

**DEPARTMENT OF AGRICULTURE****Agricultural Marketing Service****7 CFR Part 59**

[Docket No. AMS-LS-07-0106; LS-07-01]

RIN 0581-AC67

**Livestock Mandatory Reporting; Reestablishment and Revision of the Reporting Regulation for Swine, Cattle, Lamb, and Boxed Beef****AGENCY:** Agricultural Marketing Service, USDA.**ACTION:** Proposed rule.

**SUMMARY:** On April 2, 2001, the Agricultural Marketing Service (AMS) implemented the Livestock Mandatory Reporting (LMR) program as required by the Livestock Mandatory Reporting Act of 1999 (1999 Act). The statutory authority for the program lapsed on September 30, 2005. In October 2006, legislation was enacted to reauthorize the 1999 Act until September 30, 2010, and to amend the swine reporting requirements of the 1999 Act (Pub. L. 109-296) (Reauthorization Act). This rulemaking is necessary to re-establish the regulatory authority for the program's continued operation and incorporate the swine reporting changes contained within the Reauthorization Act as well as make other changes to enhance the program's overall effectiveness and efficiency based on AMS' experience in the administration of the program over the last 6 years.

**DATES:** Written comments on the regulatory provisions of this proposed rule must be received on or before September 7, 2007 to be assured of consideration. Written comments on the information collection and recordkeeping provisions of this proposed rule must be received on or before October 9, 2007 to be assured of consideration.

**ADDRESSES:** Comments can be submitted on the Internet at: <http://www.regulations.gov>. Written comments can be sent to Warren P. Preston, Chief, Livestock and Grain Market News Branch, Docket No. LS-07-01, 1400 Independence Ave., SW., Room 2619-S, Washington, DC 20250-0252, or by facsimile to (202) 690-3732. All comments received will be posted to the Web site at: <http://www.regulations.gov>. Comments that specifically pertain to the information collection and recordkeeping requirements of this action should also be sent to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, New

Executive Office Building, 725 17th Street, NW., Room 725, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Warren P. Preston, Chief, Livestock and Grain Market News Branch at (202) 720-6231, fax (202) 690-3732, or e-mail [Warren.Preston@usda.gov](mailto:Warren.Preston@usda.gov).

**SUPPLEMENTARY INFORMATION:****Background**

The 1999 Act was enacted into law on October 22, 1999, (Pub. L. 106-78) as an amendment to the Agriculture Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*). In the December 1, 2000, **Federal Register**, AMS published a final rule implementing the program (65 FR 75464) (2000 final rule) with an effective date of January 30, 2001. This effective date was subsequently delayed until April 2, 2001.

The statutory authority for the program lapsed on September 30, 2005. In October 2006, legislation was passed to reauthorize the 1999 Act until September 30, 2010, and amend swine reporting requirements.

Because reauthorization was not completed by September 30, 2005, AMS sent letters to each packer required to report under the 1999 Act requesting their voluntary cooperation in continuing to submit information. Based on the response to AMS's request for voluntary packer participation in LMR, most reports have continued to be published. The only reports that are not being published are imported boxed lamb cuts and slaughter cow reports. AMS has continued compliance audits during the lapse in authority for the mandatory program for companies that agreed to continue submitting information and will continue this practice until the effective date of this regulatory action.

The 1999 Act as originally passed provided for the mandatory reporting of market information by Federally inspected livestock processing plants that have slaughtered an average number of livestock during the immediately preceding 5 calendar years (125,000 for cattle and 100,000 for swine), including any processing plant that did not slaughter during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the plant's capacity. For entities that did not slaughter during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins operations, AMS projects the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine

which entities meet the definition of a packer as defined in this regulation.

The 1999 Act also gave the Secretary of Agriculture (Secretary) the latitude to provide for the reporting of lamb information. Under the 2000 final rule implementing the program, Federally inspected lamb processing plants that slaughtered an average of 75,000 head of lambs or processed an average of 75,000 lamb carcasses during the immediately preceding 5 calendar years were required to submit information to AMS. Additionally, a lamb processing plant that did not slaughter an average of 75,000 lambs or process an average of 75,000 lamb carcasses during the immediately preceding 5 calendar years was required to report information if the Secretary determined the processing plant should be considered a packer based on its capacity. In addition, the final rule also established that for any calendar year, an importer of lamb that imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years report information on the domestic sales of imported boxed lamb cuts. Additionally, an importer that did not import an average of 5,000 metric tons of lamb meat products during the immediately preceding 5 calendar years was required to report information if the Secretary determined that the person should be considered an importer based on their volume of lamb imports. On September 2, 2004, AMS published a final rule (69 FR 53783) (2004 final rule) that revised the threshold for importers to 2,500 metric tons and modified the definition of carlot when used in reference to boxed lamb cuts.

**Key Components of the Statute***Cattle*

The Reauthorization Act did not modify the cattle reporting requirements contained in the 1999 Act. The 1999 Act requires that a cattle packer whose Federally inspected plant slaughtered an average of at least 125,000 cattle per year for the preceding 5 calendar years or did not slaughter cattle during the preceding 5 calendar years but is considered a packer based on plant capacity as determined by the Secretary, report market information to the Secretary. They are required to report the prices for each type of cattle purchase, categorized to clearly delineate imported from domestic market purchases, negotiated purchase, formula marketing arrangement, and forward contract; the quantity of cattle, categorized to clearly delineate imported from domestic market purchases, purchased on a live weight

basis and a carcass basis; and the weight, the quality grade, and premiums and discounts. This information would be reported twice a day not later than 10 a.m. and 2 p.m. central time. The Secretary would issue reports to the public of this information at least three times each day.

The 1999 Act further requires that a packer report marketing information not later than 9 a.m. central time on the first reporting day of each week for cattle bought by the type of purchase for the prior week. In addition, the 1999 Act states that packers must report weekly information on the first reporting day not later than 9 a.m. central time for cattle purchased on a formula or contract marketing arrangement and slaughtered the prior week. However, under this proposed regulation, the required information for the weekly submission for cattle purchased on a formula would be obtained by aggregating packers' daily submissions of this information. Therefore, no additional weekly submission would be required for this purchase type. The Secretary would issue a public report not later than 10 a.m. central time on the first reporting day of the current slaughter week.

The 1999 Act also mandates that a packer report information on boxed beef cut sales to the Secretary at least twice each reporting day not less frequently than once before and once after 12 noon central time. This information includes the price per hundredweight, the quantity in each lot of boxed beef cuts sold, information regarding the characteristics of each lot (i.e., domestic vs. export sale, USDA Quality Grade, etc.), the type of beef cut and the trim specification. The Secretary would report this information to the public twice each reporting day.

#### Swine

The Reauthorization Act revised the requirements for swine reporting. Under the 1999 Act, the term packer includes a Federally inspected plant that slaughtered an average of at least 100,000 swine per year during the immediately preceding 5 calendar years. Under the Reauthorization Act, the term packer also includes a person that slaughtered an average of at least 200,000 sows, boars, or combination thereof per year during the immediately preceding 5 calendar years. Additionally, in the case of a swine processing plant or person that did not slaughter swine during the immediately preceding 5 calendar years, it shall be considered a packer if the Secretary determines the processing plant or person should be considered a packer

under this subpart after considering its capacity.

The Reauthorization Act separated the reporting requirements for sows and boars from barrows and gilts. For barrows and gilts, the packer must report to the Secretary not later than 7 a.m. central time on each reporting day information regarding all swine purchased or priced, during the prior business day of the packer. The Reauthorization Act modified the reporting time for information regarding all barrows and gilts slaughtered during the prior business day from not later than 7 a.m. central time to not later than 9 a.m. central time on each reporting day. The packer must report all purchase data including the number of barrows and gilts purchased, barrows and gilts scheduled for delivery and the base price and purchase data for slaughtered barrows and gilts for which a price has been established. The information also includes all slaughter data for the total number of barrows and gilts slaughtered including information concerning the net price, average net price, lowest net price, highest net price, average carcass weight, average sort loss, average backfat, average lean percentage, and total slaughter quantity. However, the information on the lowest net price and highest net price can be obtained from the LMR system from packers' submissions. Therefore, under this proposed rule, there is no requirement for packers to submit this information separately. Packers reporting the average lean percentage must report the manner in which the average lean percentage is calculated as well as whenever a change in such calculation is made. In doing so, the packer shall make available to the Secretary the underlying data, applicable methodology and formulae, and supporting materials used to determine the average lean percentage, which the Secretary will convert to the carcass measurements or lean percentage of the swine of the individual packer to correlate to a common percent lean measurement. Additionally, the information to be reported includes packer purchase commitments, which shall be equal to the number of barrows and gilts scheduled for delivery to a packer for slaughter each of the next 14 calendar days.

The Secretary would publish the information in a prior day report not later than 8 a.m. central time for all swine purchased and 10 a.m. central time for all barrows and gilts slaughtered on the reporting day on which the information is received from the packer. In addition, as required by

the Reauthorization Act, the Secretary shall publish a net price distribution for all barrows and gilts slaughtered on the previous day not later than 3 p.m. central time.

The Reauthorization Act also requires packers that process barrows and gilts to report to the Secretary in the morning not later than 10 a.m. central time and in the afternoon not later than 2 p.m. central time each reporting day. The reporting requirements for the morning and afternoon reports contained in the Reauthorization Act for barrows and gilts were not altered from those contained in the 1999 Act. The information to be reported is the same for the morning and afternoon reports and includes an estimate of (1) the total number of barrows and gilts purchased by each method of pricing, (2) the total number of barrows and gilts purchased, and (3) the base price paid for all negotiated purchases of market hogs and the base price paid for each type of purchase of market hogs other than through a negotiated purchase. This information must be submitted for all covered transactions made up to within one half hour of each specified reporting time. Packers completing transactions during the one half hour prior to the previous reporting time will report those transactions at the next prescribed reporting time. The Secretary will make the morning report available to the public not later than 11 a.m. central time and the afternoon report at 3 p.m. central time on each reporting day.

The Reauthorization Act requires each packer of sows and boars to report to the Secretary not later than 9:30 a.m. central time, or such other time as the Secretary considers appropriate, on each reporting day, information regarding all sows and boars purchased or priced during the prior business day of the packer. The information to be reported includes the total number of sows and boars purchased, each divided into at least three weight classes specified by the Secretary, the number of sows and boars that qualify as packer-owned swine, the average price paid for all sows and boars, the average price paid for sows and boars in each weight class, the number of sows and boars for which prices are determined, by each type of purchase, and the average prices for sows and boars for which prices are determined, by each type of purchase. The Secretary would publish the information in a prior day report not later than 11 a.m. central time on the reporting day on which the information is received from the packer. Under the 1999 Act, the reporting requirements for sows and boars were the same as the

reporting requirements for barrows and gilts.

The Secretary will compile and issue a weekly noncarcass merit premium report on the first reporting day of the week not later than 5 p.m. central time. This report would be prepared from information furnished to the Secretary by packers who must report not later than 4 p.m. central time on the first reporting day of the week. The information required includes noncarcass merit premiums used and paid to producers during the prior slaughter week by category.

The 1999 Act provides that the Secretary review the information required to be reported by packers at least once every two years. Also, the 1999 Act directs the Secretary to promulgate regulations that specify additional information to be reported by packers if the Secretary determines information currently reported does not accurately reflect the methods by which swine are valued or priced, or account for the fact that packers that slaughter a significant majority of the swine produced in the United States no longer use backfat or lean percentage factors as indicators of price.

#### *Lamb*

The Reauthorization Act did not change the lamb reporting provisions contained in the 1999 Act. The 1999 Act gives the Secretary the authority to establish a mandatory lamb price reporting program that will provide timely, accurate, and reliable market information. It does not specify the requirements for establishing a mandatory lamb price reporting program as it does for cattle and swine. Accordingly, in the 2000 final rule, AMS established a mandatory lamb price reporting program based upon its extensive knowledge of the lamb industry and market news reporting of lamb.

Under the established program, a lamb packer whose Federally inspected plant slaughtered or processed an average of at least the equivalent of 75,000 lambs each year for the preceding 5 calendar years reports to the Secretary once daily the price of each type of lamb purchase, negotiated purchase, formula marketing arrangements, forward contract, quantity of lamb purchased on live weight or carcass weight, a range and average estimated live weights, quality grade, premiums and discounts, class type, pelt type, state of origin, and estimated dressing percentage. The Secretary issues a report to the public on this information not less than once each day.

Lamb packers are required to report to the Secretary on a weekly basis on the second reporting day of the week information from the prior week. This information includes the quantity and certain carcass characteristics of lambs purchased through a formula marketing arrangement or forward contract that were slaughtered, and the quantity and carcass characteristics of packer owned lamb that were slaughtered. Reported information includes, by type of purchase, the quantity of lamb purchased on live weight and carcass weight basis that were slaughtered, the quality grade, premiums and discounts paid, and dressing percentage. In addition, a lamb packer is required to report the quantity and basis level for forward contracts, the range and average of intended premiums and discounts, and the expected slaughter date. Under this proposed rule, packers would also be required to report information on the quantity of lambs purchased on a negotiated basis.

The Secretary makes available to the public the information on the second reporting day of the current slaughter week.

Packers report information on daily sales of carcass lamb and sales of boxed lamb cuts each reporting day. Under this proposed rule, packers would also be required to report carcass purchases. Due to the changing structure of the lamb industry, an increasing number of transactions are not required to be reported under the existing regulation. Requiring packers to also report their carcass purchases would greatly increase the volume of covered transactions.

For sales and purchases of carcass lamb, the information includes prices for each lot, the type of sale, the quantity of each sale quoted in number of carcasses, the USDA grade, the estimated weight range, and delivery date. For sales of boxed lamb cuts, the packer reports the price for each lot, the quantity for each lot quoted by product weight, the type of sale, branded product characteristics, if applicable, the USDA quality and yield grade, the cut of lamb, the product state of refrigeration, the weight range of each cut, and the delivery period. The Secretary issues to the public a report on carcass lamb sales and boxed lamb cut sales once each reporting day.

For any calendar year, a lamb importer who imports an average of 2,500 metric tons of lamb meat products per year during the immediately preceding 5 calendar years reports to the Secretary weekly the prices received for imported lamb cuts sold on the domestic market. Additionally, an

importer that does not import an average of 2,500 metric tons of lamb meat products during the immediately preceding 5 calendar years is also required to report the above information, if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

#### **Other Provisions of the Act Involving Administration**

The administrative provisions of the 1999 Act set forth the requirements for maintaining confidentiality regarding the packer reporting of proprietary information and list the conditions under which Federal employees can release such information. These administrative provisions also establish that the Secretary can make necessary adjustments in the information reported by packers and take action to verify the information reported, and directs the Secretary to report and publish reports by electronic means to the maximum extent practical. The 1999 Act provides for what constitutes violations of that Act, such as failure to report the required information on time or failure to report accurate information. The Reauthorization Act did not change any of these provisions.

The section on enforcement establishes a civil penalty—\$10,000—for each violation and provides for the Secretary's issuance of cease and desist orders. This section also provides for notice and hearing of violations before the Secretary, judicial review, issuance of an injunction or restraining order, and establishes a civil penalty for failure to obey a cease and desist order.

The fees section directs the Secretary to not charge or assess fees for the submission, reporting, receipt, availability, or access to published reports or information collected through this program.

The section on recordkeeping requires each packer to make available to the Secretary on request for 2 years the original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock and livestock products, as well as such records or other information that is necessary or appropriate to verify the accuracy of information required to be reported. Also, the 1999 Act provides that reporting entities will not be required to report new or additional information that they do not generally have available or maintain, or the provisions of which would be unduly burdensome.

Further, the 1999 Act provides that the Secretary may suspend any requirement if the Secretary determines that the application of the requirement would be inconsistent with the Act.

### Proposed Requirements

#### *Summary of Changes*

The requirements of this proposed regulation are discussed in detail in the sections immediately following. However, for the ease of the reader, this section contains descriptions and rationale of the substantive changes that have been made as compared to the December 1, 2000, and September 2, 2004, (that modified reporting requirements for lamb) final rules that were published in the **Federal Register**.

#### *Recordkeeping*

To reduce the recordkeeping burden on lamb importers, the Agency is proposing to modify the recordkeeping requirement to allow lamb importers to maintain a record of sale that evidences only the date the sale occurred rather than the time and date. Because lamb importers are required to report only weekly, the date the sale occurred is sufficient for recordkeeping purposes.

#### *Definitions*

The Agency is proposing to modify the definition of the term "discount" by adding "or other characteristic" to allow for the inclusion of other types of discounts such as a discount for an animal's age, which is currently utilized by several reporting packers.

The Agency is also proposing to modify the definitions of the terms "negotiated purchased" and "negotiated sale" by removing the language "and agreement on a delivery day." Under the current program, a transaction is not required to be reported if the specific delivery day is not known. Deleting this language would provide for more timely price reporting if the only piece of information not known is the delivery day.

The Agency is proposing to add a definition for the term "negotiated grid purchase." When the LMR program was first implemented on April 2, 2001, negotiated grid purchases, purchases in which the base price is determined by seller-buyer interaction from which premiums are added and discounts are subtracted, were coded in packer submissions as formulas, as the system was not initially configured to allow these two distinct transaction types to be coded separately. The Agency subsequently made a programming change to rectify this problem and is proposing this definition for clarity.

The Agency is proposing to add a definition for the term "percent lean" for clarification with respect to cow and bull reporting requirements. The Agency is also proposing to add a definition for the term "person" for clarity.

#### *Cattle Reporting*

The majority of the changes that are being proposed with respect to cattle reporting relate to the separation of the reporting requirements for cows and bulls. Separation of the reporting requirements for cows and bulls is being proposed to minimize the reporting burden on cow and bull packers where possible and to make the information published for cows and bulls and the resulting meat products more meaningful to the industry.

The Agency is proposing to modify the definition of the term "boxed beef" to remove references to age limitations on products and to require packers to report transactions for frozen primals, subprimals, and cuts in addition to the current requirement for packers to submit information on frozen beef trimmings and boneless processing beef. Neither the 1999 Act nor the Reauthorization Act defines the term "boxed beef." Hence the term must be defined by regulation. These proposed modifications to the definition would provide for more complete reporting of the boxed beef trade, consistent with the law's purpose of improving the price and supply reporting conditions of USDA. Although the revised definition of "boxed beef" potentially would result in the reporting of more transactions by packers to AMS, the Agency believes that there would be little to practically no increase in the reporting burden to packers. The cost to packers of reporting all trades versus sorting out trades beyond certain parameters is minimal, and in many cases, may even be less burdensome than sorting out transactions prior to submission to AMS.

In the 2000 final rule, the definition of "boxed beef" specified that the product not exceed one of three different dates from manufacture, depending on the specific item in question. For example, primals, subprimals, and cuts fabricated from subprimals were not to be older than 14 days from the date of manufacture, while fresh ground beef, beef trimmings, and boneless processing beef were not to be older than 7 days from the date of manufacture. By removing references to these different cutoff dates, there would be less confusion in terms of what information reporting packers are required to submit, and hence, less

uncertainty regarding the information that is subsequently reported and disseminated by AMS. In addition, new technologies in packaging and processing continue to extend the shelf life of meat products, and product that may have been considered aged or distressed at the time of the 2000 final rule may now be well within its usable shelf life. Removing references to product age in the definition of "boxed beef" would reflect such changes in the state of the industry.

The 2000 final rule defined "boxed beef" to include fresh primals, subprimals, cuts fabricated from subprimals, ground beef, beef trimmings, and boneless processing beef. The definition also included frozen beef trimmings and boneless processing beef. By removing the references to fresh or frozen product, the proposed rule would reduce confusion on the part of reporting packers regarding whether or not to submit information on particular trades. AMS believes that this modification of the definition of "boxed beef" would result in minimal to virtually no increase in burden to reporting packers. In the case of frozen products, numerous reporting packers already submit information on all frozen products. Due to the nature of their electronic systems, it is in many cases often less burdensome for packers to submit everything rather than having to sort through eligible transactions. AMS believes that reporting of trade in frozen products would provide a more accurate and comprehensive picture of the market for boxed beef, consistent with the purposes of the 1999 Act to improve the price and supply reporting services of USDA. For instance, trading of frozen product picked up with the reopening of foreign markets following the closures that resulted from the discovery of a cow with bovine spongiform encephalopathy in the United States in December 2003. Because a majority of packers are reporting frozen boxed beef trades, AMS has been able to show the number of frozen export loads in its comprehensive boxed beef cutout report. Requiring all packers to submit information on frozen product trades would ensure that such reporting would represent a more complete reflection of market conditions.

Comments are invited on the proposed modifications to the definition of "boxed beef" with respect to removing references to the age of the product and whether it is fresh or frozen. In particular, comments are invited on the potential utility of obtaining information on trades that would be excluded under the definition

of "boxed beef" in the 2000 final rule and on the change in reporting burden to packers. In any case, the Agency notes that it will accept all data submitted if reporting entities find that it is less burdensome to do so, provided that sufficient information is submitted to allow AMS to sort the information according to definitions in the final rule.

The Agency is proposing to modify the definition of the term "carlot-based" such that for cow and bull boxed beef items, the term "carlot-based" would include any transaction between a buyer and seller consisting of 5,000 pounds or more of one or more individual items. This modification reflects current industry practice with respect to the marketing of cow and bull products.

The Agency is proposing to modify the definition of the term "terms of trade" to clarify that the requirement to report the terms of trade applies only to steers and heifers to coincide with the proposed separation of reporting requirements for cows and bulls from steers and heifers. The definition of "terms of trade" has also been modified to require packers to distinguish between negotiated transactions that are scheduled for delivery not later than 14 days and those negotiated transactions that are scheduled for delivery more than 14 days, but fewer than 30 days. Under current guidance provided by AMS, transactions that are for delivery more than 14 days out are to be coded as forward contracts. This proposed modification would not require packers to submit additional transactions, but it would allow AMS to separately identify these types of transactions, which is a concern of some in the industry.

The Agency is proposing to modify the definition of the term "type of purchase" to include "negotiated grid purchase" as a type of purchase.

The Agency is proposing to add a definition for the term "white cow" to provide clarity to the cow and bull reporting requirements.

The Agency has modified and renumbered the sections that relate to the daily and weekly reporting requirements for live cattle. Section 59.101 and section 59.103 contain the daily and weekly reporting requirements for steers and heifers. Section 59.102 contains the daily reporting requirements for cows and bulls.

With regard to section 59.101, packers would no longer be required to report the range of weights of cattle purchased. In addition, the phrase "or other characteristics" has been added to the premium and discount reporting requirement to allow for the reporting of other kinds of premiums and discounts

such as those associated with an animal's age.

Section 59.102 contains the reporting requirements for cow and bull purchases. In an effort to reduce the reporting burden on cow and bull packers, only the information that pertains to the way cows and bulls are marketed would be required to be reported. For example, cow and bull packers no longer have to report committed and delivered information. In addition, there would no longer be a weekly reporting requirement for cows and bulls.

With regard to section 59.103, packers would be required to report the quantity of cattle purchased on a negotiated basis and on a negotiated grid basis that were slaughtered in addition to the current requirement to report the number of cattle purchased through forward contracts, formula marketing arrangements and the quantity and carcass characteristics of packer-owned cattle that were slaughtered. In addition, packers would be required to provide the basis level month and delivery year for all cattle purchased through forward contracts in addition to the current requirement to report the basis level and delivery month. These changes are necessary to make the information published in AMS market reports more meaningful and useable by the industry by providing a complete picture of the prior week's slaughter with respect to the numbers of cattle harvested under each purchase type. Prices for negotiated purchases and negotiated grid purchases are collected currently, but prior week slaughter numbers for these types of purchases are not now collected. However, the addition of this reporting requirement is expected to have little impact on the reporting burden to packers, while contributing to the completeness of the information disseminated under the program.

Another change under section 59.103 is that packers would be required to provide the basis level month and delivery year for all cattle purchased through forward contracts in addition to the current requirement to report the basis level and delivery month. The basis level month and delivery year are necessary to provide a more accurate picture of the forward contract market and would allow AMS to publish more meaningful information. Also, the added information reflects the current industry practice of sometimes contracting out very far into the future, making it necessary to know the delivery year to categorize transactions properly according to not only the month but also the year of delivery.

Finally, in another effort to reduce the burden on reporting packers, the weekly requirement to report information for cattle purchased through a formula marketing arrangement and slaughtered during the prior slaughter week has been removed as the Agency can obtain this information by aggregating packers' daily submissions.

#### *Swine*

As required by the Reauthorization Act, the reporting requirements for sows and boars have been separated from the reporting requirements for barrows and gilts. Thus under this proposed rule, section 59.202 contains the reporting requirements for barrows and gilts and section 59.303 contains the reporting requirements for sows and boars.

The Reauthorization Act also made a few other modifications to the swine reporting provisions. Specifically, the definition of a packer has been modified to also include a person that slaughtered an average of 200,000 head of sows, boars, or combination thereof per year during the immediately preceding 5 calendar years. Under the 1999 Act, a packer was defined as a swine processing plant that slaughtered an average of at least 100,000 swine per year during the immediately preceding 5 calendar years. The Reauthorization Act also changes the reporting timeframe for packers to submit prior day slaughtered swine information from 7 a.m. central time to 9 a.m. central time and requires the Secretary to publish a net price distribution on all barrows and gilts slaughtered the previous day.

