feeder Cattle Index is based upon a sample of transactions from these weight/frame score categories: 650 to 849 pound Medium and Large Frame #1 feeder steers, and 650 to 849 pound Medium and Large Frame #1-2 feeder steers. The sample consists of all feeder cattle auction, direct trade, video sale, and Internet sale transactions within the 12-state region of Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas and Wyoming for which the number of head, weighted average price and weighted average weight are reported. All direct trade reports shall be considered to be Friday transactions. Multiple day sales, for which separate weighted average reports are not issued for each day or it is not evident from the reports issued what cattle sold on which day, shall be included in the sample as if all transactions occurred the final day of the sale. Saturday and Sunday sales shall be included in the sample as if all transactions occurred on Monday. Reports that are designated as "preliminary" shall not be included in the sample, and no transactions from that location shall be used until a final report is issued. Cattle identified in the report as being fancy, thin, fleshy, gaunt or full; having predominantly dairy, exotic or Brahma breeding; shall be excluded from the sample. Transactions for cattle that are reported as having an origin outside of the United States shall be excluded from the sample. Direct trade, video sale, and Internet sale transactions must be quoted on an FOB basis, 3% standing shrink or equivalent, with pickup within 14 days to be included in the sample. Due to the importance of this data, reporters should make an extra effort to thoroughly review the information before the report is released.

D. DIRECT TRADE REPORTS - Direct trade reports will follow the same general guidelines as auction market reporting. However, since the majority of the information is obtained by telephone the reporter must make frequent visits to feedlots, back grounding lots, buying stations, weighing facilities, etc., in order to observe feeder cattle trading methods. Contract sales of feeder cattle with no price established can be reported if the volume, delivery

date, and other conditions of the sale are known. This data may more accurately reflect total feeder cattle movements within an area being reported. The volume of contracted cattle can be shown either at time of contracting or at time of delivery; however, the specific time frame should be noted.

Direct trade feeder cattle reports should utilize a standardized format that includes the weekly weighted averages of feeder cattle reported for the week (Exhibit C). The top portion should include in narrative style the comparative volumes, price trends, weight groups, and various grades. The bottom of the report should show the weighted average format for the same information. This will give the various user groups the option of using either format for the same market information. Weighted feeder cattle information should be clearly identified in the weighted average reports as to delivery point -- FOB or DEL. Delivery specifications are an important condition of the sale and should be noted in the report. Current Delivery are those cattle delivered within fourteen days.

Reporters should make every effort to exchange information with other market news offices when they pick up information outside their trade area. The information is significant to both areas and can be reported in both areas--one area as an FOB price, and the other area as a delivered price.

Reporters should keep in mind that the primary goal of the market report is to reflect accurate market conditions--**accurate** being the key word. Volume is an important part of market conditions, but should not be the primary goal in market reporting.

Direct Feeder Cattle Reporting as it applies to the 12-State Region which is used by the Chicago Mercantile Exchange to calculate the Feeder Cattle Index (Texas, New Mexico, Oklahoma, Colorado, Kansas, Missouri, Wyoming, Nebraska, Iowa, Montana, South Dakota, and North Dakota).

Direct feeder cattle information collected from contacts may be provided on an FOB or a converted FOB/Delivered Basis. All cattle must originate in the 12-State region. Buyers or sellers may provide information by telephone, e-mail, or facsimile.

Contacts must provide transaction information on a consistent basis to be included in the published report. New contacts must provide information for a minimum of 30 days before their information will be included in the published report unless approved by OIC and area supervisor.

Delivered Basis transactions may be converted to an FOB Basis by the buyer or seller under the following procedures: These procedures are necessary to eliminate double reporting of cattle and may allow the CME to include these transactions in the Feeder Cattle Index calculation.

- The buyer or seller must convert the price from Delivered to FOB and provide Market News with both prices.
- Provide the origin point of the cattle.
- Provide the names of the buyer and seller

At the option of the Agricultural Marketing Service, Livestock and Grain Market News, documentation supporting the transaction must be provided upon request. Documentation must include price (FOB, Delivered, and/or converted FOB) weight, head count, buyer, seller, and origination point. Failure to provide documentation prior to the scheduled publication of the report may cause the information to be excluded from the report. In addition, to maintain the integrity of direct feeder cattle reporting, information collected on feeder cattle transactions or documentation provide to support the transaction may be retained by Livestock and Grain Market News for a period of one year. This information, as is all proprietary information collected by market news, is not subject to disclosure under the Freedom of Information Act and can only be provided to another government agency during their course of an active investigation.

E. VIDEO/INTERNET AUCTION REPORTING - The reports should consist of (1) header including offerings, narrative paragraph, and location code explanations, (2) weighted average reports, and (3) narrative report on replacement cattle and bred cows.

The comments section should include the areas of origin (listed below) and the delivery months. *The South Central and North Central states are included in the CME feeder cattle index and will remain unchanged to accommodate the index.*

SOUTH CENTRAL STATES (S.C.): Texas, Oklahoma, New Mexico, Kansas, and Missouri.

NORTH CENTRAL STATES (N.C.): Nebraska, North and South Dakota, Iowa, Colorado, Wyoming, and Montana.

WESTERN STATES (WEST): All states West of the Central States.

EASTERN STATES (EAST): All states East of the Mississippi river, Louisiana, and Arkansas. (Sales are primarily from the Southeast).

Cattle from Canada and Mexico will be identified as such and will be reported in U.S. dollars.

Heifers advertised as "replacement quality" and selling at an obvious premium to other similar kinds will be omitted from the weighted average and reported strictly as "replacements."

All lots that are "passed out", sold after the auction at a different price, or for any other reason are not a valid sale, will not be reported. If necessary to verify sales information reporters should request a copy of the final sales sheet that includes prices and buyers.

Video/Internet auction reports will be released at the completion of the sale. Unusually long sales taking place over the weekend will be released by noon on Monday.

Exhibit A: Cattle Auction Report

JC_LS150
 Jefferson City, MO Tue Sep 17, 2002 MO Dept of Ag-USDA Market News

Springfield, MO - Southwest Regional Stockyards }
 Cattle Auction Report for 09/16/2002

Receipts: 3000 Last Week: 2500 Year Ago: 2200

Compared to last week, feeder steers and heifers sold steady to 1.00 higher. Demand was very good for stocker cattle and calves as recent rains have improved pasture conditions. Trading was slower on yearling feeder cattle, following last week's sharp losses on the CME Live Cattle Futures. Slaughter cows and bulls were 1.00-2.00 lower with the full decline posted on the leaner-type cows. Demand was only moderate for a light offering of replacement cattle. Slaughter cows made up 15 percent of the offering, slaughter bulls 5 percent, replacement cows 10 percent, and feeders 70 percent. The feeder supply included 50 percent steers and 42 percent heifers. Near 48 percent of the run weighed over 600 lbs.

Feeder Steers: Medium and Large 1 350-400 lbs 99.50-105.00; 400-500 lbs 91.25-100.00, pkg fleshy 480 lbs 89.00; 500-600 lbs 81.75-90.00, pkg full 535 lbs 80.00; 600-700 lbs 78.25-83.50, part load thin yearlings 670 lbs 86.00; load 715 lbs 82.00, pkg fleshy calves 730 lbs 77.00; 750-800 lbs 78.25-80.75; couple loads 830 lbs 77.85. Medium and Large 1-2 350-400 lbs 95.00-101.00, pkg thin 375 lbs 109.00; 400-500 lbs 86.75-94.00; 500-600 lbs 79.25-83.00; pkg thin 620 lbs 84.00; 650-700 lbs 75.00-79.25; load thin crossbreds 760 lbs 81.50. Medium and Large 2 pkg 445 lbs 83.50; pkg thin 530 lbs 85.00; pkg Brahman X 580 lbs 75.00.

Holstein Steers: Large 3 load 770 lbs 56.50.

Feeder Heifers: Medium and Large 1 300-400 lbs 93.00-98.00; 400-475 lbs 82.50-91.00; 500-600 lbs 74.75-83.00, pkg fleshy 560 lbs 73.00, lot fancy replacement quality black heifers 580 lbs 88.00; 600-700 lbs 72.75-76.00, pkg thin yearlings 640 lbs 80.75, pkg fleshy grain-fed 660 lbs 71.00; 700-800 lbs 72.50-73.50; pkg 860 lbs 68.75. Medium and Large 1-2 300-400 lbs 85.00-95.00; 400-500 lbs 78.50-87.00, pkg thin 460 lbs 89.00; 500-600 lbs 75.00-78.50, thin 80.50-82.00; lot 620 lbs 73.25.

Slaughter Cows:

	Pct Lean	Weight	Avg Dressing	Hi Dressing	Lo Dressing
Breaking	70-80	975-1200	36.00-39.25	38.00-41.50	34.00-37.25
Boning	80-85	900-1100	35.00-38.00	37.25-42.00	32.75-35.50
Lean	85-90	800-950	32.00-35.50	35.00-39.00	27.50-33.00

Slaughter Bulls: Yield Grade 1-2 1250-2200 lbs 45.00-48.50; few high dressing 48.00-51.50, few low dressing or full 41.50-45.00.

Feeder Cows: Medium and Large 1-2 700-1050 lbs 39.00-43.00, couple packages thin black cows 850-1000 lbs 45.00-48.50.

Bred Cows: Few Medium and Large 1-2 4 years to short and solid mouthed 1100-1350 lb 2nd and 3rd stage tested bred cows 575.00-650.00.

Cow/Calf Pairs: Medium and Large 1-2 consignment 3-6 year old 1000-1200 lb mixed black and red whiteface cows with 150-250 lb calves 825.00.

Source: MO Dept of Ag-USDA Market News Service, Springfield, MO
 Corbitt Wall, Market Reporter, 417-895-1320
http://www.ams.usda.gov/mnreports/JC_LS150.txt

Two spaces after colon, then auction receipts, followed by 4 spaces

Name of town, then auction (unless they are the same), followed by title of report and the date the auction was held.

2 spaces after colon, 2 spaces after grade, unless grade is followed by a word.

Indent 3 spaces for text and for each class of cattle.

Weight classes separated by semicolon;

Differing prices within a weight group separated by comma.

Exhibit B: Laptop Weighted Average Report

JC_LS750
 Jefferson City, MO Tue Sep 17, 2002 MO Dept of Ag-USDA

Title should be Feeder
 Cattle Weighted
 Average Report, plus
 the auction date.

Springfield, MO - Southwest Regional Stockyards
 Feeder Cattle Weighted Average Report for 09/16/2002

Everything,
 including
 receipts
 should be
 left-hand
 justified.

Receipts: 2000 Last week: 1850 Year ago: 2200

Compared to last week, feeder steers and heifers sold steady to 1.00 higher. Demand was very good for stocker cattle and calves as recent rains have improved pasture conditions. Trading was slower on yearling feeder cattle, following last week's sharp losses on the CME Live Cattle Futures. Supply included 50 percent steers and 42 percent heifers. Near 48 percent of the run weighed over 600 lbs.

Using
 comments
 helps to keep
 price ranges
 narrow and
 shows the
 premiums and
 discounts being
 paid for cattle
 that have
 certain
 characteristics

Feeder Steers Medium and Large 1					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
39	351-388	366	99.50-105.00	102.61	
41	413-440	427	96.00-100.00	97.79	
55	470-492	478	91.25-94.50	93.22	
15	480	480	89.00	89.00	Fleshy
40	509-545	525	84.75-90.00	87.55	
13	533	533	80.00	80.00	Full
58	555-598	577	81.75-85.00	83.25	
43	610-643	631	79.75-83.50	81.10	
55	652-685	673	78.25-81.00	79.55	
42	670	670	86.00	86.00	
75	715	715	82.00	82.00	
22	730	730	77.00	77.00	Calves
46	764-788	771	78.25-80.75	79.97	
118	827	827	77.85	77.85	

Feeder Steers Medium and Large 1-2					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
32	360-399	375	95.00-101.00	98.60	
15	375	375	109.00	109.00	Thin
20	423	423	94.00	94.00	
48	462-491	478	86.75-90.00	87.86	
18	535	535	83.00	83.00	Yearlings
28	560-582	565	79.25-82.75	80.02	
40	620	620	84.00	84.00	Thin
37	660-690	672	75.00-79.25	77.17	
68	760	760	81.50	81.50	Thin

Feeder Steers Medium and Large 2					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
27	445	445	83.50	83.50	
15	528	528	85.00	85.00	Thin
33	578	578	75.00	75.00	Brahman X

**U.S. Department of Agriculture
Agricultural Marketing Service
Livestock and Seed Program
Washington, DC 20250**

LGMN Instruction No. 933-4

Feeder Holstein Steers Large 3					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
70	770	770	56.50	56.50	
Feeder Heifers Medium and Large 1					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
18	312	312	98.00	98.00	
30	355-389	375	93.00-97.00	94.51	
52	405-445	421	83.50-91.00	85.82	
22	460	460	82.50	82.50	
43	512-547	522	77.75-83.00	81.46	
36	552-590	575	74.75-78.25	76.06	
40	560	560	73.00	73.00	Fleshy
48	577	577	88.00	88.00	Replacement
34	608-618	614	74.50-76.00	75.02	
35	638	638	80.75	80.75	
34	663-692	674	72.75-75.25	74.27	
14	658	658	71.00	71.00	Fleshy
38	721	721	72.50	72.50	
68	792	792	73.50	73.50	
12	863	863	68.75	68.75	
Feeder Heifers Medium and Large 1-2					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
22	321	321	95.00	95.00	
59	358-399	374	85.00-90.00	88.26	
22	408-436	426	82.00-87.00	83.74	
44	450-487	470	78.50-83.50	80.68	
19	458	458	89.00	89.00	Thin
24	508-548	526	75.00-78.50	76.83	
35	522-541	529	80.50-82.00	81.43	Thin
51	568	568	76.35	76.35	
33	622	622	73.25	73.25	

Source: MO Dept of Ag-USDA Market News Service, Maysville, MO
Corbitt Wall, Market Reporter, 816-238-0678
24 Hour Toll Free Market Report 1-866-704-7574
http://www.ams.usda.gov/mnreports/SJ_LS750.txt

0700c cdw

Exhibit C: Direct Feeder Cattle Report

Weather and or crop conditions are very beneficial to readers from other areas.

AM LS165
 Pardo, TX Oct 25, 2002 USDA-TX Dept of Ag Market News
 Weekly Direct Feeder Cattle Summary - Week Ending 10/25/2002
 Firmed: 17,300 Last Week: 17,000 Last Year: 17,000
 Compared to last week, feeder steers and heifers sold 1.00 higher.
 Trade and demand moderate to good. Overall area continued receiving much needed rainfall this week, with wheat pastures "greening up" nicely and should be ready for cattle within a few days. Calves are now enjoying fairly good demand. Local supply still rather limited. Bulk of cattle coming from the Texas Panhandle and neighboring states. Bulk of supply Medium and Large 1 500-800 lbs feeder steers and heifers with 69 percent weighing over 600 lbs and 75 percent steers included. Prices based on net weights FOB after a 3 percent shrink or equivalent and 5-10 cent slide on calves and 4-6 cent slide on yearlings from base weights. Delivered prices include freight, commissions and other expenses. Current sales are up to 14 days delivery, few December-February delivery.

Conditions of Sale should be included in the commentary.

Feeder Steers: Medium and Large 1 FOB Price- 600-675 lbs 82.50-86.00; 700-750 lbs 81.50-84.00; 800-900 lbs 77.00-81.00. Delivered Price- 500 lbs 91.00-92.00; 625-650 lbs 85.00-86.00; 700-750 lbs 82.00-82.50; 725-800 lbs 78.00-82.00 Nov-Feb. Medium and Large 1-2 FOB Price- 625-650 lbs 80.50-81.50; 750-785 lbs 77.50-80.50. Delivered Price- 625-675 lbs 80.00-82.00; 775 lbs 80.50. Medium and Large 2-3 (Mexican Origin) FOB Price- 750 lbs 76.00. Delivered Price- 500 lbs 81.50-86.00.

FOB and Delivered prices should be kept separate.

Feeder Heifers: Medium and Large 1 FOB Price- 625 lbs 78.00-82.00; 650 lbs 77.00 Jan; 700-725 lbs 73.00-77.00. Delivered Price- 550-575 lbs 80.00-82.00; 625-675 lbs 78.00-80.35; 715-750 lbs 76.00-78.00. Medium and Large 1-2 FOB Price- 600-650 lbs 77.00. Delivered Price- 550 lbs 77.00; 650 lbs 76.00 Dec; 700 lbs 76.50.

Prices from ALL grades of a particular class should be quoted in a single paragraph

Feeder Steers Medium and Large 1						
Head	Wt Range	Avg Wt	Price Range	Avg Price	Delivery	
400	600	600	85.00-86.00	85.25	Current	FOB
557	650-675	653	82.50-84.50	83.17	Current	FOB
1650	700-725	714	82.00-84.00	83.41	Current	FOB
1250	750	750	81.50-83.00	82.20	Current	FOB
940	800	800	78.50-81.00	80.36	Current	FOB
100	900	900	77.00	77.00	Current	FOB
2500	500	500	91.00-92.00	91.50	Current	Del
605	600-630	614	85.00-86.00	85.38	Current	Del
80	650	650	85.00	85.00	Current	Del
315	700-740	725	82.00-82.50	82.32	Current	Del
300	725	725	82.00	82.00	Nov	FOB
600	750	750	81.50	81.50	Jan	FOB
360	800	800	78.00	78.00	Feb	FOB

Weighted Average should follow and be separated by delivery type.

Feeder Steers Medium and Large 1-2						
Head	Wt Range	Avg Wt	Price Range	Avg Price	Delivery	
100	625	625	81.50	81.50	Current	FOB
100	650	650	80.50	80.50	Current	FOB
775	750-785	763	77.50-80.50	79.22	Current	FOB
470	625	625	82.00	82.00	Current	Del
70	675	675	80.00	80.00	Current	Del
70	775	775	80.50	80.50	Current	Del

Exhibit D: Video/Internet Auction Report

AM_LS753

Amarillo, TX Mon Dec 09, 2002 USDA-TX Dept of Ag Market News

Superior Video Auction - Friday - Dec 6, 2002

Offerings: 30,000

Total number of head offered is reported, but Passed Out sales should be omitted.

Trade and demand moderate. Supply included 36 percent feeder steers and heifers over 600 lbs, 60 percent of supply steers and 40 percent heifers. Prices FOB based on net weights after a 2-3 percent pencil shrink or equivalent, with a 3-6 cent slide on yearlings and 4-10 on calves. Deliveries current through March 2003.

Exact trends are rarely included, since comparisons are difficult.

 South central States: Texas, Oklahoma, New Mexico,
 Kansas and Missouri.

Cattle are grouped into regions of origin.

Feeder Steers Medium and Large 1						
Head	Wt Range	Avg Wt	Price Range	Avg Price	Delivery	
231	510-540	525	91.60-104.25	99.01	Current	
578	550-585	560	84.75-94.75	87.72	Current	
225	600-630	614	83.50-87.00	85.57	Current	
346	650-685	661	81.85-86.25	84.55	Current	
191	750-785	761	86.50-87.50	87.08	Current	
57	825	825	82.35	82.35	Current	
278	850-885	867	82.25-88.00	85.69	Current	
137	460	460	105.00-107.50	106.75	Dec-Jan	
41	610	610	82.60	82.60	Dec-Jan	
75	700	700	83.35	83.35	Dec-Jan	
200	490	490	101.50	101.50	Jan	
411	700-720	710	83.60-85.75	84.66	Jan	
193	750	750	82.00-85.60	83.78	Jan	
400	850	850	82.50	82.50	Jan-Feb	
60	790	790	80.85	80.85	Feb-Mar	

Sales are also grouped into scheduled delivery.

Feeder Heifers Medium and Large 1						
Head	Wt Range	Avg Wt	Price Range	Avg Price	Delivery	
245	470-490	478	81.00-97.10	89.86	Current	
238	500-520	510	83.60-89.60	88.31	Current	
186	550-590	572	78.00-83.00	80.41	Current	
317	600-635	617	74.85-81.50	79.95	Current	
136	725	725	80.35	80.35	Current	
114	840	840	83.00	83.00	Current	
155	440	440	93.75-95.00	94.19	Dec-Jan	
41	580	580	77.60	77.60	Dec-Jan	
140	700	700	79.60	79.60	Dec-Jan	
120	400	400	103.85	103.85	Jan	

 North central States: Colorado, Wyoming, Nebraska
 Montana, North and South Dakota and Iowa.

Feeder Steer Medium and Large 1						
Head	Wt Range	Avg Wt	Price Range	Avg Price	Delivery	
125	390	390	118.50	118.50	Current	
311	460-490	476	101.50-104.25	102.52	Current	
240	500-540	527	85.50-99.10	94.39	Current	

PREPARATION OF REPORTS

Replacement Cattle

Value-determining factors in a market report for replacement cattle are difficult to incorporate. Replacement cattle should be evaluated for frame size and muscling on the same basis as evaluating feeder cattle. Other factors such as flesh, number of months bred, and age should also be incorporated into the reports to further explain the price structure. The reports should also identify if the weights are estimated or actual. Price spreads should be kept as narrow as possible to provide meaningful information. Rarely should a category exceed a \$100 spread when quoted per head/pair, \$10 when quoted per cwt.

The following guidelines provide additional clarification and should be used for describing and reporting replacement cattle.

I. FRAME SIZE

LARGE FRAME	over 1250 lbs
MEDIUM FRAME	1000-1250 lbs
SMALL FRAME	under 1000 lbs

The weight ranges for Large, Medium, and Small Frame depicts mature cows with normal fill and carrying .2 inches of fat. Several factors affect the weight of replacement cows. Cows continue to grow until they fully mature at approximately 6 years of age, thus age must be taken into consideration when evaluating replacement cows. (*Example: A 3 year old cow weighing 1100 lbs may easily grade Large Frame taking into consideration her growth potential*). Excess fat and the pregnancy stage, depending upon the month of pregnancy, are also important factors in cow weights and should be taken into consideration.

II. MUSCLE SCORE

<u>Minimum Thickness</u>	<u>Degree of Thickness</u>
1	Moderately thick -
2	Tends to be Slightly Thick -
3	Thin
4	Less than Thin

The muscle thickness portion (1, 2, 3 & 4 with 1 being the thicker muscled cows and 4 the thinnest ones).

III. AGE CATEGORIES

YOUNG Cows 4 years old or less that have had at least one calf.

MIDDLE AGED Cows 5-8 years old.

AGED Over 8 years old. (Broken mouth cows maybe quoted separately.)

Age categories may be listed as young, middle aged or aged, or by listing the actual age of the cows sold (2-6 year old, 7 year old and older, etc). It is best not to use local terminology when quoting ages as it may vary from sale barn to sale barn and from region to region (short mouthed, short and solid mouthed, gummer, etc).

IV. OTHER PRICE INFLUENCING FACTORS

The number of months bred influences the price. Depending on available information or estimated information, cows can be quoted by such methods as "in first trimester of pregnancy, bred 3-6 months, or will calve in March and April". If sold as pairs, the approximate weight of calves should be included.

The quality of replacement cows is an important factor which can vary widely. In order to keep price spreads as narrow and meaningful as possible reporters are encouraged to use descriptive terms whenever necessary. Terms such as *fancy* or *plain* may be used to describe the quality of replacements sold (cattle are assumed to be of average quality unless otherwise stated). It may be helpful to use breed, color, type or kind if a price-determining factor. Statements such as "herd sell-out" or "reputation cattle" may be used along with a statement in the narrative portion of the report to further describe selling conditions.

Exhibit A: Replacement Cow Report

REPLACEMENT COWS: Medium and Large 1 young 800-1050 lb cows in 2nd and 3rd trimester of pregnancy 800.00-900.00 per head; middle age 950-1200 lb cows 700.00-800.00 per head, some in 1st and 2nd trimester 600.00-700.00 per head; aged 850-1050 lb cows in 2nd and 3rd trimester 550.00-650.00 per head; other Medium and Large 1 3-6 year old cows in 2nd and 3rd trimester 60.00-70.00 per cwt.

Cow-Calf Pairs: Medium and Large 1 young 800-1000 lb cows with 100-200 lb calves 850.00-950.00 per pair; middle age 900-1100 lb cows with 100-250 lb calves 750.00-850.00 per pair, with 250-350 lb calves 850.00-950.00 per pair; aged 800-1100 lb cows with 150-250 lb calves 600.00-700.00 per pair.

Exhibit B: Replacement Cow Report

Replacement Cows: Medium and Large 1-2:				
Age	Weight	Bred		Price/head
Heifer	750-1000	2-3 months	black	560.00-625.00
4-5 yr old	1050-1150	5-6 months	fancy	750.00-800.00
3-6 yr old	900-1250	5-8 months	fancy Brahma X	590.00-660.00
7-8 yr old	1000-1350	6-7 months		550.00-630.00
7-8 yr old	1000-1250	1-3 months	plain	450.00-500.00
Cow-Calf Pairs: Medium and Large 1-2:				
Age	Cow Weight	Calf Weight		Price/pair
3-6 yr old	950-1200	150-250	black	860.00-925.00
3-6 yr old	1000-1300	200-225		750.00-815.00
7-8 yr old	1050-1200	200-300		675.00-710.00

PREPARATION OF REPORTS

Slaughter Hog Reporting

I. Background

Most slaughter hogs are purchased on the basis of their lean value. Reporting of lean-value prices vary considerably from other market reports, because the report is a spreadsheet-generated matrix report of what packers are paying for different carcass weights combined with the percentage of lean red meat per carcass. This requires establishing techniques and procedures not normally used within the scope of other types of market reporting. The lean-value hot carcass value reports not only project definite values based on lean and weight, but also communicate to the producer the potential value from improved product by providing economic and data feedback from the packer. The major lean-value determining factor is backfat, which is closely correlated to the lean meat yield. The primary basis for value is lean, determined on individual packer fat measurements, which may be adjusted for superior or inferior muscling. Each cooperating packer provides a base meat price, premiums and discounts for lean value and weights along with the estimated number of deliveries each day. The values are calculated daily for each packer; then a high-low value range is determined and published in the final report. The final report shows a high-low range of values for about 70 combinations of lean percent and carcass weight, and a range of premiums or discounts for lean value and weight associated to backfat. Reporters at offices in selected areas must adhere to established Market News policy and procedures in this complex data-related lean-value type report.

II. MANDATORY PRICE REPORTING SYSTEM

A. Report: Reporting of carcass based prices, price trends, head counts, defined purchase types, and the hog purchases matrix is done by the packer on the forms LS-118, LS-119, and LS-120. Data is collected by electronic submission from packing plants which slaughter 100,000 or more hogs per year. Reporters assure that each packer's submission is complete and verifies the validity of the data submitted. The daily reports are released within one hour of the required packer's data submission times. These reports are broken down into regional and national reports. The regional reports are Eastern Cornbelt Daily Direct, Western Cornbelt Daily Direct, and Iowa-Minnesota Daily Direct. All prices are plant delivered by state of origin. The LS-120 form is used for reporting the non-carcass merit premiums for the weekly Non-Carcass Merit Premium report.

B. Reports for the Prior Day - Data submitted by the packer is done using report forms numbered LS-118A, LS-118B, and LS-118C. Each packer shall report for each business day of the packer not later than 7 a.m. Central time on each reporting day information regarding all swine purchased, priced, or slaughtered during the prior business day of the packer.

1. Purchase Commitments. On the LS-118A form, packers are required to report all commitments which shall be equal to the number of swine scheduled for delivery to a packer for slaughter for each of the next 14 calendar days.

2. Slaughter Data. Slaughter data from the packer is reported on the LS_118B. Information included on this report includes lot identification, class code, purchase type, head count, base price, average net price, lowest net price, highest net price, average weight, average carcass weight, average sort loss, average backfat, average loin depth, average percent lean. Reporters verify and assure that the data which is submitted from the packers is valid. Once this has been completed, the reporter can generate the LM_HG 201 Report, which is called the National Prior Day Slaughter Report. The scheduled time for release of the LM_HG 201 Report is 8 a.m. central time.

3. Base Lean Hog Carcass Slaughter Cost Report. The LM_HG213 Report is used to show the lean value prices packers are paying for different carcass weights combined with the percentage of lean red meat per carcass. This base cost lean value is calculated by individual packers' lean value buying programs. Each packer which gathers fat and muscle measurements and has a lean value buying program, submits data on the LS-118B forms used for the generation of this report. These buying programs are based on backfat thickness and loin eye depth measured at the 10th rib. The calculations for creation of the report include hogs from four purchase types: producer sold negotiated, producer sold swine or pork market formula, packer sold negotiated, and packer sold swine or pork market formula. The head count, average carcass weight, and the calculated base cost values for the 49-50, 51-52, and 53-54 percent lean ranges, based on measurements of backfat and a 6 to 7 square inch loin eye at the 10th rib, are released in this report. This report is published after the close of trading on the Chicago Mercantile Exchange at 1:30 p.m. Central Time.

4. Purchased Data. Purchased swine data is submitted by the packer on LS-118C. This includes all purchase data for all purchase types that were made during a 24 hour period starting at 12 a.m. on the prior day. Reporters verify and assure that the data which is submitted from the packers is valid. Once this has been completed, the reporter generates four prior day purchased swine reports – National, Western Cornbelt, Eastern Cornbelt, and Iowa-Minnesota.

C. Reports for Current Day - Current day data is submitted by the packer using the LS-119A and LS-119B forms. Each packer shall report to Market News for each business day of the packer not later than 10:00 a.m. for purchases made from 12:00 a.m. to 9:30 a.m., and not later than 2:00 p.m. for all purchased made from 12:00 a.m. to 1:30 p.m. All reporting times are Central Time. The daily direct reports created are National Daily Direct, Eastern Cornbelt Daily Direct, Western Cornbelt Daily Direct, and Iowa-Minnesota Daily Direct.

1. Estimates (119A). Each packer will submit to Market News their best estimate of

the total number of swine expected to be purchased throughout the day for each purchase type. In addition, packers are to report their total actual purchases, by each purchase type, up to the reporting time.

2. Actual purchases (119B). Each packer shall report swine purchase information by lot, which includes head count, purchase type, base price, class code, and state of origin. This will include all hogs purchased under each purchase type. Reporters are to verify and assure that the data which is submitted from the packers is valid. The reporter determines by studying the data, and with communication with the packer, that all information submitted is correct. Once this has been completed, the reporter generates the daily reports.

3. Weekly Direct Hog Swine Non-Carcass Merit Premium Report. Reporting is based on non-carcass merit premiums paid during the prior week, which are submitted on the LS-120 form on Monday afternoon, no later than 4:00 P.M. Central Time. The reporter verifies all packers have submitted files. The reporter generates the LM_HG250 report.

