

Swine Packer Marketing Contract Summary – Western Cornbelt Other Market Formula

Determination of Base Price 95

All Reports Referenced

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

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments; Schedule shows nearby contracts

Premium/Discount Type: Sort; See Schedule: 21

Premium/Discount Type: Carcass Merit; See Schedule: 78

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

Premium/Discount Type: Futures Schedule, See Schedule: 20

Determination of Base Price 96

All Reports Referenced

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

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments; Schedule shows nearby contracts.

Premium/Discount Type: Carcass Merit; See Schedule: 18

Premium/Discount Type: Carcass Merit; See Schedule: 78

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

Premium/Discount Type: Futures Schedule, See Schedule: 20

Determination of Base Price 335

All Reports Referenced

Specified Price, Day Contracted

Other Terms

Specified price can be current market price or other negotiated price as agreed by both parties.

Forward priced hogs subject to basis deduction. If not priced within 15 days of delivery period, hogs will be priced at current market price.

Premium/Discount Type: Basis, (\$2.21)

Determination of Base Price 448

All Reports Referenced

LM_PK603, Pork Carcass Cutout, Day Prior to Delivery

Other Terms

Base Price = 94% Cutout Value

Determination of Base Price 467

All Reports Referenced

Nearby Lean Hog, Lean Hog, Day Contracted

Other Terms

Premium/Discount Type: Basis

Swine Packer Marketing Contract Summary – Western Cornbelt Other Market Formula

Determination of Base Price 534

All Reports Referenced

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

Other Terms

Basis will be the average of the daily CME closing prices to determine a weekly close of the nearest CME futures contracts for lean hogs, and subtract the CME average from weekly cleaned up cost of market hogs for the same time period, at the packer facility. The corresponding weeks for the most recent three year period will be averaged to produce a monthly basis. A factor of $\frac{1}{4}$ of one standard deviation will be added to the value used for each week of the month.

The simple average of the most recent 36 month basis calculations will be the Basis.

Determination of Base Price 535

All Reports Referenced

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

Other Terms

Basis will be the average of the daily CME closing prices to determine a weekly close of the nearest CME futures contracts for lean hogs, and subtract the CME average from weekly cleaned up cost of market hogs for the same time period, at the packer facility. The corresponding weeks for the most recent three year period will be averaged to produce a monthly basis. A factor of .5 of one standard deviation will be added to the value used for each week of the month. The simple average of the most recent 36 month basis calculations will be the Basis.

Premium/Discount Type: Basis, See Schedule: 58

Determination of Base Price 565

All Reports Referenced

Nearby Lean Hog, Lean Hog, Day Contracted

Other Terms

Price is established relative to CME lean Hog futures quote on the day the contract is established.

Determination of Base Price 568

All Reports Referenced

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

Other Terms

Basis will be the average of the daily CME closing prices to determine a weekly close of the nearest CME futures contracts for lean hogs, and subtract the CME average from weekly cleaned up cost of market hogs for the same time period, at the packer facility. The corresponding weeks for the most recent three year period will be averaged to produce a monthly basis. A factor of .5 of one standard deviation will be added to the value used for each week of the month. The simple average of the most recent 36 month basis calculations will be the Basis.

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Determination of Base Price 573

All Reports Referenced

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

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments. See Schedule: 57

Premium/Discount Type: Basis Three year average basis will be determined quarterly as the difference between 1) the weekly average of the daily closing prices for the nearest CME Lean Hog futures contract and 2) the Regional base price.

Determination of Base Price 576

All Reports Referenced

Lean Hog Index, Lean Hog, Day Prior to Delivery

Other Terms

Base Price = Lean Hog Index - Negotiated Discount

Determination of Base Price 586

All Reports Referenced

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

Other Terms

Weekly Basis determined by calculating weekly average CME close and subtracting from corresponding week packer average cost of market hogs for 3 years.

Determination of Base Price 609

All Reports Referenced

Nearby Lean Hog, less May contract, Settlement, Prior week average - High, Low, Settle

Other Terms

Final Price = CME Price + High Iodine Values Discount + Sort Discount + Optional Packer Marketing Tool Premium

Premium/Discount Type: High Iodine Values; (\$1.00) 3 month rolling average value

Premium/Discount Type: Sort; See Schedule: 90

Premium/Discount Type: Optional Packer Marketing Tool, (\$0.75) per head

Determination of Base Price 614

All Reports Referenced

Nearby Lean Hog, less May Contract, Settlement, Day Prior to Delivery

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments + Freight Allowance

Premium/Discount Type: Sort; See Schedule: 90

Premium/Discount Type: Basis, See Schedule: 92

Premium/Discount Type: Freight, See Schedule: 93

Swine Packer Marketing Contract Summary – Western Cornbelt Other Market Formula

Determination of Base Price 780

All Reports Referenced

Producer Base Price at Plant, Base, Weekly Average

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

LM_PK610, Pork Carcass Cutout, Weekly Average

LM_PK602, Pork Carcass Cutout, Avg - 3 days reported 2 days prior to delivery

Other Terms

Base Price = 50% Carcass Value + 50% (Weighted Average + Regional Premium) + Producer Carcass Discount

Premium/Discount Type: Carcass Merit Producer Carcass discount determined 3rd Monday of each calendar year by averaging prior year's weekly difference between LM_PK610 carcass value and producer base price.