In addition to the changes required by the Reauthorization Act, the Agency has made a few other minor modifications to reduce the reporting burden on swine packers. A definition of the term "inferior hog" has been added to allow packers to exclude information on inferior hogs, which are discounted in the marketplace, from their data submissions to AMS. Also, the requirement to submit information on the lowest net price and the highest net price has been removed as the Agency can obtain this information from the LMR system from packer submissions.

#### **Lamb**

As previously discussed, the Reauthorization Act did not change the reporting provisions for lamb. However, the Agency is proposing a few changes to reduce the reporting burden on lamb packers where possible and to provide more meaningful information in AMS market reports.

The Agency is proposing to delete the definitions for the terms "lambs committed" and "terms of trade" as the

requirements to submit this information have been deleted to reduce the reporting burden on packers. The Agency is proposing to add a definition for the term "yield grade lamb carcass reporting" to add further clarification to the requirement to report yield grade information.

With respect to weekly reporting, the Agency is proposing to require packers to submit information on the quantity of lambs purchased through a negotiated purchase that were slaughtered in addition to the current requirement to submit this type of information on packer-owned lambs, lambs purchased through forward contracts, and lambs purchased under a formula arrangement. This change would allow AMS to publish more meaningful market information in AMS market reports.

With respect to reporting requirements for lamb carcasses, the Agency is proposing to require packers to submit information on their carcass purchases in addition to the current requirement to report carcass sales. Due to the changing structure of the lamb industry, an increasing number of transactions are not required to be reported under the existing regulation. Requiring packers to also report their carcass purchases will greatly increase the volume of covered transactions and will allow AMS to publish more meaningful information in AMS market reports.

### General Provisions

Proposed Subpart A of Part 59, General Provisions, covers those requirements pertinent to all aspects of mandatory reporting. Section 59.10 details how packers and importers would be required to report information and how reporting will be handled over weekends and holidays. Electronic reporting would be required for all information collection. Electronic reporting would involve the transfer of data from a packer's or importer's existing electronic recordkeeping system to a centrally located AMS electronic database. The packer or importer would be required to organize the information in an AMS-approved format before electronically transmitting the information to AMS.

Once the required information has been entered into the AMS database, it would be aggregated and processed into various market reports that would be released according to the daily and weekly time schedule set forth in these proposed regulations.

Section 59.20 identifies the recordkeeping requirements imposed by the 1999 Act and these regulations on

packers and importers. Reporting packers and importers would be required to maintain and to make available the original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock. In addition, they would be required to maintain such records or other information as is necessary or appropriate to verify the accuracy of the information required to be reported under these regulations. All of the above mentioned paperwork must be maintained by packers and importers for at least 2 years. Further, packers would be required to maintain a record to indicate the time a lot of cattle or swine was purchased, or a unit of boxed beef cuts was sold, as occurring either before 10 a.m. central time, between 10 a.m. and 2 p.m. central time, or after 2 p.m. central time. Lamb packers would be required to maintain a record to indicate the time a lot of lambs was purchased or a lot of lamb carcasses was purchased or sold or boxed lamb cuts was sold, as occurring either before 2 p.m. central time or after 2 p.m. central time. For lamb importers, the record of sale shall evidence the date the sale occurred. However, to allow packers and importers time to collect, assemble and submit the information to AMS by the prescribed deadlines, all covered transactions up to within one half hour of the specified reporting times would be reported.

Lastly, under Subpart A, Section 59.30 details the general definitions of terms used throughout the regulations, which would be applicable to all subparts. The majority of these definitions remain unchanged from those that were published in the 2000 final rule. However, as previously discussed, the following changes have been made: Minor modifications to the definitions of "discount", "negotiated purchase", and "negotiated sale"; the addition of a definition for "negotiated grid purchase"; the addition of a definition of "percent lean"; and the addition of a definition of "person".

### Cattle

Proposed Subpart B of Part 59 states what is required to be reported in the cattle and boxed beef sectors. For the most part, the reporting requirements are similar to those published in the December 1, 2000, final rule. The specific changes that are being proposed have been discussed in a previous section in this document. Section 59.100 provides definitions of cattle terms used in Subpart B, including the

definition of packer, which identifies which entities would be required to report under this proposed rule. In any calendar year, the term cattle packer includes any Federally inspected cattle plant that slaughtered an average of 125,000 head of cattle a year for the immediately preceding 5 calendar years. Additionally, the term includes any processing plant that did not slaughter cattle during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on its capacity.

For entities that did not slaughter cattle during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins operations, AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine which entities meet the definition of a packer as defined in these regulations.

The definition of "boxed beef" includes fresh and frozen primals, subprimals, cuts fabricated from subprimals (with some exclusions), and fresh and frozen ground beef, beef trimmings, and boneless processing beef.

The definition of "terms of trade" applies to steers and heifers only and includes the percentage of steers and heifers purchased by a packer as a negotiated purchase that are scheduled to be delivered to the plant for slaughter not later than 14 days and the percentage of slaughter steers and heifers purchased by a packer as a negotiated purchase that are scheduled to be delivered to the plant for slaughter more than 14 days but fewer than 30 days.

The term "type of purchase" with respect to cattle, means a negotiated purchase, negotiated grid purchase, a formula market arrangement, and a forward contract.

The term "white cow" means a cow on a ration that tends to produce white fat.

As previously discussed, the reporting requirements for cows and bulls have been separated from the reporting requirements for steers and heifers, which will reduce the reporting burden on cow and bull packers. Section 59.101 discusses the daily reporting requirements for steer and heifer transactions, including what information would be reported, when it would be reported, and when it would be published. Steer and heifer plants covered under the rule would report the details of their purchases twice each day to AMS (once by 10 a.m. central time, and once by 2 p.m. central time) and

would include all covered transactions made up to within one half hour of the specified reporting time. Packers completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. The Secretary would publish the information not less than three times each day. Section 59.102 discusses the daily reporting requirements for cows and bulls, including what information would be reported, when it would be reported, and when it would be published. Cow and bull plants covered under this rule would be required to report the base bid price intended to be paid for slaughter cow and bull carcasses on that day not later than 10 a.m. central time and the prices for cattle purchased during the previous day not later than 2 p.m. central time. The Secretary would publish the information within one hour of the required reporting time on the reporting day on which the information is received by the packer. Section 59.103 discusses the requirements for weekly reporting for steers and heifers. Packers would be required to report information regarding the prior slaughter week on the first reporting day of each week not later than 9 a.m. central time. This information includes the quantity of cattle purchased through a negotiated basis that were slaughtered; the quantity of cattle purchased through a negotiated grid basis that were slaughtered; the quantity of cattle purchased through forward contracts that were slaughtered; the quantity of cattle delivered under a formula marketing arrangement that were slaughtered; the quantity and carcass characteristics of packer-owned cattle that were slaughtered; the quantity, basis level, basis level month, and delivery month and year for all cattle purchased through forward contracts; and the range and average of intended premiums and discounts that are expected to be in effect for the current slaughter week. This information would be published by the Secretary on the same day by 10 a.m. central time. Finally, under Subpart B, Section 59.104 details the information required to be reported concerning sales of boxed beef cuts including what would be reported, when it would be reported, and when it would be published. Cattle plants producing boxed beef cuts would be required to report their domestic and export sales of boxed beef cuts including branded boxed beef cuts to AMS twice each reporting day, once by 10 a.m. central time and once by 2 p.m. central time. This should include all covered

transactions made up to within one half hour of the specified reporting time. Cattle plants completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. This information would be published by the Secretary twice each day. These plants would be required to reference the Institutional Meat Purchase Specifications (IMPS) for Fresh Beef Products Series 100, United States Department of Agriculture, Agricultural Marketing Service, Livestock and Seed Program, when applicable.

#### *Swine*

The Reauthorization Act made several changes to the swine reporting provisions. The Agency made a few other minor modifications, which are discussed in detail in a previous section in this document, for clarity and to reduce the reporting burden on packers.

Proposed Subpart C of Part 59 lists the requirements of swine reporting beginning with Section 59.200, which establishes definitions for terms used throughout the subpart including the definition of a packer. In any calendar year, the term swine packer includes a Federally inspected plant that slaughtered an average of at least 100,000 swine per year during the immediately preceding 5 calendar years and a person that slaughtered an average of at least 200,000 sows, boars, or combination thereof per year during the immediately preceding 5 calendar years. Additionally, in the case of a swine processing plant or person that did not slaughter swine during the immediately preceding 5 calendar years, it shall be considered a packer if the Secretary determines the processing plant or person should be considered a packer under this subpart after considering its capacity. For entities that did not slaughter swine during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins operations, AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine which entities meet the definition of a packer as defined in these regulations.

Section 59.202 discusses the daily reporting requirements for barrows and gilts including what information would be reported, when it would be reported, and when it would be published.

For barrows and gilts, packers required to report under this rule would report the details of their barrows and gilts purchases three times each day including a prior day report not later than 7 a.m. central time, a morning

report not later than 10 a.m. central time, and an afternoon report not later than 2 p.m. central time, including all covered transactions made up to within one half hour of each specified reporting time. Packers completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. This information would be published by the Secretary each reporting day not later than 8 a.m. central time, 11 a.m. central time, and 3 p.m. central time, respectively. For barrows and gilts, packers required to report under this rule would also have to report not later than 9 a.m. central time on each reporting day information regarding all barrow and gilts slaughtered during the prior business day. This information would be published by the Secretary each reporting day not later than 10 a.m. central time. In addition, the Secretary would publish a net price distribution for all barrow and gilts slaughtered on the previous day not later than 3 p.m. central time. Section 59.203 details the reporting requirements for sows and boars. Under this proposed rule, each sow and boar packer would report to the Secretary not later than 7 a.m. central time on each reporting day information regarding all sows and boars purchased or priced during the prior business day of the packer. This information would be published by the Secretary each reporting day not later than 8 a.m. central time. Section 59.204 details the requirements for reporting weekly swine information to AMS including what would be reported, when it would be reported, and when it would be published. On the first reporting day of each week, not later than 4 p.m. central time, packers would be required to report information on noncarcass merit premiums used and paid to producers during the prior slaughter week by category. This information would be published on the first reporting day of each week not later than 5 p.m. central time.

#### *Lamb*

Proposed Subpart D of Part 59 covers the mandatory reporting of lambs. The 1999 Act gives the Secretary the authority to establish a mandatory lamb price reporting program but does not set forth the requirements. AMS proposes to resume the previously established mandatory lamb price reporting program with some modifications as discussed in a previous section in this document.

Section 59.300 provides definitions for terms used throughout Subpart D including definitions for packer and for

importer, which identifies the entities that would be required to report under this proposed rule. For any calendar year, the term lamb packer includes any Federally inspected lamb processing plant that slaughtered or processed the equivalent of an average of 75,000 head of lambs a year for the immediately preceding 5 calendar years.

Additionally, the term includes any processing plant that did not slaughter or process an average of 75,000 lambs during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the capacity of the processing plant.

For entities that did not slaughter lambs during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins operations, AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine which entities meet the definition of a packer as defined in these regulations.

For any calendar year, the term lamb importer includes any importer that imported an average of 2,500 metric tons of lamb meat products per year during the immediately preceding 5 calendar years. Additionally, for any calendar year, the term importer includes any lamb importer that did not import an average of 2,500 metric tons of lamb meat products during the immediately preceding 5 calendar years if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

For importers of lamb meat products, AMS will annually review import lamb volume data obtained from the United States Bureau of Customs and Border Protection to determine which importers are required to report imported boxed lamb cut sales information under these regulations.

Under this proposed rule, several changes have been made to the definitions section that was published in the 2000 final rule. To facilitate the publication of more meaningful information in AMS market reports, a definition of "yield grade lamb carcass reporting" has been added, which will help clarify the requirements for reporting USDA yield grade information. In addition, the definitions of "lambs committed" and "terms of trade" have been deleted as the requirement to submit the information associated with these definitions has been removed as it is not used by the industry.

Section 59.301 covers the daily reporting requirements for live lamb

transactions including what would be reported, when it would be reported, and when it would be published. Lamb plants covered under the rule would report the details of their live lamb purchases once each day to AMS, to include all covered transactions made up to within one half hour of the specified reporting time. Lamb plants completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. The Secretary would publish this information not less than once each day. Section 59.302 covers the same type of information for weekly reporting of live lamb transactions. Packers would be required to report information regarding the prior slaughter week, including among other things the number of lambs purchased through a negotiated purchase that were slaughtered, on the first reporting day of each week to be published by the Secretary on the same day. Finally, Section 59.303 covers the reporting requirements for transactions of lamb carcasses and boxed lamb cuts including what would be reported, when it would be reported, and when it would be published. Packers would be required to report details of their sales and purchases of carcass lambs once each day and the Secretary would publish the information once each day. Packers would be required to report details of their sales of boxed lamb cuts, including applicable branded product. This information would be published once each day. These plants would be required to reference the Institutional Meat Purchase Specifications (IMPS) for Fresh Lamb and Mutton Series 200, United States Department of Agriculture, Agricultural Marketing Service, Livestock and Seed Program, where applicable.

Importers of boxed lamb cuts would be required to report the required information of their prior week sales of imported boxed lamb cuts on the domestic market, including applicable branded product on the first reporting day of each week and this information would be published by the Secretary on the same day.

#### **OMB Control Numbers**

Subpart E of Part 59 covers the OMB control number 0581-0186 assigned pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) for the information collection requirements listed in Subparts B through D of Part 59. All required information must be reported to AMS in a standardized format. The standardized format is embodied in 16 data collection forms that are included in Appendix E at the

end of this document. Cattle packers will utilize up to seven of these forms (not all cattle packers must submit all cattle forms) (Appendix A) when reporting information to AMS including four for daily cattle reporting, two for weekly cattle reporting, and one for daily boxed beef cuts reporting. Swine packers will utilize up to three forms (not all swine packers must submit all swine forms) (Appendix B), two for daily reporting of swine purchases and one for weekly reporting of non-carcass merit premium information. Lamb packers will utilize up to six of these forms (not all lamb packers must submit all lamb forms) (Appendix C) when reporting information to AMS, including one for daily lamb reporting, three for weekly lamb reporting, one for daily and weekly boxed lamb cuts reporting, and one for daily lamb carcass reporting. Lamb importers will utilize one of these forms when reporting information to AMS for reporting weekly imported boxed lamb cut sales.

#### **Appendices**

The final section of this document contains a series of five appendices. These appendices will not appear in the Code of Federal Regulations. The first three appendices, Appendices A to C, have already been discussed above. They describe the forms that will be used by those required to report information under this program. Appendix D contains guidelines for those entities required to report information on how to use the forms. The actual forms are contained in Appendix E.

#### **Executive Order 12988**

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect. Section 259 of the 1999 Act prohibits States or political subdivisions of a State to impose any requirement that is in addition to, or inconsistent with, any requirement of the 1999 Act with respect to the submission or reporting of information, or the publication of such information, on the prices and quantities of livestock or livestock products. In addition, the 1999 Act does not restrict or modify the authority of the Secretary to administer or enforce the Packers and Stockyards Act of 1921 (7 U.S.C. 181 *et seq.*); administer, enforce, or collect voluntary reports under the 1999 Act or any other law; or access documentary evidence as provided under Sections 9 and 10 of the Federal Trade Commission Act (15 U.S.C. 49, 50). There are no administrative procedures that must be



exhausted prior to any judicial challenge to the provisions of this rule.

### Civil Rights Review

AMS has considered the potential civil rights implications of this rule on minorities, women, or persons with disabilities to ensure that no person or group shall be discriminated against on the basis of race, color, national origin, gender, religion, age, disability, sexual orientation, marital or family status, political beliefs, parental status, or protected genetic information. This review included persons that are employees of the entities that are subject to this regulation. This proposed rule does not require affected entities to relocate or alter their operations in ways that could adversely affect such persons or groups. Further, this proposed rule would not deny any persons or groups the benefits of the program or subject any persons or groups to discrimination.

### Executive Order 13132

This proposed rule has been reviewed under Executive Order 13132, Federalism. This Order directs agencies to construe, in regulations and otherwise, a Federal Statute to preempt State law only when the statute contains an express preemption provision. This rule is required by the 1999 Act. Section 259 of the 1999 Act, Federal Preemption, states, "In order to achieve the goals, purposes, and objectives of this title on a nationwide basis and to avoid potentially conflicting State laws that could impede the goals, purposes, or objectives of this title, no State or political subdivision of a State may impose a requirement that is in addition to, or inconsistent with, any requirement of this subtitle with respect to the submission or reporting of information, or the publication of such information, on the prices and quantities of livestock or livestock products."

Prior to the passage of the 1999 Act, several States enacted legislation mandating, to various degrees, the reporting of market information on transactions of cattle, swine, and lambs conducted within that particular State. However, since the National program was implemented on April 2, 2001, these State programs are no longer in effect. Therefore, there are no Federalism implications associated with this rulemaking.

### Executive Order 12866

This proposed rule has been determined to be significant for purposes of Executive Order 12866 and therefore has been reviewed by the Office of Management and Budget

(OMB). In accordance with Executive Order 12866, this preliminary regulatory analysis contains a statement of the need for the proposed rule, an examination of alternative approaches, and an analysis of benefits and costs.

### Executive Summary

This proposed rule implements the Reauthorization Act, which reauthorized the 1999 Act and amended the swine reporting provisions of that Act. As stated in the 1999 Act, the purpose of the Act is to establish a program of information regarding the marketing of cattle, swine, lambs, and the products of such livestock that provides information that can be readily understood by producers; improves the price and supply reporting services of the Department of Agriculture; and encourages competition in the marketplace for livestock and livestock products. (7 U.S.C. 1635)

This proposed rule facilitates open, transparent price discovery and provides all market participants, both large and small, with comparable levels of market information. The proposed rule is expected to reduce the time and resources that market participants would otherwise expend to assess current market conditions, reduce risk and uncertainty, and contribute to considerations of fairness and equity to all participants in the marketplace. However, these anticipated benefits are difficult to measure and quantify.

This proposed rule is strictly an informational measure and does not impose any restrictions on the form, timing, or location of procurement and sales arrangements in which subject packers and importers may engage. Therefore, costs of the proposed rule are simply the costs associated with system development and maintenance, data submission, and recordkeeping activities of the packers and importers required to report information under this proposed rule, plus the costs to the Federal government for operation of the program. However, most of the entities that would be required to report under this proposed rule already reported information prior to expiration of the 1999 Act on September 30, 2005, and have since continued to do so voluntarily. As a result, incremental costs for implementation of this proposed rule are negligible relative to total costs associated with the program. Moreover, total costs estimated for this proposed rule are lower than costs estimated in the 2000 final rule expressed in comparable current (May 2007) dollar values.

Total costs to reporting packers and importers are estimated at

approximately \$724,000 per year, while costs to the Federal government for operation of the program total \$6.3 million per year. By comparison, the total costs to reporting packers and importers in the 2000 final rule (65 FR 75464) were estimated at \$836,000 per year in current dollars, while costs to the Federal government in FY 2001 were estimated at \$6.9 million in current dollars. In current dollar terms, the proposed rule represents a reduction of \$112,000 in estimated annual costs to reporting packers and importers, and a reduction of \$600,000 in estimated annual costs to the Federal government.

For both respondents and the Federal government, total costs for the proposed rule are estimated at approximately \$7.0 million annually, while total costs for the 2000 final rule were estimated at \$7.8 million annually in current dollars. Because the Act expires on September 30, 2010, the proposed rule is assumed to have a life cycle of 4 years. At a real discount rate of 3 percent, the discounted present value of the total private and public sector costs for the proposed rule is estimated at \$26.9 million for the duration of the program, compared to \$29.7 million for the 2000 final rule (expressed in current dollars over a 4-year life cycle). This represents a reduction of \$2.8 million over the life of the proposed rule in comparison to the 2000 final rule. At a real discount rate of 7 percent, the discounted present value of the total private and public sector costs for the proposed rule is estimated at \$25.5 million for the duration of the program, compared to \$28.1 million for the 2000 final rule (expressed in current dollars over a 4-year life cycle). This represents a reduction of more than \$2.6 million over the life of the proposed rule in comparison to the 2000 final rule.

### Need for Federal Regulatory Action

This proposed rule implements the Reauthorization Act, which reauthorized the 1999 Act and amended the swine reporting provisions of that Act. The 1999 Act first became law on October 22, 1999, as an amendment to the Agricultural Marketing Act of 1946. The first reports disseminated under LMR were issued in April 2001. In December 2004, the 1999 Act was reauthorized through September 30, 2005. The legislative authority lapsed until October 5, 2006, when it was reauthorized through September 30, 2010, with the Reauthorization Act. During the two periods of lapsed mandatory reporting authority, most firms that would have been required to report information under the requirements of LMR continued to

report the same information voluntarily. As a result, AMS continued to release most of the reports that would have been released under the mandatory reporting program.

The 1999 Act as amended by the Reauthorization Act directs the Department of Agriculture (USDA) "to establish a program of information regarding the marketing of cattle, swine, lambs, and products of such livestock." This Act contains specific requirements that provide limited discretionary authority for regulatory implementation of many of the law's provisions. As a result, many of the provisions within this proposed rule represent straightforward implementation of the requirements of this Act.

As stated in the 1999 Act, the purpose of the statute is to establish a program that—

(1) provides information that can be readily understood by producers, packers, and other market participants, including information with respect to the pricing, contracting for purchase, and supply and demand conditions for livestock, livestock production, and livestock products;

(2) improves the price and supply reporting services of the Department of Agriculture; and

(3) encourages competition in the marketplace for livestock and livestock products. (7 U.S.C. 1635)

Increasingly, transactions between livestock producers and meat packers occur by way of private negotiations rather than through public trades. Compared to prices established in public markets, prices established in private transactions are difficult to observe, collect, summarize, and disseminate. Data reported by USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) show that of total cattle purchases by reporting packers, the share purchased in public markets declined from 30.2 percent in 1977 to 12.0 percent in 2004.<sup>1</sup> For hogs, the decline was larger, dropping from 27.5 percent in 1977 to just 1.7 percent in 2004.<sup>1</sup> For sheep and lambs, public market purchases declined from 23.4 percent to 8.3 percent of total purchases by reporting packers over the same period.

Open, transparent price discovery provides all market participants with comparable levels of market information, providing each economic agent with similar information. The decline in public market trading of livestock over the years led to

increasingly opaque price discovery in these markets. As stated in the 1999 Act, mandatory livestock reporting provides a means of providing information to market participants and improving the price and supply reporting services of USDA.

Similar to many sectors of the economy, both the livestock production and meat packing industries have undergone substantial consolidation during the past few decades. However, the rate and extent of the consolidation among meat packers has been greater compared to livestock producers.

The four-firm concentration ratio for steer and heifer slaughter increased from 35.7 percent in 1980 to 81.1 percent in 2004.<sup>2</sup> Over the same period, the four-firm concentration ratio for cow and bull slaughter increased from 9.7 percent to 48.0 percent. Hog slaughter concentration by the top four firms increased from 33.6 percent to 61.3 percent over the same period, while sheep and lamb slaughter concentration increased from 55.9 percent to 66.9 percent. Between 1986 and 2005, the number of bonded packers reporting to GIPSA declined from 691 to 312.

According to the National Agricultural Statistics Service (NASS), the number of cattle operations in the United States declined from 1.6 million in 1980 to 983,000 in 2005. Over the same time period, the number of hog and pig operations declined from 667,000 to 67,000, while the number of sheep and lamb operations declined from 120,000 to 68,000. Thus, consolidation occurred among livestock production operations, but the number of livestock operations still far exceeds the number of livestock packers.

For slaughter livestock, the predominant marketing relationship is characterized by comparatively small livestock operations dealing with large meat packing firms. In addition, markets for slaughter livestock are local or regional in geographic scope. The distances over which it is economically rational to transport slaughter livestock is dictated by differences in relative prices for livestock in different geographic areas versus shipping costs. Shipping costs include not only costs of trucking equipment, labor, fuel, insurance and other out-of-pocket expenses, but also include additional stress and weight shrink of animals hauled for greater distances and longer periods of time. In these regionalized trade areas, there typically are relatively large numbers of livestock operations, but only a handful of packers for any given type of slaughter animal. As a

result, relatively few packers engage in many, frequent negotiations and completed transactions with a large number of producers. In contrast, even larger livestock operations typically engage in negotiations with a few packers within their economically viable trade area and may only complete transactions with one or two packers. Smaller livestock operations may only engage in sales transactions a few times per year, while packers procure livestock to run their plants every business day of the year. The 1999 Act and the Reauthorization Act were passed by Congress in light of these structural and organizational conditions present in the livestock and meat industries.