4. Offices Releasing Mandatory Hog Reports Des Moines, IA

III. PUBLIC MARKETS AND DIRECT AND COUNTRY BUYING POINTS

A. Reports in Direct or Country Buying Areas - Reporting of prices and price trends in direct buying areas varies from public market reporting because the direct reports are obtained mostly by telephone. Both live and lean value direct reporting requires the establishment of techniques and procedures not ordinarily used at public markets. Reporters at offices in such areas must follow up with frequent visits to packing plants or buying stations, to observe methods of trading and character of receipts. Accounts of sales at plants and buying stations will be reviewed periodically to assure the accuracy of the report received by phone. Contract sales with prices fixed on an indefinite figure can be reported if we know the volume traded, approximate delivery date, and conditions of sale. If the actual sale cannot be quoted, contract sale volume figures may still be added to the current day's movement figures to present a clearer picture of the total movement for the area. These figures should not be recounted when the actual delivery is made.

B. Public Market Reports - Public market reporting provides the opportunity to visit with contacts on a personal basis. Reporters should strive to build confidence from contacts and develop procedures to cross reference reported information with actual sales records. Whenever possible, reporters should survey the consist of the supply before trading starts to make notes on individual lots of hogs which will be sold during the day. The grade or grades and estimated weights of such lots will be noted as an aid in setting up detailed quotations after the trade is over. While hog prices should be reported on the basis on which sales are made, care should be taken not to overemphasize weight classifications. Combining weight classifications whenever price differences are insignificant is preferred; however, when warranted, weight groups should be separated to keep price ranges narrow.

1. Grade Description The following guidelines should be used to determine the grade

description of a livestock consignment for market reporting purposes: if the consignment includes 80 percent or more of one grade, the consignment will be considered a single grade lot and be described in the market report using the appropriate single grade term. If less than 80 percent of a consignment falls into one grade, the consignment will be considered as a mixed grade lot and all grades comprising over 10 percent of the total will be used in describing the lot. For example, a consignment of hogs containing 60 percent No. 1, 35 percent No.2, and 5 percent No. 3 will be described as No. 1 and 2. Most of the barrows and gilts sold for slaughter fall under the U.S. 1-2 grades. Reporters should be alert to any opportunity to use single grades, or a combination of two grades, to help explain a price difference. Whenever a single lot is represented by 80 percent or more of one grade, the lot will be considered a single-grade lot. When 10 percent or less of a consignment falls into one grade, that grade should not be used in describing the consist of the lot. When hogs are sold in mixed lots containing less than 80 percent of one grade, the report should be worded so that the reader will know the prices shown are not for lots of just one grade but are for mixed lots of the grades shown. In such instances, the report should be phrased to read, "Mixed U.S. 1-3 \$40.00." If individual grades sell at the same price, the report should read, "U.S. 1, 2, and 3 \$40.00." If sales follow this typical pattern, the report should refer to the grades as U.S. 1-2, or U.S. 1-3, or U.S. 2-3. The numerals 1, 2, 3, and 4 should be used rather than the words "one," "two," "three," or "four," and the numbers should never be used in the plural form.

2. *Price Spreads* In public markets narrative hog reports, price spreads for barrows and gilts up to 260 pounds should be kept within 50 cents and within \$1.00 for heavier offerings and \$2.00 for sows. This 50 cent and \$1.00 rule should rarely be violated.

C. DETAILED QUOTATIONS - Since provisions are made for quotations on separate combinations of barrow and gilt grades and weights, reporters will need to watch sales closely in order to make the best possible use of the detailed quotation, and even more importantly, to be certain that the day's general trade is accurately portrayed in the quotations. Hogs selling above or below prices paid for the majority of other hogs of the same grade and weight may be included, except the extreme case where the price appears unreasonable in accordance with the day's price-and-demand situation. Thus, a reporter must use his judgment in the case of out-of-line sales in order to accurately portray the day's prices in quotations. Primarily, out-of-line sales are those above or below prices which are dictated by reasonable buying or selling effort, and such sales should not be included in the detailed quotations. If a reporter has difficulty in this respect, or if problems arise, the reporter should bring the circumstances to the attention of the Area Supervisor or the Washington Office.

PREPARATION OF REPORTS

Feeder Pig Reporting

I. BACKGROUND

Over the last decade, the pork industry has gone through dramatic changes in both feeder pig marketing and production. Most pigs are marketed today on a direct farm to farm basis in order to limit exposure to diseases. Also today, nearly all pigs are weaned at less than 20 days of age because they carry passive immunity from the sow up to that point. When these early weaned pigs are segregated, disease problems can be greatly reduced. These lighter weight pigs provide a long distance marketing advantage, as trucks can carry over 2000 head per load. Direct marketing of pigs with better health and the ability to ship large loads of early weaned pigs over long distances at a low per head cost has added value and a new dimension to marketing feeder pigs.

Reporters will need to develop a group of telephone contacts and realize that there will be very few opportunities to actually view the pigs that they report. Direct trade pigs are not marketed using USDA Grades. They are described in terms of estimated lean percent when finished to normal weights in typical confinement feeding conditions. These finished lean estimates are based on their genetics, which are also used in describing various performance factors. Early weaned pigs are usually marketed on a 10 pound basis. Many are sold on a prearranged formula basis as well, because of the narrow time frame that they have to be moved to a nursery facility. We can report these pigs that sell on a formula basis if the price floats within a range based on other markets, usually the Lean Hog Futures. Reports should contain the percent of formulated prices included in the total receipts. We do not report pigs on a fixed price contract.

Direct feeder pigs and early weaned pigs are generally priced, sold, and shipped on a weekly basis, therefore making a weekly report sufficient to track the market. Actual weights are not available until the pigs are loaded- generally a week or two after they are sold. Direct pigs are sold on a per head basis at a base weight (10, 40, 45, 50, 55, or 60 pounds) with a per pound slide. The slide for 10 lb pigs is usually 1.00 per pound per head. The calculation is based on the average weight per pig on the load. Example: load average is 9.5 lbs which drops the agreed price by 50 cents per head; load average of 12 lbs per head would add 2.00 per head to the price. The usual slide for 40-60 lb pigs is 25 to 40 cents per pound per head.

Because most direct trade pigs travel long distances and come from a limited number of contacts, most statewide reports would be irrelevant. To avoid revealing an individual's business a report would have to be on a regional, national, or international basis. Also keep in mind that pigs produced in the corn-belt near packing plants rarely travel away from that area.

II. DIRECT TRADE REPORTS

Reporters should maintain confidentiality when dealing with their contacts. Their reports are providing a service to the industry and the information they seek will be part of a larger report and not identified by contacts. Reporters should be willing to trade information with their sources, without providing identity of individual lots.

Prices should be reported as FOB picked up at seller's farm (no freight or commission) or Delivered to buyer's farm (freight and commission included). Divide price ranges into categories of lot sizes- 250 head or less, 250-750 head, and 750 head or more. Also report separately lots that fall outside of the usual 50-54% estimated lean at finished weight. Other lean categories would be 46-50% and 54-58%. Do not report pigs at actual weights as this adds to confusion in comparing trades from one week to the next. Report lots at 10, 40, 45, 50, 55, or 60 pounds basis and report the slide as a footnote. Generally pigs that are over 20 days of age and under 35 pounds are considered a stressed sale and should not be reported. Do not report any lots that are considered a stressed sale, such as rejected loads or lots with questionable health.

Even with the sorts listed above, wide price ranges are common. This problem is addressed by generating reports with a weighted average price using the Microsoft Access program set up specifically for reporting direct trade feeder pigs. This program also serves as a historical database. Reporters should always be looking for new contacts and cross checking sales with buyers, sellers, and brokers. While collecting information on each lot sold, always list the state or province of origin and the destination state. Be careful not to duplicate trades as the same lot may be reported from multiple sources.

III. LOCAL AUCTION REPORTS

A. Grades and Weights - Most feeder pigs are sold in mixed lots. Reporters should be alert for an opportunity to use single grades, or a combination of two grades and weight ranges, to help explain a price difference. At graded sales, individual grades such as US 1, US 2, US 3, US 4, or Utility should be used. Weight has considerable influence on prices at times, so keep weight ranges as narrow as possible, preferably within 5 or 10 lb breaks. Be sure to state on reports whether prices are on a per head basis or per hundred weight basis. Follow procedures at local sales and do not try to transpose per cwt. to per head basis.

B. Price Trends - Information on prices by grade and weight groups will be obtained to accurately describe the feeder pig trade. Price trends should reflect the general direction of price movements and not reflect every individual sale. Two or more weight ranges or grades may be needed to show a specific pattern. Indicate the reason for different directions in price movement for different weights or grades in the comments if possible. Do not make trends too long and confusing.

- C. Price Spreads** - In narrative feeder pig reports, price spreads should be kept as narrow as possible. Use descriptive terms such as: reputation, large lots, confinement pigs, for shipment out of area, mixed weight lots, early or late sales to enhance the value of the report
- D. Detailed Quotations** - Since provisions are made for quotations on separate combinations of feeder pig grades and weights, reporters will need to evaluate sales closely to be certain that the day's general trade is accurately portrayed in the quotations. Thus, a reporter must use their judgment in the case of out-of-line sales in order to accurately portray the day's prices in quotations.
- E. Laptop Weighted Averages** - Reporters may use weighted averages in reporting feeder pig sales. Some special guidelines and suggestions are in order in regard to market reporting so that consistency can be maintained among all offices. Reporters should check with Area Supervisors for guidelines and available laptop programs.

PREPARATION OF REPORTS

Sheep, Lamb, and Goat Trade

I. MANDATORY REPORTING OF SLAUGHTER LAMBS

Under the Mandatory Price Reporting Act of 1999, all Packers that slaughter over 75,000 head of lambs annually must submit information to USDA Market News regarding all negotiated, formula, and forward contract purchases packer owned lambs and daily information on committed and delivered numbers.

A. Confidentiality Rule - In order for each negotiated and formula section of a lamb report (regional or national) to be published, at least 3 companies must submit data that day and no company can have more than 70% of the volume. If the requirements are not met that day, the data will be accumulated and will not be released until this requirement is met.

B. Definitions

1. Negotiated Purchase - A cash or spot market purchase by a packer of livestock from a producer under which the price for the livestock is determined by buyer-seller interaction and agreement on delivery day. The livestock are scheduled for delivery to the packer not more than 14 days after the date on which the livestock are committed to the packer. This agreed upon price is a final, fixed price that will not change.

2. Formula Purchase - The advance commitment of lambs for slaughter by using a method for calculating price in which the final price is determined at a future date. The original base price may or may not be known at the time of slaughter - only the mechanism of arriving at the base price may be known. The final price may be determined by applying a series of premiums and discounts to the base price.

3. Forward Contract Purchase- An agreement made in advance of slaughter where the base price is derived from some publicly available price and the final price may or may not be determined by applying a series of premiums or discounts but this type of purchase is very rare for lambs. Also included in Forward Contracts, an agreement including a final, fixed price with a delivery date more than 14 days in the future.

4. Packer-Owned Lambs - Lambs that a packer owns for at least 14 days immediately before slaughter.

C. Price Spreads - Reporters will search through all data and sort out any information that appears out of line. Price spreads should be kept as narrow as possible in order for them to be meaningful to industry, although reporters must use caution when excluding prices. Reporters may exclude a price if there are obvious errors in the data, if a price is significantly out of line

from the latest established market, or if it represents a single transaction and in the opinion of the reporter, the price does not reflect the market. Reporters do have the discretion to sort and exclude data but it is important to remember a valid reason must be given for each transaction a reporter excludes.

D. Narratives - A commentary will be added to daily and weekly reports. This commentary may include trade activity, demand, supply, volume, price trend, and price range. Reporters must be careful not to speculate or release any information that does not meet the confidentiality guidelines. All information submitted by packers to Market News is confidential and cannot be released to anyone unless it appears on a report.

II. VOLUNTARY REPORTING OF SHEEP, LAMBS, AND GOATS

Livestock reporters are responsible for compiling a comprehensive record covering all facets of the sheep, lamb, and goat trade, including direct trading and livestock auctions. This data should represent a cross section of the day's or week's trade. Factual data should relate to supplies, demand, trading activity, and price trends on represented weights, grades, and classes of livestock. Reporters should recognize and maintain the "confidentiality" of this information in order to establish an unbiased position among the trade members. Reporters should recognize that they are rendering a service to the industry and are seeking information for reporting purposes only. Reporters should willingly trade information with their sources. However, they should maintain confidentiality at all times and not reveal information prior to actual sale. Reporters should strive to establish a wide range of reliable contacts which will be used on a daily/weekly basis for compiling the market information. All information should be evaluated by the reporter before issuing the respective report to ensure the report accurately reflects actual market conditions at that time. Any significant factor which affects price changes, trading activity, or demand should be explained in the market report. These factors could include local weather, grazing conditions, sharp price changes in the dressed meat trade, strikes, crop conditions, crop reports, etc. An estimate of the composition sheep, lamb, and/or goats in the market supply will be made by observing as many of the day's offerings as practical. The composition of the supply using percentages will be reported. A further breakdown of the supply related to use, i.e. slaughter, feeder or replacement, should also be included. When significant, the State or area of origin may be used to describe the supply.

A. Auction Market Reporting - A wide cross section of trade members (buyers, sellers, order buyers, auction operators) should be interviewed to establish the market report. This exchange of information should include all classes, USDA grade terms, weighing conditions, and other relevant descriptive terminology. Reporters are not required to stay until the end of the sale, but should view an adequate volume to establish a representative cross section. Animals which are "bid in or passed out" should not be included in sales data. Price spreads should be kept as narrow as possible. Reports are more meaningful if price spreads are narrow. Reporters are encouraged to use the words "mostly," "bulk," "majority of sales" to indicate where the majority of sales have occurred.

Reporters are also encouraged to narrow price spreads by using smaller weight breaks, if appropriate, descriptive terminology, or other terms to explain price differences.

Price trends need to be concise and easily understood by the various users of the service. Reporters will make every effort to keep trends as simple as possible. Rarely will trends less than \$1 higher or lower to be utilized.

Reporters will breakout percentages of slaughter lambs by traditional, non-traditional, feeders, slaughter ewes and buck, and replacement stock to be listed at the bottom of the narrative paragraph.

When using the laptop program to prepare sheep and goat auction reporting, the following comments are approved for use:

Sheep Comments

1. Thin
2. Fleshy
3. Gaunt
4. Short Docks
5. Full
6. Blackface
7. Whiteface
8. Ewe Lambs
9. Buck Lambs
10. Hair Sheep
11. Poor Fleeces
12. Old Crop
13. New Crop

Goat Comments

1. Young
2. Middle Aged
3. Aged
4. Thin
5. Gaunt
6. Full
7. Hair Goats
8. Kids
9. Yearlings

B. Voluntary Direct Trade Reports - Direct trade reports will follow the same general guidelines as auction market reporting. However, since the majority of the information is obtained by telephone the reporter must make frequent visits to feedlots, backgrounding lots, buying stations, weighing facilities, etc., in order to observe trading methods. Contract sales with no price established can be reported if the volume, delivery date, and other conditions of the sale are known. This data may more accurately reflect total movements within an area being reported.

Direct trade reports should utilize a standardized format. The top portion should include in narrative style the comparative volumes, price trends, weight groups, and various grades. Weighted average information should be included if possible. Information should be clearly identified as to delivery point -- FOB or DEL.

Reporters should make every effort to exchange information with other market news offices when they pick up information outside their trade area. The information is significant to

both areas and can be reported in both areas--one area as an FOB price, and the other area as a delivered price.

Reporters should keep in mind that the primary goal of the market report is to reflect accurate market conditions--**accurate** being the key word. Volume is an important part of market conditions, but should not be the primary goal in market reporting.

III. CLASSIFICATION

A.

Description	Definition
Lambs	Sheep with a full set of baby teeth
Yearlings	Sheep with one set of permanent teeth
Young- 2 and 3 year olds	Sheep that still have at least one baby tooth remaining
Solid Mouth	4 to 6 year olds that have a full set of permanent teeth
Broken Mouth	Sheep that have broken &/or missing permanent teeth

B. Seasonal classifications - Lambs should be quoted as slaughter lambs (wooled or shorn). Frequently during the year, young lambs may sell at a premium. These should be designated as "new crop lambs." Conversely, older lambs late in the season that sell at a discount should be designated as "old crop lambs."

C. Shorn lambs - Due to the frequent wide variation in pelt credits between fresh shorn and shorn stock carrying enough wool growth to place the pelts in No.1 or No. 2 classifications, as described in Section IV. detailed quotations on shorn lambs should be based on sales of animals having No. 1 or No. 2 pelts.

IV. PELTS

For uniform and comparable reports, shorn sheep and lambs will be classified with regard to length of wool as follows:

Description	Length of Wool
Wooled	Over 2 inches
Fall Shorn	1 to 2 inches
No 1	5/8 to 1 inch
No 2	3/8 to 5/8 inch
No 3	1/8 to 3/8 inch
No 4	Less than 1/8 inch

V. TERMINOLOGY

A. Slaughter Lambs: Official USDA grades, both quality and yield grades, will be used when describing slaughter lambs. These following designations will also be used for

detailed quotations. When reporting light weight slaughter lambs (≤ 100 pounds). Please follow the guidelines listed below.

- Conformation compensating for deficient quality allows for most light lambs to be graded. All they need is a slight covering of fat to be eligible for grading.
- Very heavy muscled lambs can grade Prime.
- Heavy muscled lambs will grade Choice.
- Average to light muscled lambs will grade Good.
- All other terminology for segregating light slaughter lambs is no longer to be used on official USDA reports.
- Breakout percentages of slaughter lambs by traditional and non-traditional.
- Traditional markets refer to lambs that are subjected to USDA carcass grading, and marketed through mainstream outlets. Non-Traditional markets refer to lambs destined for slaughter outside of what would be termed as traditional markets.
- Utilize the LSW program to its full extent for sheep and goat reporting wherever possible.

Lamb Designations

Slaughter lambs <i>wooled</i>	Feeder lambs <i>wooled</i>
Slaughter lambs <i>shorn</i>	Feeder lambs <i>shorn</i>

B. Slaughter Ewes and Bucks:

Official USDA grades for both quality and yield will be used. In addition, reporters may add a flesh designation to better describe the livestock. The following flesh descriptions apply to slaughter ewes:

Very Thin – Cull YG 1 with fat thickness of 0-.10 inch

Thin – Utility YG1-2 with fat thickness of .11-.20 inch

Medium – Good YG2-3 with fat thickness of .21-.30

Fleshy – Good YG3-5 with fat thickness of .31 and greater

C. Feeder lambs

There are no official grade standards at this time for feeder lambs. For reporting purposes feeder lambs will be classified according to frame size and muscle thickness as follows:

1.

Frame Size	Expected Slaughter Weight (at or about .2" in fat)
Small Frame	100 lbs and down
Medium Frame	100-135 lb.
Large Frame	Over 135 lb.

2. Muscling Specifications

No. 1 - Thrifty animals that are thick throughout. Lambs that are thick and full in the forearm and leg, showing a rounded appearance through the back and loin. Lambs that are wide between the legs, both front and rear.

No. 2 - Lambs that are thrifty and are slightly thick through the forequarter and the middle part of the leg. The forearm and leg are slightly thick and the back and loin have a slightly thick appearance. The legs are set slightly wide, both front and rear.

No. 3 - Feeder lambs included here are thrifty animals that have less thickness than the minimum requirements specified for the No.2.

Inferior - Animals that are unthrifty.

D. Replacement Ewes

Ewes should be classified according to their mature body weights and muscle thickness as follow: (assuming ewes are shorn with no. 1-2 pelts and are carrying .1 inch of fat.)

1.

Frame Size	Mature Body Weight
Small	Under 125 lb.
Medium	125-150 lb.
Large	Over 150 lb.

2. Muscling Specifications

No 1	Same as for Feeder Lambs
No 2	Same as for Feeder Lambs
No 3	Same as for Feeder Lambs

Uniform descriptions are needed to fully describe the type of replacement ewes traded. These should include:

Frame size and muscling

Age

Breeding factors

Dominant breed

Blackface

Whiteface

Crossbred mottled face, smut face, speckled face, etc.

Additional information may be provided if needed, for example:

Origination: State or area

Breeding dates and/or expected parturition dates
Breeding of bucks to which exposed

VI. GOAT CLASSIFICATIONS

A. Classifications

Goats should be classified according to the following criteria:

1. Type

Meat

Angora

Dairy

2. Use

Slaughter

Replacement

Stocker and Feeder

3. Age classifications

Slaughter Goats

Description	Definition
Kid	Under 12 months of age, male or female
Yearling	12-24 months of age
Buck/Billy	Uncastrated male over 12 months of age
Doe/Nanny	Mature female over 12 months of age
Wether	Castrated male of any age

Mohair Goats

Description	Definition
Spring Kid	A kid that is spring shorn
Fall Kid	A kid that is fall shorn
Young Goat	A goat that is between 12-24 months when shorn
Fine Adult	Sheared from a goat whose age is over 25 months and micron size is under 34 microns
Coarse Adult	Sheared from a goat whose age is over 24 months and micron size is over 34 microns

B. Selection Criteria

The following criteria for selection involve consideration of conformation. Selection No. 1 goats or carcasses imply a higher proportion by weight that is meat to bone.

1. **Selection No. 1** - Live goats and/or carcasses shall possess a superior meat type conformation. Without regard to presence of fat cover, they shall be thickly muscled throughout the body as indicated by the appearance of muscling that is pronounced (bulging) over the outside leg (biceps femoris), full (rounded) over the back strip (longissimus dorsi), and moderately thick over the outside shoulder (triceps brachii group).
2. **Selection No. 2** - Live goats and/or carcasses shall possess an average meat type confirmation. Without regard to presence of fat cover, they shall be moderately muscled throughout the body as indicated by the appearance of muscling that is slightly thick and less pronounced over the outside leg (biceps femoris), slightly full (flat or slightly shallow) over the back strip, (longissimus dorsi), and slightly thick to slightly thin over the outside shoulder (triceps brachii group).
3. **Selection No. 3** - Live goats and/or carcasses shall possess an inferior meat type confirmation. Without regard to presence of fat cover, the legs, back and shoulders are narrow in relation with its length and have a very angular and sunken appearance.

D. Replacement, Stocker, and Feeder - The following descriptions should be used as appropriate. Use Selection Criteria and age classification, if needed, along with weight and descriptive terms when appropriate.

Description	Definition
Kids	Under 12 months of age, male or female
Yearlings	12-24 months of age
Does/Nannies	Mature female over 12 months of age
Bucks/Billies	Uncastrated male over 12 months of age
Pairs and Trios	Female with 1 or 2 kids

Uniform descriptions are needed to fully describe the type of replacement goats traded. These may include:

- Selection Criteria
- Age
- Breeding factors
- Dominant breed

Additional available information should be provided if needed, for example:

- Origination: State or area
- Breeding dates and/or expected parturition dates
- Breeding of billies to which exposed

PREPARATION OF REPORTS

Wool and Mohair Trading

I. REPORTING GUIDELINES:

A. The National Wool report is released weekly each Friday a.m. Included in this report are volume and price information on many classes and grades of wool, received by producers in all areas of the U.S. on a greasy fob basis, clean fob basis, and a delivered clean basis. Seasonal wool pools or warehouse auctions are included as well when available. Warehouse sales to exporters or processors are also included in this report, both on a greasy and clean basis. The report also includes Mohair prices, primarily in Texas. However, auction sales of Mohair in South Africa are included on a seasonal basis and weekly prices of wool sold in Australia and New Zealand also are included in this report except when trading is in recess in those countries.

Information is collected via phone calls and personal visits with producers, buyers, warehouses, processing mills, and foreign buyers each week. Seasonal warehouse sales and auctions are also included. When detailed “core test” information is available, this is included in all reports to supplement visual grading estimates.

In spite of a highly seasonal wool trade, every effort is made to identify weekly movements of wool, changes in demand, effects of currency markets, and price changes on a weekly basis.

B. Wool and Mohair Grading Terminology – Descriptive terms Wool is traded using several grading methods across the U.S. – blood typing system, spinning count system, and micron diameters. The majority of the wools will be graded according to current micron diameter ranges being used by the industry whenever possible. If micron range is unavailable, then spinning count notations (64’s, 62’s, etc) will be used, if this is unknown, then the terms “Fine Whiteface, Coarse Whiteface, and Blackface” will be used to identify the wool grades.

Staple length is used to identify the various grades for combing length wools with the terms “Clothing or French Style” denoting wools less than staple length for those grades.

V.M. refers to the amount of Vegetable Matter in the wools, often times a discount for wools in excess of 2.5%.

Clean Yield refers to the estimated clean yields of wools after scouring has been completed vs. the greasy yield of wools in original bags prior to scouring.

Wool Preparation Methods -- A wide array of methods exists within the U.S. at this time.

1. O.B. B.O.U – Original Bag, Bellies Out, Untied
2. O.B. B.I.U. – Original Bag, Bellies In, Untied
3. O.B. Classed – Original Bag, classed for grade
4. Classed/Skirted – Original Bag, however, wool classed and skirted

Wool Packaging Types –

1. Burlap Bags
2. Film Bags or Square Film Packs
3. Poly Square Packs
4. Nylon Square Packs
5. Warehouse Bales

C. Statistical Reports - Weekly, monthly and yearly data is available thru the national data base for each grade of wool for U.S. produced wool as well as clean prices on all grades of wool imported into the U.S. from Australia (delivered to the U.S. in U.S. to Charleston, S.C.)

The Friday (weekly) report includes both greasy basis and clean basis prices on most classes and grades of wool delivered to processors as reported by areas – Territory States, Texas, and mid-western states.

PREPARATION OF REPORTS

Meat and Meat By-Product Reporting

Meat and meat by-product information is collected through a mandatory and voluntary reporting program. Beef and lamb products are required to be reported by the Livestock Mandatory Reporting Act of 1999 (Act). Pork products, veal, by-products, and hide information is collected through a voluntary reporting program.

I. Mandatory Meat Reporting

- A. The Act requires that plants that slaughter 125,000 head of cattle or more on an annual basis report all domestic and boxed beef sales.
- B. The Secretary of Agriculture was given the authority to establish a mandatory reporting program for lamb that requires packers who slaughter or process the equivalent of 75,000 head of lambs or more on an annual basis to report information on lamb carcass and boxed lamb transactions. In addition, importers who import 2,500 metric tons of lamb on an annual basis must report their domestic sales of boxed lamb.
- C. Information published for mandatory meat reporting must meet the confidentiality guidelines.
- D. Additional information on mandatory reporting and confidentiality guidelines are contained in Appendix A.

II. Mandatory Beef Reports

A. The boxed beef report is released twice per weekday, in the morning at 11:00 a.m. Central Time under report number [LM_XB402](#) and the afternoon at 3:00 p.m. under report number [LM_XB403](#). The morning report covers market activity since 1:30 pm of the prior business day until 9:30 am of the current business day. The afternoon report is cumulative, including all market activity in the morning [LM_XB402](#) plus all additional transactions between 9:30 am and 1:30 pm. A data friendly [CSV](#) version of the afternoon report is available. The boxed beef report can be divided into 2 major sections; 1. Individual beef item sales 2. Beef cutout values and current volume both derived from individual beef item sales.

1. INDIVIDUAL BEEF ITEM SECTION - Reported sales of these items meet the following criteria:
 - All beef transactions are original sales from cattle slaughtering firms regulated by [MPR](#) (Mandatory Price Reporting) to first time buyers.

- Sales are [negotiated](#), with the product delivering within 0-21 calendar days to the domestic market.
- Prices are quoted in U.S. dollars per 100 pounds. (cwt)
- Beef cut items are from non-dairybred steer and heifer beef, and are referenced according to the [Institutional Meat Purchase Specifications](#) (IMPS) when possible. Cut items are no older than 14 days from the date of manufacture, and are limited to the [USDA Choice and Select](#) grades. [Branded](#) product (Certified Angus Beef for example), is excluded.
- Ground beef and beef trimmings are from both dairybred and non-dairybred steer/heifer beef, and are no older than 7 days from the time of manufacture.
- Sale prices of all beef items are quoted on an F.O.B. plant basis (delivered price minus freight cost).

Since the inception of MPR in April 2001, [confidentiality guidelines](#) have prevented Market News from publishing certain individual beef items in the report. While these particular beef items are not released to the public, their information is still used in calculating cutout values and the current volume.

2. BEEF CUTOUT VALUES AND CURRENT VOLUME - The boxed beef cutout (BBC) represents the estimated value of a beef carcass based on prices paid for individual beef items derived from the carcass. Two cutouts are calculated daily, Choice and Select. The cutout values do not include packer revenues from the sale of [hide and offal products](#) removed during slaughter, and the processing cost incurred by packers is not deducted from the cutout values.

B. National/Regional Boneless Processing Beef and Beef Trimmings

LM_XB400 released daily by 11:00 AM CST

LM_XB401 released daily by 3:00 PM CST

LM_XB460 released weekly on Friday's by 4:00 PM CST

The National/Regional Boneless Processing Beef and Beef Trimmings report represents the volume, price range (low and high), and weighted average for boneless processing beef (cow product) and beef trimmings (steer/heifer product). Boneless beef is reported in two distinct areas on the daily (LM_XB400 and LM_XB401) and four areas on the Weekly (LM_XB460). The daily is reported on a Central and National FOB Plant basis, while the Weekly includes the East and West Coast also (see box).

Regional Breakdown:	
Central	- AR,CO,IA,IL,IN,KS,KY,LA,MI,MO,MN,MT,ND,NE,NM,OH,OK,SD,TNTX,WI
National	- ALL STATES
East Coast	- AL,CT,DC,DE,FL,GA,MA,MD,ME,MS,NC,NH,NJ,NY,PA,RI,SC,VA,VT,WV
West Coast	- AK,AZ,CA,HI,ID,NV,OR,UT,WA,WY

Processing beef and beef trim are categorized by chemical lean content. The information going into the 90% lean category is

cow product only. Meanwhile, all other lean percentages include cow, steer and heifer product. The 50% lean quote is steer/heifer product only and is derived from the National Daily Boxed Beef Cutout and Boxed Beef Cuts reports (LM_XB402, LM_XB403 and LM_XB459). Bull meat product is shown in its own section. Sales transactions of boneless beef items used meet the following criteria:

1. Negotiated sales, with the product delivering fresh within 0-21 days to the domestic market.
2. Processing beef and beef trimmings are from all beef sources, and are no older than 7 days from

the time of manufacture.

3. Sale prices of all beef items are on an F.O.B. plant basis.

Confidentiality guidelines prevent Market News from publishing certain individual beef items in the report. Therefore, information is aggregated by accumulating days to meet confidentiality requirements. When multiple days are aggregated to meet the confidentiality guidelines the initials for the days included will be shown (M, T, W, Th, or F). No more than five working days will be aggregated. Items not tested may have their last established price range and weighted average carried over for a maximum of 5 working days accompanied by a letter (A, B, C, D, or E) denoting the number of days since the last actual market test. Number of trades and total pounds are not carried over. The LM_XB460 report is an aggregation of Monday thru Friday's data submitted under MPR. It is released on Friday afternoon by 4:00.