Premium/Discount Type: Regional West, \$1.35

Determination of Base Price 821

All Reports Referenced

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

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments

Premium/Discount Type: Sort; See Schedule: 69

Premium/Discount Type: Basis, \$5.70

Determination of Base Price 1009

All Reports Referenced

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

LM_HG201, Prod Sold Negotiated Average Net, Day of Slaughter

LM_HG212, Weighted Average, Day of Slaughter

Other Terms

Final Price = 33.3% (CME Price + Basis) + 33.4% National Net Price + 33.3% (WCB Weighted Average + Contact Premium) + Carcass Merit Adjustments

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

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

Premium/Discount Type: Contract Premium, \$2.00

Determination of Base Price 1010

All 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 + 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, (\$1.00)

Premium/Discount Type: Contract Premium, \$3.60

Swine Packer Marketing Contract Summary – Western Cornbelt Other Market Formula

Determination of Base Price 1011

All Reports Referenced

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

LM_HG206, Weighted Average, Day prior to Slaughter

Other Terms

For first volume delivered, final price = CME Price + Basis + Carcass Merit Adjustments; For remaining volume delivered, final price = IA/MN Weighted Average + Contract Premium + Carcass Merit Adjustments

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

Premium/Discount Type: Basis, (\$1.00)

Premium/Discount Type: Contract Premium, \$4.00

Determination of Base Price 1021

All Reports Referenced

LM_PK602, Pork Carcass Cutout, Day Prior to Delivery

LM_HG201, Prod Sold Negotiated Average Net, Day Prior to Delivery

Other Terms

Final Price = 50% (99% Net Price) + 50% (93% Cutout Value) + Carcass Merit Adjustments

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

Determination of Base Price 1023

All Reports Referenced

Lean Hog Index, Lean Hog, Day Prior to Delivery

LM_PK602, Pork Carcass Cutout, Day Prior to Delivery

LM_HG201, Prod Sold Negotiated Average Net, Day Prior to Delivery

Other Terms

Final Price = 50% (96.5% Cutout Value) + 25% (97% Lean Hog Index) + 25% (100.5% Net Price) + Freight allowance when applicable + Carcass Merit Adjustments

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

Premium/Discount Type: Freight, \$1.16 delivery to specified location

Determination of Base Price 1081

All Reports Referenced

LM_PK602, Pork Carcass Cutout, Day Prior to Delivery

LM_HG212, Weighted Average for Negotiated Purchases, Day Prior to Delivery

Other Terms

Final Price = 25% (Cutout Percent * Cutout Price) + 75% (WCB Weighted Average + Contract Premium) + 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: Cutout Percentage 92%

Premium/Discount Type: Contract Premium, \$2.00

Swine Packer Marketing Contract Summary – Western Cornbelt Other Market Formula

Determination of Base Price 1136

All Reports Referenced

Lean Hog Index, Lean Hog, Day Prior to Delivery

Other Terms

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

Premium/Discount Type: Sort; See Schedule: 69

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

Determination of Base Price 1205

All Reports Referenced

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

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments

Premium/Discount Type: Lean; See Schedule: 64

Premium/Discount Type: Sort; See Schedule: 85

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

Determination of Base Price 1210

All Reports Referenced

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

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

WH_GR110, No. 2 Yellow Corn, Average - 8 weeks prior to delivery

Other Terms

Floor Price will be calculated monthly by seller. Floor Price derived from COP schedule.

Base Price = CME Price + Basis; If Base Price converted to live price < Floor Price, then Final Price = Floor Price; If Base Price converted to live price > Floor Price but < Floor Price + \$5, then Final Price = Base Price; If Base Price converted to live price > Floor Price + \$5 and there the accrual account balance is not negative, then Final Price = 93% Base Price; See Schedule: 60

Limit on Ledger: If the maximum accrual account amount has been reached, the seller will receive the Base Price. The maximum balance is \$9,000,000. Interest will be accrued at the 3 month Libor rate as reported in the Wall Street Journal plus 400 basis points.; If the Base Price converted to live price > Floor Price, Base Price - Floor Price is accumulated in the accrual account. If the Base Price converted to live price > Floor Price + \$5, then 7% Base Price is accumulated in the accrual account;; If the Base Price converted to live price < Floor Price, Base Price - Floor Price * Total Live Hundred Weight will be applied to the accrual account. If the maximum negative amount has been reached, the seller will receive the Base Price.; At the end agreement any amount, with interest, that has been accrued in the accrual account shall be repaid by the owing party within 10 days after such termination, unless arrangements are made to repay through continues deliveries.

Premium/Discount Type: Basis, \$1.00

Swine Packer Marketing Contract Summary – Western Cornbelt Other Market Formula

Determination of Base Price 1212

All Reports Referenced

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

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments

Premium/Discount Type: Sort; See Schedule: 85

Premium/Discount Type: Lean; See Schedule: 64

Premium/Discount Type: Basis, (\$5.25)

Determination of Base Price 1226

All Reports Referenced

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

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments

Premium/Discount Type: Carcass Merit; See Schedule: 18

Premium/Discount Type: Carcass Merit; See Schedule: 78

Premium/Discount Type: Basis, (\$1.00), See Schedule: 20

Determination of Base Price 1227

All Reports Referenced

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

Other Terms

Forward price can be current market price or other negotiated price as agreed by both parties offset by hedge position. Any lot not forward priced by specified days before delivery period will be priced at the nearby CME.

Premium/Discount Type: Basis, (\$2.21), See Schedule: 20

Determination of Base Price 1248

All Reports Referenced

Nearby Lean Hog, Settlement, Day Prior to Delivery

Other Terms

Final Price = CME Price + Basis + Carcass Merit Adjustments

Premium/Discount Type: Lean; See Schedule: 18

Premium/Discount Type: Lean; See Schedule: 78

Premium/Discount Type: Basis, (\$1.25), See Schedule: 20