

# **CATTLE REPORTS**

## **Definitions**

**NEGOTIATED CASH** - Cash deal negotiated between buyer and seller where the price is known at the time the deal is struck and will not change regardless of how the cattle perform. All that is needed for payment is weight.

**NEGOTIATED GRID BASE** - The base price is negotiated between buyer and seller and is known at the time the deal is struck and delivery is usually expected within 14 days. However, the final net price will be determined by applying a series of premiums and discounts after slaughter based on carcass performance. These premiums and discounts may also be applied for things such as Age and Source verified, over 30 months, heavy carcass, etc.

**NEGOTIATED GRID NET** - The final price paid to the producer after the premiums and discounts have been applied to the negotiated grid base.

**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. . These premiums and discounts may also be applied for things such as Age and Source verified, over 30 months, heavy carcass, etc. The producer normally has few, if any options, concerning the pricing once the formula is agreed to.

**FORMULA NET** - The final price paid to the producer after premiums and discounts have been applied to the formula base.

**FORWARD CONTRACT BASE** - A price based off the CME. This base price is normally a moving target that the producer has the option to nail down at some point during the life of the contract.

**FORWARD CONTRACT NET** - The final net price paid to the producer after any adjustments have made to the forward contract base.

**COMMITTED** - Cattle are reported as 'committed' as soon as they are scheduled for slaughter.

**DELIVERED** - Cattle are reported as 'delivered' when they are unloaded at the plant.

3/70/20 RULE - 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.

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