C. National Weekly Boxed Beef Cuts for Branded Product
LM_XB452 *Released on Monday's by 10:00 AM CST*

This report is released on Monday morning and covers data collected from the previous week under MPR. Data must meet the following criteria:

Branded product refers to cuts that require the upper two-thirds of the USDA Choice Grade - Modest or Moderate amount of marbling.

1. The Branded beef cuts are from non-dairybred steer and heifer beef, and are referenced according to the Institutional Meat Purchase Specifications (IMPS) when possible.
2. Negotiated sales
3. Reported as FOB plant price per hundred pounds
4. Deliver within 21 days
5. Product should be no older than 14 days at time of delivery
6. The number of trades, total pounds, weight range, and weighted average price is listed for each cut that meet confidentiality guidelines.

D. National Weekly Boxed Beef Cuts-Formulated Sales
LM_XB454 *Released on Monday's by 10:00 AM CST*

This report is released on Monday morning and covers data collected from the previous week under MPR. Data must meet the following criteria:

1. Beef cuts are from non-dairybred steer and heifer beef, and are referenced according to the Institutional Meat Purchase Specifications (IMPS) when possible.
2. Formulated sales: The advanced commitment of boxed beef using a method of calculating a price in which the price is determined at a future date.
3. Reported as FOB plant price per hundred pounds
4. Deliver within 21 days
5. Product should be no older than 14 days at time of delivery
6. The number of trades, total pounds, weight range, and weighted average price is listed for each cut that meets confidentiality guidelines.

E. National Weekly Boxed Beef Cuts for Prime Product
LM_XB456 *Released on Monday's by 10:00 AM CST*

This report is released on Monday morning and covers data collected from the previous week under MPR. Data must meet the following criteria:

1. USDA Prime graded beef cuts are from non-dairybred steer and heifer beef, and are referenced according to the Institutional Meat Purchase Specifications (IMPS) when possible.
2. Negotiated sales
3. Reported as FOB plant price per hundred pounds
4. Deliver within 21 days
5. Product should be no older than 14 days at time of delivery
6. The number of trades, total pounds, weight range, and weighted average price is listed for each cut that meets confidentiality guidelines.

F. National Weekly Boxed Beef Cuts for Ungraded Product
LM_XB462 *Released on Monday's by 10:00 AM CST*

This report is released on Monday morning and covers data collected from the previous week under MPR. Data must meet the following criteria:

1. Ungraded product refers to cuts that did meet the USDA Prime, Choice, or Select quality grades.
2. The Ungraded beef cuts are from non-dairybred steer and heifer beef, and are referenced according to the Institutional Meat Purchase Specifications (IMPS) when possible.
3. Negotiated sales
4. Reported as FOB plant price per hundred pounds
5. Deliver within 21 days
6. Product should be no older than 14 days at time of delivery
7. The number of trades, total pounds, weight range, and weighted average price is listed for each cut that meets confidentiality guidelines.

G. National Comprehensive Boxed Beef Cutout
LM_XB463 *Released on Monday's by 10:00 AM CST*

The LM_XB463 report was designed with simplicity in mind. One single cutout value, along with one value for each of the seven primes, provides users a figure to track the value of all carcasses from fed cattle. The cutout and primal values are calculated in a similar matter as the LM_XB402 and 403 reports. See Exhibit #1. Contrary to the LM_XB402 and 403 reports which reports only negotiated sales that deliver from 0 to 21 days, this report encompasses more data. Data included is:

1. All purchase types (negotiated, formula, forward contract)
2. All Delivery periods
3. Prime, Branded, Choice, Select, and Ungraded product
4. Domestic and Exported

As an additional feature to the comprehensive cut out, the weekly average cut out values for Prime, Branded, Choice, Select, and Ungraded products are shown in comparison to the comprehensive data. These additional items provide data that is utilized to compare the comprehensive report. The volume section gives the total number of loads sold during the week, and then breaks this total down between the grades, various purchase types, and delivery locations (domestic or export).

The LM_XB463 report released on Monday morning includes data from the previous week.

H. National 5-Day Rolling Cutter Cow Cutout and Boxed Cow Beef Cuts

LM_XB404 released daily by 11:00 AM CST

LM_XB405 released daily by 3:00 PM CST

LM_XB461 released weekly on Friday's by 4:30 PM CST

The Cutter cow cutout is an estimate of the value of a typical Cutter carcass (350 lbs. and up) based on the reported less-than-carlot prices for Cutter cow cuts and on the reported carlot price of fresh 90% boneless processing beef. The current prices are reflected in the cutout along with the resultant value of each cut to the carcass based on average industry yields (see box).

Input values for the cutout for Cutter cuts come from the Cutter/ Canner section on the National Boxed Cow Beef Cuts report. In addition, the 100% lean items used in the cutout value comes from the 100% lean section of the same report. The value for 90% fresh lean comes from the weighted average of the National 90% lean quote from the National/Regional Boneless Processing Beef and Beef Trimmings (LM_XB400 and LM_XB401) daily report. Input values for kidneys, fat, and bone come from the Weekly Central U.S. Cow Variety Meat Price (NW_LS444) report. The fat price is calculated from the reported price of rendered bleachable tallow on the Weekly USDA By-Product Drop Value (Cow) report (NW_LS444) using the following formula: Rendered Bleachable Tallow Value x .67 = Fat Value. The bone price is determined from the reported price on the Weekly USDA By-Product Drop Value (Cow) report (NW_LS444) using the following formula: Central Meat & Bone Meal x .40 divided by 20 = Bone price.

Cutter Cow Cutout Yield Percentages				
Fresh 90% lean	55.84%	112 Ribeye Roll 4-6 lb		1.05%
100% lean Insides	2.32%	112 Ribeye Roll 6-8 lb		0.74%
100% Flats and Eyes	2.32%	112 Ribeye Roll 8-up		0.73%
100% S.P.B	5.00%	193 Flank Steak		0.42%
116B Chuck Tender	1.00%	Kidney, edible		0.46%
167A Knuckle, peeled	2.53%	Fat, edible		2.32%
190 Tenderloin 2-3 lb	0.53%	Bone		24.00%
190 Tenderloin 3-4 lb	0.74%			

Yields are industry averages updated Jan 1999

The National Boxed Cow Beef Cuts report serves as a barometer of the supply and demand situation in the wholesale fabricated boxed cow beef market. Additionally, the major cow beef cuts are listed with such information for each cut such as number of trades, total pounds, weighted average and change from previous day. The "Change from Previous Day" is always compared back to the previous days closing report (LM_XB405). Information is divided into four different sections Boner/Breaker, Cutter/Canner, 100% Lean and Boner/Breaker & Cutter/Canner. Each section contains product that is derived from the type of cows represented. Some items are not sorted and are represented under the Boner/Breaker & Cutter/Canner section. Sales transactions of cow beef items are also used in calculating the Cutter cow cutout value detailed above. All items reported in this section must meet the following criteria:

1. Negotiated sales, with the product delivering fresh within 21 days to the domestic market.
2. Beef cut items are from beef cow or dairy cow, and are referenced according to the Institutional Meat Purchase Specifications (IMPS) when possible. Cut items are no older than 14 days from the date of manufacture and prices are on an F.O.B. plant basis.

Confidentiality guidelines prevent Market News from publishing certain individual cow beef items in the report. Therefore, price ranges are excluded from the report. All data on the cow cuts section represents a 5-day rolling weighted average in order to meet confidentiality guidelines. The five days represents five working days.

The LM_XB461 report is an aggregation of data submitted from Monday thru Friday. The 90% lean value in the Weekly Cutter Cow Cutout value is derived from the National/Regional Weekly Boneless Processing Beef and Beef Trimmings report (LM_XB460). The change from the previous week is compared to the prior week's (LM_XB460). It is released on Friday afternoon by 4:00.

III. Voluntary Meat and By-Product Reporting

A. PREPARATION OF REPORTS

1. Delivery Cost

Each reported red meat commodity trades within a geographic area specific to that commodity. The reporting basis for each commodity will be an industry-established trading area that has common delivery characteristics. Commodities delivered into a consuming market are reported on a cost-after-freight (CAF) basis where the quote price reflects overages for freight. Commodities delivered from a production area are reported on a free-on board (FOB) basis in which all overages for freight are removed from the quoted price. These freight overages will be commonly agreed upon by both buyer and seller to arrive at the true intent of the sale and equated to a reporting basis.

2. Handling Charges and Volume Criteria

Meat reports are based on carlot (40,000 lbs. unit) quantities of wholesale based trades unless otherwise noted. Over time, the practice of trading a full carlot consisting of several commodities has become commonplace. Moreover, some commodities, because of their small physical size or availability of supply, simply do not trade reflects a full carlot; the volume of any one item is a fraction of the carlot. It is most important that the reported prices for sales of like commodities in dissimilar volumes reflect normal trading practices. In market where handling charges are not normally assessed, care must be taken to insure that no reported price reflects such charges.

To accurately reflect industry trading practices, it may be necessary to use less-than-carlot volume sales along with carlot volume sales in the same quotation. Less-than-carlot volume sales can be used to establish the market for a commodity if:

- a. During the trading period, the majority of reported trades for that commodity are made in less-than-carlot quantities;
- b. The general trend of these trades is reflective of the general trend of like commodities.

Load count or number of pounds of actual sales for most items are included in reports and these reported volumes will be used in calculating weighted average prices where appropriate.

3. Latest Established Quotation

On the By-Product and Tallow, Protein, and Hide reports, when an item is not tested, the last established market quotation may be carried over for a maximum of 5 days. Letters (A, B, C, D, or E) after the quotation will serve to represent the number of the days since the last actual reported trade. There will be no reference made to the latest reported volume. Quotations will be dropped after 5 days if they are not tested, or earlier if they no longer reflect current market conditions. When a price quotation is dropped, it may be replaced by an unquoted (unq.). The unquote will be dropped on the next trading session unless replaced by a current price quote.

4. Reportable Trades

Information is reported only on products for which the price is established through negotiation between buyer and seller. Sales based on a formula, when only the method for determining the price and not the actual selling price is established, will not be used. Reporter will confirm as many trades as necessary to ensure accurate representation of the market. Confirmation is normally attained through direct communication with the buyer and the seller and also with any brokers or other middle persons involved in the transaction. The reporter should make reasonable attempts, without causing undue disruption to the marketplace, to confirm all trades which would establish a market. Industry cooperation is needed to insure that all pertinent conditions affecting a sale are revealed and that the sale is reported in a timely manner in order to facilitate the confirmation process. Reporters are not required to use a trade if proper confirmation cannot be obtained.

5. Value-Added Sales

Sales of value-added products may be quoted where appropriate within the framework of a report to broaden the reporting base. However, they may only be used when the additional costs can be accurately determined, agreed upon, and removed from the selling price. If such costs cannot be determined, then these sales may be quoted separately to accurately depict current market conditions. If the value-added style of the product becomes the usual way of doing business in the marketplace, then steps should be taken to adjust the framework of the report so that the product can be reported as sold. For the sake of an accurate depiction of the marketplace, it is imperative that reported trades be reflected properly within the limited framework of the reports.

6. Prior Day Sales

Trades made before the current trading day may be included in the current day's market report under the following conditions.

- a. They must be reported within the first part of the day following the sale;
- b. The price reflects the general trend of like commodities and the trend for the current day;
- c. The previous day falls within the same week as the current day.

7. Outlying Sales

A trade reported and confirmed may not be included in the price range quotation if the price falls outside the range that is commonly accepted by industry and does not follow the trading pattern of similar commodities. Conditions under which these trades will be scrutinized are:

- a. A member of the industry suddenly switches position in the market (i.e., from a buyer to a seller, or a seller to a buyer) when typically they maintain a position on one side of the transaction;
- b. The trade does not reflect the majority of trades for the same product within the same trading period;
- c. It is not compatible with the supply, demand, and time frame considerations of current market conditions;
- d. The trade was made under uncontrollable circumstances not common to ordinary marketing patterns;
- e. The trade was made to create a unique market situation that excludes other trade member participation;
- f. The trade was made to redress past, present, or future obligations.

8. Transferred In Storage Sales

Transferred in storage (TIS) trades may be used for reporting purposes as long as they are not resales.

9. Trades Not Reported

Reporters should strive to include as many reported trades as possible into their market reports. However, transactions which fall into the following criteria will not be used:

- a. Formula sales
- b. Resale's of product in its original state (those not from original packer or processor)
- c. Intra-company sales (sales made within a company or operation)
Inter-company sales (sales made between companies) where the companies involved have common ownership or have cooperative working agreements that in any way limits free trade between buyer and seller
- d. Physically distressed product (off-condition)

10. Report Release Times

Reporters will make every effort to meet established deadlines so that dissemination of meat trade information will not be delayed. Cutoff times, frequency of reports, and release times will be commodity specific. Sales that need to be confirmed before they can be used should be confirmed in a timely and efficient manner without waiting until the end of the day. Reporters should conduct the making or taking of calls so as to finish information input at the prescribed times. The reporter must allow time for checking the accuracy of the input. If an error is inadvertently sent out, a correction will be sent as soon as possible. If the correction is not made

in time to be reflected on that day's *National Carlot Meat Report*, it should be reflected in the next publication.

11. Statistical Data

USDA quotations will become a part of the official record when entered into the Agricultural Marketing Service's computerized database. In meat reporting, prices reported on daily market reports should be used in framing statistical data. These items are regularly available in sufficient quantity to form a basis price comparison and have already met the criteria for eligibility to be reported. Statistical data will be kept on the daily price ranges, load counts, and weighted averages (where applicable) which were depicted on the daily report. All quotations will be recorded on the basis of dollars per hundredweight with exceptions so noted. Reporters are responsible for the content, accuracy, and preparation of statistical data pertinent to the commodities they report. Reporters will not alter the statistical data format in any way without prior approval.

B. Carcass Price Equivalent Index Value (NW_LS410)

Released daily (3:30 PM Central)

The Carcass Price Equivalent Index Value (CEI) report provides an estimated value for beef carcasses. This estimate is determined by calculating a value for beef carcasses based upon prices paid for boxed beef cuts and a value for beef carcasses based upon prices paid for live cattle. These two values are then averaged into the final CEI values. (See *Exhibit 2* for detailed explanation and sample calculations.)

C. Import Meat Trade (NW_LS421)

*Released twice a week (3:45 PM Central Wednesday & 2:00 PM Central Friday)
Carlot Volume, FOB East & West Coast basis*

The Import meat trade report covers boneless beef and various cow cuts imported into the United States from Australia and New Zealand. These imports are reported in two distinct trade areas: East Coast (Philadelphia, PA) and West Coast (Los Angeles, CA). Prices are reported on an FOB basis at U.S. ports with a delivery window ranging from 0-15 days and 16-45 days out front. When product is reported to be delivered to a different port than is reported on either coast the appropriate freight is deducted to arrive at a FOB price. When appropriate, trades that have uncommon conditions affecting the final price should be quoted on a separate line with the conditions explained. Common examples of this are immediate delivery trades, bulk of trading, and trades delivering under a different quota.

D. USDA National Steer and Heifer Estimated Grading Percent

NW_LS196 Released on Monday's by 12:00 PM CST

This report provides the breakdown of how slaughter steers and heifers are grading regionally by quality and yield grade. The data is released on Monday two weeks after the slaughter week. A grading percentage breakdown by quality and yield, quality only, and yield only is calculated for each of four combinations of the ten standard Federal Inspection regions listed below, total for all regions, and by state for Nebraska, Kansas, and Texas. In addition, a percentage graded by slaughter class is calculated for each combination region along

with a total percentage graded and a total head count graded. Regions are combined to avoid disclosing individual firm data.

The information for this report is obtained from the National Agricultural Statistics Services (NASS) and Agricultural Market Service, and the Grading, Certification, and Verification Division (GCVD). The NASS information is a weekly summary (Monday through Saturday) of all cattle slaughtered under Federal Inspection by region. The GCVD information is a weekly summary (Monday through Saturday) of the actual breakdown for all cattle graded by region.

The National Steer and Heifer Grading Percent Report was developed to provide the livestock and meat industry with information on the quality and yield grade of the cattle being marketed. Production, procurement, and marketing decisions based on the analysis of this information facilitates and promotes efficient and orderly marketing of cattle across the United States.

Federally Inspected Slaughter Regions:

Region 1 – 5 : CT, ME, NH, VT, MA, RI, NY, NJ, DE, MD, PA, WV
VA, AL, FL, GA, KY, TN, NC, MS, SC, IL, IN, MI, MN,
OH, & WI
Region 6 : AR, LA, NM, OK, & TX
Region 7 – 8 : IA, KS, MO, NE, CO, MT, ND, SD, UT, & WY
Region 9 – 10: AZ, CA, HI, NV, ID, OR, & WA
States : Nebraska, Kansas, Texas

Classes of Cattle:

Steer
Heifer
Dairy Cow
Other Cow
Bulls & Stags

E. Weekly CAF West Coast Cow & Bull Carcass (NW_LS400)

Released Friday (3:30 PM Central) Carlot Volume, CAF West Coast basis

The Weekly West Coast Cow & Bull Carcass Report covers the cow and bull carcass market on the West Coast, mainly California. Cow and bull carcasses are reported on a CAF West Coast basis. The number of loads and price range is reported on a weekly basis. The prices reported represent prices buyers paid for carcasses this week to be delivered the following week.

IV. BY-PRODUCTS REPORTS

A. By-Products Prices Report (LS440)

http://www.ams.usda.gov/mnreports/nw_ls440.txt

*Released daily (3:15 PM Central) Carlot Volume,
FOB Central U.S./FOB Supply Point basis*

This report covers the trading of beef and pork variety meats across the country. All items are reported frozen on an FOB Central U.S. basis. Reported domestic trades must deliver within 15 working days of the time of sale to be eligible for the report. Export trade may be used and will be labeled as such. Reported export trades must deliver within 45 working days of the time of sale to be eligible for the report. The reported load count for the day is supplied for each quoted item along with the full range of reported prices and a weighted average price. Items not tested may have the established price range and weighted average carried over for a maximum of 5 working days accompanied by a letter (A, B, C, D, or E) denoting the number of days since the last actual market test. Load counts are not carried over. Any trade not meeting the conditions of the report may be

reflected on an added line accompanied by an appropriate description of conditions only on the day the trade was reported. Such trades will not be carried over to the next day's report.

This report also reflects quarterly contract prices for beef and pork pet food items. These items are quoted fresh, frozen, or chilled on an FOB Supply Point basis. Prices for pet foods are established each quarter but are carried on the daily report.

B. By-Products Drop Value (Steer) (LS441)

http://www.ams.usda.gov/mnreports/nw_ls441.txt

Released daily (3:30 PM Central) Carlot Volume, FOB Central U.S. basis

This report reflects the total estimated value of the hide and offal from a typical 1325 lb. slaughter steer based on the current domestic market for the major offal items and for butt branded steer hides. The value reflects dollars per hundredweight live. Prices from the current market for each item are entered each day and the change, if any, from the previous day is shown. These prices are then multiplied by their respective yields (see box 1) expressed in pounds to a 1325 lb. live steer. The resultant values are adjusted to reflect a per hundredweight basis and are then summed into the final drop value.

The weight for the butt branded steer hide reflects a cured and fleshed per piece price. In the calculation of the drop value, this per piece price is converted to a per hundredweight live price. Meat and bone meal and blood meal are converted from a per ton basis to a per hundredweight basis in the calculations.

The hide weight is adjusted according to the schedule in box 2, to account for seasonal variations. When an adjustment is made, it is signified on the report.

By-Products Drop Value Yield Weights			
Item	lbs./cwt.	Item	lbs./cwt.
steer hide, butt brand	4.91-5.40*	lips, unscaled.....	0.11
tallow, edible	1.20	livers, selected	0.96
tallow, packer blchbl	4.50	tripe, scalded.....	0.65
tongues, Swiss #1 wht 0-3%..	0.26	tripe, honeycomb ..	0.15
cheek meat	0.32	lungs, inedible	0.47
head meat,	0.13	melts	0.14
Oxtails, selected	0.16	meat & bone meal ..	0.73
hearts, reg. bone-out	0.38	blood meal.....	0.60

** adjusted regularly to account for seasonal variations (see box 2)*
All weights per cwt. live basis of a 1275 lb. steer.

box 1

Steer Hide Weight Adjustment Schedule			
Jan	5.38 (min. weight)	Jul	4.92 (max. weight)
Feb	5.40	Aug	4.91
Mar	5.33 (max. weight)	Sep	4.95 (min. weight)
Apr	5.19	Oct	5.03
May	5.06	Nov	5.15
Jun	4.96	Dec	5.28

box 2

C. Tallow, Protein, and Hide Report (LS442)

http://www.ams.usda.gov/mnreports/nw_ls442.txt

Released daily (3:15 PM Central) Carlot Volume, Mixed basis

This report is composed of three distinct sections. The first covers the trading of tallows and greases. Three separate basis points are used - FOB Central U.S., CAF (cost after freight) Chicago, and CAF Gulf. Reported trades must ship within 20 working days of the time of sale to be eligible for the report. Trades that overlap this

period may be used providing the bulk of the trade volume delivers within the period. For this report and this report only, carlot basis refers to rail cars as opposed to trucks. The sole exception to this is for FOB Central choice white and yellow grease and edible lard fob plant, which are reported on a truck load basis. Trades must deliver within 15 working days to be eligible for the report. Railcars typically carry between 170,000 and 185,000 pounds.

The second section of the report covers the protein feed supplements market. Three basis points are used - FOB Central U.S., CAF California, and FOB Panhandle. Reported trades must deliver within 15 working days of the time of sale to be eligible for the report. Meat and bone meal and blood meal are reported on a per ton basis. Dry rendered tankage is reported on a per unit protein basis in two protein ranges: low, 42-47% and high, 52% and higher.

The final section of the report covers the trading of the major packer hides across the country. All hides are reported by cured and fleshed weight except bull hides which are reported by conventional weight (green hide wt.). Hides are quoted on a per piece basis and on a per hundredweight conventional basis. Heavy Texas Steer, Heavy Texas Steer and Heifer, and Branded Steer hides are only reported per piece. FOB Central U.S. is used as the reporting basis.

For the tallow and protein report, the reported load count for the day is supplied for each quoted item along with the full range of reported prices and a weighted average price. On the hide report, only the load count and price range is reported. Items not tested may have the established price range and weighted average carried over for a maximum of 5 working days accompanied by a letter (A, B, C, D, or E) denoting the number of days since the last actual market test. Load counts are not carried over. Any trade not meeting the conditions of the report may be reflected on an added line accompanied by an appropriate description of conditions only on the day the trade was reported. Such trades will not be carried over to the next day's report.

Reporting Basis Descriptions:

Central U.S. - Area extending along and including both sides of the northern border of Iowa; south to KCMO; east to Mississippi River; and west to Grand Island, NE.

Gulf - Houston, TX, coastal area.

Panhandle - Includes northern TX panhandle, panhandle of OK, western KS, eastern CO, and southwestern NE.

D. Weekly By-Product Drop Value (Cow) /Cow Variety Meat Price Report (LS444)

http://www.ams.usda.gov/mnreports/nw_ls444.txt

Released weekly (3:30 p.m. Central, Friday) carlot & less-than-carlot volume, FOB Omaha or equivalent Midwest; FOB Plant TX & OK

The first section of this report reflects the total estimated value of the hide and offal from a typical 1100 lb. slaughter cow based on the current domestic market for the major offal items and for cow hides. The value reflects dollars per hundredweight live. Current weekly prices for each item are entered and the change, if any, from the previous week is shown. These prices are then multiplied by their respective

yields (expressed in pounds) to a 1100 lb. live cow. The resultant values are adjusted to reflect a per hundredweight basis and are then summed into the final drop value (see box 3). This value is expressed both on a live basis and on a dressed basis using a dressing percentage of 47%.

The tongue value reflects a composite of the Swiss-cut categories, the livers a composite of the domestic liver quotes, and the meat and bone meal and the blood meal a composite of the Central and Panhandle basis quotes. The weight of the liver reflects a 30% condemnation rate.

The second part of the report covers the trading of cow variety meats in the Central U.S. The

Cow By-Products Drop Value Yield Weights			
Item	lbs./cwt	Item	lbs./cwt
cow hide, branded.....	4.45-4.83*	livers, regular.....	0.90
tallow, renderer blchbl.	3.68	tripe, scalded.....	1.06
tongues, Swiss cut, IW..	0.32	tripe, honeycomb..	0.14
cheek meat, trmd	0.43	lungs, inedible.....	0.86
head meat	0.14	melts.....	0.15
oxtails, regular.....	0.20	meat & bone meal ..	10.71
hearts, reg, bone-out.....	0.46	blood meal	0.73
lips, unscalded	0.13		

** adjusted regularly to account for seasonal variations (see Box 4)
All weights per hundredweight live basis of a 1100 lb. cow.*

Box 3

Cow Hide Weight Adjustment Schedule			
Jan	4.81 (min. weight)	Jul	4.46 (max. weight)
Feb	4.83	Aug	4.45
Mar	4.78 (max. weight)	Sep	4.48 (min. weight)
Apr	4.67	Oct	4.54
May	4.57	Nov	4.63
Jun	4.59	Dec	4.73

Box 4

from one week to another.

reporting basis for this report is FOB Omaha or equivalent in the Midwest and FOB Plant, Texas and Oklahoma. Carlot and less-than-carlot volume is used. This report reflects the trading of cow variety meats for the current week. Load counts are given along with the current, established price range and a weighted average. This information is quoted when reported - no prices or load counts are carried over

Reported domestic trades must deliver within 15 working days of the time of sale to be eligible for the report. Export trades may be used and will be labeled as such. Reported export trades must deliver within 45 working days of the time of sale to be eligible for the report.

E. Weekly By-Products Value (Hog) (LS446)

http://www.ams.usda.gov/mnreports/nw_ls446.txt

Released weekly (3:30 p.m. Central, Friday) carlot & less-than-carlot volume, F.O.B. Central U.S. basis

This report reflects the total estimated value of the offal from a typical 250 lb. slaughter hog based on the current domestic market for the major offal items. The value reflects dollars per hundredweight live. Current weekly prices for each item are entered and the change, if any, from the previous week is shown. These prices are then multiplied by their respective yields (expressed in pounds) to a 250 lb. live hog. The resultant values are adjusted to reflect a per hundredweight basis and are then summed into the final drop value (see box 5). This value is expressed both on a live basis and on a dressed basis using a dressing percentage of 74%. The ear value reflects an average of the square-cut, lobe-off 3-4/lbs. and 4-5/lbs. selections. Both pork meat and bone meal and blood meal prices are converted from a per ton basis to a per hundredweight basis. The price for blood plasma is determined by regular industry survey. Since the report reflects a Central U.S. basis, the Central choice white grease, pork meat and bone meal, and blood meal price quotes are used.

Hog By-Products Drop Value Yield Weights			
Item	lbs./cwt	Item	lbs./cwt
cheek meat, trmd.....	0.28	snoots, partial lean.....	0.25
chitterlings	1.26	stomach, scld, small box	0.43
ears, square-cut	0.19	brains	0.07
tongues, grn, bnls, sml box ..	0.18	lungs, inedible	0.95
hearts, slashed, domestic	0.28	choice white grease	0.50
kidneys, inedible.....	0.25	pork meat & bone meal	1.50
livers, inedible	1.25	blood meal	1.95
melts, inedible	0.17	lard	1.72
salivary glands	0.26	blood plasma	2.01
All weights per hundredweight basis of a 250 lb. hog.			

Box 5

The lard price reflects the Chicago basis loose lard price quote minus \$1.25 freight to bring it back to a Central U.S. price.

Prices may be adjusted nominally

for items not adequately tested in order to reflect current market conditions.

F. Pharmaceutical Report http://www.ams.usda.gov/LSMNpubs/pdf_monthly/pharm.pdf

Pharmaceuticals are contracted out front, usually on a quarterly basis, although most fetal blood contracts are made on a monthly basis. Contracted prices for the upcoming quarter are gathered at the start of the quarter for the various items. Typically, these contracts are negotiated over a one to two week period and calls are made throughout this period as the market develops. This report is available on the internet under LSMN publications.

All quoted items are reported on a dollars per pound basis with the exception of fetal blood. Items are reported FOB supply point. Fetal blood is reported on a dollars-per-liter basis. Items that do not trade in a significant volume for a particular quarter are left blank. New items may be added each quarter if they can be adequately tested. Care should be taken to describe these items accurately.

The range of prices for each item is shown on the report. Trades that fall outside of the bulk of trading may be separated out and described using terms such as "few," "mostly," "few sales," etc., to better describe the marketplace.

The pharmaceutical report will be released within the first month of each quarterly contract period. Fetal blood prices are released monthly.

V. PORK REPORTS

National Carlot Pork and Pork Carcass Cutout (LS500)

*Released twice daily (11:30 AM/3:30 PM Central) Carlot Volume,
FOB Omaha or Equivalent basis*

The National Carlot Pork Cuts report covers the trading of fresh pork cuts across the continental United States. Reported trades must deliver within 7 working days for processing cuts (hams, bellies, trimmings) and 10 working days for retail items (loins, butts, picnics, spareribs), of the time of sale to be eligible for the report. Sow product may be used where no pricing bias exists for such product. The reported load count for the day is supplied for each quoted item along with the full range of reported prices and a weighted average price. Load counts are not carried over.

Trades of loins and butts trimmed to 1/4" and 1/8" fat cover are reported as such. Any additional costs associated with the preparation of a cut that is trimmed or altered slightly different than the cut specification currently listed on the report must be ascertained and removed from the final reported price. Boneless loins are reported as either strap-on or strap-off, with the strap referring to the *iliocostalis* muscle. Load or 1/2 load quantities are required for most items to be reported. A 5,000 pound minimum can be used to establish a market for boneless sirloins, bone-in sirloins, tenderloins, picnic cushion (fresh), and loin backribs. All retail cuts are reported as vacuum packaged and processing cuts are reported in combos, unless otherwise noted on the report. Hams sold for fresh retail sale will not be reported. (See Exhibit 3 for detailed cutout explanation and sample calculations).

VI. MANDATORY LAMB REPORTS

A. NATIONAL 5-DAY ROLLING AVERAGE BOXED LAMB CUTS NEGOTIATED SALES (LM_XL500)

Released daily (3:30 PM Central)

This report covers the carlot-based portions of a lamb carcass, including fresh primals, subprimals, cuts fabricated from subprimals not older than 14 days from date of manufacture. Fresh ground lamb, lamb trimmings, and boneless processing lamb not older than 7 days from date of manufacture. Frozen primals, subprimals, cuts fabricated from subprimals, and thin meats not older than 180 days from date of manufacture.

