

Swine Packer Marketing Contract Summary - Eastern Cornbelt

Contract Type

Other Purchase Arrangement

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August 1, 2016

Determination of Base Price Contract Number 302

Reports Referenced

Delivered SBM, 48% Soybean Meal, Average - 6 weeks prior to delivery

Delivered Corn, Corn, Average - 6 weeks prior to delivery

LM_PK602, Pork Carcass Cutout, Day Prior to Delivery

Other Terms

Matrix Value - \$8.00

Matrix Value + \$8.00

Base Price (BP) = 95% Cutout Value; Final Price = BP + 50% (Matrix Value - BP)

See Schedule: 42

Determination of Base Price Contract Number 312

Reports Referenced

Delivered SBM, 48% Soybean Meal, Average - 6 weeks prior to delivery

Delivered Corn, Corn, Average - 6 weeks prior to delivery

LM_HG208, Negotiated Base Weighted Average, Day of Slaughter

LM_HG207, Negotiated Base Weighted Average, Day of Slaughter

LM_PK602, Pork Carcass Cutout, Day of Slaughter

LM_HG208, Swine or Pork Market Weighted Average, Day of Slaughter

LM_HG207, Swine or Pork Market Weighted Average, Day of Slaughter

Other Terms

Market Price (MP) = average of 5 swine/pork market prices -\$2.00; Final Price = Average of Matrix Price and Market Price.

See Schedule: 105

Determination of Base Price Contract Number 341

Reports Referenced

Plant Price, Day of Delivery

Other Terms

Floor Price: 47 Ceiling Price: 53

If Plant Price < Floor Price (FP), then Base Price = \$50.00 + 50% (\$47 - Plant Price); If Plant Price > Ceiling Price (CP), then Base Price = \$50.00 + 50% (Plant Price - \$53); If Plant Price > Floor Price and < Ceiling Price, then Base Price = \$50.00

See Schedule 6

Determination of Base Price Contract Number 341

Reports Referenced

Plant Price, Day of Delivery

Other Terms

Floor Price: 47 Ceiling Price: 53

If Plant Price < Floor Price (FP), then Base Price = \$50.00 + 50% (\$47 - Plant Price); If Plant Price > Ceiling Price (CP), then Base Price = \$50.00 + 50% (Plant Price - \$53); If Plant Price > Floor Price and < Ceiling Price, then Base Price = \$50.00

See Schedule 6

Determination of Base Price Contract Number 357

Reports Referenced

LM_HG208, Weighted Average, Day of Delivery

LM_HG207, Weighted Average, Day of Delivery

Other Terms

Floor Price = COP - \$6.00; Ceiling Price = COP + \$6.00; Market Price (MP) = average of two markets + \$2.00;

If MP < COP, then Base Price = MP + 50% (MP - COP); If MP > COP, then Base Price = COP + 50% (COP - MP); Base Primal % = 56.5, higher % receive premiums, lower receive discounts; Max Primal Premium = 4.5%, unlimited discounts; Premium based on 56 day avg of quoted market prices for primal cuts; Outside 164-205 pound weight range, sort discount is reimbursed for primals of acceptable size

Cost of Production (COP) is set by 3 month average at Buyers Production Facilities

Premium/Discount Type: Sort; See Schedule 13

Premium/Discount Type: Trucking, \$0.02 per live pound

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Determination of Base Price Contract Number 360

Reports Referenced

LM_PK602, Pork Carcass Cutout, Day of Slaughter

Other Terms

Floor Price = RCOP -\$8.00; Ceiling Price = RCOP +\$8.00; Market Price (MP) = Cutout Value - \$6.30; If MP < RCOP, then Base Price = MP + 50% (RCOP - MP); If MP > RCOP, then Base Price = RCOP + 50% (MP - RCOP); Base Primal % = 56.5, higher % receive premiums, lower receive discounts; Max Primal Premium = 4.5%, unlimited discounts; Premium based on 56 day avg of quoted market prices for primal cuts; Outside 164-205 pound weight range, sort discount is reimbursed for primals of acceptable size

