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GIPSA Livestock and Meat Marketing Study

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Volume 2: Data Collection Methods and Results Final Report

Appendixes A, B, and C

Prepared for

Grain Inspection, Packers and Stockyard Administration
U.S. Department of Agriculture
Washington, DC 20250

Prepared by

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RTI Project Number 0209230



Appendix A: Questionnaires for the Industry Survey

This appendix contains the set of questionnaires used to administer the industry survey described in this volume. The questionnaires are included in the following order:

- beef calf and cattle producers and feeders
- pork producers
- lamb producers and feeders
- beef packers
- pork packers
- lamb packers
- meat processors
- food wholesalers and meat exporters
- grocery stores and other food retailers
- restaurants, hotels, and other food service



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF ALTERNATIVE MARKETING ARRANGEMENTS:

BEEF CALF AND CATTLE PRODUCERS AND FEEDERS

Place label here.

**Respond to this survey providing
information only for the operation
located at the address shown on
the label.**

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 45 to 60 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of alternative marketing arrangements. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your operation was selected to participate in the survey. The survey collects information about your operation's use of various arrangements for receiving and selling beef calves and cattle (including fed Holsteins) and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. GIPSA needs information on how small and large operations buy and sell livestock to obtain a full understanding of practices across all sizes of operations.

Please answer all questions as they pertain to the specific operation identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your operation, please contact our survey help line (contact information below). Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to records on purchases and sales of livestock as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept **completely confidential**. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your operation. The study findings will be reported to the public only in aggregated form so that individual operations cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDAstudy@rti.org or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

About Your Operation

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. ***Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.***

- a. Start of 12-month period (month/year) /200
- b. End of 12-month period (month/year) /200

1.2 Which of the following describes your operation during the past year? ***Circle all that apply.***

1. Cow-calf
2. Backgrounder or stocker
3. Feedlot
4. Other (specify): _____

By **certification programs** we mean programs that certify livestock breed, carcass, or meat characteristics.

1.3 What types of **certification programs** did your operation participate in during the past year? ***Do not include USDA grading or breed registration programs. Circle all that apply.***

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. Animal welfare certification
6. Beef Quality Assurance (BQA) certification
7. Certified Angus Beef
8. Other third-party certification of breed or livestock quality (not including Certified Angus Beef)
9. Own-company certification of breed or livestock quality
10. Buyer certification of breed or livestock quality
11. Other (specify): _____

By **alliances** we mean a relationship formed by two or more industry participants to meet common production or marketing objectives and to improve information flows.

1.4 What types of **alliances** did your operation participate in during the past year for the receipt and/or sale of calves and cattle? **Enter the name of each alliance and check (✓) the participants (not including yourself) involved in each alliance.**

If your operation did not participate in any alliances, check (✓) the box and go to Section 2.

Name of alliance	Check the participants involved in each alliance							
	1	2	3	4	5	6	7	8
	Seed stock supplier	Feed company	Cow-calf	Feedlot	Packer\ processor	Food service	Retailer	Other (specify below)
a. _____								
b. _____								
c. _____								

2

Methods for Receiving Calves and Feeder Cattle

- If your operation did not receive or purchase any calves or feeder cattle during the past year, check (✓) the box and go to Section 5 on page 10.

Sections 2 through 4 ask about your operation's receipt or purchase of beef calves and feeder cattle, including fed Holsteins. When answering the questions, include cattle delivered to your operation for custom feeding or backgrounding.

Do not include information on veal calves, breeding stock, or culled animals.

- 2.1** How many calves and feeder cattle did your operation receive or purchase during the past year? *If none, enter zero.*

Category	Number of head received or purchased
a. Calves (less than 500 pounds liveweight)	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Feeder cattle (500 pounds liveweight or more)	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

For questions that ask for percentages, your best estimate is acceptable.

By **partner arrangement** we mean an arrangement between two parties at the same level of production for the purchase of livestock.

By **shared ownership** we mean an arrangement in which the original owner and your operation both retain partial ownership of the livestock (that is, a vertical arrangement).

By **joint venture** we mean your business and one or more other businesses joining together under a contractual agreement for a specific venture, such as use of specific animal genetics or brand names.

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock within 2 weeks of delivery.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of livestock at either a fixed or base price more than 2 weeks prior to delivery.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase livestock under specific terms.

By **internal transfer** we mean the transfer of livestock from another business unit owned by the same company.

2.2 For all calves and feeder cattle received or purchased by your operation, what were the ownership arrangements? **Enter the percentage of total head by type of arrangement for each time period. The total for each column should sum to 100 percent.**

Ownership arrangement for calves and feeder cattle	Percentage of total head received or purchased		
	3 years ago	During past year	Expected in 3 years
a. Sole ownership by your operation	□□□	□□□	□□□
b. Partner arrangement	□□□	□□□	□□□
c. Shared ownership	□□□	□□□	□□□
d. Joint venture	□□□	□□□	□□□
e. Delivered for custom feeding/backgrounding	□□□	□□□	□□□
f. Other (specify): _____	□□□	□□□	□□□
TOTAL	100%	100%	100%

2.3 What methods are used by your operation for receiving or purchasing calves and feeder cattle? **Enter the percentage of total head by type of method for each time period. The total for each column should sum to 100 percent.**

Method	Percentage of total head received or purchased		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	□□□	□□□	□□□
b. Video/electronic auctions	□□□	□□□	□□□
c. Dealers or brokers	□□□	□□□	□□□
d. Direct trade	□□□	□□□	□□□
e. Forward contract	□□□	□□□	□□□
f. Marketing agreement	□□□	□□□	□□□
g. Internal transfer	□□□	□□□	□□□
h. Delivered for custom feeding/backgrounding	□□□	□□□	□□□
i. Other (specify): _____	□□□	□□□	□□□
TOTAL	100%	100%	100%

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the purchase of livestock (for example, USDA price). The formula can include grid or non-grid values.