Frozen ground lamb, lamb trimmings, and boneless processing lamb not older than 90 days from date of manufacture. Negotiated sales for delivery within 14 calendar days are reported on a F.O.B. Plant basis. All cuts are reported as Choice and Prime in separate categories of fresh and frozen.

The report shows all trades and tonnage reported for the current day and the four previous reporting days. Holidays are ignored, allowing the Friday report to reflect a trading period of Monday through Friday. The weighted average for the five days and the change from the previous report are shown.

Confidentiality guidelines may prevent Market News from publishing National Boxed Lamb price information. When trades are reported but are not published due to confidentiality guidelines the following statement is noted in the report: *Items with no entries indicate non-reportable trades.*

B. CENTRAL U.S. DAILY LAMB CARCASS REPORT (LM_XL501)

Released daily (4:00 PM Central)

This report covers the carlot volume, wholesale carcass lamb market established by packers in Colorado, Iowa, and Texas. Negotiated sales for delivery within 14 calendar days are reported on a F.O.B. Plant basis. Carcass lambs are quoted as Choice and Prime, Yield Grade 1-4, hind-trotters-off. Total head count, along with individual head counts, price ranges and weighted averages for each reported weight category are shown.

The Central U.S. Daily Lamb Carcass Report reflects the latest market information available. The Central U.S. Daily Lamb Carcass Report on Friday includes an additional section covering all carcasses reported by Central U.S. packers from the previous Saturday to the current Friday.

Confidentiality guidelines may prevent Market News from publishing Central Carcass Lamb price information. The following statement is issued with the latest market information when trades are reported but are not published due to confidentiality guidelines. *Today's trades not reportable because they did not meet the 3/70/20 guideline for carcass lambs. Below is the last reported market as of mm/dd/yyyy.*

C. USDA ESTIMATED NATIONAL LAMB CARCASS CUTOUT (LM_XL502)

Released daily (3:30 PM)

The USDA Estimated National Lamb Carcass Cutout report is derived from the National 5-Day Rolling Average Boxed Lamb Cuts report. It is an estimate of the value of a lamb carcass based on current weighted average prices reported for the major primals and associated sub-primals. Major primal values reflect only fresh values, while the sub-primals reflect both a fresh and frozen value. Cut weights are based on the latest Actual Federally Inspected Slaughter Carcass Weight from WA_LS711 and is calculated using the latest industry cutting yields. The latest industry cutting yields are shown on each report. Shrink and trim loss will fluctuate with changes in the actual carcass weight. Values for each cut are shown along with the change from the previous day's cutout. An average standard industry cutting and processing loss is deducted from the gross carcass value to show the net carcass value.

D. NATIONAL WEEKLY LAMB CARCASS REPORT (LM_XL555)

Released Wednesday (4:00 PM Central)

This report covers the National Carlot volume, wholesale carcass lamb market. Negotiated sales for delivery within 14 calendar days are reported on a F.O.B. Plant basis. Carcass lambs are divided into four distinct quality categories: Choice and Prime, Yield Grade 1-4; Choice and Prime, Yield Grade 5; Certified Fresh American Lamb; Ungraded. Each category is further divided into appropriate weight categories reflecting industry weight breaks. Total head counts for each quality category, along with individual head counts, price ranges and weighted averages for each reported weight category are shown.

Confidentiality guidelines may prevent Market News from publishing National Carcass Lamb price

information. When trades are reported but are not published due to confidentiality guidelines the following statement is noted in the report: *Items with no entries indicate non-reportable trades.*

VII. Voluntary Weekly Lamb Pelts Price Report (NW_LS443)

Released weekly (2:00 PM Central Monday)

Voluntary report that covers trading of lamb pelts on a national, carlot volume level. The report, released on Monday, is reflective of the previous week's market. Reported trades are primarily to domestic interests which further sort and process the pelts for sale on the world market. Pelts are reported on a packer sort, green, salted basis. The report reflects clean, seed free, mostly good density wool pelts, which are categorized into two main types, shorn or unshorn, with sub-categories reported for each type. These sub-categories may be increased or decreased to describe seasonal supply variations. A per-piece price range for the week is reported for each pelt type on a F.O.B. Major Production Points basis. Contract prices are not reported.

VIII. VEAL REPORTS

A. Veal Carcass, Weekly Distributive / Less-Than-Carlot Veal Cuts, and Weekly Boxed Veal Cuts (NW_LS452)

Released daily, Cuts Tuesday only (1:30 PM Central) Mixed Volume, Mixed basis

The Veal Carcass report covers the trading of special-fed veal carcasses across the nation. Prices are reported on a hot basis either hide-on or hide-off as applicable. Two reporting bases are used: Northeast (MA, MD, PA, NY, NJ, DE, CT, & VT) and North Central (OH, IN, IL, MI, & WI). The range of reported prices is shown along with the total head count for each carcass category. Contract information is shown for hot basis, hide-off carcasses in the North Central area as the majority of calves sold in this area trade in this manner.

The Distributive/LCL Veal Cuts report covers the more traditional style veal cut market in the major cities of the Northeast coast. The reporting basis is the East Coast Area that includes the major markets from Boston to Washington, DC. This market is made up of HRI sales, store-door deliveries, and walk-in sales. Only special-fed veal cuts are reported. The veal cuts market trades on a weekly basis and the report reflects those sales made for the current week. To maintain a credible price range, extreme highs and lows will not be used if they are not supported by prevailing market conditions.

The Boxed Veal Cuts report covers the trading of boxed, special-fed veal cuts across the country. F.O.B. Major Production Points, North Central Area is used as the reporting basis as this is where the majority of boxed veal cuts are produced. This market is reported on a weekly basis and covers the current week's trading. A price range and trend comparing current prices to prices of last week is shown for each cut. To maintain a credible price range, extreme highs and lows will not be used if they are not supported by prevailing market conditions.

B. Special Fed Future Contracts

Future contracts for Special Fed veal calves originated with the banker wanting some kind of guarantee from the producer as to what the value of the baby calf would be at the time of slaughter. Below are definitions of the most common future contracts offered.

1. Firm Bottom/Firm Top: The producer is guaranteed to be paid no less than the firm bottom and no more than the firm top, possibly somewhere in between.
2. Firm Bottom/Open Top: The producer is guaranteed to be paid no less than the firm bottom and possibly more in relationship to the current negotiated market.
3. Firm Bottom/Split Top: The producer is guaranteed to be paid no less than the firm bottom and possibly split between the split top and the current negotiated market.
4. Double Split: The producer will be paid a value based on the negotiated market. The split may possibly be below or above the contracted numbers.

Exhibit 1: National Boxed Beef Cutout and Cuts:

Background Information – When beef carcasses first enter the fabrication portion of the plant, they are broken into primal units. These primals then move to the cutting tables where they are fabricated into the various sub-primal styles. In the process, various by-products (known as credit items) are created. These credit items vary in type and quantity depending on the sub-primal style being produced and include such items as trimmings, bone, fat, etc. The potential value of these sub-primals varies depending on how much work is done on the cut (boneless cuts often require more fabrication and so cost more to produce than bone-in cuts), which muscle groups are removed, how much fat trimming is done, and other similar factors. Ideally, processors produce cuts to fill already existing orders. However, when this is not possible, they will produce styles for which there is regular demand and will stockpile them for eventual sale. Because of this, there tends to be larger quantities of these styles traded and, consequently, they have more impact on the processor's overall cutout. The processor's overall cutout is determined by the relationship between the value and the volume of sub-primal styles being produced and sold. The processor looks at this overall cutout as an indication of their performance.

The BBC provides an overall performance indicator for the fabricated beef industry. Its formulation replicates that used by firms when calculating their own cutouts. Styles produced and sold in larger volume will have more influence on the BBC, just as they do within the industry.

Boxed Beef Report - Industry Application

What does it tell us? - Careful study of the relationships between the various BBC calculated values and reported load counts can tell the user much about the current state of the marketplace. It is these relationships between the figures and not the numbers themselves which are important. Many people overlook this fact and are therefore unable to fully utilize all of the information available in the report.

THE BOXED BEEF CUTOUT VALUES AND CHANGES – The cutouts represent the estimated value of a beef carcass from the represented grade for a given day based on prices being paid for boxed beef cuts and credit items. The change in value from the previous day is shown immediately below each cutout value. Comparing the cutouts to one another can tell us a lot about the current market. The spread between the Choice and Select cutouts is a good indicator of the relative supply for each grade. A narrow spread indicates that cattle are grading better and that there are fewer Select cattle available. A widening spread indicates that the incidence of cattle grading Select is increasing. Seasonal demand patterns for either Choice or Select product can also influence the spread. Demand for Choice middle meats through the Christmas season often leads to increases in the Choice cutout not shared by the Select cutout.

The daily change in cutout values is a good indicator of the overall marketplace as well. The magnitude of the change in either direction indicates some measure of imbalance in the supply/demand situation. For example, a sharp decline in the Select cutout when compared to the Choice cutout would be an indication of either increasing supplies of Select, decreasing demand for Select relative to Choice, or a combination of both. However, you should keep the reported load count in mind when looking at the changes as these two factors influence one another.

REPORTED LOAD VOLUMES – The total reported load counts provide some important insights into the market situation - especially when compared to the daily changes in the cutout. Many people tend to look only at the load volume or only at the change which often leads to a misinterpretation of the market trend. A larger than normal movement of boxes could indicate at least two things depending on what the cutout values are

doing. If cutout values are declining, a large movement could indicate that sellers are moving their prices lower in an effort to get their supplies under control. If the cutout values should happen to be increasing, it could indicate that buyers are eager to fill their needs while price increases are still workable. A smaller than normal movement of boxes in conjunction with higher trending cutout values could indicate resistance in the marketplace to higher asking prices. It could also be an indication of an inability to move product at the retail counter possibly due to consumer resistance to higher prices. A small movement usually indicates a backing up of product in the distribution pipeline. If it happens in conjunction with declining boxed beef prices, it is usually an indication of lack of buyer interest at current price levels. This happens when the market is in transition as prices move lower and sellers seek price levels which will renew buyer interest.

The volume of fresh 50% beef trimmings provides another piece of information regarding the health of the marketplace. Larger than normal volumes could be an indication of an increased supply of over-finished cattle, although smaller than normal volumes could indicate the opposite. The volume of grinds could increase when certain cuts are not moving well. An over-supply of lean chucks in the summer could force processors to resort to grinding in an effort to better merchandise their supplies.

PRIMAL VALUES – Another part of the BBC which provides valuable information is the reported primal values. It is from these values that the cutouts are calculated. Therefore, if you want to know what is driving the value of a particular cutout one way or the other, look at the primal values. For example, let's say that the Choice cutout closes sharply higher one day. At first thought, it would appear that the market is taking off. However, the reported load volume is relatively light which leads us to think that maybe the market is beginning to stall out. On further inspection, we see that the value of primal ribs has increased from the value reported for the day before. In fact, we find that the rib is the only primal which saw an increase and that this has been the driving influence behind the Choice cutout's increase. When we look at the individual beef item section, we find that only one of the rib cuts saw good movement at higher prices. At this point we must ask ourselves whether the market is in such great shape after all. In addition, what is causing the apparent strength in the rib market? Later, after some inquiry, we learn that Korea has placed a tender for a large volume of bone-in Choice rib cuts. This has created an imbalance in the Domestic supply of these cuts and the market reacted. Had we gone with our initial reaction to the higher Choice cutout, our assumptions about the marketplace would have been wrong. But by taking a closer look at what the BBC was telling us, we were able to learn enough about the market to make appropriate inquiries which resulted in being far more informed.

How does the industry use it? – The boxed beef report is used differently by the different parts of the beef industry (producers, packer/processors, and retailer/distributors). Producers look to see if boxed beef is moving well at higher prices which could provide them leverage in their negotiations with the packer. Retailers do the same thing but they look for a sluggish market with declining prices to provide them leverage. The packer/processor is caught in the middle but also looks for a negotiating advantage against the producer and the retailer. In short, all segments of the industry look to the cutout when they are trying to further their position in the marketplace.

Companies also use the report as a standard by which to gauge their company or even their personal performance. If they can do better than what the average of the industry is, then they view that as a measure of success. The opposite is also true. Finally, some segments of the industry use the report as an impartial starting point on which to base formulations and contracts.

Some packers utilize the BBC for determining their Quality grade [discounts and premiums](#) when buying cattle on a grade and yield basis. Each week, the spread between the Choice and Select cutouts is factored against the actual grading percentage at each plant from the previous week.

The Chicago Mercantile Exchange utilizes the BBC in calculating its Live Cattle contracts. The spread between the Choice and Select cutouts is factored against a standard 63% yield with the result serving as the basis for discounts or premiums. Because the boxed beef market is largely composed of negotiated trades, the boxed beef report continues to enjoy the broadest basis of support of nearly any beef or cattle report. As packers and producers continue to look for ways to contract more and more cattle, many are looking to the cutout to provide a pricing basis. Therefore, the role of the beef cutout may become even more integral to the industry as time goes on. If this becomes the case, it is important that all interested parties gain a thorough understanding of how the cutout is calculated.

How does it Work? – The BBC calculations begin with determining a current 2 day weighted average price for each beef item. The current reported prices in the individual item section of the report are combined with the reported prices from the previous day to arrive at a 2 day weighted average price for each item. These item prices and average of industry cutting yields are used to calculate sub-primal style values which are then combined into primal values. These primal values are factored against their yield from the carcass and the resultant values are combined into the final carcass cutout values. These steps and their accompanying calculations are best illustrated through a sample calculation.

Step 1: Determining a Primal Value from a Sub-primal Cut - A Choice HRI chuck sub-primal style is used here for an example of how the cutout is calculated. The same process is followed by all of the other major sub-primals. As pointed out earlier, when a sub-primal cut is produced from a primal, you not only get the sub-primal style but you also end up with other components or credit items. When an HRI chuck is produced, you end up with various components of the primal chuck (see Figure 1). Combined, these components make up 100% of the original primal. Another factor to keep in mind is shrinkage. When meat is cut surface area is exposed, therefore allowing moisture loss (shrink). This loss, although minor, does account for a certain percentage of the original primal. This non-recoverable loss is absorbed by the packer.

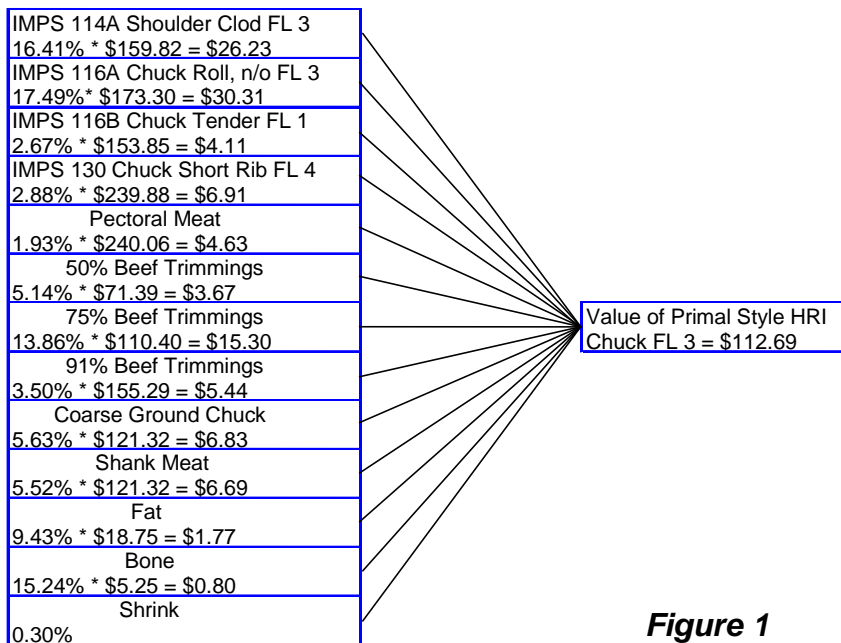


Figure 1

Each component makes up a physical portion of the original and each component adds some value to the overall

potential value of the primal. The potential value of the primal varies depending on what you produce from it. To determine the value of a Choice primal chuck from which a Choice HRI chuck has been produced, you need to determine the value of each of the component parts of that primal chuck. In Figure 1, the IMPS 114A Shoulder Clod portion of the HRI Chuck accounts for about 16.21% of the primal chuck. Today's Choice IMPS 114A's were reported at 8.6 loads with a \$160.11 weighted average price. The previous day's value for 114A's was 8.1 loads with a \$159.52 weighted average price. That makes the current 2 day weighted average for 114As \$159.82 per cwt. so 16.41% of this price is \$26.23 which is the value the 114A carries back to the primal chuck. The same calculation is done for each of the other component parts to determine their value back to the primal chuck.

The process detailed in Figure 1 fixes a value to a primal depending on the sub-primal produced from it. For each primal, this step is being done for several different sub-primal styles. The next step combines the primal values from each sub-primal style into one overall primal value.

Step 2: Calculating a Composite Primal Value – Once a primal style value has been calculated for each of the major sub-primal cut items produced from that primal, these primal style values are combined into a composite value for the primal (see Figure 2). There are six major chuck primal styles routinely produced from a 600-900# carcass. Each of these returns a value for the primal chuck and each is a part of the overall, composite primal chuck value.

This composite primal chuck value is a weighted average calculated from the six chuck primal style values using the number of pounds of each sub-primal cut item listed in the individual item section as the weight. This allows those cuts being produced in largest quantity to have the most affect on the cutout which is as it should be and is in actual practice in the industry. These steps are occurring for each composite primal within each grade category of cutout as trades are being reported.

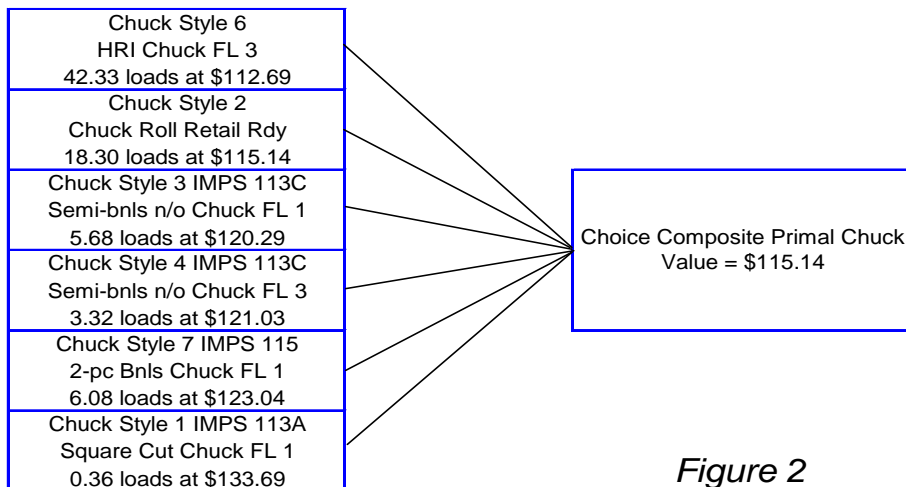


Figure 2

Step 3: Composite Primal Values to Carcass Cutout – In step 3 (see Figure 3), the composite primal chuck value calculated in step 2 along with similar values calculated for the other primals in step 2 are combined into their respective cutout (the Choice 600-900# in this example). Each primal is a percentage of the entire carcass and this yield factor or percentage is multiplied by the composite primal value for each primal. These products are then summed and the result is the carcass cutout for that grade category.

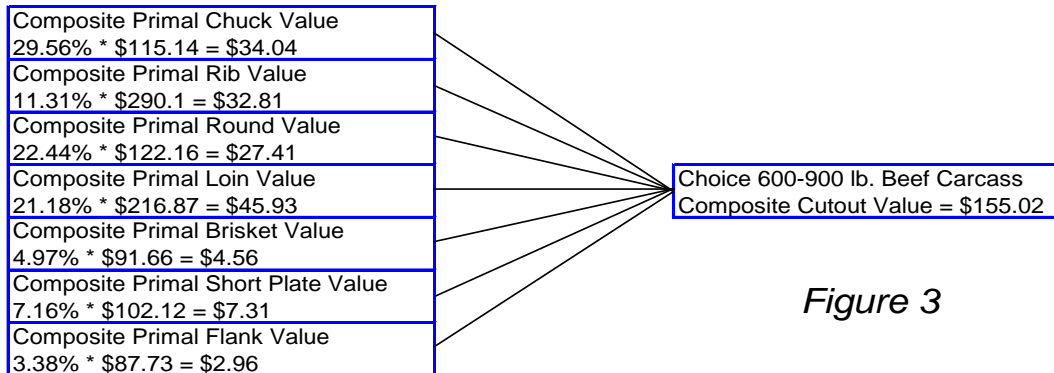


Figure 3

Rib Sub-Primal Styles						
#3 - 109A Rib, Roast-Ready 22/up - FL 1				#5 - 112A Boneless Lip-on Ribeye 12/dn - FL 3		
#4 - 109E Bone-in Lip-on Ribeye - FL 1				#6 - 112A Boneless Lip-on Ribeye 12/up - FL 3		
Components	#3	#4	#5	#6		
109A 1 Rib, Rst-Rdy 22/up	54.73%	-	-	-		
109E 1 Bone-in Lip-on	-	38.37%	-	-		
112A 3 Bnls Lip-on 12/dn	-	-	30.95%	-		
112A 3 Bnls Lip-on 12/up	-	-	-	30.95%		
123B 3 Short Rib	9.90%	9.90%	9.90%	9.90%		
124 4 Back Rib	-	-	8.40%	8.40%		
Cap and Wedge Meat	8.76%	8.76%	8.76%	8.76%		
50% Trimmings	9.09%	15.41%	15.66%	15.66%		
Fat	5.44%	14.64%	14.20%	14.20%		
Bone	11.58%	12.47%	11.58%	11.58%		
Shrink	0.50%	0.45%	0.55%	0.55%		
Total Percentage	100.00%	100.00%	100.00%	100.00%		

Sub-Primal Styles								
#1 - 120 Brisket - FL 1	#2 - 193 Flank - FL 4				#5 - Short Plate - FL 1 - Hvy Cr	#7 - Short Plate - FL 1 - Hvy Se		
Components	#1	#2	#3	#4	#5	#6	#7	#8
120 1 Brisket	53.32%	-			-		-	
193 4 Flank	-	14.50%			-		-	
121D 4 Inside Skirt	-	-			9.64%		9.64%	
Outside Skirt	-	-			6.84%		6.84%	
50% Trimmings	13.35%	27.20%			34.62%		25.07%	
65% Trimmings		2.12%			18.37%		27.92%	
75% Trimmings	6.22%	3.30%			2.91%		2.91%	
Cap and Wedge Meat	-	-			3.55%		3.55%	
Fat	14.23%	52.33%			7.86%		7.86%	
Bone	12.39%	-			15.50%		15.50%	
Shrink	0.49%	0.55%			0.71%		0.71%	
Total Percentage	100.00%	100.00%			100.00%		100.00%	

Loin Sub-Primal Styles										
#1 - 174 Short Loin - FL 1 - Lht	#7 - 175 Strip Loin - FL 3 - Lht	#13 - 180 Strip Loin 0x1 - FL 3 - Lht								
#2 - 174 Short Loin - FL 1 - Hvy	#8 - 175 Strip Loin -FLO 3 - Hvy	#14 - 180 Strip Loin 0x1 - FL 3 - Hvy								
#3 - 174 Short Loin - FL 3 - Lht	#9 - HRI Loin - FL 1 - Lht									
#4 - 174 Short Loin - FL 3 - Hvy	#10 - HRI Loin - FL 1 - Hvy									
Components	#1	#2	#3	#4	#7	#8	#9	#10	#13	#14
174 1 Short Loin	30.88%	30.88%	-	-	-	-	-	-	-	-
174 3 Short Loin	-	-	24.50%	24.50%	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
175 3 Strip Loin 1x1	-	-	-	-	17.47%	17.47%	-	-	-	-
180 1 Strip Loin 14#/dn	-	-	-	-	-	-	18.70%	-	-	-
180 1 Strip Loin 14#/up	-	-	-	-	-	-	-	18.70%	-	-
180 3 Strip Loin 0x1	-	-	-	-	-	-	-	-	13.64%	13.64%
184 1 Top Butt 13#/dn	16.67%	-	-	-	-	-	16.67%	-	-	-
184 1 Top Butt 13#/up	-	16.67%	-	-	-	-	-	16.67%	-	-
184 3 Top Butt	-	-	14.92%	14.92%	14.92%	14.92%	-	-	14.92%	14.92%
185A 4 Flap	3.73%	3.73%	3.73%	3.73%	3.73%	3.73%	3.73%	3.73%	3.73%	3.73%
185B 1 Ball Tip 2/dn	2.50%	-	2.50%	-	2.50%	-	2.50%	-	2.50%	-
185B 1 Ball Tip 2/up	-	2.50%	-	2.50%	-	2.50%	-	2.50%	-	2.50%
185C 1 Tri Tip	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%
189A 4 Tenderloin 5/dn	-	-	-	-	7.13%	-	7.13%	-	7.13%	-
189A 4 Tenderloin 5/up	-	-	-	-	-	7.13%	-	7.13%	-	7.13%
191A 4 Peeled Butt Tender	3.40%	3.40%	3.40%	3.40%	-	-	-	-	-	-
Steak (Loin) Tail	1.20%	1.20%	1.80%	1.80%	1.80%	1.80%	1.20%	1.20%	1.80%	1.80%
Hanging Tender	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%
50% Trimmings	8.72%	8.72%	10.88%	10.88%	11.21%	11.21%	7.32%	7.32%	8.01%	8.01%
75% Trimmings	3.76%	3.76%	4.09%	4.09%	3.90%	3.90%	4.98%	4.98%	5.31%	5.31%
Coarse Ground Sirloin							1.55%	1.55%	2.42%	2.42%
Kidney	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%
Fat	18.34%	18.34%	23.25%	23.25%	24.04%	24.04%	19.40%	19.40%	23.72%	23.72%
Bone	5.04%	5.04%	5.14%	5.14%	7.51%	7.51%	10.96%	10.96%	10.96%	10.96%
Shrink	0.22%	0.22%	0.25%	0.25%	0.25%	0.25%	0.32%	0.32%	0.32%	0.32%
Total Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Sub-Primal Styles								
#1 - 120 Brisket - FL 1 #2 - 193 Flank - FL 4		#5 - Short Plate - FL 1 - Hvy Cr			#7 - Short Plate - FL 1 - Hvy Se			
Components	#1	#2	#3	#4	#5	#6	#7	#8
120 1 Brisket	53.32%	-			-		-	
193 4 Flank	-	14.50%			-		-	
121D 4 Inside Skirt	-	-			9.64%		9.64%	
Outside Skirt	-	-			6.84%		6.84%	
50% Trimmings	13.35%	27.20%			34.62%		25.07%	
65% Trimmings		2.12%			18.37%		27.92%	
75% Trimmings	6.22%	3.30%			2.91%		2.91%	
Cap and Wedge Meat	-	-			3.55%		3.55%	
Fat	14.23%	52.33%			7.86%		7.86%	
Bone	12.39%	-			15.50%		15.50%	
Shrink	0.49%	0.55%			0.71%		0.71%	
Total Percentage	100.00%	100.00%			100.00%		100.00%	

Round Sub-Primal Styles								
#1 - 160 Round, Bone-in - FL 1		#5 - 161 Round, Bnls, Heel Out - FL 3			#7 - HRI Round - FL 3			
#3 - 161 Round, Boneless - FL 1		#6 - HRI Round - FL 1			#9 - Round - Flat & Eye, h/o - FL 3			
Components	#1	#3	#4	#5	#6	#7	#8	#9
160 1 Round, bone-in	79.68%	-		-	-	-		-
161 1 Round, bnls	-	72.55%		-	-	-		-
161 3 Rd, bnls pld knkl h-out	-	-		61.59%	-	-		-
167 1 Knuckle	-	-		-	12.57%	-		-
167A 4 Knuckle	-	-		-	-	11.45%		11.45%
168 1 Top Inside Round	-	-		-	26.56%	-		-
168 3 Top Inside Rd, trmd	-	-		-	-	24.73%		24.73%
170 1 Gooseneck Round	-	-		-	32.71%	-		-
170 3 Flat & Eye, heel out	-	-		-	-	-		21.84%
171B 3 Outside Round (Flat)	-	-		-	-	15.46%		-
171C 3 Eye of Round	-	-		-	-	6.33%		-
Heel	-	-		5.51%	-	5.51%		5.51%
Shank Meat	6.65%	6.35%		6.98%	6.98%	6.98%		6.98%
75% Trimmings	2.07%	2.56%		2.56%	2.99%	3.90%		3.85%
Fat	3.28%	3.28%		8.10%	2.90%	10.25%		10.25%
Bone	7.98%	14.87%		14.87%	14.87%	14.87%		14.87%
Shrink	0.34%	0.39%		0.39%	0.42%	0.52%		0.52%
Total Percentage	100.00%	100.00%		100.00%	100.00%	100.00%		100.00%

Chuck Sub-Primal Styles								
#1 - 113A Square-Cut Chuck - FL 1			#4 - 113C Semi-Boneless Neck-Off Chuck - FL 3					
#2 - Retail Ready Chuck Roll - FL 3			#6 - HRI Chuck - FL 3					
#3 - 113C Semi-Boneless Neck-Off Chuck - FL 1			#7 - 115 2 pc Boneless Chuck - FL 1					
Components	#1	#2	#3	#4	#5	#6	#7	
113A 1 Square-Cut	88.90%	-	-	-	-	-	-	
113C 1 Semi-Boneless	-	-	54.47%	-	-	-	-	
113C 3 Semi-Boneless	-	-	-	52.60%	-	-	-	
114 1 Shoulder Clod	-	-	-	-	-	-	-	
114A 3 Special Trm'd Clod	-	-	-	-	-	16.41%	-	
114D 3 Top Blade	-	3.86%	-	-	-	-	-	
114E 3 Clod Heart	-	6.06%	-	-	-	-	-	
114F 5 Clod Tender	-	0.64%	-	-	-	-	-	
115 1 2 pc Boneless	-	-	-	-	-	-	59.81%	
116A 3 Chuck Roll n/o	-	-	-	-	-	17.49%	-	
116B 1 Chuck Tender	-	2.67%	-	-	-	2.67%	-	
916A 1 Chuck Roll, retail ready	-	15.05%	-	-	-	-	-	
130 4 Short Rib	-	2.88%	2.88%	2.88%	-	2.88%	2.88%	
Pectoral Meat	-	1.93%	1.93%	1.93%	-	1.93%	1.93%	
50% Trimmings	0.85%	5.64%	2.47%	3.17%	-	5.14%	1.74%	
75% Trimmings	0.77%	16.75%	3.28%	3.26%	-	13.86%	3.51%	
91% Trimmings	-	6.50%	3.50%	3.50%	-	3.50%	-	
Coarse Ground Chuck	-	7.50%	7.86%	7.96%	-	5.63%	4.57%	
Shank Meat	5.12%	5.52%	5.52%	5.52%	-	5.52%	5.52%	
Fat	1.55%	9.43%	6.43%	7.52%	-	9.43%	4.50%	
Bone	2.61%	15.24%	11.41%	11.41%	-	15.24%	15.24%	
Shrink	0.20%	0.33%	0.25%	0.25%	-	0.30%	0.30%	
Total Percentage	100.00%	100.00%	100.00%	100.00%	-	100.00%	100.00%	

Sub-Primal Styles								
#1 - 120 Brisket - FL 1			#2 - 193 Flank - FL 4		#5 - Short Plate - FL 1 - Hvy Cr		#7 - Short Plate - FL 1 - Hvy Se	
Components	#1	#2	#3	#4	#5	#6	#7	#8
120 1 Brisket	53.32%	-	-	-	-	-	-	
193 4 Flank	-	14.50%	-	-	-	-	-	
121D 4 Inside Skirt	-	-	-	-	9.64%	-	9.64%	
Outside Skirt	-	-	-	-	6.84%	-	6.84%	
50% Trimmings	13.35%	27.20%	-	-	34.62%	-	25.07%	
65% Trimmings	-	2.12%	-	-	18.37%	-	27.92%	
75% Trimmings	6.22%	3.30%	-	-	2.91%	-	2.91%	
Cap and Wedge Meat	-	-	-	-	3.55%	-	3.55%	
Fat	14.23%	52.33%	-	-	7.86%	-	7.86%	
Bone	12.39%	-	-	-	15.50%	-	15.50%	
Shrink	0.49%	0.55%	-	-	0.71%	-	0.71%	
Total Percentage	100.00%	100.00%	-	-	100.00%	-	100.00%	

Primal to Carcass Yields						
Rib	Chuck	Round	Loin	Brisket	Short Plate	Flank
11.31%	29.56%	22.44%	21.18%	4.97%	7.16%	3.38%

Exhibit 2: Beef Carcass Equivalent Index Calculation

July 12, 2006

What is it?

