

# Swine Packer Marketing Contract Summary - ECB

## Other Purchase Arrangement

### Determination of Base Price 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 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 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 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 Average 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

# Swine Packer Marketing Contract Summary - ECB

## Other Purchase Arrangement

### Determination of Base Price 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 Average 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 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 Average 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 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 Average 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 566

#### Reports Referenced

Nearby Lean Hog, Settlement, Last trading day prior to delivery

#### Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments See Schedule: 58

Premium/Discount Type: Lean; See Schedule: 64

Premium/Discount Type: Sort; See Schedule: 85

Premium/Discount Type: Basis, See Schedule: 58

## **Swine Packer Marketing Contract Summary - ECB Other Purchase Arrangement**

### **Determination of Base Price 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 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 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

## **Swine Packer Marketing Contract Summary - ECB Other Purchase Arrangement**

### **Determination of Base Price 597**

#### ***Reports Referenced***

LM\_PK602, Carcass Average, Day of Delivery

#### ***Other Terms***

Final Price = Market Price + Contract Premium + Carcass Merit Adjustments

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 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 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 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

## **Swine Packer Marketing Contract Summary - ECB Other Purchase Arrangement**

### **Determination of Base Price 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

### **Determination of Base Price 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 779**

#### ***Reports Referenced***

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

#### ***Other Terms***

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

## **Swine Packer Marketing Contract Summary - ECB Other Purchase Arrangement**

### **Determination of Base Price 819**

#### ***Reports Referenced***

Local Survey, Corn, Average - 6 weeks prior to delivery  
LM\_HG208, Negotiated Price, Day of Delivery  
LM\_HG207, Negotiated Price, 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 Price, Day of Delivery  
LM\_HG207, Swine or Pork Market Price, Day of Delivery

#### ***Other Terms***

Floor Price = Matrix Price - \$4.00; Ceiling Price = Matrix Price + \$8.00; Matrix Price from schedule based on Corn and Soybean markets.

Base Live Price = 74.5% [(ECB Negotiated + ECB SPMF + WCB Negotiated + WCB SPMF + Cutout Value)/5 - Contract Premium + Antibiotic Free Premium]; 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: 207

Premium/Discount Type: Antibiotic Free; \$12.00

Premium/Discount Type: Contract Premium, (\$2.00)

### **Determination of Base Price 820**

#### ***Reports Referenced***

Local Survey, Corn, Average - 6 weeks prior to delivery  
LM\_PK602, Pork Carcass Cutout, Day of Delivery  
Local Survey, Soybean Meal, Average - 6 weeks prior to delivery  
LM\_HG208, Swine Market Prod Sold Average Net, Day of Delivery  
LM\_HG207, Swine Market Prod Sold Average Net, Day of Delivery

#### ***Other Terms***

Floor Price = Matrix Price - \$4.00; Ceiling Price = Matrix Price + \$8.00; Matrix Price from schedule based on Corn and Soybean markets.

Base Price = Average of Three Market Prices; if Base Price < Floor Price (FP), then Final Price = FP; If Live Price > Ceiling Price (CP), then Final Price = CP; If Base > FP and < CP, then Final Price = Base Price. See Schedule: 105

Premium/Discount Type: Antibiotic Free; \$11.50

### **Determination of Base Price 950**

#### ***Reports Referenced***

LM\_PK602, Pork Carcass Cutout, Day of Delivery

#### ***Other Terms***

First year antibiotic free premiums are set by quarterly incentives; Final Price = Cutout Percentage (Cutout Price) + Antibiotic Free Premium + Carcass Merit Adjustments

Premium/Discount Type: Sort; See Schedule: 130

Premium/Discount Type: Off Quality; See Schedule: 100

Premium/Discount Type: Antibiotic Free; \$12.00 per hog

Premium/Discount Type: Antibiotic Free incentive; See Schedule: 212 per hog

## **Swine Packer Marketing Contract Summary - ECB Other Purchase Arrangement**

### **Determination of Base Price 970**

#### ***Reports Referenced***

Lean Hog Index, Lean Hog, Day of Delivery  
LM\_PK602, Pork Carcass Cutout, Day of Delivery

#### ***Other Terms***

Final Price = [50% (102% Lean Hog Index) + 50% (95% Cutout Value)] + Carcass Merit Adjustments  
Premium/Discount Type: Carcass Merit; See Schedule: 7

### **Determination of Base Price 1016**

#### ***Reports Referenced***

Nearby Lean Hog, Lean Hog, Last trading day prior to delivery  
LM\_HG203, Weighted Average, Day prior to Slaughter

#### ***Other Terms***

For first volume delivered, final price = CME Price + Basis + Freight Adjustment to specified location + Carcass Merit Adjustments; For remaining volume delivered, final price = National Weighted Average + Contract Premium + Carcass Merit Adjustments

Premium/Discount Type: Carcass Merit; See Schedule: 7

Premium/Discount Type: Basis, (\$0.50)

Premium/Discount Type: Contract Premium, \$3.25

Premium/Discount Type: Freight, \$0.50

### **Determination of Base Price 1022**

#### ***Reports Referenced***

GX\_GR117, 48% SBM Rail, Average - 8 weeks prior to delivery  
Griggsville Corn, Cash Corn, Average - 8 weeks prior to delivery  
JC\_GR110, Cash Corn, Average - 8 weeks prior to delivery  
LM\_PK602, Pork Carcass Cutout, Day prior to Slaughter  
LM\_HG201, Prod Sold Negotiated Average Net, Day of Slaughter