The proposed rule does not constitute economic regulation of the permissible business practices in which meat packers and importers may engage. Affected entities are free to conduct their businesses in any manner consistent with other relevant Federal, State, and local laws and regulations. The proposed rule only requires that the subject entities disclose information about their livestock purchases and meat sales to AMS, which will then process, summarize, and disseminate the information. The identity of persons, including parties to a contract, and proprietary business information will be kept confidential in accordance with the 1999 Act.

#### Alternative Regulatory Approaches

AMS believes that the proposed rule represents the most cost effective means of fulfilling the statutory mandate of 1999 Act as amended by the Reauthorization Act. While this Act provides some discretionary authority for operation of the program, many of the definitions, reporting times, and disclosure requirements are specified in the law itself. Since the program was first implemented in April 2001, experience has proven that electronic reporting is the least-cost means for both subject entities and AMS to comply with the requirements of the Reauthorization Act. During the periods in which mandatory reporting requirements lapsed (including October 2005 through the present), entities that continued to report voluntarily did so through electronic submission of information in the same manner as had been required under mandatory reporting authority.

The LMR system provides two methods for firms to transmit livestock mandatory reporting data to the system: A web interface and electronic data transfer. For most firms, electronic data transfer provides the most efficient

<sup>1</sup> GIPSAQ, USDA, Packers and Stockyards Statistical Report, 2005 Reporting Year. GIPSA SR-07-1, February 2007.

<sup>2</sup> Ibid.

mechanism for transferring required data. USDA provides a software utility for users to transfer comma-delimited ASCII files directly to the LMR system. The comma-delimited files can be generated electronically from livestock purchase and meat sales records. For smaller operations with relatively few transactions, the web interface may be more efficient than electronic data transfer. The web interface module is available over the Internet using a web browser, but requires more manual inputting of data compared to the electronic data transfer option. Nonetheless, the web interface option provides smaller operations with a mechanism for submitting the required data without the need to incur fixed costs of developing a software application to prepare data for electronic data transfer. Historically, about 90 percent of plants and importers have submitted data electronically, with the remaining 10 percent of respondents submitting data through the web interface.

#### Analysis of Benefits and Costs

The baseline for this analysis is the LMR program as it currently operates. Specifically, the baseline is the LMR program as directed by the 1999 Act and implemented by the 2000 final rule. Although the 2000 final rule expired when the 1999 Act expired on September 30, 2005, the current voluntary participation by most packers allows the LMR program to function nearly identically to how it operated under the mandatory authority of the 1999 Act.

Despite the fundamental role played by market information for private and public decision-making, research, outlook, and analysis, there is comparatively little empirical research on market reporting in and of itself. Likewise, there is a paucity of quantitative research regarding the benefits and costs of LMR specifically.

Perry, et al. note that some local and regional market news reports were no longer available after the implementation of LMR because of the program's confidentiality restrictions.<sup>3</sup> However, the authors also conclude that far more information on formula transactions became available, allowing for comparisons with negotiated transactions that had not been possible before. Formula prices for cattle were found to closely mirror prices for

negotiated purchases. The study found that volatility in weekly reported cattle prices rose after implementation of LMR, but was unable to determine whether the change resulted from the change in the reporting system or from changes in cattle markets. The authors observed that the trend toward formula pricing arrangements in cattle markets slowed after LMR was implemented, and cautiously speculated that the program may have played a role in stabilizing the volume of negotiated transactions.

Ward provides perhaps the most comprehensive review and assessment of research relating to LMR.<sup>4</sup> Ward notes that satisfaction or dissatisfaction with mandatory reporting depends on individuals' expectations regarding what the Reauthorization Act would achieve or the problems that it would address. Ward concludes that mandatory reporting provides more information in some areas than what was previously available and has increased transparency and price reporting accuracy. He suggests that satisfaction with the program likely has increased due to increased familiarity with the data and information available through mandatory reporting and enhanced confidence in reported prices.

*Benefits.* One of the fundamental conditions underlying the theory of competitive markets is that market participants possess relevant information necessary to make the correct economic decisions. This proposed rule seeks to ensure market transparency by providing current and potential participants in livestock and meat markets with timely, accurate, and comprehensive information about prices paid and received for livestock and meat products. Market transparency facilitates market efficiency by reducing search costs for market participants and by reducing risk and uncertainty. Widely available market information reduces the time and resources that market participants would otherwise expend to assess current market conditions. With reliable market information, market participants can make informed marketing decisions and thus reduce exposure to risks associated with buying or selling at prices inconsistent with the prevailing market norms. Unrestricted availability of market information may also contribute to considerations of equity and fairness in the marketplace. Unrestricted

dissemination of market news reporting provides all market participants with comparable access to current market information regardless of the size or financial resources of their respective operations.

Livestock mandatory reporting under this proposed rule will provide comprehensive information on slaughter livestock, beef, and lamb meat prices. Using the information submitted by packers under the provisions of the 1999 Act, AMS publishes over 100 daily, weekly, and monthly reports covering market transactions for fed cattle, swine, lamb, beef, and lamb meat. Based on the information available, AMS estimates that reports issued under LMR cover approximately 95 percent of slaughter hogs, 77 percent of the slaughter cattle, 60 percent of slaughter sheep, 41 percent of boxed lamb, 26 percent of the carcass lamb, and 93 percent of boxed beef. AMS market reports are utilized by producers and others in the marketing chain to formulate contracts and make marketing decisions, and by other Government agencies to make policy decisions, settle trade disputes, and in a variety of other functions. Despite the fundamental role played by price information in underpinning fair, competitive, and efficient markets, quantifying the impact of mandatory livestock reporting is difficult. There is a considerable economic literature addressing the value of information, but little research on the economics of market reporting in and of itself.<sup>5</sup> Research mainly has addressed the accuracy and adequacy of price reporting, but no published works have been identified that monetize the benefits of mandatory reporting programs such as that contained in this proposed rule.

*Costs.* This proposed rule is strictly an informational measure and does not impose any restrictions on the form, timing, or location of procurement and sales arrangements in which subject packers and importers may engage. The proposed rule places no additional limitations on current or future business relationships into which affected firms may enter, although other local, State, and Federal laws and regulations regarding such relationships continue to apply. Therefore, costs of the proposed rule are simply the costs associated with system development and maintenance, data submission, and recordkeeping activities of the packers and importers that would be required to report information under this proposed rule, plus the costs to the Federal government for operation of the program.

<sup>3</sup>Perry, J., J. MacDonald, K. Nelson, W. Hahn, C. Arnade, and G. Plato. "Did the Mandatory Requirement Aid the Market? Impact of the Livestock Mandatory Reporting Act." Economic Research Service, U.S. Department of Agriculture, LDP-M-135-01, September 2005.

<sup>4</sup>Ward, C.E. "An Assessment of the Livestock Mandatory Reporting Act." Paper presented at the NCCC-134 Conference on Applied Commodity Price Analysis, Forecasting, and Market Risk Management, St. Louis, Missouri, April 17-18, 2006.

<sup>5</sup>Ward, op. cit.

Although this proposed rule is not identical to the 2000 final rule, most of the regulatory provisions are the same or only slightly modified from that rule. As such, costs for firms subject to the proposed rule will be similar to costs required to comply with the 2000 final rule. Hence, the methods for developing the cost estimates presented in this preliminary impact analysis largely follow from the methods used in developing the cost estimates contained in the final impact analysis published in the **Federal Register** along with the 2000 final rule. As applicable, estimates of employer costs for employee compensation are updated using recent statistics from the Bureau of Labor Statistics.

For reporting packers and importers, there are essentially three phases required to comply with this proposed rule: (1) Development or modification of a system for electronic reporting of data and periodic system maintenance, updating, and compliance; (2) ongoing submission of required data; and (3) maintenance of records for a period of 2 years following submission of data to AMS. AMS estimates that most costs associated with this proposed rule will result from costs associated with ongoing submission of required data. As explained below, AMS expects that there will be relatively low costs imposed on reporting packers and importers for program startup, systems maintenance and updating, and records maintenance.

AMS estimates that approximately 65 packers and importers, representing approximately 115 plants or establishments, would be required to submit information under this proposed rule. However, most of these firms already have established systems for reporting information to AMS because they were subject to the requirements of the program when it was in effect from 2001 through 2005. Moreover, most firms have continued to report data voluntarily to AMS during the period that the Act expired on September 30, 2005, to the present. These firms will need to modify their current data reporting systems to be compatible with the requirements of the proposed rule.

AMS estimates that there will be an average of about three additional packers and importers annually that will reach the size thresholds for reporting under this proposed rule, but that had not previously reported under the requirements of the Act. Some of these firms will be new entrants to the industry and others will have increased their slaughter volume to the level at which they are required to submit data under the requirements of the law and

this proposed rule. These firms will need to develop an electronic interface to translate the information from their existing computerized recordkeeping systems into the standardized format required for automated submission of the data to AMS. Firms with existing reporting systems will need to modify the electronic interface to accommodate changes in reporting requirements. AMS estimates that 15 hours of development and computer programming time per plant will be required to develop or modify the interface.

Electronic data transmission of information is accomplished using an interface with an existing electronic recordkeeping system. In most cases, the information packers and importers are required to report already exists in internal computerized recordkeeping systems. Packers and importers will provide for the translation of the information from their existing electronic recordkeeping system into the required AMS standardized format. Once accomplished, the information will be electronically transmitted to AMS where it will be automatically loaded into an AMS database. AMS estimates that the development and computer programming to establish and maintain this interface will require an industry average of 15 hours per respondent per year. AMS estimates the employer costs for employee total compensation per hour to average \$44.82, which is the average for all civilian management, professional, and related occupations for the second quarter of 2006 according to Bureau of Labor Statistics. The management, professional, related occupations category includes the managers who would oversee development and maintenance of the electronic interface and the computer systems and programming personnel who would actually implement and maintain the interface. With 15 hours of time, AMS estimates the total cost, on average, for the electronic interface development and maintenance to be \$672.30 per year.

**ELECTRONIC SUBMISSION DEVELOPMENT AND ANNUAL SYSTEM MAINTENANCE COST PER RESPONDENT**

Hours to develop and maintain interface .....	15
Employee compensation cost per hour .....	× \$44.82
<b>Total annual cost per respondent</b>	<b>\$672.30</b>

\* hours required annually to develop and maintain electronic interface between existing company electronic recordkeeping system and AMS required electronic submission format.

Additionally, AMS estimates the annual cost per respondent for the storage of the electronic data files submitted to AMS in compliance with the reporting provisions of this rule to be \$1,923.10 (see Paperwork Reduction Act section for a full discussion). This estimate includes the cost of electronic data storage media, backup electronic data storage media, and backup software required to maintain an estimated annual electronic recordkeeping and backup burden of 20 megabytes, on average, per respondent. In addition, this estimate includes the cost per employee to maintain such records which is estimated to average 70 hours per year at \$21.33 per hour for a total employee compensation component cost of \$1,493.10 per year. For this record maintenance activity, AMS estimates the employer costs for employee total compensation per hour to average \$21.33, which is the average for all civilian office and administrative support occupations for the second quarter of 2006 according to data from the Bureau of Labor Statistics.

**ANNUAL RECORDKEEPING COST PER RESPONDENT**

Labor hours per year .....	70
Labor cost per hour .....	× \$21.33
Sub-total labor cost per year	\$1,493.10
Electronic storage cost* .....	+ \$430.00
<b>Total Recordkeeping Cost</b>	<b>\$1,923.10</b>

\* includes cost of hard electronic storage (estimated to average 20 Megabytes/year), backup media, backup drive, and backup software.

In this rule, information collection requirements include the submission of the required information on a daily and weekly basis in the standard format provided in the following forms: (1) Live Cattle Daily Report (Current Established Prices), (2) Live Cattle Daily Report (Committed and Delivered Cattle), (3) Live Cattle Weekly Report, (4) Cattle Premiums and Discounts Weekly Report, (5) Cow/Bull Plant Delivered Bids (Dressed Basis), (6) Live Cow/Bull Daily Purchase Report, (7) Boxed Beef Daily Report, (8) Swine Prior Day Report, (9) Swine Daily Report, (10) Swine Noncarcass Merit Premium Weekly Report, (11) Live Lamb Daily Report (Current Established Prices), (12) Live Lamb Weekly Report (13) Live Lamb Weekly Report (Formula Purchases), (14) Lamb Premiums and Discounts Weekly Report, (15) Boxed Lamb Daily Report, and (16) Lamb Carcass Report. Copies of these 16 forms are included in Appendices at the end of this proposed rule.

Cattle packers will utilize up to seven of these forms (Appendix A) when reporting information to AMS including two for daily cattle reporting, three for weekly cattle reporting, and one for daily boxed beef cuts reporting. AMS estimates the total data submission cost burden to cattle packers to be \$237,734. In comparison, the annual data submission cost burden to cattle packers was estimated at \$266,560 in the 2000 final rule, which took effect in April 2001. According to the Bureau of Labor Statistics CPI inflation calculator, \$1.00 in 2001 has the same buying power as \$1.17 today. More precisely, the inflation factor to convert the average Consumer Price Index for 2001 to the current (May 2007) value is 1.174. In current dollar terms, then, the estimated data submission cost burden to cattle packers under the 2000 final rule equals \$312,941. Thus, the total data submission cost burden to cattle packers is estimated at \$75,207 less in the proposed rule compared to the 2000

final rule expressed in comparable current dollar terms.

Swine packers will utilize up to three forms (Appendix B), two for daily reporting of swine purchases and one for weekly reporting of non-carcass merit premium information. AMS estimates the total data submission cost burden to swine packers to be \$153,329. In comparison, the annual data submission cost burden to swine packers was estimated at \$166,400 in the 2000 final rule. In current dollar terms using the CPI inflation calculator, the estimated data submission cost burden to swine packers under the 2000 final rule would be \$195,354. Thus, the total data submission cost burden to swine packers is estimated at \$42,025 less in the proposed rule compared to the 2000 final rule expressed in comparable current dollar terms.

Lamb packers will utilize up to six of these forms (Appendix C) when reporting information to AMS including two for daily lamb reporting, three for weekly lamb reporting, one for daily

and weekly boxed lamb cuts reporting and one for daily and weekly lamb carcass reporting. Lamb importers will utilize one of these forms when reporting information to AMS for reporting weekly imported boxed lamb cut sales. AMS estimates the total data submission cost burden to lamb packers and lamb importers to be \$31,846. In comparison, the annual data submission cost burden to lamb packers and lamb importers was estimated at \$48,390 in the 2000 final rule. In current dollar terms using the CPI inflation calculator, the estimated data submission cost burden to lamb packers and lamb importers under the 2000 final rule would be \$56,810. Thus, the total data submission cost burden to lamb packers and lamb importers is estimated at \$24,964 less in the proposed rule compared to the 2000 final rule expressed in comparable current dollar terms.

The cost estimates for the proposed rule are discussed in detail in the Paperwork Reduction Act Section.

**BREAKDOWN OF ESTIMATED DATA SUBMISSION COST BURDEN**

Form	Reporting days	×	Responses	=	Total responses
<b>I. Number of Responses per Respondent per Year</b>					
Cattle:					
LS-113 .....	260		2 daily .....		520
LS-114 .....	260		2 daily .....		520
LS-115 .....	52		1 weekly .....		52
LS-117 .....	52		1 weekly .....		52
LS-126 .....	260		2 daily .....		520
LS-131 .....	260		1 daily .....		260
LS-132 .....	260		1 daily .....		260
Swine:					
LS-118 .....	260		1 daily .....		260
LS-119 .....	260		2 daily .....		520
LS-120 .....	52		1 weekly .....		52
Lamb:					
Domestic:					
LS-121 .....	260		1 daily .....		260
LS-123 .....	52		1 weekly .....		52
LS-124 .....	52		1 weekly .....		52
LS-125 .....	52		1 weekly .....		52
LS-128 .....	260		1 daily .....		260
LS-129 .....	260		1 daily .....		260
Importer:					
LS-128 .....	52		1 weekly .....		52

Form	Submissions/ year	×	Hours/ submission	=	Total hours/ year
<b>II. Number of Submission Hours per Respondent per Year</b>					
Cattle:					
LS-113 .....	520		.17		88.40
LS-114 .....	520		.17		88.40
LS-115 .....	52		.25		13.00
LS-117 .....	52		.08		4.16
LS-126 .....	520		.125		65.00
LS-131 .....	260		.08		20.80
LS-132 .....	260		.17		44.20
Swine:					
LS-118 .....	260		.25		65.00
LS-119 .....	520		.17		88.40

Form	Submissions/ year	×	Hours/ submission	=	Total hours/ year
LS-120 .....	52		.25		13.00
Lamb:					
Domestic:					
LS-121 .....	260		.34		88.40
LS-123 .....	52		.25		13.00
LS-124 .....	52		.25		13.00
LS-125 .....	52		.08		4.16
LS-128 .....	260		.167		43.42
LS-129 .....	260		.167		43.42
Importer:					
LS-128 .....	52		.084		4.37

Form	Total hours/ year	×	Cost/hour	=	Total dollars/ year
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### III. Total Submission Cost per Respondent per Year

Cattle:					
LS-113 .....	88.40		\$21.33		\$1,886
LS-114 .....	88.40		21.33		1,886
LS-115 .....	13.00		21.33		277
LS-117 .....	4.16		21.33		89
LS-126 .....	65.00		21.33		1,386
LS-131 .....	20.80		21.33		444
LS-132 .....	44.20		21.33		943
Totals .....	323.96		21.33		6,911
Swine:					
LS-118 .....	65.00		21.33		1,386
LS-119 .....	88.40		21.33		1,886
LS-120 .....	13.00		21.33		277
Totals .....	166.40		21.33		3,549
Lamb:					
Domestic:					
LS-121 .....	88.40		21.33		1,886
LS-123 .....	13.00		21.33		277
LS-124 .....	13.00		21.33		277
LS-125 .....	4.16		21.33		89
LS-128 .....	43.42		21.33		926
LS-129 .....	43.42		21.33		926
Importer:					
LS-128 .....	4.37		21.33		93
Totals .....	209.77		21.33		4,474

Form	Total dollars/ year	×	Respondents	=	Total cost
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### IV. Total Yearly Submission Cost for All Respondents

Cattle:					
LS-113 .....	\$1,886		34		\$64,124
LS-114 .....	1,886		34		64,124
LS-115 .....	277		34		9,418
LS-117 .....	89		34		3,026
LS-126 .....	1,386		48		66,528
LS-131 .....	444		22		9,768
LS-132 .....	943		22		20,746
Subtotal .....					237,734
Swine:					
LS-118 .....	1,386		52		72,072
LS-119 .....	1,886		40		75,440
LS-120 .....	277		21		5,817
Subtotal .....					153,329
Lamb:					
Domestic:					
LS-121 .....	1,886		6		11,316
LS-123 .....	277		5		1,385

Form	Total dollars/ year	×	Respondents	=	Total cost
LS-124 .....	277		5		1,385
LS-125 .....	89		6		534
LS-128 .....	926		10		9,260
LS-129 .....	926		8		7,408
Importer: LS-128 .....	93		6		558
Subtotal .....					31,846
Grand total .....					422,909

The total cost burden to packers and importers required to submit information under this proposed rule includes initial startup and annual maintenance costs for electronic submission of data, annual recordkeeping costs, and annual data submission costs. Total reporting costs to cattle packers are estimated to be \$7,548 per plant, \$5,544 for swine

packers, \$5,724 for lamb slaughtering plants, and \$2,688 for lamb importers. In comparison, total reporting costs in the 2000 final rule were estimated to be \$7,420 per plant for cattle packers, \$5,308 for swine packers, \$7,860 for lamb slaughtering plants, and \$2,070 for lamb importers. In current dollar values, however, estimated costs in the 2000 final rule equal \$8,711 per plant for

cattle packers, \$6,232 for swine packers, \$9,228 for lamb slaughtering plants, and \$2,430 for lamb importers. With the exception of lamb importers, which have an increase of \$258, estimated total reporting costs per plant for all respondents are lower in the proposed rule than in the 2000 final rule expressed in comparable current dollar values.

TOTAL ANNUAL COST BURDEN TO RESPONDENTS

	Cost per respondent	×	Number of respondents	=	Total cost *
<b>Cattle:</b>					
Startup/Maintenance .....	\$ 672		48		\$32,256
Recordkeeping .....	1,923		48		92,304
Data Submission .....	4,953		48		237,734
					362,294
Average Cost per Respondent: \$362,294 / 48 = \$7,548.					
<b>Swine:</b>					
Startup/Maintenance .....	\$ 672		52		\$ 34,944
Recordkeeping .....	1,923		52		99,996
Data Submission .....	2,949		52		153,329
					288,269
Average Cost per Respondent: \$288,269 / 52 = \$5,544.					
<b>Lamb:</b>					
Domestic:					
Startup/Maintenance .....	\$ 672		10		\$6,720
Recordkeeping .....	1,923		10		19,230
Data Submission .....	3,129		10		31,288
					57,238
Average Cost per Respondent: \$57,238 / 10 = \$5,724.					
<b>Importer:</b>					
Startup/Maintenance .....	\$ 672		6		\$ 4,032
Recordkeeping .....	1,923		6		11,538
Data Submission .....	93		6		558
					16,128
Average Cost per Respondent: \$16,128 / 6 = \$2,688.					
Grand total, all species .....					\$723,929

\* Totals may reflect differences in numerical rounding.

In addition to these costs to packers for submitting information, the mandatory price reporting program will cost approximately \$6.3 million per

fiscal year to the Federal government. The 50 staff years required to administer and produce high quality mandatory price reports include reporters, auditors,

clerical personnel, and computer specialists. These employees will be located in three AMS offices located across the country. Salary-related costs

are estimated at \$4.9 million per year. Other costs include approximately \$0.3 million for travel and transportation; and \$1.1 million for miscellaneous costs such as office space, utilities, communications costs, printing, training, office supplies, equipment (including computers, software, and licenses), and contractual services necessary to maintain the system. In the 2000 final rule, costs to the Federal government for the program were estimated at \$5.9 million for fiscal year 2001, which equals \$6.9 million in current dollar value. Thus, estimated costs to the Federal government are \$600,000 less in the proposed rule compared to the 2000 final rule expressed in current dollar values.

The authority for the Act expires on September 30, 2010. Therefore, this proposed rule would be effective for approximately 4 years (2007–2010). Annual costs for this proposed rulemaking are estimated at approximately \$7.0 million per year: \$723,929 for respondents to submit and maintain data plus \$6.3 million to USDA for operation of the LMR program. At a real discount rate of 3 percent, the discounted present value of the total cost to the private sector and the Federal government for the life of the program would be \$26.9 million. Using estimated costs from the 2000 final rule and assuming the same 4-year duration, the comparable discounted present value for the life of the program would be \$29.7 million expressed in current dollars. Thus, estimated total program costs are reduced by \$2.8 million over the life cycle of the proposed rule in comparison to the 2000 final rule at the 3 percent discount rate. At a real discount rate of 7 percent, the discounted present value of the total cost to the private sector and the Federal government for the life of the program would be \$25.5 million. Using estimated costs from the 2000 final rule and assuming the same 4-year duration, the comparable discounted present value for the life of the program would be \$28.1 million expressed in current dollars. Estimated total program costs are reduced by more than \$2.6 million over the life cycle of the proposed rule in comparison to the 2000 final rule at the 7 percent discount rate. The present values for the 4-year life of the program assume that all costs are incurred at the beginning of each year of the program.

#### Regulatory Flexibility Act

*In General.* This proposed rule has been reviewed under the requirements of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*). The purpose of the RFA is to consider the economic

impact of a rule on small business entities. Alternatives, which would accomplish the objectives of the rule without unduly burdening small entities or erecting barriers that would restrict their ability to compete in the marketplace, have been evaluated. Regulatory action should be appropriate to the scale of the businesses subject to the action. The collection of information is necessary for the proper performance of the functions of AMS concerning the mandatory reporting of livestock information. The Act requires AMS to collect and publish livestock market information. The required information is only available directly from those entities required to report under these proposed regulations and exists nowhere else. Therefore, this proposed rule does not duplicate market information reasonably accessible to the Agency.

*Objectives and Legal Basis.* The objective of this proposed rule is to improve the price and supply reporting services of USDA in order to increase the amount of information available to participants. This is accomplished through the establishment of a program of information regarding the marketing of cattle, swine, lambs, and products of such livestock as specifically directed by the Reauthorization Act and these regulations, as described in detail in the background section.

*Estimated Number of Small Businesses.* AMS estimates that approximately 65 firms operating approximately 115 plants will be required to report market information under this proposed rule. AMS estimates that 60 of these firms represent cattle, swine, and sheep slaughtering companies, with approximately 5 additional firms that import lamb carcasses and lamb meat.

According to Small Business Administration (SBA) definitions, a meat packing firm having fewer than 500 employees is a small business. This criterion applies to most of the firms required to report under the proposed rule, including all of the cattle and swine packers. Some of the lamb importers required to report under this proposed rule are brokerage operations that do not slaughter lambs. For meat and meat product merchant wholesalers, the SBA defines a firm having fewer than 100 employees as a small business.