The Beef Carcass Equivalent Index (CEI) is a calculated estimate of the value of a beef carcass based upon prices being paid for live cattle and prices being received for boxed beef cuts. An equivalent value is calculated for Choice and Select 600-900 carcasses.

Information from various USDA reports is used to calculate the final CEI values. This includes the Estimated Composite of Boxed Beef Cutout Values (LM_XB403), the National Daily Direct Slaughter Cattle report (LM_CT115), the By-Product Drop Value (NW_LS441), the Actual Slaughter (WA_LS711), the National Carcass Premiums and Discounts (LM_CT155), and the National Steer and Heifer Estimated Grading Percent (NW_LS196) reports. Information on slaughter and processing costs is collected from industry contacts and is updated when appropriate.

Why was it created?

The CEI was introduced on July 1, 1990 to replace the beef carcass market as an indicator of beef carcass value. As more and more beef carcasses were fabricated at the point of slaughter, fewer were shipped resulting in a thinly tested beef carcass market. This situation reached a critical point in 1990 and beef carcass reporting was suspended.

The value of a beef carcass lies between the price paid for the live animal and the return from the cuts sold from it. The CEI utilizes the price being paid for live cattle, the value being returned from the sale of beef cuts, and the value from the sale of byproducts to provide an estimate of the value of a beef carcass. This estimated value provided an alternative to the trading of beef carcasses.

How is it calculated?

The CEI is calculated by determining a beef carcass value from the prices received from boxed beef cuts and a beef carcass value from the prices being paid for live cattle. These two values are then averaged. The steps involved in these calculations are outlined below.

Step 1 : Calculating a Beef Carcass Value from the Boxed Beef Cutout:

The boxed beef cutout estimates the value of beef carcasses based on current prices being paid for boxed beef cuts. However, included in this value is the cost of processing the beef cuts. This processing cost must be removed in order to determine how much of the value is for the beef carcass alone. A processing cost of \$11.50 per hundredweight, obtained from industry survey, is currently being used.

Demand (Boxed) Equivalent calculation.				
Choice 600-900 lbs.	\$136.85	-	\$11.50	= \$125.35
Select 600-900 lbs	\$125.16	-	\$11.50	= \$113.66

Fig.1

To determine the value of a beef carcass from the boxed beef side (LM_XB403), subtract the processing cost from each of the two boxed beef cutout values (fig.1).

Step 2 : Calculating a Beef Carcass Value from Live Cattle:

To determine the value of a beef carcass from live cattle prices, a single, dressed basis, cleaned up price for cattle is calculated from which the byproduct credit value after slaughter cost is subtracted. The steps in this calculation are outlined as follows:

a. Calculate a single dressed basis price for cattle

The National Daily Direct cattle report is used as the source of live cattle market data. The CEI utilizes a five day rolling accumulation of direct cattle data in order to eliminate wide price swings in between tests of the cattle market.

a. Convert live prices to dressed basis...			
Live Steer	\$82.85 / 63.21%	=	\$131.07
Live Heifer	\$82.85 / 63.31%	=	\$130.87
b. Calculate a weighted average cattle price...			
Live Steer	(\$131.07 * 55,112) / 164,578	=	43.89
Live Heifer	(\$130.87 * 55,514) / 164,578	=	44.14
Dressed Steer	(\$132.75 * 31,653) / 164,578	=	25.53
Dressed Heifer	(\$132.37 * 22,299) / 164,578	=	17.94
Wtd Average Dressed Basis Live Cattle Value			= 131.50

As each day's information is added, the oldest input is dropped. The National Daily Direct report provides a daily summation of price, weight, and number of head for live and dressed basis sales. Live prices are converted to a dressed basis by dividing the price by the stated dressing percentage. Using the

volume reported as the weight factor, a weighted average dressed basis price for live cattle is calculated from the live converted prices and the dressed basis prices (fig. 2).

b. Calculate a "cleaned up" cattle price

The weighted average dressed basis price for live cattle reflects a wide range of weight, yield, and quality. This price must be adjusted to reflect a "cleaned-up to the box" basis (as though all cattle were of the type most desirable to be fabricated into boxed beef cuts). Normally, this basis reflects USDA Choice, Yield Grade 1-3, 600-900 lbs. cattle.

The estimated grading percentage and the discounts and premiums reports are used to calculate a total clean-up cost to compensate for value variations due primarily to quality, yield and weight. This clean-up cost is determined by adding the total value of the discounts to the total value of the premiums (see detailed description #1 below). The total clean-up cost is added to the weighted average dressed basis price calculated in step 2a (fig. 3).

Wtd Average Dressed Basis Live Cattle Value	=	\$131.50
Value of Discounts	+	\$7.81
Value of Premiums	+	(\$0.84)
Total Cleaned-up Cost	=	\$138.47

Fig. 3

c. Adjust for credit and slaughter costs

Now the live cattle price must be adjusted to account for the hide and offal (drop) value and the cost of slaughter. Calculate the total byproduct credit per head by first determining a single weighted average cattle live weight from the 5-area report using the reported number of head as the weight factor. Convert this value to a per hundredweight basis by dividing by 100. Multiply the outcome by the drop value to determine the total byproduct credit (fig. 4a & b). From this byproduct credit, subtract the slaughter cost (industry average of \$47.50 per head) to determine the credit after slaughter. Convert this live basis credit after slaughter to a per hundredweight dressed basis by first multiplying the single

weighted average cattle live weight by the average stated dressing percentages and dividing by 100.

Calculating the total credit per hundredweight.			
a. Calculating a weighted live and dressed carcass weight value.	Live Steer	1200	Live Steer 758.41
	Live Heifer	1111	Live Heifer 703.57
	Drds Steer	1253	Drds Steer 792.12
	Drds Heifer	1149	Drds Heifer 727.44
	Live Weight:	1173.36	Drds Weight 742.20
b. Calculate the total credit.	Live Wt / Drop	$(1173.36/100*8.32) = 97.62$	
c. Calculate total credit after	Total Credit –	$97.62 - 47.50 = \$50.12$	
d. Convert credit to dollars per hundredweight dressed basis.	(Credit after Slaughter Cost / Drsd Wt) * 100	$(50.12 / 742.2) * 100 = 6.75$	

Divide the number of dressed hundredweights into the credit after slaughter cost to determine the final credit adjustment (fig. 4c & d).

Fig. 4

d. Calculate the final live equivalent value

The final calculation in step 2 is to convert the cleaned up live cattle dressed price (hot basis) to a beef carcass equivalent value (chilled basis). For each grade category, from the cleaned-up cost of cattle, subtract the credit after slaughter cost, the adjustment for the value variation between Choice and Select, the adjustment for value variation within Yield Grade 1-3, and the adjustment for value variation within 600-900 lbs. carcasses (see detailed description #2 on page 5). Multiply the remainder by 99.5% to convert to a chilled carcass basis (.05% accounts for weight loss due to shrink, bruise trimming, etc.) (fig 5).

Calculate the final live-side carcass equivalent index value.													
Category	CInd-		Drop		Yield		Wght		Ch-Se		Hot to		Live
Ch 600 – 900 #	138.47	+	-6.75	+	-0.73	+	0.00	+	0.00	+	-0.65	=	130.34
Se 600 – 900 #	138.47	+	-6.75	+	-1.32	+	0.00	+	-11.00	+	-0.59	=	118.81

Fig. 5

Step 3 : Calculating the Final CEI Value:

The final step in the calculation of the CEI is to compute the simple average of each grade category of equivalent beef carcass values calculated in steps 1 and 2 (fig. 6).

	Box Base (Fig. 1)	Live Base (Fig. 5)	CEI
Ch 600 – 900 #	$(\$125.35 + \$130.34) / 2$		= \$127.85
Se 600 – 900 #	$(\$113.66 + \$118.81) / 2$		= \$116.24

Fig. 6

Detailed Descriptions

1. Calculating the Clean-up Cost

Step 1:

- a. The first steps in calculating a total clean-up cost is to determine the relative consist of the current cattle population by USDA quality grade, yield grade, and weight. The raw numbers provided by the USDA Grading, Certification, and Verification Division for the Estimated Grading Percentage report provides the basis for this determination. Each week, this information provides a breakdown (by number of head) of the consist of all cattle offered for USDA grading including the number of cattle quality graded USDA Prime, Choice, and Select and/or yield graded USDA 1,2,3,4, and 5. The number of head of each USDA quality and yield grade combination is then factored by the carcass weight distribution percentage (see table 1 for example).

Example of Cattle Population Distribution – USDA Choice								
Quality Grade	Qty only	Yield Grade					Weight (1)	
		1	2	3	4	5	(avg weight 807#)	
Choice	41	29	246	363	41	5	0.25%	400-500
	124	86	738	1,089	122	15	.75%	500-550
	14,089	7,695	66,291	97,801	13,796	1,653	85.00%	550-900
	1,658	905	7,799	11,506	1,623	195	10.00%	900-950
	497	272	2,340	3,452	487	58	3.00%	950-1000
	166	114	984	1,451	162	19	0.75%	1000/up
Total (2)	16,575	9,101	78,398	115,662	16,231	1,945		
(1) see weight distribution calculation below for details.					(2) figures from USDA Meat Grading and			

Table 1

- b. Next, the distribution of cattle going into branded programs is determined. The percentage of cattle going into branded programs from the total steer and heifer population is currently estimated by industry to be 10%. This 10% comes out of the population of cattle grading Choice 1-3 and weighing between 550 and 1000 pounds. Calculating the total number of head of Choice 1-3, 550-1000 pound cattle and dividing it into the total number of cattle going to branded programs (10% of total steer and heifer slaughter) results in the total percentage of branded cattle within the Choice 1-3 550-1000 pound category.

- c. The population of USDA Standard cattle is determined using the number of cattle being yield graded only, assuming that these cattle were not quality graded only because they qualified for the Standard grade.

Calculating Percentage of Cattle in Branded Programs			
Choice 1	11,420 / 517,800 =	2.21 %	Calculate the % of cattle Grading Choice 1-3 out of the total str/hfr population (497,592 in this example)
Choice 2	98,378 / 517,800 =	19.00 %	
Choice 3	145,141 / 517,800 =	28.03 %	
% of all cattle grading Ch 1-3		49.24 %	% Ch 1-3 * Total hd graded
Total head grading Ch 1-3		254,939	
% carcasses weighing 550-1000# =		98.00%	Less cattle not weighing
Total head Ch 1-3 550 - 1000#'s		249,840	
Branded – (10% of all str/hfr) =		51,780	Calculate % of branded cattle of Ch 1-3 550-1000#'s population
51,780/249,840		20.73%	

Table 2

- d. The population of bullocks, hardbones, and dark cutting cattle is determined by subtracting the total number of cattle USDA graded for the week by the total steer and heifer weekly slaughter assuming that those cattle which did not qualify for USDA grading fell predominately into one of

	% of Str/Hfr pop.	% of ungraded pop.
Bullocks	0.25%	6.67%
Dark Cutters	3.00%	80.00%
Hardbones	0.50%	13.33%

Table 3

these three categories. The distribution of these cattle over the three categories is weighted to the incidence of each condition in the general population. This data is taken from industry survey and from the *National Beef Quality Audit* of December 1995 (see table 3).

Weight Distribution Calculation -

The carcass weight distribution approximates the relative mix of carcass weights throughout a 400-1000/up pound range.

The percentages used were determined by an industry survey and float as the average carcass weight of the cattle population moves up and down (table 4). The average beef cattle carcass weight is determined from the Actual Slaughter report where a weighted average weight is determined using the percentage of steers and of heifers as the weight and the carcass weight of steers and of heifers as the data (example: $((46.10\% * 830) / 78.30\%) + ((32.30\% * 775) / 78.30\%) = 807$ pounds).

Weight Range	Average Beef Carcass Weight		
	750#/dn	775#	800#/up
400-500	0.75%	0.50%	0.255
500-550	1.25%	1.00%	0.75%
550-900	87.00%	86.00%	85.00%
900-950	8.00%	9.00%	10.00%
950-1000	2.50%	2.755	3.00%
1000/up	0.50%	0.75%	1.00%

Table 4

Step 2:

The next step in determining the total clean-up cost is to apply the appropriate premiums and discounts to each of the various combinations of

Sample Calculation – USDA Choice 3, 550-900# Carcass		
Total Ch 3, 550-900 # Carcasses	=	97,801
Choice adjustment	=	\$0.00
Weight adjustment	=	(\$0.02)
Yield adjustment (wtd avg of 3-3.5/3.5-4.0)	=	(\$0.10)
Total head	=	(\$0.12)
Total \$ all Ch 3, 550-900# carcasses	=	(\$11,736.12)
Divided by total slaughter	=	517,800
Total \$ adjustment per head	=	(\$0.023)

Table 5

discounts to each of the various combinations of cattle. For each combination, the appropriate premiums and discounts are summed and multiplied by the number of cattle having that combination to yield a total dollar value. The resultant values of all the combinations are then summed into the final clean-up cost (see table 5 for a sample calculation using Choice 3, 550-900# carcasses).

It is assumed that carcasses which are quality graded only would qualify for yield grades 4 or 5. Accordingly, a weighted average discount is calculated using the percentage of 4's and of 5's as weight and the appropriate discount as the data. This discount is then used in the calculation of these carcass types.

A weighted average discount is calculated for Choice 3 cattle as well as there is often a difference between the discounts for yield grade 3.0 to 3.5 and for 3.5 to 4.0 (see table 5 for an example).

2. Calculating the Adjustments to the Live Basis Equivalent Value

The calculation of the live side of the Carcass Equivalent Index basically involves the determination of a “cleaned-up to the box” beef carcass value. This value then serves as the starting point for determining the final live side carcass values. The Index reflects values for two types of beef carcasses (Choice 1-3 600-900# and Select 1-3 600-900#). Each of these types varies in value from the cleaned-up carcass based on differences in quality grade, yield grade, and/or weight. The final step in calculating the live side equivalent is to determine the amount of value variation which exists for each category and subtract it from the cleaned-up cost.

1. Subtract the value of the drop per hundredweight, dressed basis. This is done equally to each of the two categories.
2. Adjust for value variation between yield grade 1, 2, and 3 carcasses. This is done by first determining the percentage distribution of yield grade 1’s, 2’s, and 3’s within the Choice and then within the Select population. This percentage is then multiplied by the discount or premium for the appropriate yield grade. The products are summed into a final factor which is subtracted if positive or added if negative to the cleaned-up value.
3. Adjust for value variation between quality grades by adding the premium or discount for each quality grade to the cleaned-up cost for each Index category.
4. To convert from a hot basis to a chilled basis value, multiply the value for each category by 99.50%.

3. Calculating the Dressing Percent Value

The steer and heifer dressing percent is a 5 days rolling average calculated from the weighted average dressing percent reported on the National Daily Direct Slaughter Cattle report (LM_CT115). These values serve as a starting point to determine the dressing percent and to show the seasonality of dressing percentage fluctuations.

4. Calculating the Live-Boxed spread

The calculation of the live to box beef spread involves subtracting the Demand (Boxed) equivalent, Figure 1 from the Supply (Live) equivalent, Figure 5 (see table 8). Live equivalent represents the supply of live slaughter cattle and is obtained from the live and dressed prices producers are receiving for Choice and Select slaughter cattle reported on the National Daily Direct Slaughter Cattle report (LM_CT115). It is used to represent a consistent supply of live cattle being marketed.

	Choice	Select
Supply (Live) Equivalent	\$130.34	\$118.81
Demand (Boxed) Equivalent	\$125.3	\$113.66
Live – Box Spread	\$5.04	\$5.15

Table 8

Beef Cutout values shown on LM_XB403.

The boxed equivalent represents the demand and is the price packers are receiving for their boxed beef items, minus processing cost. This composite value is obtained from the USDA Estimated Boxed

Exhibit 3: USDA Estimated Composite Pork Carcass Cutout – An Overview

Background Information -

As pork carcasses enter the fabrication portion of the plant, they are broken into primal units. These primals then make their way to the cutting tables where they are fabricated into the various sub-primal styles. Only one sub-primal style can be created from a given primal and in the process various by-products or credit items are created. These credit items vary in type and quantity depending on the sub-primal style being produced and may include such items as trimmings, bone, fat, etc. The potential value of these sub-primals depends on how much work is done on the cut (boneless cuts require more fabrication, and thus cost more to produce than bone-in cuts) i.e. which muscle groups are removed, how much fat trimming is done, and other similar factors. Ideally, processors produce cuts to fill already existing orders. However, when this is not possible, they will produce styles for which there is regular demand and will stockpile them for eventual sale. Because of this, there tends to be larger quantities of these styles traded, and consequently, they have more impact on the processor's overall cutout. The processor's overall cutout is determined by the relationship between the value and the volume of sub-primal styles being produced and sold. The processor looks at this overall cutout as an indication of their own performance.

The PCC provides an overall cutout or performance indicator for the pork cuts industry. Its formulation replicates the processes used by the industry when calculating their own overall cutouts. Styles produced and sold in larger volume will have more impact on the overall cutout; higher value sub-primals of equal volume compared to lower value sub-primals will have more impact. Seasonal shifts in the amount and types of cut styles being produced will be reflected as they occur since the PCC is driven by a broad base of cut styles.

What is it? -

The Pork Carcass Cutout (PCC) is an estimate of the value of a 53-54% lean, 200 lb. hog carcass based upon current wholesale prices being paid for sub-primal pork cuts. The PCC provides an indication of the overall supply and demand situation of the wholesale pork cuts market. A composite value is calculated each day for the various pork primals and these values are combined to reflect a single composite value of a pork carcass. These cuts reflect a standard cutting specification and must be traded on a negotiated basis to deliver within seven working days of the time of sale for processing cuts and 10 working days for retail items. (see Figure 1)

USDA ESTIMATED COMPOSITE PORK CARCASS CUTOUT								
Based on FOB Omaha carlot pork prices and industry yields.								
Calculations for a 200 lb Pork Carcass								
51-52% lean, 0.65"-.80" backfat at last rib								
Date	Total Loads	Cutout	Today's Primal Cutout Values					
			Loin	Butt	Pic	Rib	Ham	Belly
10/10	17.5	71.77	83.60	76.37	48.38	107.74	65.18	91.06
Change:		-0.34	0.33	-2.11	-1.52	unc	-0.16	unc
10/07	44.7	72.11	83.27	78.48	49.90	107.74	65.34	91.06
10/06	54.5	72.55	85.84	78.42	46.80	106.78	66.21	91.06
10/05	68.5	71.73	84.36	76.96	46.58	106.78	65.09	91.06
10/04	109.5	72.47	85.65	80.33	45.51	106.30	66.57	90.09
Current Five Day Simple Average -								
		72.13	84.54	78.11	47.43	107.07	65.68	90.87
NOTE: Value may change without adequate test.								
<i>Figure 1</i>								

How Does it Work? -

The PCC is a series of mathematical calculations through which current pork cut prices and industry cut yields are used to calculate primal values. These primal values are factored against their yield from the carcass and the resultant values are combined into the final carcass cutout value. These steps and their accompanying calculations are best illustrated through a sample calculation.

Step 1: Component Cuts to Sub-Primal Value –

The process used to calculate the PCC is illustrated here using the boneless, center-cut, strap-off loin style as an example. The same series of steps is followed for all of the other pork primals. When a sub-primal cut is fabricated from a primal, you are left with not only the sub-primal style, but also with various component parts or credit items such as trimmings and fat. Moreover, you have some weight loss which occurs when surface area is exposed to the air which is referred to as shrink. This shrink is shown as a percentage to get to 100% but no value is assigned.

Step 1: Component Values to Primal Value

Bnls Center Cut, Strap-off, Loin 36.23% * \$162.00 = \$58.69		<p>Value of a 1/4" Primal Loin cut into a Bnls, Center Cut, Strap-off Loin = 96.84</p>
Boneless Sirloin 7.37% * \$126.94 = \$9.36		
Tenderloin 4.43% * \$251.00 = \$11.12		
Backribs 9.08% * \$230.00 = \$20.88		
72% Trimmings 18.90% * \$51.00 = \$9.64		
42% Trimmings 7.00% * \$35.00 = \$2.45		
Bone 16.37% * \$3.93 = \$0.64		
Shrink .62% * \$0.00 = \$ 0.00		
Labor 1 - 36.23% = 63.77% * \$25.00 = \$-15.94		

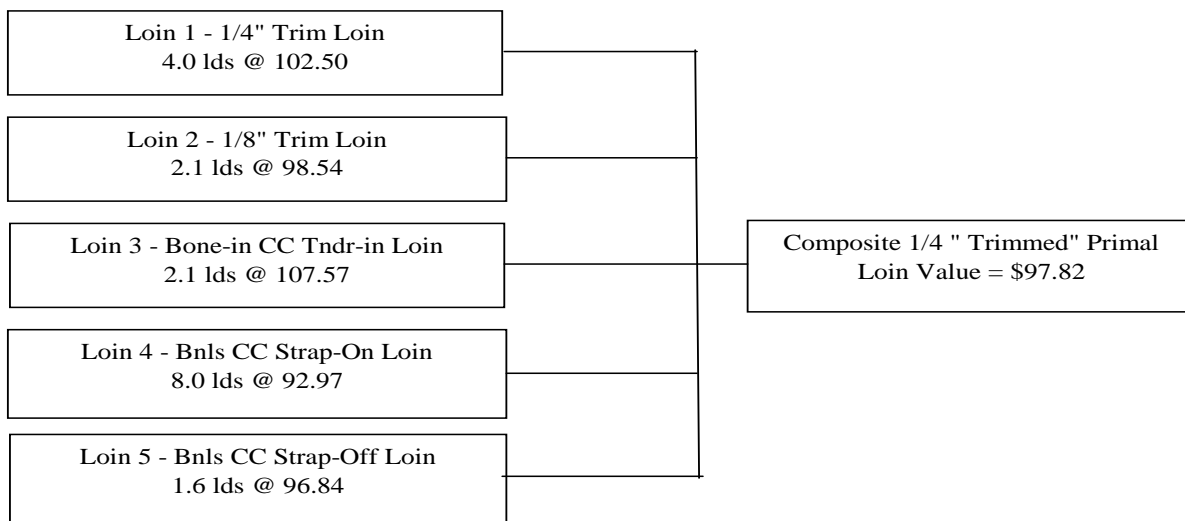
In order to determine a value for a primal based on the type of sub-primal produced from it, you must determine a value for each of the components of the sub-primal. This value is calculated by factoring the current price (minus any packaging costs) against the yield for each of the components. Once the value of the various components are added together into a composite value, an accounting must be made for shrink and labor costs which make up part of the composite value. The products are then summed into a single composite value for the primal (see Step 1 table).

Remember, we are trying to get back to the original primal and there were no labor costs at that point. The more labor intensive it is to produce a cut of meat the more labor costs are involved. To accurately calculate this cost, first determine the yield of the sub-primal cut from the primal cut. In our example, the sub-primal yield from the primal loin was 36.23% which means that 63.77% of the primal was left over. To calculate labor costs, factor 63.77% by an industry standard \$25.00 processing cost. This yields \$15.94 in labor costs which is subtracted from the composite value of the components to arrive at a labor-free value of the original primal.

Since the yields used for the various components are to a trimmed primal, the last step is to convert the "trimmed" primal value to an untrimmed or commodity primal value. The appropriate "Trimmed Primal to Untrimmed" table is used to determine this value (see Step 3 table).

The calculations outlined in step 1 affix a value to a primal depending on the sub-primal produced from it. For each primal, this step is being done for several different sub-primal styles. The next step combines the primal values from each sub-primal style into one overall primal value.

Step 2 - Sub-Primal Styles to Primal



Step 2: Sub-Primal Styles to Primal –

Once a composite primal value has been calculated for each of the major sub-primal styles produced from that primal, these values must be combined into a single, overall composite value for the primal (see Step 2 table). There are five major loin styles routinely produced from a pork carcass. Each of these returns a value for the primal loin and each is a part of the overall, composite primal loin value. This composite primal loin value is calculated by taking the weighted average of the five loin sub-primal values using the number of loads of each sub-primal reported on the pork cuts report as the “weight”. This allows those cuts being traded in largest quantity to have the most affect on the cutout which is as it should be and is in actual practice in the industry. That is basically it for step 2. Just remember, these steps are occurring for the loin, butt, picnic, and ham primals as trades are being reported. To arrive at the value for spareribs and bellies, a simple average of the styles being used is calculated. For spareribs, 3Bag/3 PcVac4.25#/dn-lgt and 2 Bag/3 PcVac4.25#/up-med and for bellies, Skin-on, Trimmed 14-16# and Skin-on, Trimmed 16-18#.

Step 3: Primal To Carcass Cutout –

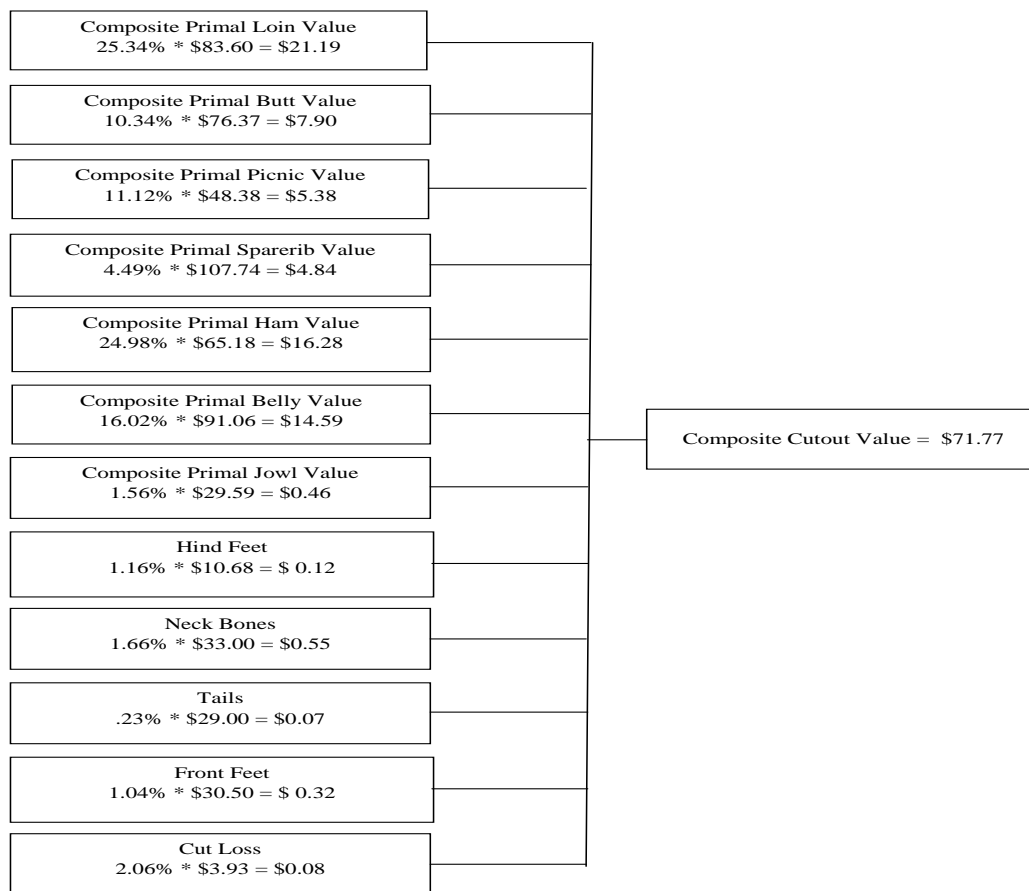
Because the 1/4” trimmed loin is used as the composite primal, it needs to be converted to an untrimmed primal value (see Step 3 table). This additional step is also required for boston butts, spareribs, and bellies.

Step 3: 1/4" Trimmed Primal to Untrimmed Primal			
Component	%	Value	Total
1/4" Loin	81.60	97.82	79.83
T/Trace	5.86	27.00	1.58
Fat	5.86	15.24	0.89
Skin	6.68	19.50	1.30
Drop Loin	100.00		\$83.60

STEP 4: Primal to Carcass Cutout –

In step 4 (see Step 4 table), we combine the composite primal loin value calculated in step 3 along with similar values calculated for the other primals into the cutout. Each primal is a percentage of the entire carcass and this yield factor or percentage is multiplied by the composite primal value for each primal. Also, there is some cutting loss which occurs and this loss must also be taken into account. Cut loss is calculated by factoring the cut loss percentage by the rendered value. In addition, other carcass components that have not yet been accounted for must be calculated in this step. These components would include neckbones, tails, front feet, and hind feet. Once again, these component values are multiplied by their respective carcass yield. These primals, components, and cut loss, are then summed and the result is the pork carcass cutout.