#### ***Other Terms***

Floor Price =  $36.44346 + [4.40236 (60\% \text{ St. Louis Corn} + 40\% \text{ Griggsville Corn})] + (0.044845 \text{ Central IL SBM})$ ;  
National Price = Base Percent \* National Net Price; Cutout Price = Cutout Percent \* Pork Carcass Cutout; Average  
Base Price = (Cutout Price + National Price)/2; Adjusted Corn/Soy Matrix Price = Max of (Floor Price or Average  
Base Price + Contract Premium); Final Price = 33.3% National Price + 33.3% Cutout Price + 33.4% Adjusted  
Corn/Soy Matrix Price + Carcass Merit Adjustments

Premium/Discount Type: Carcass Merit; See Schedule: 7

Premium/Discount Type: Cutout Percentage 97%

Premium/Discount Type: Base Percent 102%

Premium/Discount Type: Contract Premium, (\$1.50)

### **Determination of Base Price 1031**

#### ***Reports Referenced***

LM\_PK602, Pork Carcass Cutout, Day of Delivery  
LM\_HG208, Swine or Pork Market Average Carcass Weight, Day of Delivery  
LM\_HG207, Swine or Pork Market Average Carcass Weight, Day of Delivery

#### ***Other Terms***

Final Price = [ECB Weighted Average + WCB Weighted Average + (Cutout Percent \* Cutout Price)]/3

Premium/Discount Type: Antibiotic Free; \$12.00 per hog

Premium/Discount Type: Cutout Percentage 95%

## **Swine Packer Marketing Contract Summary - ECB Other Purchase Arrangement**

### **Determination of Base Price 1083**

#### ***Reports Referenced***

Nearby Lean Hog, Lean Hog, Day Contracted  
lm\_pk602, Pork Carcass Cutout, Day Prior to Delivery

#### ***Other Terms***

Producer has two Options. Option 1: Final Price = [Cutout Price + Contract Premium] + Carcass Merit Adjustments or [Cutout Price + Contract Premium 2] + Carcass Merit Adjustments, dependent on delivery plant; Option 2: CME Price + Basis + Carcass Merit Adjustments. Carcass Merit Program used is specific to delivery plant.

Premium/Discount Type: Carcass Merit; See Schedule: 7

Premium/Discount Type: Lean; See Schedule: 34

Premium/Discount Type: Sort; See Schedule: 80

Premium/Discount Type: Contract Premium, (\$4.50)

Premium/Discount Type: Contract Premium 2, (\$3.75)

Premium/Discount Type: Basis, See Schedule: 219

### **Determination of Base Price 1179**

#### ***Reports Referenced***

Fostoria Corn, Corn, Average - 6 months prior to delivery  
Lima Corn, Corn, Average - 6 months prior to delivery  
Fostoria SBM, Soybean Meal, Average - 6 months prior to delivery  
Sidney SBM, Soybean Meal, Average - 6 months prior to delivery  
Decatur SBM, Soybean Meal, Average - 6 months prior to delivery

#### ***Other Terms***

Final Live Price =  $49.95 + \{[(\text{Lima Corn} + \text{Fostoria Corn})/2 + 0.15 - 2.50] \times 4\} + \{[(\text{Decatur SBM} + \text{Sidney SBM} + \text{Fostoria SBM})/3 + 10.00 - 250] \times 0.022\}$

### **Determination of Base Price 1182**

#### ***Reports Referenced***

LM\_HG203, Weighted Average, Day Prior to Delivery

#### ***Other Terms***

Floor Price: 45; Ceiling Price: 60

Calculated Live Price (CLP) = (National Price + Contract Premium)\* 75.5% + Carcass Merit Adjustments; If CLP < Floor Price, then Final Price = Floor Price. If CLP > Ceiling Price, then Final Price = Ceiling Price. IF CLP > Floor Price and < Ceiling Price, then Final Price = Calculated Live Price

Premium/Discount Type: Sort; See Schedule: 225

Premium/Discount Type: Contract Premium, \$3.00



## **Swine Packer Marketing Contract Summary - ECB Other Purchase Arrangement**

### **Determination of Base Price 1183**

#### ***Reports Referenced***

Fostoria Corn, Carcass Average, Average - 6 months prior to delivery

Lima Corn, Carcass Average, Average - 6 months prior to delivery

Fostoria SBM, Soybean Meal, Average - 6 months prior to delivery

Sidney SBM, Soybean Meal, Average - 6 months prior to delivery

Decatur SBM, Soybean Meal, Average - 6 months prior to delivery

lm\_hg2016, Weighted Average, Day Prior to Delivery

#### ***Other Terms***

Floor Price =  $49.95 + \{[(\text{Lima Corn} + \text{Fostoria Corn})/2 + 0.15 - 2.50] \times 4\} + \{[(\text{Decatur SBM} + \text{Sidney SBM} + \text{Fostoria SBM})/3 + 10.00 - 250] \times 0.022$

Calculated Live Price (CLP) =  $50\% (\text{National Price} + \text{Contract Premium}) * 74.5\% + 50\% \text{ Floor Price} + \text{Carcass Merit Adjustments}$ ; Final Price =  $\text{CLP} + 25\% (\text{CLP} - \text{Floor Price})$

Premium/Discount Type: Sort loads between 240 and 290 pounds

Premium/Discount Type: Contract Premium, \$3.00

### **Determination of Base Price 1194**

#### ***Reports Referenced***

Lean Hog Index, Lean Hog, Day of Delivery

LM\_PK602, Pork Carcass Cutout, Day of Delivery

Nearby Lean Hog, Settlement, Last trading day prior to delivery

#### ***Other Terms***

Final Price =  $[(\text{Cutout Percent} * \text{Cutout Price}) + \text{Lean Hog Index} + \text{CME Settlement}]/3 + \text{Carcass Merit Adjustments}$

Premium/Discount Type: Carcass Merit; See Schedule: 7

Premium/Discount Type: Cutout Percentage 94%