In formulating this proposed rule, particular consideration was given to reducing the burden on entities while still achieving the objectives of the rule. Under the proposed rule, thresholds are set that define those entities that are required to report information on

purchases of live cattle, swine and lambs, as well as information on domestic and export sales of boxed beef cuts including applicable branded product, and sales of lamb carcasses, boxed lamb cuts including applicable branded product, and imported boxed lamb cuts including applicable branded product.

These packers and importers are required to report to AMS the details of all transactions involving purchases of livestock, domestic and export sales of boxed beef cuts including applicable branded product, sales of domestic boxed lamb cuts including applicable branded product, imported boxed lamb cuts including applicable branded product, and lamb carcasses. Cattle and swine information will be reported to AMS according to the schedule directed by this proposed rule with purchases of swine reported three times each day, purchases of cattle twice each day, and sales of domestic and exported boxed beef cuts, including applicable branded product, reported twice each day. Lamb information will be reported to AMS according to the schedule mandated by this rule with purchases of lambs reported once each day and sales of lamb carcasses reported once each day. Previous week sales of imported boxed lamb cuts including applicable branded boxed lamb cuts will be reported once weekly on the first reporting day of the week.

In any calendar year, only Federally inspected cattle plants that slaughtered an average of 125,000 head of cattle a year for the immediately preceding 5 calendar years are required to report. Additionally, any Federally inspected cattle plant that did not slaughter cattle during the immediately preceding 5 calendar years is required to report if the Secretary determines that the plant should be considered a packer required to report based on its capacity. For entities that did not slaughter cattle during the immediately preceding 5 calendar years, such as a new plant or existing plant that resumes operations, the AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine which entities meet the definition of a packer as defined in the law and these proposed regulations. This accounts for an expected 49 out of 636 Federally inspected cattle plants or 7.7 percent of all Federally inspected cattle plants.

For any calendar year, any Federally inspected swine plant that slaughtered an average of 100,000 head of swine a year for the immediately preceding 5 calendar years is required to report information, as is any person that



slaughtered and average of at least 200,000 sows, boars, or any combination thereof, per year during the immediately preceding 5 calendar years.

Additionally, any Federally inspected swine plant or person that did not slaughter swine during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the capacity of the processing plant is required to report. This accounts for an expected 52 out of 614 Federally inspected swine plants or 8.5 percent of all Federally inspected swine plants.

In any calendar year, a Federally inspected lamb plant that slaughtered the equivalent of an average of 75,000 head of lambs a year for the immediately preceding 5 calendar years is considered a packer and required to report. A packer includes a Federally inspected processing plant that purchases and processes an average of 75,000 lamb carcasses annually rather than slaughter live lambs. Additionally, any Federally inspected processing plant that did not slaughter an average of 75,000 lambs during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the capacity of the processing plant is required to report. This accounts for an expected 10 lamb plants and 6 importers. The expected total of 10 out of 484 lamb plants amounts to 2.1 percent of all Federally inspected lamb plants.

For any calendar year, lamb importers that imported an average of 2,500 metric tons of lamb meat products per year during the immediately preceding 5 calendar years are required to report. Additionally, any lamb importer that did not import an average of 2,500 metric tons of lamb meat products during the immediately preceding 5 calendar years if the Secretary determines that the person should be considered an importer based on the volume of lamb imports is required to report. Some lamb plants may also be importers.

An estimated 92.3 percent of all Federally inspected cattle plants, 91.5 percent of all Federally inspected swine plants, and 97.9 percent of all Federally inspected lamb plants in the U.S. are exempted by this proposed rule from reporting information. For all livestock species, there were 793 slaughter plants under Federal inspection and 2,060 slaughter plants under other forms of inspection (such as State inspection) on January 1, 2007. Plants that are not under Federal inspection are smaller operations that would be considered small businesses. An estimated 110

livestock slaughter plants will be required to report under this proposed rule. Conversely, 2,743 or 96.1 percent of all livestock plants in the United States would be exempt from mandatory reporting under this proposed rule.

According to U.S. Census Bureau Statistics of U.S. Businesses, there were 1,718 animal (except poultry) slaughtering<sup>6</sup> firms with payroll in the United States in 2004. These firms operated 1,816 establishments. Of these concerns, there were 46 firms with 500 employees or more, accounting for 136 establishments. Conversely, there were 1,672 firms with fewer than 500 employees, accounting for 1,680 establishments.

The companies required to report under the Act and this proposed rule represent the largest slaughtering operations in each respective species. This proposed rule will require mandatory reporting by an estimated 60 livestock slaughtering firms representing the largest cattle, swine, and sheep slaughtering companies. This fact, coupled with the Statistics of U.S. Businesses data leads to the conclusion that 46 of the livestock slaughtering firms required to report under this proposed rule have 500 employees or more. Therefore, AMS estimates that 14 of the 60 livestock slaughtering firms required to report under this proposed rule are small businesses as defined by SBA. In percentage terms, about 23 percent of the animal slaughtering companies required to report under this proposed rule are small businesses. In terms of the industry, this rule requires reporting by only 0.8 percent of all small businesses in the animal (except poultry) slaughtering industry. Moreover, the firms required to report are the largest of the firms in the industry classified as small businesses.

U.S. Census Bureau statistics are not sufficiently disaggregated to enable inferences to be drawn about the small business classification of the lamb

<sup>6</sup>North American Industry Classification System (NAICS) code 311611. U.S. Census Bureau 2004 Nonemployer Statistics show that there were 1,921 nonemployer establishments in the animal slaughtering and processing industry (NAICS code 31161), but nonemployer statistics at the more disaggregated NAICS six-digit level are not reported. A nonemployer is a business without paid employees that is subject to federal income tax. Most nonemployers are self-employed individuals operating very small unincorporated businesses. The NASS data on the number of livestock slaughter plants includes businesses with payroll as well as nonemployer firms, but does not report the size of firms nor the number of employees. Therefore, the NASS data provides the most accurate measure of the number of businesses potentially subject to the proposed rule, while the Census Bureau data provide a means for estimating the number of small businesses potentially subject to the proposed rule.

carcass and lamb meat importers required to report under the proposed rule. However, based on its knowledge of the industry and previous experience with livestock mandatory reporting, AMS estimates that all of the lamb importers would be classified as small businesses under the SBA size standard of fewer than 100 employees for meat and meat product merchant wholesalers.<sup>7</sup> In combination with the animal slaughtering firms, AMS estimates that a total of 19 firms out of 65 firms required to report under this proposed rule meet the SBA definition for small businesses. In percentage terms, about 29 percent of the firms required to report under this proposed rule would be classified as small businesses. Although classified as small businesses, these firms are the largest firms in their respective specialties.

*Projected Reporting.* This proposed rule requires the reporting of specific market information regarding the buying and selling of livestock and livestock products. The information will be reported to AMS by electronic means. Electronic reporting involves the transfer of data from a packer's or importer's electronic recordkeeping system to a centrally located AMS electronic database. The packer or importer is required to organize the information in an AMS-approved format before electronically transmitting the information to AMS (Appendices A–C).

Once the required information has been entered into the AMS database, it will be aggregated and processed into various market reports which will be released according to the daily and weekly time schedule set forth in these regulations.

As an alternative, based on prior experience, AMS found that some of the smaller entities covered under mandatory reporting would benefit from a web-based system for data submission. Accordingly, AMS developed a system that will be available to firms that find it to be more cost effective than developing an electronic interface to submit data to AMS.

AMS estimates the total annual burden on each cattle packer and boxed beef processing firm to average \$7,548, including \$4,953 for annual costs associated with electronically submitting data, \$672 for startup/annual maintenance costs, and \$1,923 for the storage and maintenance of electronic files that were submitted to AMS. This figure was calculated by estimating the time required to complete the necessary data submission and factoring by the

<sup>7</sup>North American Industry Classification System code 424470.

number of times reporting is required per day for an estimated total of 260 reporting days in a year (see Paperwork Reduction Act section for a complete, detailed discussion). Because data submission costs are directly associated with the volume of data submissions, total annual costs for smaller operations likely will be less than the average, while costs for larger operations likely will exceed the average.

AMS estimates the total annual burden on each swine packing firm to be \$5,544, including \$2,949 for annual costs associated with electronically submitting data, \$672 for startup/annual maintenance costs, and \$1,923 for the storage and maintenance of electronic files that were submitted to AMS. This estimate does not include costs associated with reporting sales of pork products, which are not required to be reported. As with cattle packers, annual costs for smaller swine packing operations likely will be less than the average, while costs for larger operations likely will exceed the average.

AMS estimates the total annual burden on each lamb packer to be \$5,724 including \$3,129 for annual costs associated with electronically submitting data, \$672 for startup/annual maintenance costs, and \$1,923 for the storage and maintenance of electronic files that were submitted to AMS. AMS estimates the total annual burden on each importer of lamb to be \$2,688, including \$93 for annual costs associated with electronically submitting data, \$672 for startup/annual maintenance costs, and \$1,923 for the storage and maintenance of electronic files that were submitted to AMS.

**Projected Recordkeeping.** Each packer and importer required to report information to the Secretary must maintain such records as are necessary to verify the accuracy of the information provided to AMS. This includes information regarding price, class, head count, weight, quality grade, yield grade, and other factors necessary to adequately describe each transaction. These records are already kept by the industry. Reporting packers and importers are required by these regulations to maintain and to make available the original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock. Reporting packers and importers are also required to maintain copies of the information provided to AMS. All of the above-mentioned paperwork must be kept for at least 2

years. Packers and importers are not required to report any other new or additional information that they do not generally have available or maintain. Further, they are not required to keep any information that would prove unduly burdensome to maintain. The paperwork burden that is imposed on the packers and importers is further discussed in the section entitled Paperwork Reduction Act that follows.

In addition, AMS has not identified any relevant Federal rules that are currently in effect that duplicate, overlap, or conflict with this proposed rule. AMS will continue to report market information collected through its voluntary market reporting program provided the collection of such information does not duplicate the information collection requirements of this proposed rule.

Professional skills required for recordkeeping under this proposed rule are not different than those already employed by the reporting entities. Reporting will be accomplished using computers or similar electronic means. AMS believes the skills needed to maintain such systems are already in place in those small businesses affected by this proposed rule.

**Alternatives.** This proposed rule, as directed by the Reauthorization Act, requires cattle and swine packing plants of a certain size to report information to the Secretary at prescribed times throughout the day and week. Further, lamb slaughter and processing plants and lamb importers of a certain size are required by these proposed regulations to report information to the Secretary at prescribed times throughout the day and week. The Act and these proposed regulations exempt the vast majority of small businesses by the establishment of slaughter, processing, and import capacity thresholds.

AMS recognizes that most economic impact of this proposed rule on those small entities required to report involves the manner in which information must be reported to the Secretary. However, in developing this proposed rule, AMS considered other means by which the objectives of this rule could be accomplished, including reporting the required information by telephone, facsimile and regular mail. AMS believes these alternatives are not capable of meeting the program objectives, especially timely reporting. The Reauthorization Act prescribes specific times that reporting entities must report to AMS and similarly prescribes specific times for publication of reports by AMS. AMS believes electronic submission to be the only method capable of allowing AMS to

collect, review, process, aggregate and publish reports while complying with the specific time-frames set forth in the Act.

To respond to concerns of smaller operations, AMS developed a web-based input forms for submitting data online. Based on prior experience, AMS found that some of the smaller entities covered under mandatory price reporting would benefit from such a web-based submission system. Accordingly, AMS developed such a system for program implementation.

Additionally, to further assist small businesses, AMS may provide for an exception to electronic reporting in emergencies, such as power failures or loss of Internet accessibility, or in cases when an alternative is agreeable to AMS and the reporting entity.

Other than these alternatives, there are no other practical and feasible alternatives to the methods of data transmission that are less burdensome to small businesses. AMS will work actively with those small businesses required to report to minimize the burden on them to the maximum extent practicable.

To assist the industry in achieving compliance with this rule, during the period between publication of this proposed rule and its effective date, AMS will provide assistance and training to covered entities as needed to ensure that they have been given the technical information necessary to comply with the electronic data transmission requirements.

#### **Paperwork Reduction Act.**

In accordance with OMB regulation (5 CFR Part 1320) that implements the Paperwork Reduction Act (44 U.S.C. 3501–3520) (PRA), the information collection requirements associated with this program have been previously approved by OMB and assigned OMB control number 0581–0186. A revised information collection package has been submitted to OMB for approval of a 2,862 hour decrease in total burden hours. In accordance with 5 CFR Part 1320, we have included below a description of the reporting and recordkeeping requirements and an estimate of the annual burden on packers that would be required to report information under this proposed rule.

**Title:** Livestock Mandatory Reporting Act of 1999.

**OMB Number:** 0581–0186.

**Expiration Date:** December 31, 2007.

**Type of Request:** Revision of currently approved information collection.

**Abstract:** The information collection and recordkeeping requirements in this regulation are essential to operating a

mandatory program of livestock and livestock products reporting. Based on the information available, AMS estimates that there are 48 beef packer plants, 52 pork packer plants, 12 lamb packer plants and 6 lamb importers that are required to report market information under this rule (1 lamb entity is both a packer and an importer). These companies have similar recordkeeping systems and business operation practices and conduct their operations in a similar manner. AMS believes that all of the information required under this rule can be collected from existing materials and systems. In addition, most of these firms already have established systems for reporting information to AMS because they were subject to the requirements of the program when it was in effect from April 2, 2001, through September 30, 2005. Moreover, most firms have continued to report data voluntarily to AMS. These firms will have minimal startup costs, requiring only minor modifications of their current data reporting systems to be compatible with the requirements of the proposed rule. The PRA also requires AMS to measure the recordkeeping burden. Under this proposed rule, each packer and importer required to report must maintain and make available upon request for 2 years such records as are necessary to verify the accuracy of the information required to be reported. These records include original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock. Under this proposed rule, the electronic data files which the packers are required to utilize when submitting information to AMS will have to be maintained as these files provide the best record of compliance. The recordkeeping burden includes the amount of time needed to store and maintain records. AMS estimates that, since records of original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock are stored and maintained as a matter of normal business practice by these companies for a period in excess of 2 years, additional annual costs will be nominal. AMS estimates the annual cost per respondent for the storage of the electronic data files which were submitted to AMS in compliance with the reporting provisions of this rule to be \$1,923.10. This estimate includes the

cost of electronic data storage media, backup electronic data storage media, and backup software required to maintain an estimated annual electronic recordkeeping and backup burden of 20 megabytes, on average, per respondent. In addition, this estimate includes the cost per employee to maintain such records, which is estimated to average 70 hours per year at \$21.33 per hour for a total salary component cost of \$1,493.10 per year.

**ANNUAL RECORDKEEPING COST PER RESPONDENT**

Labor hours per year .....	70
Labor cost per hour .....	× \$21.33
Sub-total labor cost per year ....	\$1,493.10
Electronic storage cost* .....	+ \$430.00
<b>Total Recordkeeping Cost</b>	<b>\$1,923.10</b>

\* Includes cost of hard electronic storage (estimated to average 20 Mb/year), backup tape media, backup tape drive, and backup software.

In this rule, information collection requirements include the submission of the required information on a daily and weekly basis in the standard format provided in the following forms: (1) Live Cattle Daily Report (Current Established Prices), (2) Live Cattle Daily Report (Committed and Delivered Cattle), (3) Live Cattle Weekly Report, (4) Cattle Premiums and Discounts Weekly Report, (5) Cow/Bull Plant Delivered Bids (Dressed Basis), (6) Live Cow/Bull Daily Purchase Report, (7) Boxed Beef Daily Report, (8) Swine Prior Day Report, (9) Swine Daily Report, (10) Swine Noncarcass Merit Premium Weekly Report, (11) Live Lamb Daily Report (Current Established Prices), (12) Live Lamb Weekly Report, (13) Live Lamb Weekly Report (Formula Purchases), (14) Lamb Premiums and Discounts Weekly Report, (15) Boxed Lamb Daily Report, and (16) Lamb Carcass Report. Copies of these 16 forms are included in Appendices at the end of this rule. Cattle packers will utilize up to seven of these forms (not all cattle packers must submit all cattle forms) (Appendix A) when reporting information to AMS, including four for daily cattle reporting, two for weekly cattle reporting, and one for daily boxed beef cuts reporting. Swine packers will utilize up to three forms (not all swine packers must submit all swine forms) (Appendix B), two for daily reporting of swine purchases and one for weekly reporting of non-carcass merit premium information. Lamb packers will utilize up to six of these forms (not all lamb packers must submit all lamb forms) (Appendix C) when reporting

information to AMS, including one for daily lamb reporting, three for weekly lamb reporting, one for daily and weekly boxed lamb cuts reporting, and one for daily lamb carcass reporting. Lamb importers will utilize one of these forms when reporting information to AMS for reporting weekly imported boxed lamb cut sales.

These information collection requirements have been designed to minimize disruption to the normal business practices of the affected entities. Each of these forms requires the minimal amount of information necessary to properly describe each reportable transaction, as required under this proposed rule. The number of forms is a result of an attempt to reduce the complexity of each form.

Live Cattle Daily Report (Current Established Prices): Form LS-113

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .17 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live cattle purchases to the Secretary.

*Estimated Number of Respondents:* 34 plants.

*Estimated Number of Responses per Respondent:* 520 (2 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 3,006 hours.

*Total Cost:* \$64,118.

Live Cattle Daily Report (Committed and Delivered Cattle): Form LS-114

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .17 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live cattle purchases to the Secretary.

*Estimated Number of Respondents:* 34 plants.

*Estimated Number of Responses per Respondent:* 520 (2 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 3,006 hours.

*Total Cost:* \$64,118.

Live Cattle Weekly Report: Form LS-115

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .25 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live cattle purchases to the Secretary.

*Estimated Number of Respondents:* 34 plants.

*Estimated Number of Responses per Respondent:* 52 (1 per week for 52 weeks).

*Estimated Total Annual Burden on Respondents:* 442 hours.  
*Total Cost:* \$9,428.

Cattle Premiums and Discounts Weekly Report: Form LS-117

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .08 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live cattle purchases to the Secretary.

*Estimated Number of Respondents:* 34 plants.

*Estimated Number of Responses per Respondent:* 52 (1 per week for 52 weeks).

*Estimated Total Annual Burden on Respondents:* 141 hours.  
*Total Cost:* \$3,008.

Cow/Bull Plant Delivered Bids (Dressed Basis): Form LS-131

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .08 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on bid prices for cows and bulls to the Secretary.

*Estimated Number of Respondents:* 22 plants.

*Estimated Number of Responses per Respondent:* 260 (1 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 458 hours.  
*Total Cost:* \$9,769.

Live Cow/Bull Daily Purchase Report: Form LS-132

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .17 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on cow and bull purchases to the Secretary.

*Estimated Number of Respondents:* 22 plants.

*Estimated Number of Responses per Respondent:* 260 (1 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 972 hours.  
*Total Cost:* \$20,733.

Boxed Beef Daily Report: Form LS-126

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .125 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on

domestic and export boxed beef cut sales to the Secretary.

*Estimated Number of Respondents:* 48 plants.

*Estimated Number of Responses per Respondent:* 520 (2 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 3,120 hours.

*Total Cost:* \$66,550.

Swine Prior Day Report: Form LS-118

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .25 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live swine purchases to the Secretary.

*Estimated Number of Respondents:* 52 plants.

*Estimated Number of Responses per Respondent:* 260 (1 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 3,380 hours.

*Total Cost:* \$72,095.

Swine Daily Report: Form LS-119

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .17 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live swine purchases to the Secretary.

*Estimated Number of Respondents:* 40 plants.

*Estimated Number of Responses per Respondent:* 520 (2 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 3,536 hours.

*Total Cost:* \$75,423.

Swine Noncarcass Merit Premium Weekly Report: Form LS-120

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .25 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live swine purchases to the Secretary.

*Estimated Number of Respondents:* 21 plants.

*Estimated Number of Responses per Respondent:* 52 (1 per week for 52 weeks).

*Estimated Total Annual Burden on Respondents:* 273 hours.

*Total Cost:* \$5,823.

Live Lamb Daily Report (Current Established Prices): Form LS-121

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .34 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live lamb purchases to the Secretary.

*Estimated Number of Respondents:* 6 plants.

*Estimated Number of Responses per Respondent:* 260 (1 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 530 hours.

*Total Cost:* \$11,305.

Live Lamb Weekly Report: Form LS-123

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .25 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live lamb purchases to the Secretary.

*Estimated Number of Respondents:* 5 plants.

*Estimated Number of Responses per Respondent:* 52 (1 per week for 52 weeks).

*Estimated Total Annual Burden on Respondents:* 65 hours.

*Total Cost:* \$1,386.

Live Lamb Weekly Report (Formula Purchases): Form LS-124

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .25 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live lamb purchases to the Secretary.

*Estimated Number of Respondents:* 5 plants.

*Estimated Number of Responses per Respondent:* 52 (1 per week for 52 weeks).

*Estimated Total Annual Burden on Respondents:* 65 hours.

*Total Cost:* \$1,386.

Lamb Premiums and Discounts Weekly Report: Form LS-125

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .08 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on live lamb purchases to the Secretary.

*Estimated Number of Respondents:* 6 plants.

*Estimated Number of Responses per Respondent:* 52 (1 per week for 52 weeks).

*Estimated Total Annual Burden on Respondents:* 25 hours.

*Total Cost:* \$533.

Boxed Lamb Report: Form LS-128

*Estimate of Burden:* Public reporting burden for collection of information is estimated to be .167 hours per

electronically submitted response for domestic packing plants and .084 hours per electronically submitted response for importers.

*Respondents:* Packer processing plants and importers required to report information on boxed lamb cut sales to the Secretary.

*Estimated Number of Respondents:* 16 entities (including 1 entity that both processes and imports).

*Estimated Number of Responses per Respondent:* 260 (1 per day for 260

days) for domestic packing plants; 52 (1 per week for 52 weeks) for importers.

*Estimated Total Annual Burden on Respondents:* 434 hours for domestic packing plants and 26 hours for importers.

*Total Cost:* \$9,257 for domestic packing plants and \$555 for importers for a total of \$9,812.

Lamb Carcass Report: Form LS-129

*Estimate of Burden:* Public reporting burden for collection of information is

estimated to be .167 hours per electronically submitted response.

*Respondents:* Packer processing plants required to report information on lamb carcass sales to the Secretary.

*Estimated Number of Respondents:* 8 entities.

*Estimated Number of Responses per Respondent:* 260 (1 per day for 260 days).

*Estimated Total Annual Burden on Respondents:* 347 hours.

*Total Cost:* \$7,402.

**BREAKDOWN OF ESTIMATED DATA SUBMISSION COST BURDEN**

Form	Reporting days	×	Responses	=	Total responses
<b>I. Number of Responses per Respondent per Year</b>					
Cattle:					
LS-113 .....	260		2 daily .....		520
LS-114 .....	260		2 daily .....		520
LS-115 .....	52		1 weekly .....		52
LS-117 .....	52		1 weekly .....		52
LS-126 .....	260		2 daily .....		520
LS-131 .....	260		1 daily .....		260
LS-132 .....	260		1 daily .....		260
Swine:					
LS-118 .....	260		1 daily .....		260
LS-119 .....	260		2 daily .....		520
LS-120 .....	52		1 weekly .....		52
Lamb:					
Domestic:					
LS-121 .....	260		1 daily .....		260
LS-123 .....	52		1 weekly .....		52
LS-124 .....	52		1 weekly .....		52
LS-125 .....	52		1 weekly .....		52
LS-128 .....	260		1 daily .....		260
LS-129 .....	260		1 daily .....		260
Importer:					
LS-128 .....	52		1 weekly .....		52
Form	Submissions/year	×	Hours/submission	=	Total hours/year

**II. Number of Submission Hours per Respondent per Year**

Cattle:					
LS-113 .....	520		.17		88.40
LS-114 .....	520		.17		88.40
LS-115 .....	52		.25		13.00
LS-117 .....	52		.08		4.16
LS-126 .....	520		.125		65.00
LS-131 .....	260		.08		20.80
LS-132 .....	260		.17		44.20
Swine:					
LS-118 .....	260		.25		65.00
LS-119 .....	520		.17		88.40
LS-120 .....	52		.25		13.00
Lamb:					
Domestic:					
LS-121 .....	260		.34		88.40
LS-123 .....	52		.25		13.00
LS-124 .....	52		.25		13.00
LS-125 .....	52		.08		4.16
LS-128 .....	260		.167		43.42
LS-129 .....	260		.167		43.42
Importer:					
LS-128 .....	52		.084		4.37

Form	Total hours/ year	×	Cost/hour	=	Total dollars/ year
<b>III. Total Submission Cost per Respondent per Year</b>					
<b>Cattle:</b>					
LS-113 .....	88.40		\$21.33		\$1,886
LS-114 .....	88.40		21.33		1,886
LS-115 .....	13.00		21.33		277
LS-117 .....	4.16		21.33		89
LS-126 .....	65.00		21.33		1,386
LS-131 .....	20.80		21.33		444
LS-132 .....	44.20		21.33		943
Totals .....	323.96		21.33		6,911
<b>Swine:</b>					
LS-118 .....	65.00		21.33		1,386
LS-119 .....	88.40		21.33		1,886
LS-120 .....	13.00		21.33		277
Totals .....	166.40		21.33		3,549
<b>Lamb:</b>					
<b>Domestic:</b>					
LS-121 .....	88.40		21.33		1,886
LS-123 .....	13.00		21.33		277
LS-124 .....	13.00		21.33		277
LS-125 .....	4.16		21.33		89
LS-128 .....	43.42		21.33		926
LS-129 .....	43.42		21.33		926
<b>Importer:</b>					
LS-128 .....	4.37		21.33		93
Totals .....	209.77		21.33		4,474

Form	Total dollars/ year	×	Respondents	=	Total Cost
<b>IV. Total Yearly Submission Cost for All Respondents</b>					
<b>Cattle:</b>					
LS-113 .....	\$1,886		34		\$ 64,124
LS-114 .....	1,886		34		64,124
LS-115 .....	277		34		9,418
LS-117 .....	89		34		3,026
LS-126 .....	1,386		48		66,528
LS-131 .....	444		22		9,768
LS-132 .....	943		22		20,746
Subtotal .....					237,734
<b>Swine:</b>					
LS-118 .....	1,386		52		72,072
LS-119 .....	1,886		40		75,440
LS-120 .....	277		21		5,817
Subtotal .....					153,329
<b>Lamb:</b>					
<b>Domestic:</b>					
LS-121 .....	1,886		6		11,316
LS-123 .....	277		5		1,385
LS-124 .....	277		5		1,385
LS-125 .....	89		6		534
LS-128 .....	926		10		9,260
LS-129 .....	926		8		7,408
<b>Importer:</b>					
LS-128 .....	93		6		558
Subtotal .....					31,846
Grand total .....					422,909

*Estimated Total Annual Burden on Respondents by Species:*  
*Live Cattle and Boxed Beef:* \$362,302 including \$237,723 for annual costs

associated with electronically submitted responses (11,145 annual hours @ \$21.33 per hour), electronic submission development and annual system

maintenance costs of \$32,270 (\$672.30 per 48 respondents), and \$92,309 (\$1,923.10 per 48 respondents) for the

storage and maintenance of electronic files that were submitted to AMS.