Step 4: Component Values to Primal Value



TABLES OF YIELD PERCENTAGES

Loin Primal Styles					
#1 - 1/4" Trimmed Loin			#4 - Bnls CC, Strap-on Loin		
#2 - 1/8" Trimmed Loin			#5 - Bnls CC, Strap-off Loin		
#3 - Bone-in CC, Tender-in Loin					
Loin Components	#1	#2	#3	#4	#5
1/4" Trimmed Loin	100.00%				
1/8" Trimmed Loin		95.20%			
Bone-in CC, Tender in			61.35%		
Bnls CC Strap-on				39.83%	
Bnls CC Strap-off					36.23%
Boneless Sirloin			9.41%	7.37%	7.37%
Blade Ends			15.43%		
Butt Tender			1.20%		
Tenderloin				4.43%	4.43%
Backribs				9.08%	9.08%
72% Trim			3.47%	16.28%	18.90%
42% Trim			5.03%	6.02%	7.00%
Fat		4.80%			
Bone			3.57%	16.37%	16.37%
Shrink	0.00%	0.00%	0.54%	0.62%	0.62%
Labor					
Total Percentage	100.00%	100.00%	100.00%	100.00%	100.00%

1/4" Trimmed Loin Primal to Untrimmed			
Component	%	Value	Total
1/4" Loin	81.60	97.82	79.83
T/Trace	5.86	27.00	1.58
Fat	5.86	15.24	0.89
Skin	6.68	19.50	1.30
Drop Loin	100.00		\$83.60

Butt Primal Styles			
#1 - 1/4" Trimmed Butt		#2 - 1/4" Trimmed steak ready Butt	
#3 - 1/8" Trimmed steak ready Butt			
Butt Components	#1	#2	#3
1/4" Trim Butt	100.00%		
1/4" Trim steak ready Butt		84.34%	
1/8" Trim steak ready Butt			79.68%
72% Trim		15.66%	15.66%
Fat			4.66%
Shrink	0.00%		
Labor			
Total Percentage	100.00%	100.00%	100.00%

1/4" Trimmed Butt Primal to Untrimmed			
Component	%	Value	Total
1/4" Butt	85.13%	87.69	74.65
T/Trace	3.04%	27.00	0.82
Fat	3.80%	15.24	0.58
Skin	8.03%	3.93	0.32
Drop Butt	100.00%		\$76.37

Picnic Primal Styles		
	#1 - SS Smkr Trim Picnic	#2 - Boneless Picnic Meat
Picnic Components	#1	#2
SS Smoker Trim Picnic	75.87%	
Boneless Picnic Meat		59.36%
Picnic Cushion Meat		12.58%
72% Trim	7.22%	
42% Trim	4.92%	
Hocks	7.51%	
Fat	3.20%	8.99%
Skin	1.22%	1.65%
Bone		17.04%
Shrink	0.06%	0.38%
Labor		
Total Percentage	100.00%	100.00%

Sparerib Primal Styles		
	#1 - Trimmed Sparerib Lgt	#2 - Trimmed Sparerib Med
Sparerib Components	#1	#2
Trimmed Sparerib	100.00%	100.00%
Shrink	0.00%	0.00%
Labor		
Total Percentage	100.00%	100.00%

Trimmed Sparerib Primal to Untrimmed			
Component	%	Value	Total
Ribs	96.60%	111.00	107.23
Fat	3.40%	15.24	0.52
Drop Rib	100.00%		\$107.74

Ham Primal Styles				
#1 - Trmd Selected Ham 20-23#s		#3 - 4 Muscle Ham		
#2 - Trmd Selected Ham 23-27#s		#4 - 5 Muscle Ham		
Ham Components	#1	#2	#3	#4
Trmd Selected Ham 20-23#	100.00%			
Trmd Selected Ham 23-27#		100.00%		
4 Muscle Ham			40.78%	
5 Muscle Ham				44.92%
Lite Butt				
Inner Shank			4.14%	
Outer Shank			3.92%	3.92%
72% Trim			19.95%	19.95%
42% Trim			7.34%	7.34%
Fat			5.30%	5.30%
Skin			7.06%	7.06%
Bone			10.82%	10.82%
Shrink	0.00%	0.00%	0.69%	0.69%
Labor				
Total Percentage	100.00%	100.00%	100.00%	100.00%

Belly Primal Styles		
#1 - Skin-on Belly 14-16#		#2 - Skin-on Belly 16-18#
Belly Components	#1	#2
Skin-on Belly	100.00%	100.00%
72% Trim		
42% Trim		
Fat		
Skin		
Shrink	0.00%	0.00%
Labor		
Total Percentage	100.00%	100.00%

Trimmed Belly Primal to Untrimmed			
Component	%	Value	Total
Belly	97.50%	92.50	90.19
42% Trim	2.50%	35.00	0.88
Drop Belly	100.00%		\$91.06

Jowl Primal Styles	
#1 - Skinned Jowl	
Jowl Components	#1
Skinned Jowl	80.45%
Skin	19.55%
Shrink	
Labor	
Total Percentage	100.00%

"Trimmed" to "Untrimmed" Primal Conversion	
Loin	81.60%
Butt	85.13%
Picnic	100.00%
Sparerib	96.60%
Ham	100.00%
Belly	97.50%
Jowl	100.00%

Primal Yield to Carcass	
Loin	25.34%
Butt	10.34%
Picnic	11.12%
Sparerib	4.49%
Ham	24.98%
Belly	16.02%
Jowl	1.56%
Neckbones	1.66%
Tails	0.23%
Front Feet	1.04%
Hind Feet	1.16%
Cut Loss	2.06%

Exhibit 4: Glossary

Ball Tip - In beef, the portion of the knuckle left on the sirloin when the round is separated from the loin.

Base Price - Refers to the price of a traded product free of any overages other than those considered normal for that commodity.

Basis Point - Refers to the marketing area for which trades are reported. Examples include f.o.b. Omaha, CAF East Coast, etc.

Bile - A brown to greenish yellow fluid secreted by the liver and stored in the gall bladder. Bile aids in the emulsification and absorption of fats in the digestive process. Bile is used by the pharmaceutical industry for steroid production and for digestive aids.

Blade Meat - The meat removed from the scapula or shoulder bone. Also called lifter meat or cap and wedge meat.

Blood Meal - Pulverized or finely ground dried blood. Water is usually removed by either flash drying or by the conventional cooker method. Blood meal is high in protein (85 percent) and is used as a feed additive. Valued as a good source of natural lysine.

Bluesheet - (See National Wholesale Meat Trade Report.)

Bob Veal - A house graded baby dairy calf slaughtered at 1-3 weeks of age based upon freshness and lean texture. Slaughter weight ranges between 50-110 pounds. Meat is sold mostly for trimmings and for lower priced calf cuts. The term originated in the days when lightweight calf carcasses were tail bobbed instead of trying to skin the small tail.

Bond Storage - The storage of imported product which exceeds the yearly quota. This product is held for the remainder of the year and is eligible to be released for use in commerce on January 2 of the following year.

Boneless Processing Meat - Refers usually to product produced specifically for further grinding. (See also Trimmings.)

Bone Meal - Finely ground or pulverized cooked bone. Not used in any meat food product but in animal feeds.

Boning Utility - Thin, low grade cattle, usually cows. These cattle are normally boned for ground beef production after the removal of merchandisable cuts. Also known as Boners.

Boxed Carcass Unit - Refers to a beef carcass which is broken into subprimals, boxed and sold as a complete unit, usually comprised of seven boxes.

Branded - In hides, refers to the custom of mechanically imprinting the skin of live animals for identification purposes. The brand is treated as a defect in the leather industry.

Breaking Utility - A low grade of cattle, usually cows, normally with a yield grade range of 2-4, which are processed into various cuts. Also known as Breakers.

Brisket - The breast area of a carcass located in the forward lower portion of the chest.

Butt Branded - In hides, refers to a hide which has had a brand placed on the portion of the skin covering the rump area of the animal.

By-Products - The edible and inedible organs, glands, and fat of a meat animal. (See also Variety Meats.)

C.A.F. - Cost after freight. Trades made on a delivered basis and reported with freight overages included.

Calf - A young bovine of either sex that has not reached puberty. Usually up to 9 months of age.

Canner - The lowest USDA quality grade of beef. These animals, usually cows, are too thin to yield many merchandisable cuts of meat and are usually used for boneless processing meat.

Cap and Wedge Meat - See Blade Meat.

Cap - In veal, the *gracilis* muscle.

Carlot - Normally used to refer to a truckload quantity which is generally accepted as being 40,000 pounds.

Certified Fresh American Lamb - Lamb certified by the USDA Meat Grading Service as meeting the specifications of Schedule CL.

Certified U.S. Lamb - Lamb certified by the USDA Meat Grading Service as meeting the specifications of Schedule L1.

Chemical Lean - Refers to the fat analysis of a product, usually trimmings, as determined through a chemical test. Expressed as a percentage of lean.

Chilled - Meat product handled and stored between 30 - 40 degrees Fahrenheit.

Chitterlings - The cleaned large intestines of swine prepared for human food.

Choice White Grease - Rendered, inedible pork fat. Used in pet foods and animal feeds.

Chub - A tubular casing or plastic bag in which meat, usually ground beef or pork, is enclosed for retail sale.

Chuck Tender - The *supraspinatus* muscle. Also called scotch tender.

C.I.F. - Cost, insurance, freight. Commonly used on the import beef market to describe trades of product which arrive at U.S. ports with only the cost of freight and insurance included in the reported price. Does not include import duties, inspection charges, or unloading charges.

Clod - Refers to the large outside muscle system lying posterior to the elbow joint and ventral to the medial ridge of the blade bone.

Coarse Ground Beef - Ground beef prepared from boneless beef or beef trimmings from domestic fed cattle. The product, of a rather large particle size, is used for further processing. (See also Coarse Ground Blended Beef.)

Coarse Ground Blended Beef - Ground beef prepared, in any combination, from boneless beef or beef trimmings from fed cattle, dairybreds, or cows and bulls. The product, of a rather large particle size, is used for further processing. (See also Coarse Ground Beef.)

Collared - Refers to the beveling of the fat cover usually over the face of a ham. As opposed to non-collared.

Collie - Trade slang for Colorado Branded Steer hides.

Colorado Branded - In hides, refers to placement of a brand on the side of an animal, although not necessarily from Colorado. (See also Collie.)

Combo - A large, open, tub-like container in which meat is commonly transported, especially meat destined for further processing. Roughly equivalent to 2000 pounds in weight.

Comminuted - The reduction of meat particle size through grinding, dicing, chopping, etc.

Conventional Hides - Unfleshed hides from which the horns, lips, snout, ears, tail bone, sinews and tendons have been removed. Known as "Standard Hide Trim". These hides are cured either by salt packing or, more commonly, brine curing.

Cracklings - The crisp residue remaining after lard has been pressed from rendered hog fat or tallow pressed from rendered beef fat. (see also Dry Rendered Tankage)

Cross-Cut Shoulder - In lamb, refers to the full shoulder (rack, shoulder, breast, foreshank) when separated from the carcass as a complete unit.

Cryovac - The patented name of a commercial process by which cuts of meat are placed into plastic bags which are then vacuum sealed and shrunk tightly to the contour of the product. This process is used to extend shelf life. Also called vacuum pack.

Culotte - The flat, triangular-shaped muscle (*biceps femoris*) which lies immediately beneath the surface fat of the top butt. The muscle that is removed when a knuckle is peeled.

Cut Date - Refers to the date when a cut of meat was produced.

Cutout - A calculation representing the approximate value of a total unit (usually a carcass) based upon the prices received for its respective parts. The prices for these parts are multiplied by their respective yield to the whole and the products are summed into the final cutout.

Cutters - The next to lowest USDA quality grade for beef. These animals, usually cows, are normally too thin to yield but a few merchandisable cuts of meat but are suitable for the production of boneless beef.

Day Prior Ship - A method of pricing product based on a price quoted on the last business day before the date the product ships.

Deckle - The fat and lean lying between the bone and main muscle of the brisket.

Delivered Price - Price of a trade including freight overages. (See also C.A.F.)

Delivery Date - Time at which buyer of traded product physically takes possession. (See also Ship Date.)

Denude - To remove surface fat from a cut of meat down to the blue tissue or silver skin.

Denver Style Rib - Refers to the rib portion of the lamb breast.

Distributive - Refers to trades made in amounts usually much less than carlot; such trades as walk-in business and delivery to local retailers or HRI businesses. These trades normally reflect the added cost of extra handling.

Dressing Percentage - Refers to the yield of dressed carcass from a live animal.

Drop - 1) Refers to primal cuts as they are removed from the carcass before any further trimming, etc, has been done to them (i.e., drop loin, etc.). Sometimes also called commodity product. 2) Refers to the offal which "drops" out of a carcass in the slaughter operation. Commonly associated with most variety meats. (See also Offal.)

Dry Rendered - A material that has been rendered by application of heat in a steam jacketed cooker that does not allow steam or hot water to come in contact with the material being rendered.

Dry Rendered Tankage (DRT) - Cooked residue remaining after lard or tallow has been released in the dry rendering process. Also called "cracklings". Usually ground and added to feed with a beef protein level of approximately 44 percent and a pork protein level of approximately 55 percent. (See also Cracklings.)

End Meats - In beef, cuts from the chuck and round. (See also Middle Meats.)

Entitlement - As part of a voluntary restraint agreement, export privileges granted only to certain packing plants within a country supplying meat to the United States.

Equated to F.O.B. Omaha - Describes those trades which are not traded on a "true" f.o.b. Omaha basis but are reflective of an f.o.b. Omaha based market and are reported as such.

Escherichia Coli (E. Coli) - Rod-shaped bacteria that inhabit the intestinal tract of humans and animals. Some strains are pathogenic. Presence of E. Coli is evidence of fecal matter contamination.

Eye Muscle - Commonly refers to the *longissimus dorsi* muscle. Also called the ribeye.

Eye of the Round - In beef, the *semitendinosus* muscle.

Ex-Dock Price - The price of an imported product after import duties, inspection charges, and unloading charges are paid and added to the C.I.F. (Cost, insurance, freight) price of the product.

Fabricated Cuts - Meat cuts made from primal and sub-primal cuts. Can be either boneless or bone-in.

False Sweetbread - In swine, the pancreas gland. (See also Sweetbread, Pancreas.)

Flap - The *abdominus internus* muscle. That portion of the knuckle muscles on the inner surface of the bottom sirloin.

Flat - In beef, the *biceps femoris* muscle. Also called the outside round.

Fleshed Hide - Hides that have been run through a fleshing machine to remove all fat and meat. These hides are trimmed to the "Modern Trim Pattern" before fleshing. On average, fleshed hides weigh 22 percent less than conventional hides.

f.o.b. - Freight on Board or Free on Board. Trades made in which the cost of freight is backed off to arrive at the base price of the product. Usually associated with a basis point from which freight is calculated, such as Omaha.

f.o.b. Omaha - Reflects all trades as though produced and shipped from Omaha with appropriate freight costs from buyer to Omaha taken off of delivered price.

f.o.b. Plant - Trades made in which the buyer picks up the product from the seller's production point.

Freight costs are not reflected in the price.

Forequarter - The front half of a carcass or side (usually beef) made up of the forelimb, one half of the chest, including ribs, and the neck. (See also Hindquarter.)

Foresaddle - The unsplit front half of a veal or lamb carcass.

Foreshank - The shank portion of a front leg, including the end of the *humerus* along with the radius and ulna bones with their associated muscles and connective tissues.

Formula Trading - Trading in which the price of a product is set through an agreed upon formula using the reported price of an item as a starting point. These trades are not utilized in the preparation of market reports. (See also Negotiated Trading.)

Formula Fed Veal - (See Special Fed.)

Free Time - The period of time, after product arrives at a U.S. port freezer and is inspected, when a buyer can pick up product without incurring additional storage charges. Ranges from 72 hours to 2-3 weeks, depending on the particular port freezer.

Frozen - Meat reduced in temperature to below 28 EF (the freezing temperature of meat).

Gooseneck - The bottom round of beef. Composed primarily of the *biceps femoris*, *semitendinosus*, and *gastrocnemius* muscles.

Grade - USDA. designation indicating quality or yield of meat.

Green - Usually used to describe fresh pork cuts that are destined to be smoked. Not cured or ready for use.

Hanging Tender - The thick, red muscle dorsal attachments of the diaphragm.

Heel - A group of small muscles located in the lower portion of the outside round.

Heifer - A female bovine that has not yet produced a calf.

Heiferette - A young cow that has had at least one calf but which has the body characteristics normally associated with a heifer; i.e. small udder. Usually bought at a discount to heifers and at a premium to cows.

Hide - Refers to the whole skin or pelt from one of the larger animals (cattle, etc.). Pelts from smaller or younger animals are usually referred to as "skins."

Hide-On - Veal carcasses sold with the hide intact. Usually used when calf is slaughtered and broken at different facilities to reduce the incidence of drying. Normally dresses 70 percent.

Hide-Off - Veal carcasses sold with the hide removed. Usually done in facilities where slaughtering and breaking both take place. Normally dresses 62.5 percent.

Hindquarter - The rear half of a beef carcass side composed of the loin, flank, and round. Usually separated from the forequarter by a cut between the 12th and 13th ribs (the last two ribs). (See also Forequarter.)

Hindsaddle - The unsplit rear half of a lamb or veal carcass. Corresponds to the hindquarter in beef.

Honeycomb Tripe - The lining of the second compartment (reticulum) of the ruminant stomach which has honeycomb-like appearance. (See also Tripe.)

Hormone - A chemical substance produced in the body that has a specific effect on the activity or function of a certain organ. Utilized by the pharmaceutical industry.

Hot Basis - Sold on a hot carcass weight before shrink normally associated with chilling.

H.R.I. - Designates product prepared for use in Hotels, Restaurants, and Institutions.

Hydrogenation - A chemical process used to harden soft or semi-liquid fats and oils. The raw material is heated and is exposed to pure hydrogen in the presence of a nickel catalyst. The fat or oil molecules are chemically saturated with hydrogen and are harder and firmer when cooled.

Import Quota - The amount of beef product which can be imported into the United States in a given year. This amount is set by the USDA on the basis of past U.S. production levels and on projections for the coming year. (See also Meat Import Act, Trigger Level.)

IMPS (Institutional Meat Purchasing Specifications) - Written guidelines that describe in detail how various cuts of meat should be produced. Used widely in the industry, especially by retailers and HRI outfits, to ensure consistency of product purchased. Prepared by AMS's Standardization Branch.

Inside Skirt - The *Transversus abdominis* muscle.

Intent of Sale - Refers to the base price of a commodity as agreed upon by both buyer and seller.

Jowl - The muscles and fatty tissue of the cheek that are cut away from the jaw and left attached to the hog carcass.

Kidney Knob - The rounded structure of the kidney and the surrounding fat.

Kipskin - A hide of the bovine species from a very young, or even unborn, animal up to a mature animal. Also called Kips.

Kosher - Meat fit to be eaten or used according to Hebraic or Talmudic dietary or ceremonial law.

Lard - The fat rendered from fresh, clean, sound fatty tissues of USDA inspected and passed hog carcasses.

Lateral - Of or pertaining to the side.

Latest Established Market - That part of a report that reflects the price that a buyer would normally expect to pay for and a seller could normally expect to sell for a given commodity at the close of a day's trading.

Leaf Fat - The heavy layer of fat that lines the inside surfaces of the abdominal cavity of a hog carcass.

Less-than-Carlot (LCL) - Volume made up of less than the 40,000 pounds normally associated with a full truck load.

Lights - Slang term for lungs.

Live Entry - Entry of live animals into the U.S. When a voluntary restraint agreement is in effect, the U.S. Customs Service, under the direction of the USDA, applies special procedures to monitor imports in an effort to ensure that the trigger level is not exceeded. (See also Trigger Level, Voluntary Restraint Agreement.)

Loose Lard - Lard that is bulk packaged (railcars or trucks).

Meat and Bone Meal - The dry, rendered product derived from animal tissue that is ground into meal for a feed additive. The standard protein level is 50 percent.

Meat Import Act (MIA) - Enacted in 1964 by Congress, this law provides for the imposition of quantitative import controls on fresh, chilled, and frozen beef; veal; mutton; and goat meat.

Mechanically Deboned - Product, usually pork picnics, that is machine separated from bones. The resultant product is normally intended for further processing into fresh ground product or sausage.

Melts - Industry terminology for spleens. (See also Spleen.)

Middle Meats - In beef, cuts from the rib and loin. (See also End Meats.)

Mutton - Meat derived from the carcasses of mature sheep.

Milk Fed Veal - (See Special Fed.)

MPR – Mandatory Price Reporting

3/70/20 Guideline used in Mandatory Price Reporting -

- For each type of report (national or regional), at least 3 companies would have to submit data 50 percent of the time or more over a 60 day period.
- No one company can account for 70 percent or more of cumulative market volume for any individual report over a 60 day period.
- In cases where only one company submits data for individual reports, the same company can not be the sole reporting entity more than 20 percent of the time during a 60 day period.

National Wholesale Meat Trade Report - A daily publication composed of all meat reports compiled and released by the Livestock and Grain Market News Service, Des Moines, IA. Also called the "Bluesheet." (See also Weekly National Wholesale Meat Trade Report.)

Native - In hides, refers to a hide that has not been branded.

Nature Veal - (See Special Fed.)

Neckbones - The cervical vertebrae

Negotiated Trading - Trades made in which the selling price is arbitrated between the buyer and seller and not through an as yet to be reported price for a particular commodity. (See also Formula Trading.)

No Roll - Beef that has not been officially Quality graded and roller branded by the USDA.

North Central - Area usually associated with the following states: Ohio, Indiana, Illinois, Michigan, and Wisconsin.

Northeast - Area usually associated with the following states: Massachusetts, Maryland, Pennsylvania, New York, New Jersey, Delaware, Connecticut, and Vermont.

Offal - In red meat species, the organs or parts from the thoracic and abdominal cavities and the tongue. (See also By-Products.)

Off Condition - Meat that is unwholesome.

One Hundred Percent Lean (100%) - Cuts of meat, usually from Cutter cow carcasses, which have been nearly completely freed of fat.

Osso buco - A veal hindshank or foreshank that has been sliced cross-sectionally.

Out Front Sales - Trades made in which the delivery date(s) exceed(s) the reporting time frame for sales normally associated with the commodity involved. (See also Prompt Market.)

Outside Skirt - The diaphragm muscle of a beef carcass.

Oxtails - The coccygeal vertebrae from beef carcasses. Used for stewing and for soup making.

Pancreas - The gland, located in the duodenal loop, that secretes the glucose regulating hormone, insulin. It also secretes digestive enzymes for fat (lipase), starch (amylase), and protein (trypsin). This organ, in swine, is called the "false" sweetbreads and is used by the pharmaceutical industry for insulin production. (See also Sweetbread, False Sweetbread.)

Peeled - Refers to fat and muscle separation along natural seams.

Pelt - The skin and attached wool from a sheep carcass.

Pepsin Linings - A portion of a hog's stomach lining that contains glands that secrete the pepsin enzyme. This enzyme is used by the pharmaceutical industry to produce a digestive aid for humans.

Pet Food Items - Visceral organs and carcass parts that are denatured and then rendered into products for pet consumption. (See also Denatured.)

Pituitary Gland - The small, oval endocrine gland attached to the base of the brain. Used in the pharmaceutical industry mainly for growth hormone.

Portion Controlled - The process of preparing cuts of meat to predetermined individual weights (portions), usually a single serving.

Primals - The basic major cuts of meat into which carcasses or sides are separated.

Prime Steam Lard - Lard produced by subjecting selected pork fats to high temperature under steam pressure in a closed rendering vessel.

Prompt Market - The relatively nearby supply and demand situation for a given commodity as opposed to the out-front market. (See also Out Front Sales.)

P.S.E. - Pale, soft, and exudative pork product.

PSMO ("Pismo") - A beef tenderloin from which practically all surface fat has been removed and the side muscle (*psoas minor*) has been left attached.

Purge - Those meat juices and fats that seep out of meat cuts. Typically associated with vacuum packaged or canned product.

Refiner - A company that takes edible tallow and lard and refines it into shortenings and blends of animal and vegetable oils.

Regular Tripe - Tripe obtained from cow carcasses. (See also Tripe, Honeycomb Tripe.)

Regular Liver - Livers from older beef animals, usually cows. (See also Select Livers.)

Render - To extract fat from animal tissue by heating.

Rendering - The separation of fats and oils from the supportive connective tissue by heating the fats and oils until they are fluid.

Renderer - A company that processes "waste" animal material collected from butcher shops, food and meat markets, hotels and restaurants, and fallen animals from farms, ranches, and feedlots, into inedible tallow and tankage.

Rib Fingers - The intercostal muscles.

River Hides - Hides from cattle produced mainly in the major cattle producing states along the upper Missouri River - Nebraska, Iowa, Missouri, and Kansas.

Rough Cuts - The less desirable primal cuts of a carcass, including the flank, navel, brisket, and shank.

Salmonella - A non-sporulating bacterium that causes a number of enteric (intestinal) diseases. Commonly present on the skin of certain animals, especially poultry.

Scalded - Cleaned in boiling or very hot water (i.e., scalded tripe, etc).

Scapula - The shoulder or blade bone.

Schedule CL - (See Certified Fresh American Lamb.)

Seam Fat - Fat deposited between muscle bundles (in the "seams" between the bundles).

Seedless Bellies - Pork bellies free of mammary gland tissue.

Select Livers - Refers to livers from young beef animals as opposed to regular livers that come from older animals (cows). (See also Regular Livers.)

Shank - The distal end of the fore and hind legs of a dressed carcass.

Shearling - The skinned pelt of a sheep that has been recently shorn with wool no longer than 2 inches.

Shell Loin - The bone-in strip loin in beef.

Shelf Life - Refers to the amount of time that a meat product can be expected to remain fresh from the point of production.

Ship Date - Refers to the time at which product is shipped for delivery regardless of the product's cut date. Also referred to as shipping date. (See also Delivery Date.)

Shorn Pelts - Pelts from lambs that have been clipped at some point before slaughter. Also known as shearlings. Categories as follows: Fall Clips 1-2" wool length; No. 1's 5/8-1" length; No. 2's 3/8-5/8";

No. 3's 1/8-3/8" (1/4" minimum also used); No. 4's 1/8" or less. Length is measured where wool is the shortest - usually along the side or belly. Grading is based on shortest length, not average length. Shorn pelts of 2-3" are usually sold as wools or unshorns. (See also Unshorn Pelts.)

Shrinkage - The weight lost (usually moisture) by a product either during storage or through shipping and handling.

Side - One half of a split carcass - the intact fore and hind quarter.

Silver Skin - A heavy membrane separating muscle groups.

Simple Average - Mathematical expression obtained by calculating the mean of several numbers. (See also Weighted Average.)

Skirt - The large, thin sheet of muscle that separates the thoracic (chest) and abdominal (belly) cavities (also called Diaphragm). (See also Inside Skirt and Outside Skirt.)

Slunk - An unborn calf.

Soaper - A trade term for a soap company. They buy packer bleachable tallow to use in the soap manufacturing process.

Special Fed - Refers to veal calves that are fed a special milk formula to prohibit the development of the red color normally associated with the meat of older beef animals. They are kept on this formula for 16-24 weeks, usually 18 weeks. Slaughter weights range between 300-500 pounds. Also known as Formula Fed, Milk Fed, and Natures.

Special Fed Future Contracts – Future contracts for Special Fed veal calves originated with the banker wanting some kind of guarantee from the producer as to what the value of the baby calf would be at the time of slaughter. Below are definitions of the most common future contracts offered.

Firm Bottom/Firm Top: The producer is guaranteed to be paid no less than the firm bottom and no more than the firm top, possibly somewhere in between.

Firm Bottom/Open Top: The producer is guaranteed to be paid no less than the firm bottom and possibly more in relationship to the current negotiated market.

Firm Bottom/Split Top: The producer is guaranteed to be paid no less than the firm bottom and possibly split between the split top and the current negotiated market.

Double Split: The producer will be paid a value based on the negotiated market. The split may possibly be below or above the contracted numbers.

Fixed: The producer will be paid the guarantee fixed price with no variation.

Spleen - The large organ in the upper left abdomen lying near or across the surface of the stomach. Modifies and regulates the cellular components of blood. (See also Melts.)

Square-Cut - Refers normally to the manner of cutting a beef or veal primal chuck. The brisket or breast and the foreshank are removed by a cut perpendicular to the rib-chuck separation and passing through the cartilaginous juncture of the first rib and sternum. The resultant item is in the approximate shape of a square.

Strap (Ligamentum Nuchae) - The thick, elastic band of ligament imbedded between the muscle bundles of the dorsal surface of the neck (also called "back strap").

Strap Muscle - Refers to the *iliocostalis* muscle in pork. Often removed from boneless pork loins.

Sweetbread - In beef, this is the thymus gland and is used as a food product. In pork, this is the pancreas gland and is used for pharmaceutical production. (See also Pancreas Gland, False Sweetbread.)

Swiss Cut - Refers to the close trimming of beef tongues. All bones, glands, and base muscles are removed.

Tankage - Cooked animal material (except for paunch contents), either before or after pressing or extracting. (See also Dry Rendered Tankage.)

Tallow - The rendered fat from carcasses of ruminant animals.

Tender - An offer of a bid for a contract. A way in which a buyer announces their desire to buy a commodity.

Texas Steer or Heifer - In hides, once used to refer to side branded hides of a narrow close compact pattern, and plump thickness although not necessarily from Texas. In contemporary usage, the brand is not limited to just the side.

Titre - Temperature in degrees Centigrade at which free fatty acids freeze. An analytical measurement indicating the hardness or softness of fat.

Trepas - The small intestine in beef.

Trigger Level - A quantitative level that is 110 percent of the adjusted base quota level. If imports are expected to equal or exceed the trigger level, then import controls are imposed and access into the United States is reduced by 10 percent to 100 percent of the import quota (See also Import Quota.)

Trimnings - Refers to small pieces of meat usually produced as a by-product of a cut fabrication line. (See also Boneless.)

Tripe - The cleaned and denuded beef rumen and reticulum. Tripe from the rumen is considered regular tripe. Tripe from the reticulum is called honeycomb tripe. (See also Honeycomb Tripe.)

Tri Tip - The triangular shaped muscle (*tensor facia latae*) in the ventral end of the bottom sirloin butt. Also called triangle muscle.

Trotter - The lower hind shank in lamb. That portion normally removed at the break joint.

Unbranded - 1) Used in reference to beef that has not been officially graded by the USDA's Meat Grading Service. Also known as Unrolled or No-Rolls. Usually associated with quality similar to the Select grade. 2) Refers to a hide that has not been branded. (See also Native.)