Regional COP (RCOP) is regional grain basis and transportation differential

Premium/Discount Type: Sort; See Schedule 16

Determination of Base Price Contract Number 363

Reports Referenced

LM_PK602, Pork Carcass Cutout, Day of Slaughter

Other Terms

Floor Price = COP - \$6.00; Ceiling Price = COP + \$6.00; Market Price (MP) = Cutout Value - \$6.30; If MP < RCOP, then Base Price = MP + 50% (RCOP - MP); If MP > RCOP, then Base Price = RCOP + 50% (MP - RCOP) Base Primal % = 56.5, higher % receive premiums, lower receive discounts; Max Primal Premium = 4.5%, unlimited discounts; Premium based on 56 day avg of quoted market prices for primal cuts; Outside 164-205 pound weight range, sort discount is reimbursed for primals of acceptable size

Regional COP (RCOP) is regional grain basis and transportation differential

Premium/Discount Type: Sort; See Schedule 16

Determination of Base Price Contract Number 364

Reports Referenced

LM_HG208, Weighted Average, Day of Slaughter

LM_HG207, Weighted Average, Day of Slaughter

Other Terms

Floor Price = RCOP -\$6.00; Ceiling Price = RCOP +\$6.00; Market Price (MP) = Average of reported prices + \$2.00; If MP < RCOP, then Base Price = MP + 50% (RCOP - MP); If MP > RCOP, then Base Price = RCOP + 50% (MP - RCOP); Base Primal % = 56.5, higher % receive premiums, lower receive discounts; Max Primal Premium = 4.5%, unlimited discounts; Premium based on 56 day avg of quoted market prices for primal cuts; Outside 164-205 pound weight range, sort discount is reimbursed for primals of acceptable size

Regional COP (RCOP) is regional grain basis and transportation differential

Premium/Discount Type: Sort; See Schedule 13

Premium/Discount Type: Trim; See Schedule 11

Determination of Base Price Contract Number 430

Reports Referenced

Lean Hog Index, Lean Hog, Average - 2 days prior to delivery

CME Delivery PM, Lean Hog, Day Prior to Delivery

Other Terms

Base Price = 25% (97% CME Nearby Futures) + 75% (101% CME Lean Index)

Determination of Base Price Contract Number 529

Reports Referenced

LM_PK602, Pork Carcass Cutout, Day Prior to Delivery

Other Terms

Base Price = 90% Cutout Value

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Determination of Base Price Contract Number 532

Reports Referenced

GX_GR117, 48% SBM Rail, hi and low, Average - 8 weeks prior to delivery

WH_GR110, Corn, Average - 8 weeks prior to delivery

LM_HG203, Negotiated Base Weighted Average Range, Average - 3 days prior to delivery

Other Terms

Floor Price (FP) set by COP; Floor published at the end of each month; Ceiling Price (CP) = FP + \$5; If Market Price (MP) > CP, then Base Price = 93% MP; If MP < FP, then Base Price = FP

See Schedule: 62

MP > Ceiling, 7% MP deducted from ledger; If MP < FP, then FP - MP is added to ledger; Maximum positive balance is \$10/head marketed annually, maximum negative balance is determined by producer financial condition.

Premium/Discount Type: Regional West, \$1.00

Premium/Discount Type: Contract Premium, \$1.00

Premium/Discount Type: Regional East, \$1.25

Determination of Base Price Contract Number 592

Reports Referenced

LM_HG212, 49-51% lean, Day of Delivery

Other Terms

Floor Price = COP - \$8.00; Ceiling Price = COP + \$8.00; First 3 truckloads each week (525 animals +/- 10%) priced as risk share; If Market Price (MP) < COP, then Base Price = COP - 50% (COP-MP); IF MP > COP, the Base Price = COP + 50% (MP - COP). Next 2 truckloads (350 animals +/- 10%) and any excess deliveries priced on market. Base Price = MP.

Cost of Production (COP) based on regional standard hog production assumptions.

Premium/Discount Type: Compliance Program - Meet Target Weight; \$2.00

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Supplier Program - Compliance Bonus, \$3.00

Premium/Discount Type: Contract Premium, \$1.50

Determination of Base Price Contract Number 594

Reports Referenced

LM_PK602, Pork Carcass Cutout, Day of Delivery

Other Terms

Floor Price = COP - \$5.00; Ceiling Price = COP + \$5.00; If Market Price (MP) < COP, then Base Price = COP - 50% (COP-MP); IF MP > COP, the Base Price = COP + 50% (MP - COP)

Cost of Production (COP) based on regional standard hog production assumptions

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Supplier Program - Compliance Bonus, \$4.25

Premium/Discount Type: Contract Premium, (\$5.50)