*Live Swine:* \$288,302 including \$153,341 for annual costs associated with electronically submitted responses (7,189 annual hours @ \$21.33 per hour), electronic submission development and annual system maintenance costs of \$34,960 (\$672.30 per 52 respondents), and \$100,001 (\$1,923.10 per 52 respondents) for the storage and maintenance of electronic files that were submitted to AMS.

*Live Lambs, Boxed Lamb, and Lamb Carcasses:* \$83,620 including \$57,224 for packers (\$31,270 for annual costs associated with electronically submitted responses (1,466 annual hours @ \$21.33 per hour), electronic submission development and annual system maintenance costs of \$6,723 (\$672.30 per 10 respondents), and \$19,231 (\$1,923.10 per 10 respondents) for the storage and maintenance of electronic files that were submitted to AMS) and \$16,128 for importers (\$555 for annual costs associated with electronically submitted responses (26 annual hours @ \$21.33 per hour), electronic submission development and annual system maintenance costs of \$4,034 (\$672.30 per 6 respondents), and \$11,539 (\$1,923.10 per 6 respondents) for the storage and maintenance of electronic files that were submitted to AMS).

AMS is committed to complying with the E-Government Act to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services and for other purposes.

AMS is inviting comments from all interested parties concerning the information collection and recordkeeping requirements contained in this proposed rule. Comments are specifically invited on: (1) The accuracy of the Agency's burden estimate of the proposed collection of information including the validity of the methodology and the assumptions used; (2) ways to minimize the burden of the collection of information on those who would be required to respond, including through the use of appropriate electronic collection methods; (3) whether the proposed collection of information was sufficient or necessary for the proper performance of the functions of the agency as mandated by the Act; and (4) ways to enhance the quality, utility, and clarity of the information to be collected. Comments can be submitted on the Internet at: <http://www.regulations.gov>. Written comments can be sent to Warren P. Preston, Chief, Livestock and Grain Market News Branch, Docket No. LS-

07-01, 1400 Independence Ave. SW., Room 2619-S, Washington, DC 20250-0252, or by facsimile to (202)-690-3732. All comments received will be posted to Web site at: <http://www.regulations.gov>. Comments that specifically pertain to the information collection and recordkeeping requirements of this action should also be sent to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, 725 17th Street, NW., Room 725, Washington, DC 20503, and should reference the date and page number of this issue of the **Federal Register**. All responses to this action will be summarized and included in the request for OMB approval. All comments will become a matter of public record.

A 30-day comment period is provided for interested persons to comment on the regulatory provisions of this proposed rule. The 30-day period is deemed appropriate in order to provide a sufficient amount of time to comment while resuming the program's operation under the Act as soon as possible. The comment period for the information collection and recordkeeping requirements contained in this proposed rule is 60 days.

#### List of Subjects in 7 CFR Part 59

Cattle, Hogs, Sheep, Livestock, Lamb.

For the reasons set forth in the preamble, it is proposed that Title 7, Chapter I of the Code of Federal Regulations be amended as follows:

1. Part 59 is revised to read as follows:

### PART 59—LIVESTOCK MANDATORY REPORTING

#### Subpart A—General Provisions

Sec.

- 59.10 General administrative provisions.
- 59.20 Recordkeeping.
- 59.30 Definitions.

#### Subpart B—Cattle Reporting

- 59.100 Definitions.
- 59.101 Mandatory daily reporting for steers and heifers.
- 59.102 Mandatory daily reporting for cows and bulls.
- 59.103 Mandatory weekly reporting for steers and heifers.
- 59.104 Mandatory reporting of boxed beef sales.

#### Subpart C—Swine Reporting

- 59.200 Definitions.
- 59.201 General reporting provisions.
- 59.202 Mandatory daily reporting for barrows and gilts.
- 59.203 Mandatory daily reporting for sows and boars.
- 59.204 Mandatory weekly reporting for swine.

#### Subpart D—Lamb Reporting

- 59.300 Definitions.
- 59.301 Mandatory daily reporting for lambs.
- 59.302 Mandatory weekly reporting for lambs.
- 59.303 Mandatory reporting of lamb carcasses and boxed lamb.

#### Subpart E—OMB Control Number

- 59.400 OMB control number assigned pursuant to the Paperwork Reduction Act.

Authority: 7 U.S.C. 1635-1636h

#### Subpart A—General Provisions

##### § 59.10 General administrative provisions.

(a) *Reporting by Packers and Importers.* A packer or importer shall report all information required under this Part on an individual lot basis.

(b) *Reporting Schedule.* Whenever a packer or importer is required to report information on transactions of livestock and livestock products under this Part by a set time, all covered transactions up to within one half hour of the reporting deadline shall be reported. Transactions completed during the one half hour prior to the previous reporting time, but not reported in the previous report, shall be reported at the next scheduled reporting time.

(c) *Regional Reporting and Aggregation.* The Secretary shall make information obtained under this Part available to the public only in a manner that:

(1) Ensures that the information is published on a national and a regional or statewide basis as the Secretary determines to be appropriate;

(2) Ensures that the identity of a reporting person or the entity which they represent is not disclosed; and

(3) Market information reported to the Secretary by packers and importers shall be aggregated in such a manner that the market reports issued will not disclose the identity of persons, packers and importers, including parties to a contract and packer's and importer's proprietary information.

(d) *Adjustments.* Prior to the publication of any information required under this Part, the Secretary may make reasonable adjustments in information reported by packers and importers to reflect price aberrations or other unusual or unique occurrences that the Secretary determines would distort the published information to the detriment of producers, packers, or other market participants.

(e) *Reporting of Activities on Weekends and Holidays.* Livestock and livestock products committed to a packer, or importer, or purchased, sold, or slaughtered by a packer or importer on a weekend day or holiday shall be

reported to the Secretary in accordance with the provisions of this Part and reported by the Secretary on the immediately following reporting day. A packer shall not be required to report such actions more than once on the immediately following reporting day.

(f) *Reporting Methods.* Whenever information is required to be reported under this Part, it shall be reported by electronic means and shall adhere to a standardized format established by the Secretary to achieve the objectives of this Part, except in emergencies or in cases when an alternative method is agreeable to the entity required to report and AMS.

#### § 59.20 Recordkeeping.

(a) *In General.* Each packer or importer required to report information to the Secretary under the Act and this Part shall maintain for 2 years and make available to the Secretary the following information on request:

(1) The original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock or livestock products; and

(2) Such records or other information as is necessary or appropriate to verify the accuracy of the information required to be reported under the Act and this Part.

(b) *Purchases of Cattle and Swine and Sales of Boxed Beef Cuts.* A record of a purchase of a lot of cattle or swine, or a sale of a unit of boxed beef cuts, by a packer shall evidence whether the purchase or sale occurred:

- (1) Before 10 a.m. central time;
- (2) Between 10 a.m. and 2 p.m. central time; or
- (3) After 2 p.m. central time.

(c) *Purchases of Lambs.* A record of a purchase of a lot of lambs by a packer shall evidence whether the purchase occurred:

- (1) Before 2 p.m. central time; or
- (2) After 2 p.m. central time.

(d) *Sales of Lamb Carcasses and Sales of Boxed Lamb Cuts.* A record of a sale by a packer of lamb carcasses and cuts, shall evidence time and date the sale occurred:

- (1) Before 2 p.m. central time; or
- (2) After 2 p.m. central time.

A record of sale by an importer of lamb cuts shall evidence the date the sale occurred.

(e) *Reporting Sales of Boxed Beef Cuts and Sales of Boxed Lamb Cuts.* (1) Beef packers must report all sales of boxed beef items by the applicable Institutional Meat Purchase Specifications (IMPS) item number or

the boxed beef items' cutting and trimming specifications.

(3) Lamb packers and importers must report all sales of boxed lamb items by the applicable Institutional Meat Purchase Specifications (IMPS) item number or the boxed lamb items' cutting and trimming specifications.

#### § 59.30 Definitions.

The following definitions apply to this part.

*Act.* The term "Act" means Subtitle B of the Agricultural Marketing Act of 1946, as amended; 7 U.S.C. 1635–1636h.

*Base price.* The term 'base price' means the price paid for livestock, delivered at the packing plant, before application of any premiums or discounts, expressed in dollars per hundred pounds of hot carcass weight.

*Basis level.* The term 'basis level' means the agreed on adjustment to a future price to establish the final price paid for livestock.

*Current slaughter week.* The term 'current slaughter week' means the period beginning Monday, and ending Sunday, of the week in which a reporting day occurs.

*Discount.* The term 'discount' means the adjustment, expressed in dollars per one hundred pounds, subtracted from the base price due to weight, quality characteristics, yield characteristics, livestock class, dark cutting, breed, dressing percentage, or other characteristic.

*Exported.* The term 'exported' means livestock or livestock products that are physically shipped to locations outside of the 50 States.

*F.O.B.* The term 'F.O.B.' means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer (e.g., F.O.B. Plant, F.O.B. Feedlot).

*Imported.* The term 'imported' means livestock that are raised to slaughter weight outside of the 50 States or livestock products produced outside of the 50 States.

*Institutional Meat Purchase Specifications.* Specifications describing various meat cuts, meat products, and meat food products derived from all livestock species, commonly abbreviated "IMPS", and intended for use by any meat procuring activity. Copies of the IMPS may be obtained from the U.S. Department of Agriculture, Agricultural Marketing Service, Livestock and Seed Program located at Room 2603 South Building, 1400 Independence Ave, SW., Washington, DC 20250. Phone (202) 720–4486 or Fax (202) 720–1112. Copies may also be obtained over the Internet

at: <http://www.ams.usda.gov/lsg/stand/st-pubs.htm>.

*Livestock.* The term 'livestock' means cattle, swine, and lambs.

*Lot.* (1) When used in reference to livestock, the term 'lot' means a group of one or more livestock that is identified for the purpose of a single transaction between a buyer and a seller;

(2) When used in reference to lamb carcasses, the term 'lot' means a group of one or more lamb carcasses sharing a similar weight range category and comprising a single transaction between a buyer and seller; or

(3) When used in reference to boxed beef and lamb, the term 'lot' means a group of one or more boxes of beef or lamb items sharing cutting and trimming specifications and comprising a single transaction between a buyer and seller.

*Marketing.* The term 'marketing' means the sale or other disposition of livestock, livestock products, or meat or meat food products in commerce.

*Negotiated purchase.* The term 'negotiated purchase' means 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. 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.

*Negotiated grid purchase.* The term 'negotiated grid purchase' in reference to cattle means the negotiation of a base price determined by seller-buyer interaction from which premiums are added and discounts are subtracted. 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.

*Negotiated sale.* The term 'negotiated sale' means a cash or spot market sale by a producer of livestock to a packer under which the base price for the livestock is determined by seller-buyer interaction. The livestock are scheduled for delivery to the packer not later than 14 days after the date on which the livestock are committed to the packer. When used in reference to sales of boxed beef or lamb cuts or lamb carcasses the term 'negotiated sale' means a sale by a packer selling boxed beef or lamb cuts or lamb carcasses to a buyer of boxed beef or lamb cuts or lamb carcasses under which the price for the boxed beef or lamb cuts or lamb carcasses is determined by seller-buyer interaction.

*Origin.* The term 'origin' means the State where the livestock were fed to slaughter weight.



*Percent lean.* The term 'percent lean' means the value equal to the average percentage of the carcass weight comprised of lean meat.

*Person.* The term 'person' means any individual, group of individuals, partnership, corporation, association, or other entity.

*Premium.* The term 'premium' means the adjustment, expressed in dollars per one hundred pounds, added to the base price due to weight, quality characteristics, yield characteristics, livestock class, and breed.

*Priced.* The term 'priced' means the time when the final price is determined either through buyer-seller interaction and agreement or as a result of some other price determining method.

*Prior slaughter week.* The term 'prior slaughter week' means the Monday through Sunday prior to a reporting day.

*Producer.* The term 'producer' means any person engaged in the business of selling livestock to a packer for slaughter (including the sale of livestock from a packer to another packer).

*Purchased.* The term 'purchased' means the agreement on a price, or the method for calculating a price, determined through buyer-seller interaction and agreement.

*Reporting day.* The term 'reporting day' means a day on which a packer conducts business regarding livestock committed to the packer, or livestock purchased, sold, or slaughtered by the packer; the Secretary is required to make such information available to the public; and the Department of Agriculture is open to conduct business.

*Secretary.* The term 'Secretary' means the Secretary of Agriculture of the United States or any other officer or employee of the Department of Agriculture to whom authority has been delegated or may hereafter be delegated to act in the Secretary's stead.

*State.* The term 'State' means each of the 50 States.

## Subpart B—Cattle Reporting

### § 59.100 Definitions.

The following definitions apply to this subpart.

*Boxed Beef.* The term 'boxed beef' means those carlot-based portions of a beef carcass including fresh and frozen primals, subprimals, cuts fabricated from subprimals (excluding portion-control cuts such as chops and steaks similar to those portion cut items described in the Institutional Meat Purchase Specifications (IMPS) for Fresh Beef Products Series 100), thin meats (e.g. inside and outside skirts, pectoral meat, cap and wedge meat, and blade meat), and fresh and frozen

ground beef, beef trimmings, and boneless processing beef.

*Branded.* The term 'branded' means boxed beef cuts produced and marketed under a corporate trademark (for example, products that are marketed on their quality, yield, or breed characteristics), or boxed beef cuts produced and marketed under one of USDA's Meat Grading and Certification Branch, Certified Beef programs.

*Carcass characteristics.* The term 'carcass characteristics' means the range and average carcass weight in pounds, the quality grade and yield grade (if applicable), and the average cattle dressing percentage.

*Carlot-based.* The term 'carlot-based' means any transaction between a buyer and a seller destined for two or less delivery stops consisting of one or more individual boxed beef items. When used in reference to cow and bull boxed beef items, the term 'carlot-based' means any transaction between a buyer and seller consisting of 5,000 pounds or more of one or more individual items.

*Cattle committed.* The term 'cattle committed' means cattle that are scheduled to be delivered to a packer within the 7-day period beginning on the date of an agreement to sell the cattle.

*Cattle type.* The term 'cattle type' means the following types of cattle purchased for slaughter:

- (1) Fed steers;
- (2) Fed heifers;
- (3) Fed Holsteins and other fed dairy steers and heifers;
- (4) Cows; and
- (5) Bulls.

*Established.* The term 'established', when used in connection with prices, means that point in time when the buyer and seller agree upon a net price.

*Formula marketing arrangement.* (1) When used in reference to live cattle, the term 'formula marketing arrangement' means 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 price is determined at a future date.

(2) When used in reference to boxed beef, the term 'formula marketing arrangement' means the advance commitment of boxed beef by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

*Forward contract.* (1) When used in reference to live cattle, the term 'forward contract' means an agreement for the purchase of cattle, executed in advance of slaughter, under which the

base price is established by reference to prices quoted on the Chicago Mercantile Exchange, or other comparable publicly available prices.

(2) When used in reference to boxed beef, the term 'forward contract' means an agreement for the sale of boxed beef, executed in advance of manufacture, under which the base price is established by reference to publicly available quoted prices.

*Packer.* The term 'packer' means any person engaged in the business of buying cattle in commerce for purposes of slaughter, of manufacturing or preparing meats or meat food products from cattle for sale or shipment in commerce, or of marketing meats or meat food products from cattle in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. For any calendar year, the term 'packer' includes only a federally inspected cattle processing plant that slaughtered an average of 125,000 head of cattle per year during the immediately preceding 5 calendar years. Additionally, in the case of a cattle processing plant that did not slaughter cattle during the immediately preceding 5 calendar years, it shall be considered a packer if the Secretary determines the processing plant should be considered a packer under this subpart after considering its capacity.

*Packer-owned cattle.* The term 'packer-owned cattle' means cattle that a packer owns for at least 14 days immediately before slaughter.

*Prices for cattle.* The term 'prices for cattle' includes the price per hundredweight; the purchase type; the quantity on a live and a dressed weight basis; the estimated live weight range; the average live weight; the estimated percentage of cattle of a USDA quality grade Choice or better; beef carcass classification; any premiums or discounts associated with weight, quality grade, yield grade, or type of purchase; cattle State of origin; estimated cattle dressing percentage; and price basis as F.O.B. feedlot or delivered at the plant.

*Terms of trade.* The term 'terms of trade' means, with respect to the purchase of steers and heifers for slaughter:

- (1) Whether a packer provided any financing agreement or arrangement with regard to the steers and heifers;
- (2) Whether the delivery terms specified the location of the producer or the location of the packer's plant;
- (3) Whether the producer is able to unilaterally specify the date and time during the business day of the packer that the cattle are to be delivered for slaughter; and

(4) The percentage of steers and heifers purchased by a packer as a negotiated purchase that are scheduled to be delivered to the plant for slaughter not later than 14 days and the percentage of slaughter steers and heifers purchased by a packer as a negotiated purchase that are scheduled to be delivered to the plant for slaughter more than 14 days, but fewer than 30 days.

*Type of purchase.* The term 'type of purchase' with respect to cattle, means a negotiated purchase, negotiated grid purchase, a formula market arrangement, and a forward contract.

*Type of sale.* The term 'type of sale' with respect to boxed beef, means a negotiated sale, a formula market arrangement, and a forward contract.

*White cow.* Cow on a ration that tends to produce white fat.

#### **§ 59.101 Mandatory daily reporting for steers and heifers.**

(a) *In General.* The corporate officers or officially designated representatives of each steer and heifer packer processing plant shall report to the Secretary at least two times each reporting day not later than 10 a.m. central time and not later than 2 p.m. central time the following information, inclusive since the last reporting, categorized to clearly delineate domestic from imported market purchases as described in 59.10(b).

(1) The prices for cattle (per hundredweight) established on that day, categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle purchased on a live weight basis;
- (iii) The quantity of cattle purchased on a dressed weight basis;
- (iv) The estimated weights of cattle purchased;

(v) An estimate of the percentage of the cattle purchased that were of a quality grade of Choice or better; and

(vi) Any premiums or discounts associated with weight, quality grade, yield grade, or other characteristic expressed in dollars per hundredweight on a dressed basis.

(2) The quantity of cattle delivered to the packer (quoted in numbers of head) on that day, categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle delivered on a live weight basis; and
- (iii) The quantity of cattle delivered on a dressed weight basis.

(3) The quantity of cattle committed to the packer (quoted in numbers of head) as of that day, categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle committed on a live weight basis; and

(iii) The quantity of cattle committed on a dressed weight basis.

(4) The terms of trade regarding the cattle, as applicable.

(b) *Publication.* The Secretary shall make the information available to the public not less frequently than three times each reporting day.

#### **§ 59.102 Mandatory daily reporting for cows and bulls.**

(a) *In General.* The corporate officers or officially designated representatives of each cow and bull packer processing plant shall report to the Secretary each reporting day the following information for each cattle type, inclusive since the last reporting, categorized to clearly delineate domestic from imported market purchases as described in § 59.10(b).

(1) The base bid price (per hundredweight) intended to be paid for slaughter cow and bull carcasses on that day not later than 10 a.m. central time categorized by:

- (i) Weight; and
- (ii) For slaughter cows, percent lean (e.g., breaker, boner, cutter (lean)).

(2) The prices for cattle (per hundredweight) purchased during the previous day not later than 2 p.m. central time categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle purchased on a live weight basis;
- (iii) The quantity of cattle purchased on a dressed weight basis;
- (iv) The estimated weight of the cattle purchased;
- (v) The quality classification; and
- (vi) Any premiums or discounts associated with weight or quality expressed in dollars per hundredweight on a dressed basis.

(3) The volume of cows and bulls slaughtered the previous day.

(b) *Publication.* The Secretary shall make the information available to the public within one hour of the required reporting time on the reporting day on which the information is received from the packer.

#### **§ 59.103 Mandatory weekly reporting for steers and heifers.**

(a) *In General.* The corporate officers or officially designated representatives of each steer and heifer packer processing plant shall report to the Secretary on the first reporting day of each week, not later than 9 a.m. central time, the following information applicable to the prior slaughter week, categorized to clearly delineate domestic from imported market purchases:

(1) The quantity of cattle purchased through a negotiated basis that were slaughtered;

(2) The quantity of cattle purchased through a negotiated grid basis that were slaughtered;

(3) The quantity of cattle purchased through forward contracts that were slaughtered;

(4) The quantity of cattle delivered under a formula marketing arrangement that were slaughtered;

(5) The quantity and carcass characteristics of packer-owned cattle that were slaughtered;

(6) The quantity, basis level, basis level month, and delivery month and year for all cattle purchased through forward contracts;

(7) The range and average of intended premiums and discounts (including those associated with weight, quality grade, yield grade, or type of cattle) that are expected to be in effect for the current slaughter week.

(b) *Publication.* The Secretary shall make available to the public the information obtained under paragraph (a) of this section on the first reporting day of the current slaughter week by 10 a.m. central time.

#### **§ 59.104 Mandatory reporting of boxed beef sales.**

(a) *Daily Reporting.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least twice each reporting day (once by 10 a.m. central time, and once by 2 p.m. central time) the following information on total boxed beef domestic and export sales established on that day inclusive since the last reporting as described in § 59.10(b):

(1) The price for each lot of each boxed beef sale, quoted in dollars per hundredweight on a F.O.B. plant basis;

(2) The quantity for each lot of each sale, quoted by number of pounds sold; and

(3) The information regarding the characteristics of each sale is as follows:

- (i) The type of sale;
- (ii) The branded product characteristics, if applicable;
- (iii) The grade for steer and heifer beef (e.g., USDA Prime, USDA Choice or better, USDA Choice, USDA Select, ungraded no-roll product);

(iv) The grade for cow beef or packer yield and/or quality sort for cow beef (e.g., Breakers, Boners, White Cow, Cutters (lean));

(v) The cut of beef, referencing the most recent version of the Institutional Meat Purchase Specifications (IMPS), when applicable;

(vi) The trim specification;

(vii) The weight range of the cut;

(viii) The product delivery period; and

(ix) The beef type (steer/heifer, dairy steer/heifer, or cow).

(b) *Publication.* The Secretary shall make available to the public the information obtained under paragraph (a) of this section not less frequently than twice each reporting day.

### Subpart C—Swine Reporting

#### § 59.200 Definitions.

The following definitions apply to this subpart.

*Affiliate.* The term 'affiliate', with respect to a packer, means:

(1) A person that directly or indirectly owns, controls, or holds with power to vote, 5 percent or more of the outstanding voting securities of the packer;

(2) A person 5 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the packer; and

(3) A person that directly or indirectly controls, or is controlled by or under common control with, the packer.

*Applicable reporting period.* The term 'applicable reporting period' means the period of time prescribed by the prior day report, the morning report, and the afternoon report, as provided in § 59.202.

*Average carcass weight.* The term 'average carcass weight' means the weight obtained by dividing the total carcass weight of the swine slaughtered at the packing plant during the applicable reporting period by the number of these same swine.