Unquote (UNQ) - Used to indicate when a current price is not available for a reported item.

Unshorn Pelts - Also known as "wools". Can be anything with a wool length of over 1-1/2" but usually over 3" in length. Western slope are usually 2-1/2" but vary between 1-3/8" - 3". Genuine Spring Lamb 1-1/2" - 3". Spring Lamb varies widely depending on the area from which they come. This category is usually misused as not all reported Spring Lambs are Genuine Spring Lambs. (See also Shorn Pelts.)

Vacuum Packed - The process of encasing meat in plastic bags, evacuating the air, and then sealing them. This process helps to extend the product shelf life.

Value Added - Refers to product that has been further processed, usually through trimming, sizing, slicing, packaging, etc, thus increasing the value of the product to the buyer.

Variety Meats - A term usually used to describe offal items such as heart, liver, tongue, brain, sweetbread, etc. (See also Offal.)

Veal - Meat derived from the carcass of young bovine animals, usually under five months of age. Veal is pale in color, ranging from light to dark grayish pink. (See also Milk-Fed Veal; Nature Veal; Special Fed.)

Voluntary Restraint Agreement (VRA) - An agreement to voluntarily limit the quantity of product imported into the U.S. It is negotiated by the USDA and countries supplying imported meat products to ensure that the total imports do not exceed the trigger level. (See also Entitlement, Trigger Level.)

Weasand - The muscular layer of the esophagus.

Weekly National Wholesale Meat Trade Report - A publication composed of a weekly compilation of all meat reports released by the Livestock and Grain Market News Service, Des Moines, IA. (See also National Wholesale Meat Trade Report.)

Weighted Average - A calculated average in which the relative frequency of the occurrence of an item among related items is factored into the final average. (See also Simple Average.)

Wet Blueing - The process by which a hide is converted into a wet, unsplit, blue-chromed hide. The hide is soaked and washed with chemicals (lime and sulfur) or enzymes to burn off hair. After the hair is removed, the hide is limed and delimed (bating). The hide is then pickled, using sulfuric acid and salt to lower the Ph level. Finally, the hide is chromed (blueing), the first step in tanning.

Yellow Grease - Restaurant greases (fats and oils from cooking) or lower quality tallows from rendering plants. Used for pet food and animal feeds.

PREPARATION OF REPORT

Livestock Acceptance

I. FUTURES CONTRACTS

Livestock offered to fulfill futures contracts will be accepted under the specifications for the month of delivery. Guidelines for livestock acceptance work will be closely adhered to so as to assure uniform procedures between delivery points.

A. Guidelines for Futures Livestock Acceptance Work

1. The total number of loads tendered for delivery at any one of the designated delivery points on a given day is public knowledge and may be given to interested persons. Tender Notices and Delivery Notices can be accessed through the Internet at http://www.ams.usda.gov/mnreports/SJ_LS705.txt (Tender Notices) http://www.ams.usda.gov/mnreports/SJ_LS706.txt (Delivery Notices)
2. Notify the appropriate Area Supervisor as early as possible if the number of loads for grading the following day will exceed the workload of the local staff.
3. The Officer-in-Charge (OIC) at the delivery point should review the specifications with the reporters before grading begins. The OIC should work one or more loads with reporters who are unfamiliar with the operating procedure of the yards. All reporters should periodically review the contract specifications and a copy of the specifications should be taken to the grading pens for reference.
4. Livestock must be viewed individually from the front, rear, and both sides 3 or 4 head at a time.
5. All contracts must be weighed within 1 hour of the time of grading. Grade no more than four (4) loads of cattle before starting to weigh. If possible, it is best to grade the livestock close to a scale. This procedure makes it easier for the reporter to maintain full control of the contract, including weighing and sealing procedures.
6. *Sorting*: No undue time delay can be allowed for substitutions to the contract. Basically, consignments will be accepted or rejected as presented, and reporters should not be engaged in general sorting of livestock so that the unit will be an acceptable contract. Reporters have some latitude in allowing a minimum of sorting by the delivery agent to remove defective or overweight or underweight livestock. It is reasonable to expect that an occasional animal may have to be taken out of a load.

7. If the lot is rejected, common courtesy requires that the delivery agent involved be told why the lot was rejected.
8. Livestock should be moved with extreme caution and sealed in pens which have water available and are large enough to prevent crowding.
9. Weighing - When a contract has two or more drafts, the first draft should be retained near the scale until the second draft is weighed and total weight and average weight are computed.
10. Reporters will not assume the primary responsibility for obtaining the health certificate or any other certificate to be supplied by another organization. However, field offices may forward the required certificate(s) to the Commodity Exchange if made available by the appropriate party.
11. The safety of Market News personnel is of paramount importance and unnecessary risks should not be taken for any reason.
12. Reporters are encouraged to catch weight on individual animals in order to assure that the animals accepted are within the correct weight ranges specified by the contract.
13. After grading and weighing each load, a sale barn or commission agent will move the livestock to the holding pen where the gate will be sealed under the supervision of the reporter. This will assure that once accepted as meeting the delivery specification, the load will remain intact.
14. If a contract is rejected, it may not be re-graded until permission is obtained from the CME. A certificate must be completed and the reason for the rejection stated.

B. The following procedures will be used in completing the grading certificates. (Exhibit A)

1. The number of accepted steers/cattle, total weight and average weight will be entered on the certificate.
2. Estimated dressing percent will be entered on the grading certificate.
3. The number of cattle 1475-1550 lbs entered on the certificate.
4. The number of Prime, Choice, Select, Standard and Sub-Standard as well as number of Yield Grades 1, 2, 3, 4 and 5 will be entered on the certificate.
5. The pen (s) number the cattle are held in and the seal (s) used to seal said pen will be entered on the certificate.
6. If a contract is rejected, a certificate must be completed and the reason for the rejection stated. (Exhibit B)

II. CERTIFICATE PREPARATION AND CHARGES

A. Guidelines

1. The livestock acceptance certificates (Form LS 9-11) will be prepared upon completion of services provided, as prescribed in Section B. See Exhibits A-B.
2. Grading information for cattle presented for Chicago Mercantile Exchange (CME) settlement will be provided to the responsible office where the Livestock Acceptance Certificate will be prepared and electronically transmitted to the CME. When the reporter finishes grading CME deliveries they should provide the grading information to the office responsible for the delivery. This can be done after all deliveries are completed or throughout the grading period. After receiving the grading information from the reporter, the responsible office should immediately complete and transmit the certificates to the CME.
3. An electronic certificate will be prepared by the responsible office and transmitted to the CME at the following e-mail addresses: clearinghousedeliv@cme.group ; and to Lea Ann Peetz at lea.mead@ams.usda.gov in the St. Joseph, MO office.
4. All billing to the National Finance Center will be done from the St. Joseph, MO. office. Copies of the certificates for local use, delivery agent or auction barn, etc. will be provided by fax, e-mail or mail. Official scale tickets attached to a copy of the certificate will be mailed to the CME.
5. Each office will be responsible for maintaining their own set of sequential numbers listed and assign them to certificates. The sequential numbers will start over at the beginning of each *calendar* year.
6. The distribution of copies of grading certificates is as follows:
 - Original certificates with official scale tickets attached are mailed to the CME at:
Chicago Mercantile Exchange Inc.
Clearing House Department
Attn: Deliveries Manager
20 S. Wacker Drive
Chicago, IL 60606
 - Provide a copy to the agent handling the delivery.
 - Retain a file copy in the official office file.
7. Calendar year (CY) dates will be recorded as the certificate date and will change January 1 each year.
8. All offices will use the same 9 digit subcenter number. The first eight digits are 32900065X; the last digit will be the fiscal year which will change October 1 each year.

9. The Certificate Number block is divided into two blocks. The first block will contain the delivery location code; the second block will contain the sequential number for the certificate.

Location Codes and Certificates Number:

Office:	Delivery Location	Delivery Point Code	Certificate Numbers
Amarillo, TX:			
	Amarillo, TX	11	1001-2000
	Tulia, TX	12	
	Clovis, NM	13	
	Texhoma, TX	15	
Dodge City, KS:			
	Dodge City, KS	21	2001-3000
	Pratt, KS	22	
	Syracuse, KS	23	
Kearney, NE:			
	Columbus, NE	31	3001-4000
	North Platte, NE	32	
	Ogallala, NE	33	
Sioux Falls, SD:			
	Norfolk, NE	41	4001-5000
	Worthing, SD	43	
Greeley, CO	Wray, Co	51	5001-6000

B. Preparation of Certificates – Grading Charges

1. Grading Charge: Beginning December 1, 2004, a rate of \$100 per load will be charged for each load accepted or rejected. No additional charges will be made for travel and per diem or overtime.
2. A certificate must be prepared for livestock which are tendered but not offered for delivery. A grading fee of \$100 will be accessed.

III. EMPLOYEE COMPENSATION

A. Compensatory Time/Overtime Compensation

All reporters performing futures work are entitled to compensatory time or overtime pay depending on GS-grade level¹ if they work more hours than their regular scheduled tour of duty or if travel is uncontrollable and outside of normal working hours. Travel time is to be based on common carrier unless P.O.V. has been authorized. AMS Instruction 350-1 will explain travel compensation, but the following guidelines will apply in most situations.

¹USDA APHIS HRDG Subchapter 4550 - Premium Pay Section E - Compensatory Time

If your pay exceeds a GS-10, step 10, and you are exempt from FLSA, your supervisor may require you to take compensatory time in lieu of overtime pay for irregular or occasional overtime work (5 CFR 550.114[c] and 5 CFR 551.531[c]). If your pay is at or below a GS-10, Step 10, (regardless of FLSA status), you must request compensatory time off in lieu of overtime pay (5 CFR 550.114[a][b]). You may not be required to take compensatory time off.

1. If the employee works more than a regularly scheduled daily and/or weekly tour of duty grading livestock, that person is entitled to compensatory time or compensation at the overtime rate¹.
3. If the employee must travel or work on a Sunday or Federal holiday, the employee is allowed compensation at the Sunday or holiday rate.
4. If the person travels outside of normal working hours, compensation may be approved if the travel is uncontrollable. The compensation will begin with the scheduled departure time from the common carrier terminal. Travel time ends upon arrival at the common carrier terminal at the destination point.

EXCEPTION:

If the employee must travel 1 hour or more to or from the delivery point and the place of residence or work, the period of travel begins with the actual departure from the residence or arrival at work. However, the waiting time from between the arrival at the terminal and the scheduled time of departure by common carrier is not counted. If the employee uses a P.O.V. to travel to a temporary duty point, compensation time will begin with the departure from the residence and end when the employee reaches the work point.

B. Travel Authorizations

Under normal conditions, employees will not be authorized overtime salary compensation to return to their official duty station, because the travel is controllable and

can be performed during working hours. However, the Area Supervisor should be contacted if a situation arises which could be considered as uncontrollable.

IV. TRAVEL EXAMPLES

A. Examples of Uncontrollable Travel

1. Reporter is told on Friday to be in Amarillo at 7:00 a.m., Monday, ready for work. The reporter must travel on Sunday and is allowed compensation at the Sunday rate.
2. Reporter is told Tuesday at 1:30 p.m. to be in Amarillo Wednesday at 7:00 a.m. ready for work. Reporter is to leave immediately, and if travel cannot be completed within normal working hours, compensation is allowed for excess hours to complete travel.
3. "TWO-DAY RULE" ON PER DIEM. Delays in departure or return to permit travel during regular working hours, which result in payment of *less than 2 days* per diem, are not considered unreasonable and are not compensable at overtime rates. However, if such a delay requires 2 or more days per diem (usually a weekend layover), then authorized travel outside regular hours is considered uncontrollable and compensable at overtime rates. When grading slaughter cattle on Friday and the work schedule does not allow a return to permanent station within working hours on Friday, compensatory time or overtime compensation¹ for travel will be allowed for Friday or Saturday travel.

B. Example of Controllable Travel

1. Reporter finishes work at Amarillo at 3:00 p.m., Wednesday. Normal travel time is 4 hours to their official duty station, of which 3 hours would be after regular work hours. Reporter cannot claim overtime compensation for the 3 hours of excess travel. Travel in this case is controllable and the reporter can travel during working hours on Thursday. However, reporters can elect to travel at their own convenience without compensation.
2. Participation in futures workshops is controllable travel. Overtime for travel will not be chargeable unless authorized.

V. PROCEDURES FOR PROCESSING FUTURES ACCEPTANCE CERTIFICATES

A. Submissions to NFC

1. All participating Market News offices will electronically transmit a copy of each Livestock Acceptance Certificate produced by that office to the St. Joseph, MO. office. The responsible person in the St. Joseph office will electronically transmit each charge to the National Finance Center (NFC).

B. Verification

- The St. Joseph, MO. office will be responsible for verifying that the certificates are processed and paid.

Exhibit A

U.S. DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE LIVESTOCK ACCEPTANCE CERTIFICATE		FY	MONTH	DAY
		09	October	15
Certificate Number		APPLICANT NUMBER		
MN-	11 1001	441300000		
		SUBCENTER NUMBER		
		32900065		
NAME OF APPLICANT		NAME OF DELIVERY AGENT		
Chicago Mercantile Exchange		Amarillo Livestock Auction		
ADDRESS OF APPLICANT		ADDRESS OF DELIVERING AGENT		
20 S. Wacker Drive		P.O. Box 30668		
CITY, STATE		CITY, STATE		
Chicago, IL 60606		Amarillo, TX 79120		
DELIVERY LOCATION		NAME OF BROKER	NAME OF FEEDLOT	
		ABC	XYZ	
This certificate is receivable by all officers and all Courts of the United States as prima facie evidence of the truth of the statements therein contained. (This certificate does not excuse failure to comply with any of the regulatory laws enforced by the U.S. Department of Agriculture.)				
SPECIES OF LIVESTOCK AND DESCRIPTION		REMARKS		
SLAUGHTER CATTLE				
NUMBER HEAD	30	Quality Grades		
TOTAL WEIGHT	41,950	Prime _____		
AVERAGE WEIGHT	1,398	Choice _____ 12		
HOT DRESSING PERCENT	63.00%	Select _____ 10		
NUMBER HEAD	4	Standard _____ 8		
WEIGHING 1476-1550 LBS.		Sub-Std _____		
		Yield Grades		
		1 _____ 12		
		2 _____ 10		
		3 _____ 8		
		4 _____		
		5 _____		
PEN NUMBER		SEAL NUMBER		
ACCEPTED	X	REJECTED (State on the following lines the reason for rejection .)		
		CERTIFICATION STATEMENT		
		I CERTIFY that in compliance with the Federal Livestock Grading Regulations (7 CFR 53, Subpart A, as amended) under the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 - 1627), I examined the livestock described above, at the time and place stated, and found that at said time and place the class, grade, and other quality thereof were as stated above and said livestock complied with any specifications listed, with any qualifications noted above.		
TOTAL COSTS	100.00	The conduct of all services and activities, and the licensing of grading personnel under the regulations governing such services, shall be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.		
SIGNATURE OF GRADER				

- Exhibit B

U.S. DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE LIVESTOCK ACCEPTANCE CERTIFICATE		FY	MONTH	DAY
		09	October	15
Certificate Number		APPLICANT NUMBER		
MN- 11 1001		441300000		
		SUBCENTER NUMBER		
		32900065		
NAME OF APPLICANT Chicago Mercantile Exchange		NAME OF DELIVERY AGENT Amarillo Livestock Auction		
ADDRESS OF APPLICANT 20 S. Wacker Drive		ADDRESS OF DELIVERING AGENT P.O. Box 30668		
CITY, STATE Chicago, IL 60606		CITY, STATE Amarillo, TX 79120		
DELIVERY LOCATION		NAME OF BROKER ABC	NAME OF FEEDLOT XYZ	

This certificate is receivable by all officers and all Courts of the United States as prima facie evidence of the truth of the statements therein contained. (This certificate does not excuse failure to comply with any of the regulatory laws enforced by the U.S. Department of Agriculture.)

SPECIES OF LIVESTOCK AND DESCRIPTION		REMARKS
SLAUGHTER CATTLE		
NUMBER HEAD		Quality Grades Prime _____ Choice _____ Select _____ Standard _____ Sub-Std _____ Yield Grades 1 _____ 2 _____ 3 _____ 4 _____ 5 _____
TOTAL WEIGHT		
AVERAGE WEIGHT		
HOT DRESSING PERCENT		
NUMBER HEAD		
WEIGHING 1476-1550 LBS.		
PEN NUMBER		SEAL NUMBER

ACCEPTED REJECTED (State on the following lines the reason for rejection .)

		CERTIFICATION STATEMENT
		I CERTIFY that in compliance with the Federal Livestock Grading Regulations (7 CFR 53, Subpart A, as amended) under the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 - 1627), I examined the livestock described above, at the time and place stated, and found that at said time and place the class, grade, and other quality thereof were as stated above and said livestock complied with any specifications listed, with any qualifications noted above.
TOTAL COSTS	100.00	The conduct of all services and activities, and the licensing of grading personnel under the regulations governing such services, shall be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.
SIGNATURE OF GRADER		

PREPARATION OF REPORTS

Grain and Feed Market Reporting

I. GOAL TO BE ACCOMPLISHED

The objective of grain and feed market reports is to describe the trade in an accurate, adequate, and appropriate manner. Every effort will be made to prevent the reports from becoming stereotyped. A careful choice of words in framing statements will permit inclusion of more facts and give more reader appeal without unduly lengthening the reports. Be specific and give as complete a picture as possible of the supply, demand, activity, and factors influencing the trade. Give number, class, grade, weight, price, and condition of sale. Give the type of buyers when significant. Every effort will be made to incorporate the "why" of the trade, when known. (Quite often reporters omit factors in anticipation of unfavorable trade reaction, which is rarely expressed.) Confidential information is to be treated as such, but too often information is interpreted as "confidential" when actually many people are aware of it. The terms used in reports will be in accordance with Exhibit B, and the respective instructions on collection of information, but reports are not limited to those terms. Other terms may be used when they will more accurately or appropriately describe trade conditions. However, the selection of other terms will be limited to synonyms of the suggested terms which will give the proper shade of meaning. Reporters should read reports from adjacent states and coordinate with reporters in those areas when necessary.

II. PRICES

Price is a vital factor to a great majority of readers of market reports and users of the Market News Service. Every effort and care should be exercised by the Market News reporter to quote prices that are accurate and truly reflective of the market. Every quotation, if possible, should be a general price range covering the bulk of the sales of a specific commodity and grade. Price ranges should always be as narrow as possible, yet still adequately cover trading conditions. If price ranges are wide, use a "mostly" price in addition to the full range. A "mostly" price represents that at which a majority of the sales by volume are made. When grain and feed ingredient price ranges are wide, market reporters should intensify efforts to determine from trade contacts if grain is actually being bought and sold at the bottom and top figures. Occasionally, elevators feel compelled to post a price even though they do not want any grain, and if this is the case, their price should be dropped from the price range.

- A. Trends** - Trends refer to the direction of prices; in other words, higher, lower, or steady. The amount of the change, if any, should be indicated. The terms steady, higher, and lower are to be used in commentary form. The terms unch, up, and down are to be used in tables. In commentary form, the trends are to go from lower to higher; in table form, the trends are to go from actual to actual.

B. Nominal Prices - Wherever possible, published market news prices should be based upon actual transactions; however, because of the practical uses made of current price information reported regularly, nominal prices may be published for not more than 3 days in some grain reports with prior approval from your Area Supervisor. A nominal price is a quotation based on buyers' and sellers' opinions when there is no trading on a commodity within a given period, and no change in the price level is apparent. Nominal prices should not be carried when market conditions and values appear to have changed and no sales are reported. A market reporter should have as much confidence in the nominal price reported as they would if trading had been found at the same level. If the Market News reporter cannot quote actual sales prices or nominal prices and be confident that they truly reflect the market, a price quotation should not be reported. The word "Nominal" or the letter "N" may be used in a grain market report.

III. CLASSES AND GRADES

Official USDA class and grade terms are to be used by reporters in describing grain and grain products covered by market reports. Exact terms of the official grade standards will be utilized and applied in market reporting work. If no U.S. official grade terminology is available, use terminology approved by the Area Supervisor or Director that has a meaning which is generally accepted by the trade. Local and indefinite terminology will not be used. Capitalizing the first letter of each official grade term will reduce the likelihood of confusion.

IV. ARRANGEMENT AND CONTENT OF GRAIN AND FEEDSTUFFS REPORTS

A. Terms and Conditions of Sale - The terms and conditions of sale shall be clearly defined as follows.

1. Time period covered by the report
2. Location
 - a. Geographical (town, country points, or area)
 - b. Physical (fob elevator, tracks, trucks, barge, fas, behind the harvester, roadside, etc.)
3. Delivery or shipment (prompt, spot, to-arrive, 20-day shipment, for deferred delivery)
4. Quality, condition, or other commodity descriptions (moisture content, cleanliness, test weight, rice milling yield, protein content, or factors not covered in the grade standards.)
5. Premiums and discounts when they are a factor
6. Type of billing (non-transit, transcontinental multi-car, or other terms.)

7. Type of transportation or packaging if a factor (in bulk or sack, delivered by box car, hopper car, trucks, barge, etc.)

B. Format or Style of Wires

Arrange weekly grain and feed report in paragraphs and in the following order insofar as practical.

1. *Grain*: Summary paragraph, wheat, rye, corn, oats, barley, rice, sorghum, peas, beans, lentils soybeans, flaxseed, canola, and sunflower.
2. *Feedstuffs*: Summary paragraph, oilseed meals, animal protein feeds, grain high-protein feeds, wheat millfeeds and other.
3. *Numerical*: grades shall precede each class and/or subclass of grain. Special grades shall follow each class and/or subclass of grain.
4. *Protein*: content and test weight, when applicable, shall follow each class and/or subclass of grain. Wheat for which the price quotation at a specific market covers the entire range of proteins shall be indicated by "all percent."
5. *Designation*: Point of origin, billing, and/or destination designations, if such information is needed to accurately describe a price, shall follow the protein content, if any.
6. *Grain Unit of sales*: All grain prices should be clearly marked as to the basis of sales, whether in tons, bushels, or hundredweights (cwt).
7. *Feed Unit of Sales*: All feedstuff price quotations should be on a per ton, bulk basis unless otherwise specified.
8. *Abbreviations*: Commodity abbreviations in market reports should only be used when the abbreviation is commonly used and understood by the industry.

IV. GRAIN AND FEED QUOTATIONS

Each office responsible for collecting daily or weekly grain and feed prices will keep a permanent record of detailed quotations. Each commodity covered will be recorded, separating different classes, grades, or protein levels within the commodity.

V. DISSEMINATION

A. Press Association Commercial News Dispatch Reports

Copies of reports prepared for computer transmission are usually adequate for these purposes. If necessary to reduce length to meet space requirement, the reports may be edited. For further instructions, see LGMN Instruction No. 934-3.

B. Local Newspapers

Reporters will consult with market editors or other officials of local newspapers to arrange space for the most desirable length of report. Extreme care will be exercised in preparing each report to minimize the need for editing by the publishers. Frequently, local papers will use a more complete and lengthy report than press associations can use for transmission. One method of solving this problem is to prepare a complete report for local papers and then pencil out words, phrases, and sentences of a copy to reduce the length to press association requirements. Such editing by the reporter generally will result in a more nearly accurate and complete report than if edited by the press association.

C. Radio

Many words and phrases used in printed reports to accurately describe trade conditions are not suitable for use in radio reports because they are difficult to pronounce or similar in sound to words that precede or follow. Reports prepared for radio use will be carefully reviewed and edited before release. For further instructions on preparing reports for release by radio or television, see LGMN Instruction No. 105-7 Part 2.

VI. SCHEDULE FOR ISSUANCE

It is Market News policy to release market reports at the earliest possible time, consistent with local trading practices. When trade practices change, the filing time should also be changed. The field office should obtain permission for a change by contacting the appropriate supervisor. Market reports will be made available to all individuals and organizations at the scheduled release time. (Local newspapers, radio stations, and other agencies disseminating market news information issued by the particular office should be contacted frequently to determine whether the type and length of reports, time of release, and method of transmittal are best suited to their needs.) The extra effort required to prepare separate reports in the style and content desired by a particular disseminating agency is well worthwhile.

BIOENERGY REPORTS

I. Ethanol: LGMN publishes reports for ethanol data in six regions.

- A. State of Iowa (NW_GR111)**
- B. State of Nebraska (NW_GR112)**
- C. State of South Dakota (SF_GR111)**
- D. Eastern Corn Belt (GX_GR121)**
- E. State of Wisconsin (MS_GR116)**
- F. State of Minnesota (NW_GR114)**

Each report publishes daily corn bids and basis, daily distiller grain prices, and on Friday a weekly ethanol price. All prices are negotiated; FOB the plant for the spot market.

II. Ethanol Corn & Co-Products Processing Values:

- A. Iowa Ethanol Corn & Co-Products Processing Values (NW_GR212)**
- B. Nebraska Ethanol Corn & Co-Products Processing Values (NW_GR213)**
- C. Illinois Ethanol Corn & Co-Products Processing Values (GX_GR212)**

These three reports compare the price an ethanol plant pays for corn in their respective state to the value the ethanol plant receives from the outputs of ethanol and distiller grains.

III. Biodiesel: LGMN publishes reports of biodiesel for two regions.

- A. State of Iowa (National Ag Energy Roundup)**
- B. States of Illinois/Indiana/Ohio (National Ag Energy Roundup)**

Each report publishes a weekly B100 biodiesel price on Friday. This price is negotiated; FOB the plant for the spot market.

IV. Weekly Summary Reports

A. Weekly Ethanol Summary:

This summary report is in pdf format. It combines the six ethanol reports listed above into a weekly summary report. Web links to each individual report are also listed. Nearby future prices for CME corn and ethanol, as well NYMEX natural gas and RBOB can be found on this summary report. Lastly, graphs depicting prices for Iowa ethanol price, Iowa corn price, Iowa distiller grain price, and price ratio in Iowa between distiller grain and corn are shown.

B. Weekly Ag Energy Roundup:

This weekly roundup report is in a pdf format. Data in this report includes prices for commodities that can be used to make energy, such as soybean oil, corn oil, tallow, and greases. The prices of ethanol and biodiesel are also reported. Additionally, CME and NYMEX nearby future prices are reported for ethanol, soybean oil, crude oil, RBOB, and natural gas. To round out this report, graphs are utilized to show price relationships for several commodities.

C. Weekly Distiller Grain Summary:

This summary report is in txt and pdf format and released on Friday's. The reports include distiller grain prices from the six ethanol reports, as well as for the states of Kansas and Missouri which is published on the Corn Belt Feedstuffs Report (SJ_GR225). Additionally, delivered prices at CIF NOLA, PNW, California, Lethbridge AB, Chicago, and Texas are reported. Corn prices, CME future prices, as well as graphs on the pdf report, are also reported.

Exhibit A: Order of Commodity Descriptive Terms

Soybean Meal, 44 pct.
Soybean Meal, 47-1/2 pct., unrestricted
Cottonseed Meal, 41 pct., solvent
Canola Meal 34-36 pct.
Sunflower Meal, 28 pct.
Fishmeal, 65 pct., imported, anchovy
Cane Molasses, hydrol

US 1 Hard Red Winter Wheat, all protein
US 1 Hard Red Winter Wheat, ordinary protein
US 2 Soft Red Winter Wheat, garlicky
US 1 Dark Northern Spring, 13 pct. protein
US 1 Hard Amber Durum, medium
US 2 Rye
US 2 Yellow Corn
US 2 Yellow Corn, Eastern origin
US 2 White Corn
US 2 Heavy Oats
US 2 Oats
US 3 or better Malting Barley
US 2 Barley, 46 lb. test weight
US 2 Yellow Sorghum
US 2 Yellow Sorghum, California origin
US 1 Yellow Soybeans
US 1 Yellow Soybeans, Illinois country points
US 1 Flaxseed
US 1 Canola

Exhibit B: Glossary of Trade Terms

The following is a partial list of common terms and abbreviations used in Grain Market News reporting.

Basis - The difference between a spot or "cash" price and a specified futures price.

Bid - Willingness to buy at a stated price according to specified conditions.

Broker - A person paid a fee or commission for acting as an agent in making purchase or sales.

Buyer's Market - An abundance of goods available permitting buyers to be selective and to buy at a lower price than had previously prevailed.

CCC - The Commodity Credit Corporation, a wholly Government-owned corporation established in 1933 to assist American agriculture.

CFTC - The Commodity Futures Trading Commission, a regulatory agency set up to supervise futures trading on commodity exchanges.

CIF - Cost, insurance, and freight.

Carrying Charges - Those costs incurred in warehousing the physical commodity, generally including interest, insurance, and storage. May include allowance for loss in quality, condition, or volume.

Cash Price - Term used to represent the economic value or worth of a commodity. Often used to distinguish all other prices from futures trading on an organized commodity futures market.

Close (cash) - At some cash grain trading centers, a time to end cash grain trading is established by the exchange members. However, the market reporter should use discretion in determining when fair and open trading has ceased.

Close (futures) - Period at the end of the futures market trading session during which all trade is declared as having been executed at or during the last seconds of trading.

Commission Merchant - Person who makes a trade in his own name and becomes liable as principal between himself and the other party to the trade.

Consignment - A shipment sent to a commission merchant for him to sell.

Contract Price - Price and conditions of sale agreed upon when buyer and seller negotiate a transaction.

Country Elevator - Grain elevator located in a local farming community to which farmers bring their grain for sale or storage.

Crop Year (U.S.) - Period from one harvest of a crop to the next harvest in the following year. The period varies among commodities as follows.

<i>June 1 to May 31</i>	wheat, oats, flax, barley
<i>September 1 to August 31</i>	corn, sorghum, soybeans, sunflowers, hops, added canola; deleted dry edible beans
Deleted feedstuffs, hay, and rice crop years	

Crush – Process which converts oilseeds into primary products, meal and oil, and Secondary products such as hulls.

Current Delivery (month) - The futures contract which will come to maturity and become deliverable during the current month; also called "spot month."

Deferred Delivery - (See forward contracting.)

Demurrage - The penalty assessed against a shipper or receiver for failure to utilize or release a railroad car, barge, or ship within a specified period of time.

Discount - A schedule of deductions from the cash price for a commodity grading lower than the base grade.

Export Elevator - An elevator usually located on deep water and able to load export orders into ships.

Ex-Spout - Loaded into ship from discharge end of spout - pertains to bulk commodities.

FAS/fas – Free alongside ship, does not include loading charges.

fob – Free on board, price at place or origin not including transportation charges.

Foreign Material (FM) - Dockage - Anything other than the designated commodity which is present in a lot.

Forward Contracting - A transaction common in many industries, including commodity merchandising, in which the buyer and seller agree upon delivery of a specified quality and quantity of goods at a specified future date and price or formula for establishing the price.