Determination of Base Price Contract Number 596

Reports Referenced

LM_HG208, 49-51% Weighted Average, Day of Delivery

LM_HG207, 49-51% Weighted Average, Day of Delivery

Other Terms

Floor Price = COP - \$10.00; Ceiling Price = COP + \$10.00; Market Price (MP) = average of two reported markets; If MP < COP, then Base Price = COP - 50% (COP-MP); IF MP > COP, then Base Price = COP + 50% (MP - COP)

Cost of Production (COP) based on regional standard hog production assumptions

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Contract Premium, \$2.00

Premium/Discount Type: Supplier Program - Compliance Bonus, \$2.00

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Determination of Base Price Contract Number 597

Reports Referenced

LM_PK602, Carcass Average, Day of Delivery

Other Terms

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Contract Premium, (\$4.00)

Determination of Base Price Contract Number 598

Reports Referenced

LM_HG208, 49-51% Weighted Average, Day of Delivery

LM_HG207, 49-51% Weighted Average, Day of Delivery

Other Terms

Floor Price = COP - \$12.00; Ceiling Price = COP + \$12.00; Market Price (MP) = average of two reported markets; If MP < COP, then Base Price = COP - 50% (COP-MP); IF MP > COP, then Base Price = COP + 50% (MP - COP)

Cost of Production (COP) based on regional standard hog production assumptions

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Supplier Program - Compliance Bonus, \$3.00

Determination of Base Price Contract Number 600

Reports Referenced

LM_PK602, Pork Carcass Cutout, Day of Delivery

Other Terms

Floor Price and Ceiling Price set based on COP according to schedule. If Market Price (MP) < COP, then Base Price = COP - 50% (COP-MP); IF MP > COP, the Base Price = COP + 50% (MP - COP)

See Schedule: 88

Cost of Production (COP) based on regional standard hog production assumptions

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Contract Premium, (\$6.00)

Premium/Discount Type: Supplier Program - Compliance Bonus, \$2.00

Determination of Base Price Contract Number 601

Reports Referenced

LM_HG208, 49-51% Weighted Average, Day of Delivery

Other Terms

Floor Price = COP - \$10; Ceiling Price = COP + \$10; If Market Price (MP) < COP, then Base Price = COP - 50% (COP-MP); IF MP > COP, the Base Price = COP + 50% (MP - COP)

Cost of Production (COP) based on regional standard hog production assumptions

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Contract Premium, \$1.00

Premium/Discount Type: Supplier Program - Compliance Bonus, \$2.00

Determination of Base Price Contract Number 602

Reports Referenced

LM_PK602, Pork Carcass Cutout, Day of Delivery

Other Terms

Floor and Ceiling set based on COP according to schedule. If Market Price (MP) < COP, then Base Price = COP - 75% (COP-MP); IF MP > COP, the Base Price = COP + 75% (MP - COP)

See Schedule: 89

Cost of Production (COP) based on regional standard hog production assumptions

Premium/Discount Type: Sort; See Schedule 86

Premium/Discount Type: Trim; See Schedule 87

Premium/Discount Type: Contract Premium, (\$5.00)

Premium/Discount Type: Supplier Program - Compliance Bonus, \$2.00

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Determination of Base Price Contract Number 641

Reports Referenced

Local Survey, Corn, Average - 6 weeks prior to delivery
LM_HG208, Negotiated Base Weighted Average, Day of Delivery
LM_HG207, Negotiated Base Weighted Average, Day of Delivery
LM_PK602, Pork Carcass Cutout, Day of Delivery
Local Survey, Soybean Meal, Average - 6 weeks prior to delivery
LM_HG208, Swine or Pork Market Weighted Average, Day of Delivery
LM_HG207, Swine or Pork Market Weighted Average, Day of Delivery

Other Terms

Floor Price = Matrix Price - \$4.00; Ceiling Price = Matrix Price + \$4.00; Base Live Price = 74.5% [(ECB Negotiated + ECB SPMF + WCB Negotiated + WCB SPMF + Cutout Value)/5]; if Base Live Price < Floor Price (FP), then Final Price = FP; If Base Live Price > Ceiling Price (CP), then Final Price = CP; If Base Live Price > FP and < CP, then Final Price = Base Live Price.