*Average lean percentage.* The term 'average lean percentage' means the value equal to the average percentage of the carcass weight comprised of lean meat for the swine slaughtered during the applicable reporting period. Whenever the packer changes the manner in which the average lean percentage is calculated, the packer shall make available to the Secretary the underlying data, applicable methodology and formulae, and supporting materials used to determine the average lean percentage, which the Secretary may convert either to the carcass measurements or lean percentage of the swine of the individual packer to correlate to a common percent lean measurement.

*Average net price.* The term 'average net price' means the quotient (stated per hundred pounds of carcass weight of swine) obtained by dividing the total amount paid for the swine slaughtered at a packing plant during the applicable reporting period (including all premiums and less all discounts) by the

total carcass weight of the swine (in hundred pound increments).

*Average sort loss.* The term 'average sort loss' means the average discount (in dollars per hundred pounds carcass weight) for swine slaughtered during the applicable reporting period, resulting from the fact that the swine did not fall within the individual packer's established carcass weight range or lot variation range.

*Backfat.* The term 'backfat' means the fat thickness (in inches) measured between the third and fourth rib from the last rib, 7 centimeters from the carcass split (or adjusted from the individual packer's measurement to that reference point using an adjustment made by the Secretary) of the swine slaughtered during the applicable reporting period.

*Barrow.* The term 'barrow' means a neutered male swine, with the neutering performed before the swine reached sexual maturity.

*Base market hog.* The term 'base market hog' means a barrow or gilt for which no discounts are subtracted from and no premiums are added to the base price.

*Base price.* The term 'base price' means the price from which no discounts are subtracted and no premiums are added.

*Boars.* The term 'boar' means a sexually-intact male swine.

*Bred female swine.* The term 'bred female swine' means any female swine, whether a sow or gilt, that has been mated or inseminated, or has been confirmed, to be pregnant.

*Formula price.* The term 'formula price' means a price determined by a mathematical formula under which the price established for a specified market serves as the basis for the formula.

*Gilt.* The term 'gilt' means a young female swine that has not produced a litter.

*Hog Class.* The term 'hog class' means, as applicable, barrows or gilts; sows; or boars or stags.

*Inferior hogs.* The term 'inferior hogs' means swine that are discounted in the market place due to light-weight, health, or physical conditions that affects their value.

*Loin depth.* The term 'loin depth' means the muscle depth (in inches) measured between the third and fourth ribs from the last rib, 7 centimeters from the carcass split (or adjusted from the individual packer's measurement to that reference point using an adjustment made by the Secretary) of the swine slaughtered during the applicable reporting period.

*Net price.* The term 'net price' means the total amount paid by a packer to a

producer (including all premiums, less all discounts) per hundred pounds of carcass weight of swine delivered at the plant. The total amount paid shall include any sum deducted from the price (per hundredweight) paid to a producer that reflects the repayment of a balance owed by the producer to the packer or the accumulation of a balance to later be repaid by the packer to the producer. The total amount paid shall exclude any sum earlier paid to a producer that must be repaid to the packer.

*Noncarcass merit premium.* The term 'noncarcass merit premium' means an increase in the base price of the swine offered by an individual packer or packing plant, based on any factor other than the characteristics of the carcass, if the actual amount of the premium is known before the sale and delivery of the swine.

*Other market formula purchase.* The term 'other market formula purchase' means a purchase of swine by a packer in which the pricing mechanism is a formula price based on any market other than the market for swine, pork, or a pork product. The term 'other market formula purchase' includes a formula purchase in a case which the price formula is based on 1 or more futures or options contracts.

*Other purchase arrangement.* The term 'other purchase arrangement' means a purchase of swine by a packer that is not a negotiated purchase, swine or pork market formula purchase, or other market formula purchase; and does not involve packer-owned swine.

*Packer.* The term 'packer' means any person engaged in the business of buying swine in commerce for purposes of slaughter, of manufacturing or preparing meats or meat food products from swine for sale or shipment in commerce, or of marketing meats or meat food products from swine in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. For any calendar year, the term 'packer' includes only a federally inspected swine processing plant that slaughtered an average of 100,000 head of swine per year during the immediately preceding 5 calendar years and a person that slaughtered an average of 200,000 head of sows, boars, or combination thereof per year during the immediately preceding 5 calendar years. Additionally, in the case of a swine processing plant or person that did not slaughter swine during the immediately preceding 5 calendar years, it shall be considered a packer if the Secretary determines the processing plant or person should be considered a packer

under this subpart after considering its capacity.

*Packer-owned swine.* The term 'packer-owned swine' means swine that a packer (including a subsidiary or affiliate of the packer) owns for at least 14 days immediately before slaughter.

*Packer-sold swine.* The term 'packer-sold swine' means the swine that are owned by a packer (including a subsidiary or affiliate of the packer) for more than 14 days immediately before sale for slaughter; and sold for slaughter to another packer.

*Pork.* The term 'pork' means the meat of a porcine animal.

*Pork product.* The term 'pork product' means a product or byproduct produced or processed in whole or in part from pork.

*Purchase data.* The term 'purchase data' means all of the applicable data, including base price and weight (if purchased live), for all swine purchased during the applicable reporting period, regardless of the expected delivery date of the swine, reported by:

- (1) Hog class;
- (2) Type of purchase; and
- (3) Packer-owned swine.

*Slaughter data.* The term 'slaughter data' means all of the applicable data for all swine slaughtered by a packer during the applicable reporting period, regardless of whether the price of the swine was negotiated or otherwise determined, reported by:

- (1) Hog class;
- (2) Type of purchase; and
- (3) Packer-owned swine.

*Sow.* The term 'sow' means an adult female swine that has produced 1 or more litters.

*Stag.* The term 'stag' means a male swine that was neutered after reaching sexual maturity.

*Swine.* The term 'swine' means a porcine animal raised to be a feeder pig, raised for seedstock, or raised for slaughter.

*Swine committed.* The term 'swine committed' means swine scheduled and delivered to a packer within the 14-day period beginning on the date of an agreement to sell the swine.

*Swine or pork market formula purchase.* The term 'swine or pork market formula purchase' means a purchase of swine by a packer in which the pricing mechanism is a formula price based on a market for swine, pork, or a pork product, other than a future or option for swine, pork, or a pork product.

*Type of purchase.* The term 'type of purchase,' with respect to swine, means:

- (1) A negotiated purchase;
- (2) Other market formula purchase;
- (3) A swine or pork market formula purchase; and

(4) Other purchase arrangement.

#### **§ 59.201 General reporting provisions.**

(a) *Packer-Owned Swine.* Information required under this section for packer-owned swine shall include quantity and carcass characteristics, but not price.

(b) *Type of Purchase.* If information regarding the type of purchase is required under this section, the information shall be reported according to the numbers and percentages of each type of purchase comprising:

- (1) Packer-sold swine; and
- (2) All other swine.

#### **§ 59.202 Mandatory daily reporting for barrows and gilts.**

(a) *Prior Day Report.* The corporate officers or officially designated representatives of each packer that processes barrows and gilts shall report to the Secretary for each business day of the packer not later than 7 a.m. central time on each reporting day information regarding all barrows and gilts purchased or priced, during the prior business day of the packer, and not later than 9 a.m. central time on each reporting day information regarding all barrows and gilts slaughtered, excluding inferior swine, as specified in § 59.10(b):

(1) All purchase data, reported by lot, including:

- (i) The total number of barrows and gilts purchased;
- (ii) The total number of barrows and gilts scheduled for delivery to a packer for slaughter;
- (iii) The base price and weight for all barrows and gilts purchased on a live weight basis; and
- (iv) The base price and premiums and discounts paid for carcass characteristics for all barrows and gilts purchased on a carcass basis for which a price has been established. For barrows and gilts that were not priced, this information shall be reported on the next prior day report after the price is established.

(2) The following slaughter data for the total number of barrows and gilts slaughtered:

- (i) The average net price;
- (ii) The average carcass weight;
- (iii) The average sort loss;
- (iv) The average backfat;
- (v) The average loin depth;
- (vi) The average lean percentage; and
- (vii) Total quantity slaughtered.

(3) Packer purchase commitments, which shall be equal to the number of barrows and gilts scheduled for delivery to a packer for slaughter for each of the next 14 calendar days.

(4) The Secretary shall publish the information obtained under this paragraph (a) in a prior day report not

later than 8 a.m. central time for all barrows and gilts purchased and 10 a.m. central time for all barrows and gilts slaughtered on the reporting day on which the information is received from the packer. In addition, the Secretary shall publish a net price distribution for all barrows and gilts slaughtered on the previous day not later than 3 p.m. central time.

(b) *Morning Report.* The corporate officers or officially designated representatives of each packer processing plant that processes barrows and gilts shall report to the Secretary not later than 10 a.m. central time each reporting day as described in § 59.10(b):

(1) The packer's best estimate of the total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine, expected to be purchased throughout the reporting day through each type of purchase;

(2) The total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine, purchased up to that time of the reporting day through each type of purchase;

(3) All purchase data for base market hogs purchased up to that time of the reporting day through negotiated purchases; and

(4) All purchase data for base market hogs purchased through each type of purchase other than negotiated purchase up to that time of the reporting day, unless such information is unavailable due to pricing that is determined on a delayed basis. The packer shall report information on such purchases on the first reporting day or scheduled reporting time on a reporting day after the price has been determined.

(5) The Secretary shall publish the information obtained under this paragraph (b) in the morning report as soon as practicable, but not later than 11 a.m. central time, on each reporting day.

(c) *Afternoon Report.* The corporate officers or officially designated representatives of each packer processing plant that processes barrows and gilts shall report to the Secretary not later than 2 p.m. central time each reporting day as described in § 59.10(b):

(1) The packer's best estimate of the total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine expected to be purchased throughout the reporting day through each type of purchase;

(2) The total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine, purchased up to that time of the reporting day through each type of purchase;

(3) The base price paid for all base market hogs purchased up to that time

of the reporting day through negotiated purchases; and

(4) The base price paid for all base market hogs purchased through each type of purchase other than negotiated purchase up to that time of the reporting day, unless such information is unavailable due to pricing that is determined on a delayed basis. The packer shall report information on such purchases on the first reporting day or scheduled reporting time on a reporting day after the price has been determined.

(5) The Secretary shall publish the information obtained under this paragraph (c) in the afternoon report as soon as practicable, but not later than 3 p.m. central time, on each reporting day.

#### **§ 59.203 Mandatory daily reporting for sows and boars.**

(a) *Prior Day Report.* The corporate officers or officially designated representatives of each packer of sows and boars shall report to the Secretary for each business day of the packer not later than 7 a.m. central time on each reporting day information regarding all sows and boars purchased or priced, excluding inferior swine, during the prior business day of the packer. All purchase data, reported by lot, including:

(1) The total number of sows and boars purchased divided into at least three weight groups as specified by the Secretary;

(2) The average price paid by each purchase type for all sows in each weight class specified by the Secretary; and

(3) The average price paid by each purchase type for all boars in each weight class specified by the Secretary.

(4) The packer is required to report only the volume of sows and boars that qualify as packer owned swine and shall omit packer owned sows and boars from all average price calculations.

(5) The Secretary shall publish the information obtained under this paragraph (a) as soon as practicable, but not later than 8 a.m. central time, on the reporting day on which the information is received from the packer.

(b) [Reserved]

#### **§ 59.204 Mandatory weekly reporting for swine.**

(a) *Weekly Noncarcass Merit Premium Report.* Not later than 4 p.m. central time in accordance with § 59.10(b) on the first reporting day of each week, the corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary a noncarcass merit premium report that lists:

(1) Each category of standard noncarcass merit premiums used by the packer in the prior slaughter week; and

(2) The dollar value (in dollars per hundred pounds of carcass weight) paid to producers by the packer, by category.

(b) *Premium List.* A packer shall maintain and make available to a producer, on request, a current listing of the dollar values (per hundred pounds of carcass weight) of each noncarcass merit premium used by the packer during the current or the prior slaughter week.

(c) *Publication.* The Secretary shall publish the information obtained under this subsection as soon as practicable, but not later than 5 p.m. central time, on the first reporting day of each week.

### **Subpart D—Lamb Reporting**

#### **§ 59.300 Definitions.**

The following definitions apply to this subpart.

*Boxed Lamb.* The term ‘boxed lamb’ means those carlot-based portions of a lamb carcass including fresh primals, subprimals, cuts fabricated from subprimals (excluding portion-control cuts such as chops and steaks similar to those portion cut items described in the Institutional Meat Purchase Specifications (IMPS) for Fresh Lamb and Mutton Series 200, and thin meats (e.g. inside and outside skirts, pectoral meat, cap and wedge meat, and blade meat) 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; and frozen ground lamb, lamb trimmings, and boneless processing lamb not older than 90 days from date of manufacture.

*Branded.* The term ‘branded’ means boxed lamb cuts produced and marketed under a corporate trademark (for example, products that are marketed on their quality, yield, or breed characteristics), or boxed lamb cuts produced and marketed under one of USDA’s Meat Grading and Certification Branch, Certified programs.

*Carcass characteristics.* The term ‘carcass characteristics’ means the range and average carcass weight in pounds, the quality grade and yield grade (if applicable), and the lamb average dressing percentage.

*Carlot-based.* The term ‘carlot-based’ means any transaction between a buyer and a seller destined for three or less delivery stops consisting of any combination of carcass weights. When

used in reference to boxed lamb cuts the term ‘carlot-based’ means any transaction between a buyer and seller consisting of 1,000 pounds or more of one or more individual boxed lamb items.

*Established.* The term ‘established’, when used in connection with prices, means that point in time when the buyer and seller agree upon a net price.

*Formula marketing arrangement.* (1) When used in reference to live lambs, the term ‘formula marketing arrangement’ means the advance commitment of lambs for slaughter by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

(2) When used in reference to boxed lamb, the term ‘formula marketing arrangement’ means the advance commitment of boxed lamb by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

*Forward contract.* (1) When used in reference to live lambs, the term ‘forward contract’ means an agreement for the purchase of lambs, executed in advance of slaughter, under which the base price is established by reference to publicly available prices.

(2) When used in reference to boxed lamb, the term ‘forward contract’ means an agreement for the sale of boxed lamb, executed in advance of manufacture, under which the base price is established by reference to publicly available quoted prices.

*Importer.* The term ‘importer’ means any person engaged in the business of importing lamb meat products who takes ownership of such lamb meat products with the intent to sell or ship in U.S. commerce. For any calendar year, the term includes only those that imported an average of 2,500 metric tons of lamb meat products per year during the immediately preceding 5 calendar years. Additionally, the term includes those that did not import an average of 2,500 metric tons of lamb meat products during the immediately preceding 5 calendar years, if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

*Packer.* The term ‘packer’ means any person engaged in the business of buying lambs in commerce for purposes of slaughter, of manufacturing or preparing meat products from lambs for sale or shipment in commerce, or of marketing meats or meat products from lambs in an unmanufactured form acting as a wholesale broker, dealer, or

distributor in commerce. For any calendar year, the term includes only a federally inspected lamb processing plant which slaughtered or processed the equivalent of an average of 75,000 head of lambs per year during the immediately preceding 5 calendar years. Additionally, the term includes a lamb processing plant that did not slaughter or process an average of 75,000 lambs during the immediately preceding 5 calendar years if the Secretary determines that the processing plant should be considered a packer after considering its capacity.

*Packer-owned lambs.* The term 'packer-owned lambs' means lambs that a packer owns for at least 14 days immediately before slaughter.

*Type of purchase.* The term 'type of purchase' means a negotiated purchase, a formula market arrangement, and a forward contract.

*Type of sale.* The term 'type of sale' with respect to boxed lamb, means a negotiated sale, a formula market arrangement, and a forward contract.

*Yield grade lamb carcass reporting.* The term 'yield grade lamb carcass reporting' means if the lot includes 80 percent or more of one yield grade, the lot will be considered a single yield grade lot. If the lot contains less than 80 percent of one yield grade, the lot will be considered a mixed grade lot and all yield grades comprising 10 percent or more will be used to describe the lot.

#### **§ 59.301 Mandatory daily reporting for lambs.**

(a) *In General.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least once each reporting day not later than 2 p.m. central time the following information for lamb, categorized to clearly delineate domestic from imported market purchases as described in § 59.10(b):

(1) The prices for lambs (per hundredweight) established on that day as F.O.B. feedlot or delivered at the plant, categorized by:

- (i) The type of purchase;
- (ii) The class of lamb;
- (iii) The quantity of lambs purchased on a live weight basis;
- (iv) The quantity of lambs purchased on a dressed weight basis;
- (v) A range and average of estimated live weights of lambs purchased;
- (vi) An estimate of the percentage of the lambs purchased that were of a quality grade of Choice or better;
- (vii) Any premiums or discounts associated with weight, quality grade, yield grade, or any type of purchase;
- (viii) Lamb State of origin;
- (ix) The pelt type; and

(x) The estimated lamb dressing percentage.

(2) The Secretary shall make the information available to the public not less than once each reporting day.

(b) [Reserved]

#### **§ 59.302 Mandatory weekly reporting for lambs.**

(a) *In General.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary the following information applicable to the prior slaughter week contained in paragraphs (a)(1) through (a)(5) and (a)(7) of this section not later than 9 a.m. central time on the second reporting day of the current slaughter week, and the following information applicable to the prior slaughter week contained in paragraph (a)(6) of this section not later than 9 a.m. central time on the first reporting day of the current slaughter week categorized to clearly delineate domestic from imported market purchases:

(1) The quantity of lambs purchased through a negotiated purchase that were slaughtered;

(2) The quantity of lambs purchased through forward contracts that were slaughtered;

(3) The quantity of lambs delivered under a formula marketing arrangement that were slaughtered;

(4) The quantity and carcass characteristics of packer-owned lambs that were slaughtered;

(5) The quantity, basis level, and delivery month for all lambs purchased through forward contracts;

(6) The following information applicable to the current slaughter week. The range and average of intended premiums and discounts (including those associated with weight, quality grade, yield grade, or type of lamb) that are expected to be in effect for the current slaughter week; and

(7) The following information for lambs purchased through a formula marketing arrangement and slaughtered during the prior slaughter week, categorized to clearly delineate domestic from imported market purchases:

(i) The quantity (quoted in both numbers of head and pounds) of lambs;

(ii) The weighted average price paid for a carcass, including applicable premiums and discounts;

(iii) The range of premiums and discounts paid;

(iv) The weighted average of premiums and discounts paid; and

(v) The range of prices paid.

(b) *Publication.* The Secretary shall make available to the public the

information obtained under paragraphs (a)(1) through (a)(5) and (a)(7) of this section on the second reporting day of the current slaughter week and information obtained in paragraph (a)(6) of this section on the first reporting day of the current slaughter week.

#### **§ 59.303 Mandatory reporting of lamb carcasses and boxed lamb.**

(a) *Daily Reporting of Lamb Carcass Transactions.* The corporate officers or officially designated representatives of each packer shall report to the Secretary each reporting day the following information on total carlot-based lamb carcass transactions not later than 3 p.m. central time in accordance with § 59.10(b):

(1) The price for each lot of each lamb carcass transaction, quoted in dollars per hundredweight on an F.O.B. plant basis;

(2) The quantity for each lot of each transaction, quoted by number of carcasses sold and purchased; and

(3) The following information regarding the characteristics of each transaction:

(i) The type of transaction;

(ii) The USDA quality grade of lamb;

(iii) The USDA yield grade;

(iv) The estimated weight range of the carcasses; and

(v) The product delivery period.

(b) *Daily Reporting of Domestic Boxed Lamb Sales.* The corporate officers or officially designated representatives of each packer shall report to the Secretary each reporting day the following information on total domestic boxed lamb cut sales not later than 2:30 p.m. central time as described in § 59.10(b):

(1) The price for each lot of each boxed lamb cut sale, quoted in dollars per hundredweight on a F.O.B. plant basis;

(2) The quantity for each lot of each sale, quoted by product weight sold; and

(3) The following information regarding the characteristics of each transaction:

(i) The type of sale;

(ii) The branded product characteristics, if applicable;

(iii) The USDA quality grade of lamb;

(iv) The cut of lamb, referencing the most recent version of the Institutional Meat Purchase Specifications (IMPS), when applicable;

(v) USDA yield grade, if applicable;

(vi) The product state of refrigeration;

(vii) The weight range of the cut; and

(viii) The product delivery period.

(c) *Weekly Reporting of Imported Boxed Lamb Sales.* The corporate officers or officially designated representatives of each lamb importer shall report to the Secretary on the first

reporting day of each week the following information applicable to the prior week for imported boxed lamb cut sales not later than 10 a.m. central time:

(1) The price for each lot of a boxed lamb cut sale, quoted in dollars per hundredweight on a F.O.B. plant basis;

(2) The quantity for each lot of a transaction, quoted by product weight sold; and

(3) The following information regarding the characteristics of each transaction:

(i) The type of sale;

(ii) The branded product characteristics, if applicable;

(iii) The cut of lamb, referencing the most recent version of the Institutional Meat Purchase Specifications (IMPS), when applicable;

(iv) The product state of refrigeration;

(v) The weight range of the cut; and

(vi) The product delivery period.

(d) *Publication.* The Secretary shall make available to the public the information required to be reported in paragraphs (a) and (b) of this section not less frequently than once each reporting day and the information required to be reported in paragraph (c) of this section on the first reporting day of the current slaughter week.

#### Subpart E—OMB Control Number

##### § 59.400 OMB control number assigned pursuant to the Paperwork Reduction Act.

The information collection and recordkeeping requirements of this part have been previously approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB Control Number 0581-0186.

Dated: July 27, 2007.

**Kenneth C. Clayton,**

*Acting Administrator, Agricultural Marketing Service.*

**Note:** The following Appendices will not appear in the Code of Federal Regulations.

#### Appendix A—Cattle Mandatory Reporting Forms

The following 7 forms referenced in Subpart B Part 59 visually represent the mandatory cattle and boxed beef market information that is required to be reported to the Agricultural Marketing Service.

##### Cattle

LS-113 Live Cattle Daily Report (Current Established Prices).

LS-114 Live Cattle Daily Report (Committed and Delivered Cattle).

LS-115 Live Cattle Weekly Report.

LS-117 Cattle Premiums and Discounts Weekly Report.

LS-131 Cow/Bull Plant Delivered Bids (Dressed Basis).

LS-132 Live Cow/Bull Daily Purchase Report.

LS-126 Boxed Beef Daily Report.

#### Appendix B—Swine Mandatory Reporting Forms

The following 3 forms referenced in Subpart C of Part 59 visually represent the mandatory swine market information that is required to be reported electronically to the Agricultural Marketing Service.

##### Swine

LS-118 Swine Prior Day Report.

LS-119 Swine Daily Report.

LS-120 Swine Noncarcass Merit Premium Weekly Report.

#### Appendix C—Lamb Mandatory Reporting Forms

The following 6 forms referenced in Subpart D of Part 59 visually represent the mandatory lamb market information that is required to be reported electronically to the Agricultural Marketing Service.

##### Lamb

LS-121 Live Lamb Daily Report (Current Established Prices).

LS-123 Live Lamb Weekly Report.

LS-124 Live Lamb Weekly Report (Formula Purchases).

LS-125 Lamb Premiums and Discounts Report.

LS-128 Boxed Lamb Report.

LS-129 Lamb Carcass Report.

#### Appendix D—Mandatory Reporting Forms Guideline

The following mandatory reporting form guidelines will be used by persons required to report electronically transmitted mandatory market information to the Agricultural Marketing Service.

The first 10 fields of each mandatory reporting form provide the following information: identification number (plant establishment number or importer ID number), company name (name of parent company), plant street address (street address for plant), plant city (city where plant is located), plant state (state where plant is located), plant zip code (zip code where plant is located), contact name (the name of the corporate representative contact at the plant), phone number (full phone number for the plant including area code), reporting date (date the information was submitted (mm/dd/yyyy), and reporting time, if applicable (the submission time corresponding to the 10 a.m. and the 2 p.m. reporting requirements). The reporting time requirement is only applicable to forms LS-113 Live Cattle Daily Report (current established prices), LS-114 Live Cattle Daily Report (Committed and Delivered Cattle), LS-126 Boxed Beef Daily Report, LS-131 Cow/Bull Plant Delivered Bids (Dressed Basis) (10 a.m. submission only), LS-132 Live Cow/Bull Daily Purchase Report, and LS-119 Swine Daily Report.

(a) *Cattle Mandatory Reporting Forms.* (See Appendix E for samples).

(1) LS-113— Live Cattle Daily Report (current established prices).

(i) Lot identification (11). Enter code used to identify the lot to the packer.

(ii) Source (12). Enter '1', domestic, if cattle were purchased inside of the 50 States, or '2',

imported, if cattle were purchased outside of the 50 States.

(iii) Purchase type code (13). Enter the code that describes the type of purchase.

(iv) Class code (14). Enter the code that best describes the type of cattle.

(v) Selling basis (15a–b). For 15a, enter '1' if cattle were purchased on a live basis or '2' if cattle were purchased on a dressed basis. For 15b, enter '1' if cattle are shipped on an FOB feedlot basis or '2' if cattle are delivered at the plant.