Forward Price - Price of a commodity bought or sold for a specified delivery period usually 30 days or more away.

Free Supply - Quantity of a commodity available for commercial sale; does not include Government-held stocks. Also, may exclude stocks held by processors for their own use.

Futures Contract - Agreement to buy and receive or to sell and deliver a commodity at a future date under conditions specified by the trading rules of the particular Board of Trade or Exchange.

Handling Charges - Charges for loading and unloading a commodity.

Hedging - Hedging is the purchase or sale of futures against the purchase or sale of the physical commodity as protection against price changes.

In-transit Billing - Privilege of utilizing a portion of paid-in rail freight upon continuance of transit, usually in the same general direction.

Inspection Certificate - Certificate showing grade and other factors of quality issued by inspector licensed under the U.S. Grain Standards Act, or a certificate issued on agricultural commodities under the Agricultural Marketing Act of 1946.

Limit (up or down) - Maximum futures price advance or decline from the previous day's settlement price permitted in one trading session by the rules of the exchange.

Margin (futures) - Amount deposited by buyers and sellers of futures to insure performance on contract commitments; serves as a performance bond rather than a down payment.

Nominal - A nominal price quotation is reported in the absence of a cash trade if the reporter is confident that the nominal price reflects current market value conditions.

Offer - Indication of willingness to sell at a given price, same as "ask."

Parity - A theoretically equal relationship between commodity prices and all other prices; in farm program legislation, parity is defined in such a manner that the purchasing power of a unit of the commodity is maintained at the level prevailing during an earlier historical base period.

pds – Price date of shipment, price of a contracted commodity to be determined on date of shipment.

Premium - A schedule of allowances over the cash price for a commodity grading higher than the base grade.

Ports of Export – Sites for collecting and loading commodities for export.

Price Protection - Price discount subtracted from the bid; usually in effect during volatile market

activity. During times when price protection occurs, bids should include the protection discounts, and a statement should be included in the report reflecting the range of protection discounts taken for each commodity.

Open-End Contract - A contract to purchase with a minimum cash payment, with final settlement at the end of the season.

Reseller (Jobber) - A person who takes ownership of a commodity and then resells on the open market before physically taking delivery of that commodity.

Seller's Market - Market condition in which there is a scarcity of goods available, enabling sellers to obtain better conditions of sale or higher prices.

Spot Bid - Price willing to be paid for a commodity available for immediate delivery.

Spot Price - Price of a commodity available for immediate delivery.

Sub-terminal - Takes delivery of grain from both growers and country elevators for storage and distribution. Usually has greater handling facilities than a country elevator.

Tender - Delivery against a futures position. In export trade - a request by a foreign country for offers to sell them grain.

Terminal - An elevator located at a major point of accumulation and distribution in the movement of commodities. Usually has greater handling facilities than sub-terminal.

To-Arrive Price - Price of a commodity, including freight and handling charges, delivered destination at a specified time.

Track Country Station - Usually involves a price designation; indicates the cost of a given commodity loaded in rail car and ready for shipment from an interior location.

Warehouse Receipt - Ownership certificate for a specific commodity and grade of a commodity stored in a licensed warehouse, elevator, or storage tank.

Exhibit C: Glossary of Rice Terms

Bag of Rice - 100 lbs., also "pocket."

Barrel of Rice - 162 lbs.

Bran - Outer layer of brown rice composed of the pericarp, aleurone layer, & a portion of the germ.

Brewer's Rice - Milled rice containing less than 25% of whole kernels and broken rice that does not meet the requirements for Second Heads or Screenings.

Broken Kernels - Kernels of rice that are less than three-fourths of whole kernels.

Brown Rice - Kernels of rice with the hull removed.

Chalky Kernels - Whole or large broken kernels of rice that are one-half or more chalky.

Classes (or Types) - Long Grain, Medium Grain, Short Grain, and Mixed.

Coated Milled Rice - Milled rice that has been coated with a safe and suitable substance to enhance the appearance and increase the nutritional value.

Damaged Kernels - Whole or large broken kernels of rice that are distinctly discolored or damaged by water, insects, heat or any other means, and parboiled rice in non-parboiled rice.

Foreign Material - All matter other than rice and seeds.

Green Weight Pricing Basis - Contract for rice as it comes from the field prior to drying.

Granulated Brewers Milled Rice - Milled rice that has been crushed or granulated.

Head Rice - Whole kernels of milled rice.

Heat-Damaged Kernels - Whole or large broken kernels of rice that are materially discolored and damaged as a result of heating.

Milled Rice - Whole kernels and broken kernels of rice with both the hull and bran layer removed. (Also called white rice).

Milling Yield - An estimate of the quantity of whole kernels and total milled rice (whole and broken kernels combined) that are produced in the milling of rough rice to a well-milled degree. 100 lbs. of rough rice will usually produce the following: 58-68 lbs. of head rice; 4-10 lbs. of second heads, screenings, and brewer's rice; 28-30 lbs. of hulls, bran, and polish; about 2 lbs. of waste.

Moisture - The water content in rough rice.

Objectionable Seeds - Seeds other than rice, except seeds of barnyard grass, watergrass, and Japanese millet.

Other Type - Whole kernels of long grain rice in medium or short grain rice, etc.

Paddy Rice - Another name for rough rice.

Parboiled Rice - Rice in which the starch has been gelatinized by soaking, steaming and drying.

Polish - A powdery substance produced by a further refinement of milling rice, used mostly in baby food.

Red Rice - Whole or large broken kernels of rice on which there is an appreciable amount of red bran.

Rice Hulls - Outer shell of rough rice.

Rice Mill By-product - A mixture of rice bran and hulls used for livestock feed.

Rough Rice - Kernels of rice as harvested from the field.

Screenings - Milled rice that contains less than 25% whole kernels and 75% medium to small broken.

Second Heads - Milled rice that contains less than 25% whole kernels and 75% large broken.

Seeds - Whole or broken seeds of any plant other than rice.

Smutty Kernels - Whole or broken kernels of rice that are distinctly infected by smut.

Ungelatinized Kernels - Whole or large broken kernels of parboiled rice with distinct white or chalky areas due to incomplete gelatinization of the starch.

Undermilled Milled Rice - Rice that is not equal to the milling requirements.

Unrelated Material - All matter other than rice, related material and seeds.

Weevily Rough Rice - Rough rice that is infested with live weevils injurious to stored rice.

Well-Milled Kernels - Whole or broken kernels of rice from which the hulls and practically all of the embryos and the bran layers have been removed.

Whole Kernel - Unbroken kernels of rice and broken kernels of rice that are at least 3/4 of an unbroken kernel.

Exhibit D: Weights, Measures, and Conversion Factors

Bushel - A unit of dry measure in the United States equaling 2150.42 cubic inches or 35.238 liters.

Conversion Factors - Bushels or cwt per Metric Ton, Long Ton, and Short Ton A metric ton = 2204.6 pounds. A long ton = 2240 pounds. A short ton = 2000 pounds.

Commodity	Unit	Avg Lbs per unit	Units per Ton		
			Metric	Long	Short
Wheat	Bushel	60	36.744	37.333	33.333
Soybeans	Bushel	60	36.744	37.333	33.333
Corn	Bushel	56	39.368	40.000	35.714
Grain Sorghum	Bushel	56	39.368	40.000	35.714
Flaxseed	Bushel	56	39.368	40.000	35.714
Rye	Bushel	56	39.368	40.000	35.714
Barley	Bushel	48	45.929	46.666	41.666
Oats	Bushel	32	68.893	70.000	62.500
Deleted rice, dry edible beans, and millet					
Sunflowers	Cwt	100	22.046	22.400	20.000
Canola	Cwt	100	22.046	22.400	20.000

Metric Conversion *Approximate*

1 pound = 0.45 kilograms

1 kilogram = 2.2 pounds

1 acre = 0.4 hectares

1 hectare = 2.5 acres

Exhibit E: Examples of commonly used conversions between bushels, cwt, & tons
Bushel / ton conversions:

Wheat and soybeans (using the example of 5.00 per bu)
5.00 per bu X 36.744 = 183.70 (or 183.75) per Metric Ton
5.00 per bu X 37.333 = 186.67 (or 186.75) per Long Ton
5.00 per bu X 33.333 = 166.65 (or 166.75) per Short Ton

(using variable ton prices)
183.75 per Metric Ton divided by 36.744 = 5.00 per bu
186.75 per Long Ton divided by 37.333 = 5.00 per bu
166.75 per Short Ton divided by 33.333 = 5.00 per bu

Corn, sorghum, flaxseed, and rye (using the example of 3.00 per bu)
3.00 per bu X 39.368 = 118.10 (or 118.00) per Metric Ton
3.00 per bu X 40.00 = 120.00 per Long Ton
3.00 per bu X 35.714 = 107.14 (or 107.25) per Short Ton

(Using variable ton prices)
118.00 per Metric Ton divided by 39.368 = 2.9973 (or 3.00) per bu
120.00 per Long Ton divided by 40.00 = 3.00 per bu
107.25 per Short Ton divided by 35.714 = 3.00 per bu

Barley (using the example of 2.00 per bushel)
2.00 per bu X 45.929 = 91.858 (or 91.75) per Metric Ton
2.00 per bu X 46.666 = 93.332 (or 93.25) per Long Ton
2.00 per bu X 41.666 = 83.332 (or 83.25) per Short Ton

(Using the example of 95.00 per ton)
95.00 per Metric Ton divided by 45.929 = 2.0684 (or 2.07) per bu
95.00 per Long Ton divided by 46.666 = 2.0357 (or 2.04) per bu
95.00 per Short Ton divided by 41.666 = 2.28 per bu

Oats (using the example of 2.50 per bu)
2.50 per bu X 68.893 = 172.25 per Metric Tons
2.50 per bu X 70.000 = 175.00 per Long Ton
2.50 per bu X 62.500 = 156.25 per Short Ton

(Using the example of 175.00 per ton)
175.00 per Metric Ton divided by 68.893 = 2.54 per bu
175.00 per Long Ton divided by 70.000 = 2.50 per bu
175.00 per Short Ton divided by 62.500 = 2.80 per bu

Bushel / hundredweight (cwt) conversion factors:

Wheat and soybeans 1.666 bu per cwt
Corn, sorghum, flaxseed, rye 1.7857 bu per cwt
Barley 2.08 bu per cwt
Oats 3.125 bu per cwt

Wheat and soybeans

5.00 per bu X 1.666 = 8.3333 (or 8.33) per cwt
8.50 per cwt divided by 1.666 = 5.10 per bu

Corn, sorghum, flaxseed, and rye

3.00 per bu X 1.7857 = 5.3571 (or 5.36) per cwt
5.50 per cwt divided by 1.7857 = 3.08 per bu

Barley

2.00 per bu X 2.08 = 4.16 per cwt
4.25 per cwt divided by 2.08 = 2.04

Oats

2.50 per bu X 3.125 = 7.8125 (or 7.81) per cwt
7.75 per cwt divided by 3.125 = 2.48 per bu

Exhibit F:
Exhibit F: Approved Abbreviations for Market News
Communication System (MNCS) Transmission

The following abbreviations can be used in preparing MNCS releases. This will facilitate transmission and better satisfy the space requirements of printed media.

A	Ask
avg	Average
B	Bid
bu	Bushel
CAF	Cost and freight
CCC	Commodity Credit Corporation of the USDA
CFTC	Commodity Futures Trading Commission
CIF	Cost, insurance, freight
comp	Compared
cwt	Hundredweight
DHV	Dark Hard and Vitreous
dlvd	Delivered
dlvry	Delivery
dn	Down
DNS	Dark Northern Spring
FAS	Foreign Agricultural Service
FAS/fas	Free Alongside Ship
FED-State	Federal-State
FM	Foreign Material
FOB /fob	Free-on-board
HAD	Hard Amber Durum
hgr	Higher
HRW	Hard Red Winter
Ind	Indicated
ld	Load
LT	Long Ton
Ltd	Limited
lwr	Lower
mkt	Market
MT	Metric Ton
mxd	Mixed
N	Nominal
NC	New Crop
NFE	Not fully established
no comp	No Comparison
NS	Northern Spring
NWT	Not well tested
Occ	Occasional
Pds	Price date of shipment

Exhibit F:

rptd	Reported
SB	Soybeans
SG	Sorghum
SRW	Soft Red Winter
stdy	Steady
SWW	Soft White Wheat
unch	Unchanged
vol	Volume
WCW	White Club Wheat
WHT	Wheat
wts	weights
WWW	Western White Wheat
YC	Yellow Corn
yrs	Years

PREPARATION OF REPORTS

Hay Market Reporting

I. GOAL TO BE ACCOMPLISHED

The objective of hay market reports is to describe the trade in an accurate, adequate, and appropriate manner. Every effort will be made to prevent the reports from becoming stereotyped. A careful choice of words in framing statements will permit inclusion of more facts and give more reader appeal without unduly lengthening the reports. Be specific and give as complete a picture as possible of the supply, demand, activity, and factors influencing the trade. Give tons, class, quality, bale size and or weight, price, and condition of sale. Give the type of buyers when significant. Every effort will be made to incorporate the "why" of the trade, when known. (Quite often reporters omit factors in anticipation of unfavorable trade reaction, which is rarely expressed.) Confidential information is to be treated as such, but too often information is interpreted as "confidential" when actually many people are aware of it. The terms used in reports will be in accordance with the respective instructions on collection of information. Reporters should read reports from adjacent states and coordinate with reporters in those areas when necessary.

II. PRICES

Price is a vital factor to a great majority of readers of market reports and users of the Market News Service. Every effort and care should be exercised by the Market News reporter to quote prices that are accurate and truly reflective of the market. Every quotation, if possible, should be a general price range covering the bulk of the sales of a specific commodity and its quality. Price ranges should always be as narrow as possible, yet still adequately cover trading conditions. If price ranges are wide, use a "mostly" price in addition to the full range. A "mostly" price represents that at which a majority of the sales by volume are made. Also, the weighted average format can show where the bulk of sales occur. When hay price ranges are wide, market reporters should intensify efforts to determine from trade contacts if hay is actually being bought and sold at the bottom and top figures. Occasionally, buyers and sellers feel compelled to say a price even though they haven't actually bought or sold any hay, in this case, their price should be excluded.

- A. **Trends.** Trends refer to the direction of prices; in other words, higher, lower, or steady. The amount of the change, if any, should be indicated.

B. Nominal Prices. Wherever possible, published market news prices should be based upon actual transactions; however, because of the practical uses made of current price information reported regularly, nominal prices may be published for not more than 5 days in reports, with prior approval from your Area Supervisor. A nominal price is a quotation based on buyers' and sellers' opinions when there is no trading on a commodity within a given period and no change in the price level are apparent. Nominal prices should not be carried when market conditions and values appear to have changed and no sales are reported. A market reporter should have as much confidence in the nominal price reported as they would if trading had been found at the same level. If the Market News reporter cannot quote actual sales prices or nominal prices and be confident that they truly reflect the market, a price quotation should not be reported. It is permissible to use a statement saying in effect that no new sales had been confirmed but the last confirmed price was and when that price was made. Or if a marketing area is sold out of hay, state in the report that the area, is sold out, and then print "no new sales confirmed" in the price location.

III. CLASSES AND QUALITY

Official USDA class and grade terms are to be used by reporters in describing commodities in market reports. However official USDA hay standards/grades do not exist. But, for market reporting purposes, there are hay quality designations and guidelines based on hay test parameters. Exact terms of the official quality designations will be utilized and applied in market reporting work. Local and indefinite terminology will not be used. Capitalizing the first letter of each official quality term will reduce the likelihood of confusion. For market reporting purposes, the following hay quality designations and guidelines should be used to describe and report hay:

Hay Quality Designations

Table 1: Alfalfa guidelines: (for domestic livestock use and not more than 10% grass)						
<i>Quality</i>	<i>ADF</i>	<i>NDF</i>	<i>RFV</i>	<i>TDN-100%</i>	<i>TDN-90%</i>	<i>CP</i>
<i>Supreme</i>	<27	<34	>185	>62	>55.9	>22
<i>Premium</i>	27-29	34-36	170-185	60.5-62	54.5-55.9	20-22
<i>Good</i>	29-32	36-40	150-170	58-60	52.5-54.5	18-20
<i>Fair</i>	32-35	40-44	130-150	56-58	50.5-52.5	16-18
<i>Utility</i>	>35	>44	<130	<56	<50.5	<16
*RFV calculated using the WI/MN formula. **TDN calculated using the western formula. Quantitative factors are approximate, and many factors can affect feeding value. Values based on 100 % dry matter (TDN showing both 100% and 90%). Guidelines are to be used with visual appearance and intent of sale.						

Table 2: Grass Hay guidelines

Quality	Crude Protein Percent
Premium	Over 13
Good	9-13
Fair	5-9
Utility	Under 5

Quantitative factors are approximate, and many factors can affect feeding value. Values based on 100% dry matter. End usage may influence hay price or value more than testing results.

Hay Quality physical descriptions:

Supreme: Very early maturity, pre bloom, soft fine stemmed, extra leafy. Factors indicative of very high nutritive content. Hay is excellent color and free of damage.

Premium: Early maturity, i.e., pre-bloom in legumes and pre head in grass hays, extra leafy and fine stemmed-factors indicative of a high nutritive content. Hay is green and free of damage.

Good: Early to average maturity, i.e., early to mid-bloom in legumes and early head in grass hays, leafy, fine to medium stemmed, free of damage other than slight discoloration.

Fair: Late maturity, i.e., mid to late-bloom in legumes, head-in grass hays, moderate or below leaf content, and generally coarse stemmed. Hay may show light damage.

Utility: Hay in very late maturity, such as mature seed pods in legumes or mature head in grass hays, coarse stemmed. This category could include hay discounted due to excessive damage and heavy weed content or mold. Defects will be identified in market reports when using this category.

Prairie Grass Hay: The industry generally recognizes prairie hay as a native grass. It is normally described and traded as prairie grass hay and the quality is understood by the industry. Since prairie grass is usually cut only once a year, specifying the time of cut (i.e., early, mid, or late, cutting season) should provide additional information on the hay quality.

IV. ARRANGEMENT AND CONTENT OF HAY REPORTS

A. Terms and Conditions of Sale - The terms and conditions of sale shall be clearly defined as follows.

1. Time period covered by the report
2. Location
 - a. Geographical (town, region/area or state)
 - b. Physical (f.o.b. or delivered price, semi or pickup loads, behind the harvester, windrow, roadside, etc.)

3. Delivery or shipment (current, or for deferred delivery or payment)
4. Quality, condition, or other commodity descriptions (moisture content, cleanliness, or factors not covered in the quality descriptions)
5. Premiums and discounts when they are a factor (such as in barn or shed, tarp etc.)
6. Type of transportation or packaging if a factor (delivered by box car, trucks, barge, etc.)

B. Format within Hay Reports

1. Quality terms should be listed as Supreme, Premium, Good, Fair and Utility.
2. Bale type should be reported in the following sequence: small square, mid, 3/4 or larger square, small round, large round, stacks or loaves.
3. If the hay is tested and test results are available, information on ADF, NDF, TDN, relative Feed Value (RFV), protein etc., can be included in the report, if helping to keep price ranges narrow.
4. Volume traded this week, last week and last year should be shown at top of the report. If report has different areas within the report, then the volume of each area should be shown along with total volume at top of report.
5. Other value-determining factors should also be listed, e.g., cutting

C. Format or Style of Wires

Arrange weekly hay reports so that volume sold for this week, last week and last year is at the top of the report. Then a paragraph, showing the trend, demand, supply and any other statement that would explain how and why hay is trading the way it is. If more than one area is included in the report, either cover all areas in one paragraph or write separate paragraphs for each individual area. Hay should be reported, starting with the most predominate hay in the area to the least dominate in the following sequence: quality, bale size, other conditions, and prices. This format also applies to hay usage. For example domestic (dairy/beef) followed by next highest usage, the export or retail/feed store. Highest quality hay should be first with each bale size listed and prices for each bale size, and continue down to least quality. If bale size does not make a wide price difference or isn't a major determination in price, bale sizes can be combined. Hay with defects or faults are listed last. Abbreviations in market reports should only be used when the abbreviation is commonly used and understood by the industry.

Keep in mind that the hay quality guidelines used for domestic sales, are not meant to be used for hay going for export or retail/feed stores. The quality terms used are the same, but can have slightly different meaning. Reporters need to learn how the industry uses those terms when dealing with export or retail/feedstore hay, to ensure the reports are comparable and have correct meaning in each of the usages. Hay guidelines, appropriate for the areas, should be carried, at the end of each report to help the industry analyze the information. It is not necessary to publish the physical descriptions. Reports should be kept as short and concise as possible.

V. HAY QUOTATIONS

Each office responsible for collecting hay prices, will keep a permanent record of the reports and will also place that information into the Oracle data base. Each hay class will be recorded, separating the different classes, quality designations, bale size (if applicable) and according to usage.

VI. DISSEMINATION

A. Press Association Commercial News Dispatch Reports

Copies of reports prepared for electronic transmission are usually adequate for these purposes. Reports may be edited if necessary to meet space requirements. For further instructions, see LGMN Instruction No. 105-7.II.

B. Local Newspapers

Reporters will consult with market editors or other officials of local newspapers to arrange space for the most desirable report length. Extreme care will be exercised in preparing each report to minimize the need for editing by the publishers. Frequently, local papers will use a more complete and lengthy report than press associations can use for transmission. One method of solving this problem is to prepare a complete report for local papers and then edit out words, phrases, and sentences of a copy to reduce the length to press association requirements. Such editing by the reporter generally will result in a more nearly accurate and complete report than if edited by the press association.

C. Radio

Many words and phrases used in printed reports to accurately describe trade conditions are not suitable for use in radio reports because they are difficult to pronounce or similar in sound to words that precede or follow. Reports prepared for radio use will be carefully reviewed and edited before release. For further instructions on preparing reports for release by radio or television, see LGMN Instruction No. 105-7.II.

VII. SCHEDULE FOR ISSUANCE

It is Market News policy to release market reports at the earliest possible time, consistent with local trading practices. When trade practices change, the filing time should also be changed. The field office should obtain permission for a change by contacting the appropriate area supervisor. Market reports will be made available to all individuals and organizations at the scheduled release time. Local newspapers, radio stations, and other agencies disseminating market news information issued by the particular office should be contacted frequently to determine whether the type and length of reports, time of release, and method of transmittal are best suited to their needs. The extra effort required preparing separate reports in the style and content desired by a particular disseminating agency enhances the value of the reports.

Exhibit A: Glossary of Trade Terms

ADF – Acid detergent fiber – The residue remaining after boiling a forage sample in acid detergent solution. ADF contains cellulose, lignin and silica, but not hemicellulose. Often used to calculate digestibility, TDN and /or NEI. Contrast with crude fiber and neutral detergent fiber.

Bid - Willingness to buy at a stated price according to specified conditions.

Broker - A person paid a fee or commission for acting as an agent in making purchases or sales.

Buyer's Market - An abundance of goods available permitting buyers to be selective and to buy at a lower price than had previously prevailed.

Cash Price - Term used to represent the economic value or worth of a commodity. Often used to distinguish all other prices from futures trading on an organized commodity futures market.

Commission Merchant - Person who makes a trade in his own name and becomes liable as principal between himself and the other party to the trade.

Consignment - A shipment sent to a commission merchant for him to sell.

Contract Price - Price and conditions of sale agreed upon when buyer and seller negotiate a transaction.

Crop Year (U.S.) - Period from one harvest of a crop to the next harvest in the following year. The period varies among hay growing regions.

CP – Crude Protein – This value is 6.25 times the nitrogen content for forage or 5.7 times the nitrogen content for grain.

Deferred Delivery - (See forward contracting.)

FOB - Free on board, price at place of origin not including transportation charges.

Forward Contracting - A transaction common in many industries, including commodity merchandising, in which the buyer and seller agree upon delivery of a specified quality and quantity of goods at a specified future date and price or formula for establishing the price.

Forward Price - Price of a commodity bought or sold for a specified delivery period usually 30 days or more away.

NDF – Neutral detergent fiber – Residue left after boiling a sample in neutral detergent solution. The NDF in forages represents the indigestible and slowly digestible components in plant cell walls

(cellulose, hemicellulose, lignin, and ash). Contrast with crude fiber and acid detergent fiber. Called "aNDF" if amylase and sodium sulfite are used during the extraction (this is recommended procedure).

Nominal - A nominal price quotation is reported in the absence of a cash trade if the reporter is confident that the nominal price reflects current market value.

Offer - Indication of willingness to sell at a given price, same as "ask."

Open-End Contract - A contract to purchase with a minimum cash payment, with final settlement at the end of the season.

RFV – Relative Feed Value – An index for ranking cool-season grass and legume forages based on combining digestibility and intake potential. Calculated from ADF and NDF. The higher the RFV, the better the quality. It is used to compare varieties, match hay/silage inventories to animals, and to market hay.

Reseller (Jobber) - A person who takes ownership of a commodity and then resells on the open market before physically taking delivery of that commodity.

Seller's Market - Market condition in which there is a scarcity of goods available, enabling sellers to obtain better conditions of sale or higher prices.

Spot Bid - Price willing to be paid for a commodity available for immediate delivery.

Spot Price - Price of a commodity available for immediate delivery.

To-Arrive Price or Delivered Price- Price of a commodity, including freight and handling charges, delivered at a destination at a specified time.

TDN – Total Digestible Nutrients – The sum of crude protein, fat (multiplied by 2.25), non-structural carbohydrates, and digestible NDF. TDN is often estimated by calculation from ADF. The formulas for calculating TDN vary by region and by nutritionist. Western Formula is presently the most used formula.

Exhibit B: Formula's used to calculate various hay values

$$\text{CP} = \%N \times 6.25$$

$$\text{TDN} = (100\% \text{ DM}) = 82.38 - (.7515 \times \% \text{ADF}) \quad \text{Western formula}$$

$$\text{RFV} = \text{DDM} \times \text{DMI} / 1.29$$

$$\text{DDM (Digestible Dry Matter)} = 88.9 - (.779 \times \% \text{ADF})$$

$$\text{DMI (Dry Matter Intake)} = 120 / \% \text{NDF}$$

Change History

Date	Section	Page	Change	Category
8/25/11	933-4	56	Changes to CME SETTLEMENT PRICE section	Modification
6/21/11	All	All	Changes from Branch to Division	Modification
6/21/11	933-4	Pg 56	Note about use of Load & Split Load comments	Addition
4/7/11	933-4	Pg 56	Addition to Feeder Cattle Comments	Addition
3/8/11	933-10	Pg 94	Change to By-Products Drop Value (Steer) section	Modification
3/8/11	933-10	Pg 95	Change to Tallow, Protein, and Hide section	Modification
3/8/11	933-10	Pg 87	Update Cutter Cow Cutout Values table	Modification
9/29/10	933-8	Pg75-77	Changes to Sheep/Lamb	Modification
9/14/10	933-8	Pg76-77	Changes to Sheep	Modification
9/14/10	933-4	Pg 53	Changes Feeder Cattle Comments	Modification
9/14/10	102-2	Pg9	Updated Field Office Information	Modification
7/8/10	102-2	Pg 9	Updated Field Office Information	Modification
3/31/10	933-12	Pg 153	Correction to Slug #'s (GX_GR121 and GX_GR212)	Modifications
3/17/10	105-4	Pg 18	Table updated to reflect current archival / retention policy	Modifications
2/12/10	933-12	Pg 153-4	I.Ethanol: Added F.State of Minnesota (NW_GR114) and updated all of Bioenergy section to reflect six reports, instead of five.	Modifications
12/2/09	933-12	Pg 153-4	Added Bioenergy Reports section, updated Field Office info	Modifications
10/01/08	933-11	Pg 142-9	Added new Locations, updated email address, new Exhibit A & B	Modifications
08/18/08	Intro	Pg 2	Handbook link changed to AGNIS ADDRESS	Modification
07/10/08	Intro	Pg 2-9	Introduction names and date, personnel changes	Modifications
06/20/07	Intro	Pg 2	Introduction names and date	Modification
06/07/07		Pg 3	Purpose of Market News, type-o	Modification
05/29/07	933-8	Pg 75	Sheep Comments & Goat Comments	Addition
05/29/07	933-4	Pg 56	Direct Feeder Cattle Reporting applied to the 12 State Region	Addition
04/24/07	Intro	Pg 2	Introduction name and date	Modification
04/24/07	933-12	Pg 154-156	Exhibit B: Glossary Of Trade Terms	Modifications
01/19/07	933-4	Pg 53	Added Load to Standardized Wtd Avg Comments	Modification
01/11/07	102-2	Pg 9	Field office locations	Modifications
11/09/06	933-4	Pg 58-59	Exhibit B: Laptop Weighted Average Report, changed comments	Modifications
09/19/06	933-4	Pg 53	Feeder Cattle, added comment	Addition
09/19/06	933-10	Pg 116-124	Exhibit 3, Est. Composite Pork Carcass Cutout – An Overview	Modifications
09/19/06	933-10	Pg 97	V. Pork Reports	Modifications
09/19/06	933-10	Pg 89	3. Latest Established Quotation	Modification
07/18/06	933-10	Pg 111-119	Exhibit 2, Beef Carcass Equivalent Index Calculation	Modifications
06/26/06	933-4	Pg 47	Exhibit A, Slaughter cows added weight column	Modifications
06/26/06	933-2	Pg 37	Preparation of Reports, Market Terminology	Modifications
06/26/06	933-11	Pg 137	Livestock Acceptance, Futures Contract, 13. under supervision	Modifications
06/26/06	933-8	Pg 72-73	Sheep, Lamb, and Goat Trade, Terminology B & C	Modifications
05/19/06	933-4	Pg 50	Preparation of Reports – Feeder Cattle Reporting	Modifications
05/12/06	933-2	Pg 37	Section IV, Trends	Modification
04/18/06	933-11	Pg 139	Section II, Paragraph A, email addressees updated	Modifications
04/11/06	105-3	Pg 13	Monthly Situation Report date sent by 3 rd of each month	Modification
04/11/06	102-2	Pg 9	Field Office Locations and Officers in Charge	Modifications
02/09/06	933-10	Pg 82	Meat and Meat By-Product Reporting	Modification
11/17/05	933-11	Pg 137	Paragraph A Futures link changes	Modification
11/16/05	933-4	Pg 55	Section VI, Paragraph C, CME Settlement Price	Modification
11/16/05	102-2	Pg 9	Field Office Locations	Modifications
08/16/05	933-4	Pg 53	Added Value Enhanced to Comments	Addition

07/21/05	933-10	Pg 102	Exhibit 1: National Boxed Beef Cutout and Cuts	Modification
08/27/04	933-11	Pg 145	CME certificates allow weight 1350 and change flat fee \$100.00	Modification