See Schedule: 104

Premium/Discount Type: Lean; See Schedule 82

Premium/Discount Type: Sort; See Schedule 103

Premium/Discount Type: Trim; See Schedule 100

Determination of Base Price Contract Number 642

Reports Referenced

Local Survey, Corn, Average - 6 weeks prior to delivery
Local Survey, Soybean Meal, Average - 6 weeks prior to delivery

Other Terms

Floor Price = Matrix Price + \$4.00; Ceiling Price = Matrix Price + \$8.00; Base Live Price = 74.5% [(ECB Negotiated + ECB SPMF + WCB Negotiated + WCB SPMF + Cutout Value)/5 - \$2.00]; if Base Live Price < Floor Price (FP), then Final Price = FP; If Base Live Price > Ceiling Price (CP), then Final Price = CP; If Base Live Price > FP and < CP, then Final Price = Base Live Price.

See Schedule: 105

Premium/Discount Type: Antibiotic Free; \$11.00

Determination of Base Price Contract Number 645

Reports Referenced

Lean Hog Index, Lean Hog, Day of Delivery

Other Terms

Premium of \$0.11 per pound shall be accumulated in the ledger until the limit is reached or until specified dated. At that time, a discount of \$0.25 per pound shall be deducted from the ledger until the balance reaches zero; Interest of 3% per annum shall accrue on ledger balances. Limit on ledger \$1,550,000

Premium/Discount Type: Downer Fee; (\$20.00) per head

Premium/Discount Type: Lean; See Schedule 107

Premium/Discount Type: Lean; See Schedule 108

Premium/Discount Type: Trim; See Schedule 109

Premium/Discount Type: Contract Premium, \$0.11 per pound until specified date or until ledger limit is reached

Premium/Discount Type: Contract Premium -\$0.025 per pound after specified date

Determination of Base Price Contract Number 647

Reports Referenced

Lean Hog Index, Lean Hog, Day Prior to Delivery

Other Terms

Base Price = COP (Carcass) + \$0.58; If Lean Hog Index <= Base Price, then Final Price = Base Price; If Lean Hog Index > Base Price, then Final Price = (Lean Hog Index + Base Price)/2. For hogs sold under the Forward Pricing Program, Final Price = Lean Hog Index - \$2.00 - basis. Cost of Production (COP) based on average costs as shown on financial statements for two months prior to delivery, excluding the month immediately prior adjusted to carcass basis by dividing by 76%.

Premium/Discount Type: Downer Fee; (\$12.00)

Premium/Discount Type: Lean; See Schedule 107

Premium/Discount Type: Lean; See Schedule 108

Premium/Discount Type: Trim; See Schedule 109

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Determination of Base Price Contract Number 779

Reports Referenced

Nearby Lean Hog, Lean Hog, Last trading day prior to harvest

Other Terms

Final Live Price = (Futures Price * 75.5%) + Sort - Program Participation Fee

See Schedule: 0

Grading Devices Used

AutoFOM	Direct primal percent reading.
Ruler	Backfat measurement.
TOBEC	Device reads electronically the pounds of the primal, ham, should, and loin and divides by the carcass weight to determine a primal lean percent.
UltraFOM	$59.05 - (0.38 * \text{backfat}[\text{mm}] + (0.01 * \text{loineye}[\text{mm}]$
Fat-O-Meat'er	$\text{Percent lean} = (2.827 + (0.469 * \text{hot weight} [\text{lbs}] - (18.47 * \text{backfat} * 0.0393701[\text{mm}]) + (9.824 * \text{loineye} * 0.0393701 [\text{mm}])) / \text{hot weight}$
Fat-O-Meat'er	$\text{Percent lean} = (54.672154 - (0.002982 * \text{hot weight} [\text{lbs}] - (0.412525 * \text{backfat} * 25.4 [\text{in}] + (0.1433242 * \text{loineye} * 25.4 [\text{in}])) / 100$
Fat-O-Meat'er	$\text{Percent lean} = 58.86 - (0.61 * \text{backfat} [\text{mm}]) + (0.12 * \text{loineye} [\text{mm}])$
Hennessy	$\text{Percent lean} = 46.17 - (0.3445 * \text{backfat}[\text{mm}]) + (0.0827 * \text{loineye} [\text{mm}]) + (0.00415 * \text{rib} [\text{mm}])$
UltraFOM	$\text{Percent lean} = 61.56 - (0.878 * \text{backfat}[\text{mm}]) + (0.157 * \text{loineye}[\text{mm}])$
Destron	$\text{Percent lean} = 55.0700 - (0.3770 * \text{backfat} [\text{mm}]) + (0.0520 * \text{loineye} [\text{mm}])$
AUS System	-