(vi) Head count (16). Enter the quantity of cattle in the lot in number of head.

(vii) Estimated average weight (17). Enter the estimated average weight of the lot in pounds.

(viii) Average price (18). Enter the price established on that day for the lot in dollars per hundredweight.

(I) For negotiated purchases, enter the price that was agreed upon.

(II) For formula purchases, enter the base price when established (with estimated grading information if not yet known). Then enter the final net price with all actual grading information when it is known.

(III) For forward contract purchases, enter the base price when established (with estimated grading information if not yet known). Then enter the final net price paid on the contract with actual grading information.

(IV) For negotiated grid purchases, enter the base price when established (with estimated grading information if not yet known). Then enter the final net price with all actual grading information.

(ix) Percent Choice or better (19). Enter the percentage of the number of cattle in the lot of a quality grade of Choice or better.

(x) Classification code (20). Enter the code which best describes the quality of the majority of the cattle in the lot.

(xi) Dressing percentage (21). Enter an average dressing percentage for the cattle in the lot. For negotiated purchases, enter an estimate. For all other purchase types, enter the actual average dressing percentage.

(xii) Origin (22). Enter the 2-letter postal abbreviation for the State in which the cattle were fed to slaughter weight. For imported cattle enter "CN" for Canada.

(xiii) Premiums and discounts paid (23a–h). Enter the total net value of the adjustment for the lot (in dollars per hundredweight) for any premiums associated with weight, quality, yield or other expressed as a positive value and for any discounts associated with weight, quality, yield or other expressed as a negative value in parenthesis.

(xiv) Terms of Trade (24a–d).

(I) Packer financing (24a). Enter '1' (yes) or '2' (no) in response to: "Did packer provide financing agreement or arrangement with regards to the cattle?"

(II) Delivery location (24b). Enter '1' if delivery terms specify producer location, '2' if they specify packer's plant location.

(III) Delivery Date (24c). Enter '1' if producer sets date of delivery for slaughter unilaterally; otherwise enter '2' for packer.

(IV) Delivered (24d). Enter '1' if negotiated purchased cattle are to be delivered for slaughter 14 or less days from the committed, purchased, or priced date. Enter '2' if they are

to be delivered for slaughter between 15 and 30 days from the date the cattle were committed, purchased, or priced.

(2) LS-114—Live Cattle Daily Report (committed and delivered cattle).

(i) Lot identification (11). Enter code used to identify the lot to the packer.

(ii) Purchasing basis (12). Enter '1' if cattle are delivered or '2' if cattle are committed.

(iii) Source (13). Enter '1', domestic, if cattle are purchased within the 50 States or '2', imported, if cattle are purchased outside of the 50 States.

(iv) Purchase type code (14). Enter the code that best describes the type of purchase.

(v) Class Code (15). Enter the code that best describes the type of cattle in the lot.

(vi) Selling basis (16). Enter '1' if cattle were purchased on a live basis or a '2' if cattle were purchased on a dressed basis.

(vii) Head count (17). Enter the quantity of cattle in the lot in number of head.

(viii) Origin (18). Enter the 2-letter postal abbreviation for the State in which the cattle were fed to slaughter weight. For imported cattle, enter "CN" for Canada.

(ix) Terms of Trade (19a-d). Enter when applicable, otherwise leave blank.

(I) Packer financing (19a). Enter '1' (yes) or '2' (no) in response to: "Did packer provide financing agreement or arrangement with regards to the cattle?"

(II) Delivery location (19b). Enter '1' if delivery terms specify producer location, '2' if they specify packer's plant location.

(III) Delivery Date (19c). Enter '1' if producer sets date of delivery for slaughter unilaterally; otherwise enter '2' for packer.

(IV) Delivered (19d). Enter '1' if negotiated purchased cattle are to be delivered for slaughter 7 or less days from the committed, purchased, or priced date. Enter '2' if they are to be delivered for slaughter between 8 and 14 days from the date the cattle were committed, purchased, or priced.

(3) LS-115—Live Cattle Weekly Report

(i) Packer-Owned lot identification (11). Enter code used to identify the lot of packer-owned cattle to the packer.

(ii) Packer-Owned source (12). Enter '1', domestic, if packer-owned cattle are from within the 50 States or '2', imported, if cattle are from outside of the 50 States.

(iii) Packer-Owned head count (13). Enter the quantity of packer-owned cattle in the lot in number of head.

(iv) Packer-Owned actual carcass weight range (14). Enter the actual average carcass weight of the lot in pounds.

(v) Packer-Owned average dressing percentage (15). Enter the average dressing percentage of the lot of packer-owned cattle.

(vi) Percentage yield grade 3 or better (16). Enter the percentage of packer-owned cattle in the lot of a yield grade of 3 or better.

(vii) Quality grade percentage (17). Enter the percentage of packer-owned cattle in the lot of a quality grade of Choice or better.

(viii) Prior week slaughtered cattle head counts ( ) (18-25). Enter the total number of head of cattle slaughtered for the prior week that were purchased through forward contracts, the total number of head for cattle purchased through formula arrangements, the total number of head of cattle purchased through negotiated cash, and the total

number of head purchased through negotiated grids, categorized by domestic or imported sources. Enter this information once per each week's submission.

(ix) Forward contract purchases lot identification ( ) (26). Enter code used to identify forward contracted cattle to the packer.

(x) Forward contract purchases head count (27). Enter quantity of forward contracted cattle in the lot in number of head.

(xi) Forward contract purchases basis level (28). Enter the agreed upon adjustment to a future price to establish the final price of the forward contracted cattle in dollars per one hundred pounds.

(xii) Forward contract purchases delivery month (29). Enter the delivery month of the cattle purchased through forward contracts as a 3-letter abbreviation.

(xiii) Forward contract purchases delivery year (30).

(xiv) Forward contract purchases basis level month (31). Enter the basis month which the contract was based off of. Use 3-letter abbreviation.

(4) LS-117—Cattle Premiums and Discounts Weekly Report.

(i) Enter the premiums and discounts (in dollars per hundredweight) expected to be in effect for the current slaughter week for each applicable category of premium and discount (11-34). For 'other' categories (35-39), provide a brief description of the basis for the premium/ discount along with the value of the premium/discount. Enter negative values in parenthesis.

(5) LS-131—Cow/Bull Plant Delivered Bids.

Enter the plant delivered bids the plant expects to have in effect for that day in dollars per cwt. for each category.

(6) LS-132—Live Cow/Bull Daily Purchase report.

(i) Lot identification (11). Enter code used to identify the lot to the packer.

(ii) Source (12). Enter '1', domestic, if cattle were purchased inside of the 50 States, or '2', imported, if cattle were purchased outside of the 50 States.

(iii) Purchase type code (13). Enter the code that describes the type of purchase.

(iv) Class code (14). Enter the code that best describes the type of cattle.

(v) Selling basis (15a-b). For 15a, enter '1' if cattle were purchased on a live basis or '2' if cattle were purchased on a dressed basis. For 15b, enter '1' if cattle are shipped on an FOB feedlot basis or '2' if cattle are delivered at the plant.

(vi) Head count (16). Enter the quantity of cattle in the lot in number of head.

(vii) Estimated average weight (17). Enter the estimated average weight of the lot in pounds.

(viii) Average price (18). Enter the price established on that day for the lot in dollars per hundredweight.

(I) For negotiated purchases, enter the final net price that was paid.

(II) For formula purchases, enter the base price when established (with estimated grading info if not yet known). Then enter the final net price with all actual grading information when it is known.

(III) For forward contract purchases, enter the base price when established (estimated

grading info if not yet known). Then enter the final net price paid on the contract with actual grading information.

(V) For negotiated grid purchases, enter the base price when established (estimated grading info if not yet known). Then enter the final net price with all actual grading information.

(ix) Classification code (19). Enter the code which best describes the quality of the majority of the cattle in the lot.

(x) Origin (20). Enter the 2-letter postal abbreviation for the State in which the cattle were fed to slaughter weight. For imported cattle enter "CN" for Canada.

(xi) Premiums and discounts paid (21a-f). Enter the total net value of the adjustment for the lot (in dollars per hundredweight) for any premiums associated with weight, quality, yield or other expressed as a positive value and for any discounts associated with weight, quality, yield or other expressed as a negative value in parenthesis.

(7) LS-126—Boxed Beef Daily Report. For lots comprising multiple items, provide information for each item in a separate record identified with the same lot identification or purchase order number.

(i) Lot identification or purchase order number (11). Enter code used to identify the lot to the packer.

(ii) Destination (12). Enter '1', domestic, for product shipped within the 50 States; or '2', exported, for product shipped overseas; or '3', exported, for product shipped NAFTA (Canada or Mexico).

(iii) Purchase type code (13). Enter the code corresponding to the sale type of the lot of boxed beef.

(iv) Delivery period code (14). Enter the code corresponding to the delivery time period of the lot of boxed beef.

(v) Refrigeration (15). Enter '1' if the product is sold in a fresh condition or '2' if the product is sold in a frozen condition.

(vi) Class code (16). Enter the code that best describes the class of cattle from which the boxed beef was produced.

(vii) Classification code (17). Enter the code corresponding to the grade of the boxed beef.

(viii) Beef cut (18a-b). Enter the numerical code corresponding to the Institutional Meat Purchase Specifications (IMPS) (3 to 4 characters) (18a) or the internal corporate descriptor used to identify the product (18b). Descriptors must be entered consistently for all submissions.

(ix) Trim spec code (19). Enter the code corresponding to the trim level of the boxed beef.

(x) Weight (20). Enter the code corresponding to the relative weight of the product. Where weight is a factor, enter '1' to signify the lighter weight range, '2' to signify the middle weight range, or '3' to signify the heavier weight range. Where weight is not a factor, enter '4' to signify all weights or mixed.

(xi) Total product weight (21). Enter the total weight of the boxed beef cut in the lot in pounds.

(xii) Price (22). Enter the price received for each boxed beef cut in the lot in dollars per one hundred pounds, FOB Plant basis.

(xiii) USDA Certified schedule code (23). Enter the code for the USDA Certified



Program schedule, if applicable (e.g.: G1, G2, etc.); otherwise leave blank.

(xiv) Branded product code (24a-b). Enter the quality grade code (24a) and the yield grade code (24b) that best describes the brand. Leave blank if not applicable.

(b) *Swine Mandatory Reporting Forms (see Appendix E for samples).*

(1) LS-118—Swine Prior Day Report.

(i) Slaughtered swine lot identification (11). Enter code used to identify the lot of slaughtered swine to the packer.

(ii) Slaughtered swine class code (12). Enter the code that best describes the type of slaughtered swine in the lot.

(iii) Slaughtered swine purchase type code (13). Enter the code that describes the type of purchase for the slaughtered swine in the lot.

(iv) Slaughtered swine head count (14). Enter the quantity of slaughtered swine in the lot in number of head.

(v) Slaughtered swine base price (15). Enter the base price established on that day for the lot of slaughtered swine in dollars per one hundred pounds.

(vi) Slaughtered swine average net price (16). Enter the average net price established on that day for the lot of slaughtered swine in dollars per one hundred pounds.

(vii) Slaughtered swine average live weight (17). Enter the average live weight of the lot of swine in pounds if slaughtered swine were purchased on a live basis, otherwise leave blank.

(viii) Slaughtered swine average carcass weight (18). Enter the average carcass weight of the lot of slaughtered swine in pounds.

(ix) Slaughtered swine average sort loss (19). Enter the average sort loss for the lot of slaughtered swine in dollars per one hundred pounds.

(x) Slaughtered swine average backfat (20). Enter the average backfat measurement for the lot of slaughtered swine in inches rounded to the nearest tenth of an inch.

(xi) Slaughtered swine average loin depth (21). Enter the average loin depth measurement for the lot of slaughtered swine in inches rounded to the nearest tenth of an inch.

(xii) Slaughtered swine average lean percentage (22). Enter the average lean percentage for the lot of slaughtered swine.

(xiii) Purchased swine lot identification (23). Enter code used to identify the lot of purchased swine to the packer.

(xiv) Purchased swine ownership code (24). Enter code which best describes the source of the purchased swine whether packer-owned, purchased from another packer, or all other swine.

(xv) Purchased swine class code (25). Enter the code that best describes the type of purchased swine.

(xvi) Purchased swine purchase type code (26). Enter the code that describes the type of purchase for the purchased swine.

(xvii) Purchased swine head count (27). Enter the quantity of purchased swine in the lot.

(xviii) Purchased swine average live weight (28). Enter the average live weight of the lot of swine in pounds if swine were purchased on a live basis, otherwise leave blank.

(xix) Purchased swine base price (29). Enter the base price established on that day

for the lot of purchased swine in dollars per one hundred pounds.

(xx) Purchased swine origin (30). Enter the 2-letter postal abbreviation for the State in which the swine were fed to slaughter weight.

(xxi) Scheduled swine (31-44). Enter the number of head of purchase commitment swine that were scheduled for delivery for each of the next 14 days. Enter the total quantity currently scheduled for each day at the time of reporting for each submission.

(2) LS-119—Swine Daily Report.

(i) Purchased swine lot identification (11). Enter code used to identify the lot of purchased swine to the packer.

(ii) Purchased swine purchase type code (12). Enter the code that describes the type of purchase for the swine in the lot.

(iii) Purchased swine average live weight (13). Enter the average live weight of the lot of swine in pounds if swine were purchased on a live basis, otherwise leave blank.

(iv) Purchased swine class code (14). Enter the code that best describes the type of swine in the lot.

(v) Purchased swine head count (15). Enter the quantity of swine in the lot in number of head.

(vi) Purchased swine base price (16). Enter the base price established on that day for the lot of swine in dollars per one hundred pounds.

(vii) Purchased swine origin (17). Enter the 2-letter postal abbreviation for the State in which the swine were fed to slaughter weight.

(viii) Packer-sold swine purchases (18-25). Enter the best estimate of the total number of packer-sold swine expected to be purchased throughout the reporting day for each purchase type and the total number of packer-sold swine purchased up to that time of the reporting day for each purchase type.

(ix) All other swine purchases (26-33). Enter the best estimate of the total number of all other swine expected to be purchased throughout the reporting day for each purchase type and the total number of all other swine purchased up to that time of the reporting day for each purchase type.

(3) LS-120—Swine Noncarcass Merit Premium Weekly Report.

Enter the standard noncarcass merit premiums used during the prior slaughter week (11-15) in dollars per hundredweight. If a range of standard noncarcass merit premiums was used, enter the low side of the range (a) and the high side of the range (b). If only one value was used, enter the same number in (a) and (b). If no value for the specified merit was used, leave blank. For 'other' categories (16-20), provide a brief description of the basis for the premium along with the value of the premium.

(c) *Lamb Mandatory Reporting Forms. (See Appendix E for samples).*

(1) LS-121—Live Lamb Daily Report (current established prices).

(i) Lot identification (11). Enter code used to identify the lot to the packer.

(ii) Source (12). Enter '1', domestic, if lambs were purchased inside of the 50 States, or '2', imported, if lambs were purchased outside of the 50 States.

(iii) Purchase type code (13). Enter the code that describes the type of purchase.

(iv) Class code (14). Enter the code that best describes the type of lambs.

(v) Selling basis (15a-b). For 15a, enter '1' if lambs were purchased on a live basis or '2' if lambs were purchased on a dressed basis. For 15b, enter '1' if lambs are shipped on an FOB feedlot basis or '2' if lambs are delivered at the plant.

(vi) Head count (16). Enter the quantity of lambs in the lot in number of head.

(vii) Weight range (17a & 17b). Enter the lowest (17a) and highest (17b) weights for lambs in the lot in pounds.

(viii) Estimated average weight (18). Enter the estimated average weight of the lot in pounds.

(ix) Average price (19). Enter the price established on that day for the lot in dollars per hundredweight.

(I) For negotiated purchases, enter the final (net) price paid.

(II) For formula purchases, enter the net price.

(III) For forward contract purchases, enter the final (net) price paid.

(x) Percent Choice or better (20). Enter the percentage of the number of lambs in the lot of a quality grade of Choice or better.

(xi) Classification code (21). Enter the code which best describes the quality of the majority of the lambs in the lot.

(xii) Dressing percentage (22). Enter an average dressing percentage for the lambs in the lot. For negotiated purchases, enter an estimate. For all other purchase types, enter the actual average dressing percentage.

(xiii) Origin (23). Enter the 2-letter postal abbreviation for the State in which the lambs were fed to slaughter weight. Enter 'CN' if lambs originate from Canada.

(xiv) Pelt Code (24). Enter the code that best describes the type of pelt for the majority of lambs in the lot.

(xv) Premiums and discounts paid (25a-f). Enter the total net value of the adjustment for the lot (in dollars per hundredweight) for any premiums associated with weight, quality, or yield expressed as a positive value and for any discounts associated with weight, quality, or yield expressed as a negative value in parenthesis.

(2) LS-123—Live Lamb Weekly Report.

(i) Packer-Owned lot identification (11). Enter code used to identify the lot of packer-owned lambs to the packer.

(ii) Packer-Owned source (12). Enter '1', domestic, if packer-owned lambs are from within the 50 States or '2', imported, if lambs are from outside of the 50 States.

(iii) Packer-Owned head count (13). Enter the quantity of packer-owned lambs in the lot in number of head.

(iv) Packer-Owned actual carcass weight range (14a & 14b). Enter the lowest (14a) and highest (14b) actual carcass weights for lambs in the lot in pounds.

(v) Packer-Owned actual average carcass weight (15). Enter the actual average carcass weight of the lot of packer-owned lambs in pounds.

(vi) Packer-Owned average dressing percentage (16). Enter the average dressing percentage of the lot of packer-owned lambs.

(vii) Percentage yield grade 3 or better (17). Enter the percentage of packer-owned lambs in the lot of a yield grade of 3 or better.

(viii) Quality grade percentage (18–). Enter the percentage of packer-owned lambs in the lot of a quality grade of Choice or better.

(ix) Prior week slaughtered lambs head counts ( ) (19–24). Enter the total number of head of lambs slaughtered for the prior week that were purchased through forward contracts, the total number of head for lambs purchased through formula arrangements, and the total number of head of lambs purchased through negotiated cash, categorized by domestic or imported sources. Enter this information once per each week's submission.

(x) Forward contract purchases lot identification (25). Enter code used to identify forward contracted lambs to the packer.

(xi) Forward contract purchases head count (26). Enter quantity of forward contracted lambs in the lot in number of head.

(xii) Forward contract purchases basis level (27). Enter the agreed upon adjustment to a future price to establish the final price of the forward contracted lambs in dollars per one hundred pounds.

(xiii) Forward contract purchases delivery month (28). Enter the delivery month of the lambs purchased through forward contracts as a 3-letter abbreviation.

(3) LS-124—Live Lamb Weekly Report (formula purchases).

(i) Lot identification (11). Enter code used to identify the lot to the packer.

(ii) Source (12). Enter '1', domestic, if lambs are purchased within the 50 States or '2', imported, if lambs are purchased outside of the 50 States.

(iii) Head count (13). Enter the quantity of lambs in the lot in number of head.

(iv) Total pounds (14). Enter the total quantity of lambs in the lot in pounds.

(v) Weighted average carcass price (15). Enter the average weighted average carcass price for the lambs in the lot in dollars per hundredweight.

(vi) Range of prices paid (16a–b). Enter the lowest (16a) and the highest (16b) prices paid for the lambs in the lot in dollars per hundredweight.

(vii) Range of premiums and discounts paid (17a–b). Enter the lowest (17a) and the highest (17b) premium and discount paid for the lot of lambs in dollars per

hundredweight. Enter negative values in parenthesis.

(viii) Weighted average of premiums and discounts paid (18). Enter the weighted average of the premiums and discounts paid for the lot of lambs in dollars per hundredweight. Enter negative values in parenthesis.

(4) LS-125—Lamb Premiums and Discounts Weekly Report.

Enter the premiums and discounts (in dollars per hundredweight) expected to be in effect for the current slaughter week for each applicable category of premium and discount (11–32). For 'other' categories (33–37), provide a brief description of the basis for the premium/discount along with the value of the premium/discount. Enter negative values in parenthesis.

(5) LS-128—Boxed Lamb Daily Report. For lots comprising multiple items, provide information for each item in a separate record identified with the same lot identification or purchase order number.

(i) Lot identification or purchase order number (11). Enter code used to identify the lot to the packer.

(ii) Destination/Source (12). Enter '1', domestic, for product originating within the 50 States or '2', imported, for product originating from outside of the 50 States.

(iii) Sale type code (13). Enter the code corresponding to the sale type of the lot of boxed lamb.

(iv) Delivery period code (14). Enter the code corresponding to the delivery time period of the lot of boxed lamb.

(v) Refrigeration (15). Enter '1' if the product is sold in a fresh condition or '2' if the product is sold in a frozen condition.

(vi) Classification code (16). Enter the code corresponding to the grade of the boxed lamb, if applicable.

(vii) Lamb cut (17a–b). Enter the numerical code corresponding to the Institutional Meat Purchase Specifications (IMPS) (3 to 4 characters)(17a) or the internal corporate descriptor used to identify the product (17b). Descriptors must be entered consistently for all submissions.

(viii) Weight (18). Enter the code corresponding to the relative weight of the product. Where weight is a factor, enter '1' to signify the lighter weight range, '2' to signify the middle weight range, or '3' to

signify the heavier weight range. Where weight is not a factor, enter '4' to signify all weights or mixed.

(ix) Total product weight (19). Enter the total weight of the boxed lamb cut in the lot in pounds.

(x) Price (20). Enter the price received for each boxed lamb cut in the lot in dollars per one hundred pounds, FOB Plant basis.

(xi) USDA Certified schedule code (21). Enter the code for the USDA Certified Program schedule, if applicable (e.g. CL, etc.); otherwise leave blank.

(xii) Branded product code (22a–b). Enter the quality grade code (22a) and the yield grade code (22b) that best describes the brand. Leave blank if not applicable.

(6) LS-129—Lamb Carcass Report. For lots comprised of distinct carcass weight range categories with different prices, provide information for each weight range in a separate record identified with the same lot identification or purchase order number.

(i) Lot identification or purchase order number (11). Enter code used to identify the lot to the packer.

(ii) Transaction type code (12). Enter the code corresponding to the transaction type of the lot of carcass lamb.

(iii) FOB Plant Price (13). Enter the price received for the lamb carcasses in dollars per one hundred pounds, FOB Plant basis.

(iv) Number of carcasses (14). Enter the total number of lamb carcasses in the lot.

(v) Classification code (15) Enter the corresponding USDA quality grade code.

(vi) Yield grade code (16). Enter the corresponding USDA yield grade code.

(vii) Estimated carcass weight range (17a–b). Enter the lowest (17a) and highest (17b) weights (in pounds) that best describes the majority of the lamb carcasses in the lot.

(viii) Delivery period code (18). Enter the code corresponding to the time period the lamb carcasses will deliver.

(ix) Transaction basis (19). Enter '1' for purchased carcasses or '2' for sold carcasses.

#### Appendix E—Mandatory Reporting Forms

The cattle, swine, and lamb mandatory reporting forms follow:

**BILLING CODE 3410-02-P**

FORM APPROVED - OMB NO. 0581-0186

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
**LIVE CATTLE DAILY REPORT**  
 (Current Established Prices)




1. IDENTIFICATION NUMBER	PURCHASE TYPE CODE	CLASS CODE	CLASSIFICATION CODE
2. COMPANY NAME	1 = NEGOTIATED CASH 2 = FORMULA NET 3 = FORWARD CONTRACT NET 4 = NEGOTIATED GRID NET 5 = FORMULA BASE 6 = FORWARD CONTRACT BASE 7 = NEGOTIATED GRID BASE	1 = MIXED STEER/HEIFER 2 = STEER 3 = HEIFER 4 = DAIRYBRED STRA/HR 5 = MIXED STRA/FR/COW	1 = PRIME 2 = CHOICE 3 = SELECT 4 = STANDARD 5 = PREMIUM WHITE 6 = CUTTER/CANNER 90% 7 = BONER 85% 8 = BREAKER 75% 9 = BULL 92%
3. PLANT STREET ADDRESS			
4. PLANT CITY			
5. PLANT STATE			
6. PLANT ZIP CODE			
7. CONTACT NAME			
8. PHONE NUMBER (include area code)			
9. REPORTING DATE (mmdd/yyyy)			
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)			
11. LOT IDENTIFICATION			
12. SOURCE (1 = Domestic; 2 = Imported)			
13. PURCHASE TYPE CODE			
14. CLASS CODE			
15a. SELLING BASIS (1 = Live; 2 = Dressed)			
15b. SELLING BASIS - Shipment (1 = FOB; 2 = Delivered)			
16. HEAD COUNT			
17. ESTIMATED AVERAGE WEIGHT (pounds)			
18. AVERAGE PRICE (\$/cwt)			
19. % CHOICE OR BETTER			
20. CLASSIFICATION CODE			
21. DRESSING PERCENTAGE			
22. ORIGIN (2-Letter State postal abbr.)			
	23a. PREMIUM PAID - WEIGHT (\$/cwt.)		
	23b. PREMIUM PAID - QUALITY (\$/cwt.)		
	23c. PREMIUM PAID - YIELD (\$/cwt.)		
	23d. PREMIUM PAID - OTHER (\$/cwt.)		
	23e. DISCOUNT PAID - WEIGHT (\$/cwt.)		
	23f. DISCOUNT PAID - QUALITY (\$/cwt.)		
	23g. DISCOUNT PAID - YIELD (\$/cwt.)		
	23h. DISCOUNT PAID - OTHER (\$/cwt.)		
	24a. PACKER FINANCING (1 = yes; 2 = no)		
	24b. DELIVERY LOCATION (1 = producer; 2 = packer)		
	24c. DELIVERY DATE (1 = 1-14, 2 = 15-30)		
	24d. DELIVERED (1 = 1-14, 2 = 15-30)		

**NOTE:** According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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LS-113 (05-07) Destroy previous edition dated 04-07.

FORM APPROVED - OMB NO. 0581-0186

 <p>UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE</p> <p><b>LIVE CATTLE DAILY REPORT</b> <i>(Committed and Delivered Cattle)</i></p>		<p><b>PURCHASE TYPE CODE</b></p> <p>1 = NEGOTIATED 2 = FORMULA NET 3 = FORWARD CONTRACT NET 4 = NEGOTIATED GRID NET 5 = FORMULA BASE 6 = FORWARD CONTRACT BASE 7 = NEGOTIATED GRID BASE</p>	<p><b>CLASS CODE</b></p> <p>1 = MIXED STEER/HEIFER 2 = STEER 3 = HEIFER 4 = DAIRYBRED STEER/HEIFER 5 = MIXED STR/HFR/COW</p>
1. IDENTIFICATION NUMBER			
2. COMPANY NAME			
3. PLANT STREET ADDRESS			
4. PLANT CITY			
5. PLANT STATE			
6. PLANT ZIP CODE			
7. CONTACT NAME			
8. PHONE NUMBER (include area code)			
9. REPORTING DATE (mm/dd/yyyy)			
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)			
11. LOT IDENTIFICATION			
12. PURCHASING BASIS (1 = Delivered; 2 = Committed)			
13. SOURCE (1 = Domestic; 2 = Imported)			
14. PURCHASE TYPE CODE			
15. CLASS CODE			
16. SELLING BASIS (1 = Live; 2 = Dressed)			

**NOTE:** According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.


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LS-114 (04-07) Destroy previous edition dated 07-00.





FORM APPROVED - OMB NO. 0561-0186

 <p>UNITED STATES DEPARTMENT OF AGRICULTURE                  AGRICULTURAL MARKETING SERVICE  <b>COW/BULL PLANT DELIVERED BIDS</b>  <i>(Dressed Basis)</i></p>	
<p>1. IDENTIFICATION NUMBER</p> <p>2. COMPANY NAME</p> <p>3. PLANT STREET ADDRESS</p> <p>4. PLANT CITY</p> <p>5. PLANT STATE</p> <p>6. PLANT ZIP CODE</p> <p>7. CONTACT NAME</p> <p>8. PHONE NUMBER (include area code)</p> <p>9. REPORTING DATE (mm/dd/yyyy)</p> <p>10. PREMIUM WHITE (All Weights)</p>	<p>11. BREAKER 75% (600 and up)</p> <p>12. BREAKER 75% (400-500 lbs)</p> <p>13. BREAKER 75% (350-400 lbs)</p> <p>14. BREAKER 75% (Under 350 lbs)</p> <p>15. BONER 85% (600 and up)</p> <p>16. BONER 85% (400-500 lbs)</p> <p>17. BONER 85% (350-400 lbs)</p> <p>18. BONER 85% (Under 350 lbs)</p> <p>19. CUTTER (Lean) 90% (600 lbs and up)</p> <p>20. CUTTER (Lean) 90% (400-500 lbs)</p> <p>21. CUTTER (Lean) 90% (350-400 lbs)</p> <p>22. CUTTER (Lean) 90% (Under 350 lbs)</p> <p>23. BULL (Over 600 lbs)</p>
<p><small>NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0561-0186. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, creed, or ancestry. Information and materials that are requested in this information collection are not to be disclosed to the public in a public session program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6982 (TDD). USDA is an equal opportunity provider and employer.</small></p>	
<p>24. BULL (Under 600 lbs)</p>	

LS-131 (06-07)

FORM APPROVED - OMB NO. 0581-0186

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE

LIVE COW/BULL DAILY PURCHASE REPORT



1. IDENTIFICATION NUMBER	PURCHASE TYPE CODE	CLASS CODES	CLASSIFICATION CODE
2. COMPANY NAME	1 = NEGOTIATED 2 = FORMULA NET 3 = FORWARD CONTRACT NET 4 = NEGOTIATED GRID NET 5 = FORMULA BASE 6 = FORWARD CONTRACT BASE 7 = NEGOTIATED GRID BASE	6 = DAIRY COW 7 = BEEF COW 8 = MIXED COW 9 = BULL	5 = PREMIUM WHITE 6 = CUTTER/CANNER 90% 7 = BOKER 85% 8 = BREAKER 75% 9 = BULL 92%
3. PLANT STREET ADDRESS			
4. PLANT CITY			
5. PLANT STATE			
6. PLANT ZIP CODE			
7. CONTACT NAME			
8. PHONE NUMBER (include area code)			
9. REPORTING DATE (mm/dd/yyyy)			
10. LOT IDENTIFICATION			
11. SOURCE (1=Domestic, 2=Imported)			
12. PURCHASE TYPE CODE			
13. CLASS CODE			
14. SELLING BASIS (1 = Live, 2 = Dressed)			
15. SHIPMENT BASIS (1 = FOB, 2 = Delivered)			
16. HEAD COUNT			
17. ESTIMATED AVERAGE WEIGHT			
18. AVERAGE NET PRICE (\$/cwt)			
19. CLASSIFICATION CODE			
20. ORIGIN (2 Letter State Postal Abbr.)			
21a. PREMIUM PAID - Weight (\$/cwt)			
21b. PREMIUM PAID - Quality (\$/cwt)			
21c. PREMIUM PAID - Yield (\$/cwt)			

NOTE: According to the Privacy Protection Act of 1986, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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21d. DISCOUNT PAID - Weight (\$/cwt.)

21e. DISCOUNT PAID - Quality (\$/cwt.)

21f. DISCOUNT PAID - Yield (\$/cwt.)

LS-132 (04-07)





FORM APPROVED - OMB NO. 0581-0186

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE SWINE PRIOR DAY REPORT		CLASS CODE	PURCHASE TYPE CODE	OWNERSHIP CODE
1. IDENTIFICATION NUMBER		1 = BARROWS/GILTS 2 = SOW 3 = BORN/SIT/AS	1 = NEGOTIATED 2 = OTHER MARKET FORMULA 3 = OTHER MARKET FORMULA 4 = OTHER PURCHASE ARRANGEMENT 5 = PACKER-SOLD NEGOTIATED 6 = PACKER-SOLD OTHER MARKET FORMULA 7 = PACKER-SOLD SWINE OR PORK MARKET FORMULA 8 = PACKER-SOLD OTHER PURCHASE ARRANGEMENT 9 = PACKER-OWNED	1 = PACKER-OWNED 2 = PACKER-SOLD 3 = ALL OTHER
2. COMPANY NAME				
3. PLANT STREET ADDRESS				
4. PLANT CITY				
5. PLANT STATE				
6. PLANT ZIP CODE				
7. CONTACT NAME				
8. PHONE NUMBER (include area code)				
9. REPORTING DATE (mm/dd/yyyy)				
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)	(NOT APPLICABLE)			
11. SLAUGHTERED SWINE - Lot Identification			25. PURCHASED SWINE - Class Code	
12. SLAUGHTERED SWINE - Class Code			26. PURCHASED SWINE - Purchase Type Code	
13. SLAUGHTERED SWINE - Purchase Type Code			27. PURCHASED SWINE - Head Count	
14. SLAUGHTERED SWINE - Head Count			28. PURCHASED SWINE - Avg. Live Weight (pounds)	
15. SLAUGHTERED SWINE - Base Price (\$/cwt.)			29. PURCHASED SWINE - Base Price (\$/cwt.)	
16. SLAUGHTERED SWINE - Average Net Price (\$/cwt.)			30. PURCHASED SWINE - Origin (2 - letter State postal abbr.)	
17. SLAUGHTERED SWINE - Average Live Weight (pounds)				
18. SLAUGHTERED SWINE - Avg. Carcass Weight (pounds)				
19. SLAUGHTERED SWINE - Average Soft Loss (\$/cwt.)				
20. SLAUGHTERED SWINE - Average Backfat (inches)				
21. SLAUGHTERED SWINE - Average Loin Depth (inches)				
22. SLAUGHTERED SWINE - Average Lean Percentage				
23. PURCHASED SWINE - Lot Identification				
24. PURCHASED SWINE - Ownership Code				

**NOTE:** According to the Privacy Protection Act of 1976, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (not all prohibited bases apply to all programs). Persons wishing to file a complaint should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6982 (TDD). USDA is an equal opportunity provider and employer.

LS-118 (04-07) Destroy previous edition dated 08-00.

FORM APPROVED - OMB NO. 0581-0186

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 SWINE PRIOR DAY REPORT



NOTE: According to the Privacy Act of 1974, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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31. SCHEDULED SWINE - Head Count for Day 1	38. SCHEDULED SWINE - Head Count for Day 8
32. SCHEDULED SWINE - Head Count for Day 2	39. SCHEDULED SWINE - Head Count for Day 9
33. SCHEDULED SWINE - Head Count for Day 3	40. SCHEDULED SWINE - Head Count for Day 10
34. SCHEDULED SWINE - Head Count for Day 4	41. SCHEDULED SWINE - Head Count for Day 11
35. SCHEDULED SWINE - Head Count for Day 5	42. SCHEDULED SWINE - Head Count for Day 12
36. SCHEDULED SWINE - Head Count for Day 6	43. SCHEDULED SWINE - Head Count for Day 13
37. SCHEDULED SWINE - Head Count for Day 7	44. SCHEDULED SWINE - Head Count for Day 14

FORM APPROVED - OMB NO. 0581-0186


UNITED STATES DEPARTMENT OF AGRICULTURE  
MARKETING SERVICE  
SWINE DAILY REPORT



CLASS CODE	PURCHASE TYPE CODE
1 = BARROWS/GILTS 2 = SOWS 3 = BOARS/STAGS	1 = NEGOTIATED 2 = OTHER MARKET FORMULA 3 = SWINE OR PORK MARKET FORMULA 4 = OTHER PURCHASE ARRANGEMENT 5 = PACKER-SOLD NEGOTIATED 6 = PACKER-SOLD OTHER MARKET FORMULA 7 = PACKER-SOLD SWINE OR PORK MARKET FORMULA 8 = PACKER-SOLD OTHER PURCHASE ARRANGEMENT
<p><b>NOTE:</b> According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-3410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</p>	
15. PURCHASED SWINE - Head Count	
16. PURCHASED SWINE - Base Price (\$/wt.)	
17. PURCHASED SWINE - Origin (2-letter State postal abbr.)	
<b>PACKER-SOLD SWINE PURCHASES</b>	
18. EST. NEGOTIATED PURCHASES	Head Count
19. EST. OTHER MARKET FORMULA PURCHASES	Head Count
20. EST. SWINE/PORK MARKET FORMULA PURCHASES	Head Count
21. EST. OTHER ARRANGEMENT PURCHASES	Head Count
22. ACT. NEGOTIATED PURCHASES	Head Count
23. ACT. OTHER MARKET FORMULA PURCHASES	Head Count
24. ACT. SWINE/PORK MARKET FORMULA PURCHASES	Head Count
25. ACT. OTHER ARRANGEMENT PURCHASES	Head Count
<b>ALL OTHER SWINE PURCHASES</b>	
26. EST. NEGOTIATED PURCHASES	Head Count
27. EST. OTHER MARKET FORMULA PURCHASES	Head Count
28. EST. SWINE/PORK MARKET FORMULA PURCHASES	Head Count
29. EST. OTHER ARRANGEMENT PURCHASES	Head Count
30. ACT. NEGOTIATED PURCHASES	Head Count
31. ACT. OTHER MARKET FORMULA PURCHASES	Head Count
32. ACT. SWINE/PORK MARKET FORMULA PURCHASES	Head Count
33. ACT. OTHER ARRANGEMENT PURCHASES	Head Count


LS-119 (01-07) Destroy previous edition dated 08-00.

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 UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE		WEEKLY NONCARCASS MERIT PREMIUM SWINE REPORTING
1. IDENTIFICATION NUMBER		NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.  The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 726-2600 (voice) and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.
2. COMPANY NAME		
3. PLANT STREET ADDRESS		
4. PLANT CITY		
5. PLANT STATE		
6. PLANT ZIP CODE		
7. CONTACT NAME		
8. PHONE NUMBER (include area code)		
9. REPORTING DATE (mm/dd/yyyy)		
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)	(NOT APPLICABLE)	
11a. NONCARCASS MERIT - Volume - Low Range		17a. NONCARCASS MERIT - Other Description
11b. NONCARCASS MERIT - Volume - High Range		17b. NONCARCASS MERIT - Other Value - Low Range
12a. NONCARCASS MERIT - Transportation - Low Range		17c. NONCARCASS MERIT - Other Value - High Range
12b. NONCARCASS MERIT - Transportation - High Range		18a. NONCARCASS MERIT - Other Description
13a. NONCARCASS MERIT - Delivery Timing - Low Range		18b. NONCARCASS MERIT - Other Value - Low Range
13b. NONCARCASS MERIT - Delivery Timing - High Range		18c. NONCARCASS MERIT - Other Value - High Range
14a. NONCARCASS MERIT - Breed - Low Range		19a. NONCARCASS MERIT - Other Description
14b. NONCARCASS MERIT - Breed - High Range		19b. NONCARCASS MERIT - Other Value - Low Range
15a. NONCARCASS MERIT - Pork Quality Assurance Low Range		19c. NONCARCASS MERIT - Other Value - High Range
15b. NONCARCASS MERIT - Pork Quality Assurance High Range		20a. NONCARCASS MERIT - Other Description
16a. NONCARCASS MERIT - Other Description		20b. NONCARCASS MERIT - Other Value - Low Range
16b. NONCARCASS MERIT - Other Value - Low Range		20c. NONCARCASS MERIT - Other Value - High Range
16c. NONCARCASS MERIT - Other Value - High Range		


LS-120 (04-07) Destroy previous edition dated 07-00.

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 UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE LIVE LAMB DAILY REPORT (Current Established Prices)			
1. IDENTIFICATION NUMBER	PURCHASE TYPE CODE	CLASS CODE	CLASSIFICATION CODE
	1 = NEGOTIATED 2 = FORMULA MARKETING ARRANGEMENT 3 = FORWARD CONTRACT	1 = SLAUGHTER LAMBS 2 = CLASS 3 = RAMS/STAGS	1 = PRIME 2 = CHOICE 3 = GOOD 4 = UTILITY 5 = CULL
2. COMPANY NAME			PELT CODE 1 = WOOLLED 2 = #1 FALL SHORN 3 = #2 4 = #3-4
3. PLANT STREET ADDRESS			
4. PLANT CITY			
5. PLANT STATE			
6. PLANT ZIP CODE			
7. CONTACT NAME			
8. PHONE NUMBER (include area code)			
9. REPORTING DATE (mm/dd/yyyy)			
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)			
11. LOT IDENTIFICATION			
12. SOURCE (1 = Domestic; 2 = Imported)			
13. PURCHASE TYPE CODE			
14. CLASS CODE			
15a. SELLING BASIS (1 = Live; 2 = Dressed)			
15b. SELLING BASIS SHIPMENT (1 = FOB; 2 = Delivered)			
16. HEAD COUNT			
17a. WEIGHT RANGE - LOW (pounds)			
17b. WEIGHT RANGE - HIGH (pounds)			
18. ESTIMATED AVERAGE WEIGHT (pounds)			
19. AVERAGE PRICE (\$/cwt.)			
20. % CHOICE OR BETTER			
21. CLASSIFICATION CODE			
NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.			
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22. DRESSING PERCENTAGE			
23. ORIGIN (2-letter State postal abbr.)			
24. PELT CODE			
25a. PREMIUM PAID - WEIGHT (\$/cwt.)			
25b. PREMIUM PAID - QUALITY (\$/cwt.)			
25c. PREMIUM PAID - YIELD (\$/cwt.)			
25d. DISCOUNT PAID - WEIGHT (\$/cwt.)			
25e. DISCOUNT PAID - QUALITY (\$/cwt.)			
25f. DISCOUNT PAID - YIELD (\$/cwt.)			
(NOT APPLICABLE)			


LS-121 (05-07) Destroy previous edition dated 04-07.

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 UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE  LIVE LAMB WEEKLY REPORT		PRIOR WEEK SLAUGHTERED LAMB HEAD COUNTS <i>(Data in this block to be entered once per weekly submission.)</i>	
1. IDENTIFICATION NUMBER		19. DOMESTIC, FORWARD CONTRACT	Head Count
2. COMPANY NAME		20. IMPORTED, FORWARD CONTRACT	Head Count
3. PLANT STREET ADDRESS		21. DOMESTIC, FORMULA ARRANGEMENT	Head Count
4. PLANT CITY		22. IMPORTED, FORMULA ARRANGEMENT	Head Count
5. PLANT STATE		23. DOMESTIC, NEGOTIATED	Head Count
6. PLANT ZIP CODE		24. IMPORTED, NEGOTIATED	Head Count
7. CONTACT NAME		NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.  The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6332 (TDD). USDA is an equal opportunity provider and employer.	
8. PHONE NUMBER (include area code)			
9. REPORTING DATE (mm/dd/yyyy)			
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)	(NOT APPLICABLE)		
SLAUGHTERED PACKER-OWNED LAMBS			
11. LOT IDENTIFICATION			
12. SOURCE (1 = Domestic; 2 = Imported)			
13. HEAD COUNT			
14a. ACTUAL CARCASS WEIGHT RANGE - LOW			
14b. ACTUAL CARCASS WEIGHT RANGE - HIGH			
15. ACTUAL AVERAGE CARCASS WEIGHT			
16. AVERAGE DRESSING PERCENTAGE			
17. % YIELD GRADE 3 OR BETTER			
18. % QUALITY GRADE CHOICE OR BETTER			
		FORWARD CONTRACT PURCHASED LAMBS	
25. LOT IDENTIFICATION			
26. HEAD COUNT			
27. BASIS LEVEL (\$/cwt.)			
28. DELIVERY MONTH (3-letter abbreviation)			

LS-123 (05-07) Destroy previous edition dated 04-07.


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 <p>UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE</p> <p><b>LIVE LAMB WEEKLY REPORT</b> <i>(Formula Purchases)</i></p>		<p><b>NOTE:</b> According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0561-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</p>
1. IDENTIFICATION NUMBER		
2. COMPANY NAME		
3. PLANT STREET ADDRESS		
4. PLANT CITY		
5. PLANT STATE		
6. PLANT ZIP CODE		
7. CONTACT NAME		
8. PHONE NUMBER (include area code)		
9. REPORTING DATE (mm/dd/yyyy)		
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)	(NOT APPLICABLE)	
11. LOT IDENTIFICATION		
12. SOURCE (1 = Domestic; 2 = Imported)		
13. HEAD COUNT		
14. TOTAL POUNDS		
15. WEIGHTED AVERAGE CARCASS PRICE (\$/cwt.)		
16a. PRICE RANGE - LOW (\$/cwt.)		
16b. PRICE RANGE - HIGH (\$/cwt.)		
17a. PREMIUM/DISCOUNT RANGE - LOW (\$/cwt.)		
17b. PREMIUM/DISCOUNT RANGE - HIGH (\$/cwt.)		
18. PREMIUM/DISCOUNT WEIGHTED AVERAGE (\$/cwt.)		

LS-114 (05-07) Destroy previous edition dated 04-07.



FORM APPROVED - OMB NO. 0581-0186

 UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE		LAMB PREMIUMS AND DISCOUNTS WEEKLY REPORT
1. IDENTIFICATION NUMBER		<p><b>NOTE:</b> According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</p>
2. COMPANY NAME		
3. PLANT STREET ADDRESS		
4. PLANT CITY		
5. PLANT STATE		
6. PLANT ZIP CODE		
7. CONTACT NAME		
8. PHONE NUMBER (include area code)		
9. REPORTING DATE (m/d/yyyy)		
10. REPORTING TIME (1 = 10:00 a.m.; 2 = 2:00 p.m.)	(NOT APPLICABLE)	
11. PREMIUM/DISCOUNT - Prime		27. PREMIUM/DISCOUNT - 75-85 lbs. Carcass
12. PREMIUM/DISCOUNT - Choice		28. PREMIUM/DISCOUNT - Over 85 lbs. Carcass
13. PREMIUM/DISCOUNT - Good		29. PREMIUM/DISCOUNT - Wooled Pelt
14. PREMIUM/DISCOUNT - Standard		30. PREMIUM/DISCOUNT - #1 Fall Shorn Pelt
15. PREMIUM/DISCOUNT - Choice YG 2 or Better		31. PREMIUM/DISCOUNT - #2 Fall Shorn Pelt
16. PREMIUM/DISCOUNT - Bucky		32. PREMIUM/DISCOUNT - #3-4 Fall Shorn Pelt
17. PREMIUM/DISCOUNT - Yearling or Older		33a. PREMIUM/DISCOUNT - Other Description
18. PREMIUM DISCOUNT - YG 1.0-2.0 (<= 16" Fat)		33b. PREMIUM/DISCOUNT - Other Value
19. PREMIUM/DISCOUNT - YG 2.0-3.0 (<= 26" Fat)		34a. PREMIUM/DISCOUNT - Other Description
20. PREMIUM/DISCOUNT - YG 3.0-4.0 (<= 36" Fat)		34b. PREMIUM/DISCOUNT - Other Value
21. PREMIUM/DISCOUNT - YG 4.0-5.0 (<= 46" Fat)		35a. PREMIUM/DISCOUNT - Other Description
22. PREMIUM/DISCOUNT - YG 5.0/lup (<= 46" Fat)		35b. PREMIUM/DISCOUNT - Other Value
23. PREMIUM/DISCOUNT - Under 45 lbs. Carcass		36a. PREMIUM/DISCOUNT - Other Description
24. PREMIUM/DISCOUNT - 45-55 lbs. Carcass		36b. PREMIUM/DISCOUNT - Other Value
25. PREMIUM/DISCOUNT - 55-65 lbs. Carcass		37a. PREMIUM/DISCOUNT - Other Description
26. PREMIUM/DISCOUNT - 65-75 lbs. Carcass		37b. PREMIUM/DISCOUNT - Other Value

LS-125 (05-07) Destroy previous edition dated 04-07.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
**BOXED LAMB DAILY REPORT**



1. IDENTIFICATION NUMBER	SALE TYPE CODE 1 = NEGOTIATED 2 = FORMULA MARKETING ARRANGEMENT 3 = FORWARD CONTRACT	DELIVERY PERIOD CODE 1 = 0-21 DAYS 2 = 22-60 DAYS 3 = 61-90 DAYS 4 = 91/UP DAYS	CLASSIFICATION CODE 1 = PRIME 2 = CHOICE 3 = PRIME/CHOICE 4 = GOOD 5 = UNGRADED
2. COMPANY NAME			
3. PLANT STREET ADDRESS			
4. PLANT CITY	BRANDED PRODUCT CODE		
5. PLANT STATE	QUALITY 1 = PRIME 2 = CHOICE	YIELD 1 = YIELD GRADE 2 or BETTER 2 = YIELD GRADE 1-3 3 = YIELD GRADE 4	
6. PLANT ZIP CODE			
7. CONTACT NAME	NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0561-0186. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.		
8. PHONE NUMBER (include area code)	The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public housing program. (Not applicable to the collection of information from this collection.) If you are an individual with a disability and need this information in accessible format, contact the USDA's Target Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-3410, or call (800) 795-3272 (voice) or (202) 720-6942 (TDD). USDA is an equal opportunity provider and employer.		
9. REPORTING DATE (mm/dd/yyyy)			
10. REPORTING TIME	(NOT APPLICABLE)		
11. LOT IDENTIFICATION OR PURCHASE ORDER NUMBER	18. WEIGHT (1=Light, 2=Medium, 3= Heavy, 4=Mixed)		
12. SOURCE (1 = Domestic; 2 = Imported)	19. TOTAL PRODUCT WEIGHT (pounds)		
13. SALE TYPE CODE	20. FOB PLANT PRICE (\$/cwt.)		
14. DELIVERY PERIOD CODE	21. USDA CERTIFIED SCHEDULE CODE (if applicable)		
15. REFRIGERATION (1 = Fresh; 2 = Frozen)	22a. BRANDED PRODUCT CODE - Quality		
16. CLASSIFICATION CODE	22b. BRANDED PRODUCT CODE - Yield		
17a. LAMB CUT - IMPS Code			
17b. LAMB CUT - Description (if IMPS not applicable)			

LS-128 (04-07) Destroy previous edition dated 11-00.