2.4 What types of pricing methods are used by your operation for purchasing calves and feeder cattle? **Check (✓) one or more responses representing most purchases of calves and feeder cattle for each time period.**

Pricing method	Purchases during past year	Expected purchases in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Delivered for custom feeding/backgrounding		
7. Other (specify): _____		

2.5 For calves and feeder cattle purchased by your operation during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of calves and feeder cattle.**

Base price of formula for formula pricing	Purchases during past year
Check the box if formula pricing was NOT used	<input type="checkbox"/>
1. USDA live quote	
2. Chicago Mercantile Exchange (CME) cattle futures	
3. Subscription service price (for example, Cattle Fax, Urner Barry)	
4. Cost of production	
5. Other market price (specify): _____	
6. Other (specify): _____	

By **slide** we mean the adjustment made to prices based on an animal's weight relative to a target weight.

2.6 For calves and feeder cattle purchased using a **slide** during the past year, what were the most common terms of the slide?

Term	Calves	Feeder Cattle	
		Steers	Heifers
<i>Check the box if your operation did NOT use slides</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Minimum target weight (hundred weight)	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt
b. Maximum target weight (hundred weight)	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt
c. First slide premium below target weight (cents per pound)	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb
d. First slide discount above target weight (cents per pound)	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb

3

Terms of Purchase Methods

For questions that ask for percentages, your best estimate is acceptable.

If your operation did not purchase any calves or feeder cattle during the past year, check (✓) the box and go to Section 4.

3.1 For what percentage of calves and feeder cattle purchased during the past year did the buyer (your operation) pay for transportation? ***If none, enter zero.***

percentage of total head purchased

3.2 What percentage of calves and feeder cattle purchased during the past year were under a written agreement (versus oral)? ***If none, enter zero.***

percentage of total head purchased

3.3 For calves and feeder cattle purchased during the past year, what was the length of the agreement or contract (oral or written)? ***Enter the percentage of total head purchased by agreement or contract length. The total should sum to 100 percent.***

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total head purchased
a. Purchases <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 6 months	<input type="text"/> <input type="text"/> <input type="text"/>
c. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
e. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
f. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.4 For calves and feeder cattle purchased during the past year, how far in advance of delivery was the delivery scheduled? ***Enter the percentage of total head purchased by time period. The total should sum to 100 percent.***

Time period in advance of delivery	Percentage of total head purchased
a. Less than 2 weeks	□ □ □
b. 3 to 4 weeks	□ □ □
c. 5 to 8 weeks	□ □ □
d. 9 to 12 weeks	□ □ □
e. 13 to 16 weeks	□ □ □
f. More than 16 weeks	□ □ □
TOTAL	100%

4 Reasons for Using Purchase Methods

Answer Question 4.1 if your operation only uses the **cash or spot market** for purchasing calves and feeder cattle.

OR

Answer Question 4.2 if your operation uses any **alternative purchase methods** for purchasing calves and feeder cattle.



4.1 What are the **three** most important reasons why your operation only uses the cash or spot market for purchasing calves and feeder cattle?



4.2 What are the **three** most important reasons why your operation uses alternative purchase methods for purchasing calves and feeder cattle?

Reason	Check only 3 reasons
1. Can purchase calves and cattle at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying calves and cattle	
4. Reduces price variability for calves and cattle	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality calves and cattle	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can purchase calves and cattle at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying calves and cattle	
4. Reduces price variability for calves and cattle	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality calves and cattle	
8. Facilitates or increases market access	
9. Allows for food safety and biosecurity assurances	
10. Allows for product traceability	
11. Improves week-to-week supply management	
12. Improves efficiency of operations due to animal uniformity	
13. Reduces investment requirements for facilities and equipment	
14. Reduces operating capital requirements	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean purchasing livestock through direct trade, auctions, or dealers within 2 weeks of delivery.

By **alternative purchase methods** we mean forward contracts, marketing agreements, custom feeding/ backgrounding, and other alternatives to the cash or spot market (see page 4 for definitions).

5

Methods for Selling Calves and Cattle

Sections 5 through 7 ask about this operation's sale of calves and cattle, including fed Holsteins. When answering the questions, include cattle that were delivered to your operation for custom feeding or backgrounding and fed cattle shipped for custom slaughter.

Do not include information on veal calves, breeding stock, or culled animals.

5.1 How many calves and cattle did your operation sell or ship during the past year? *Enter the number of head for each category. If none, enter zero.*

Category	Number of head sold or shipped
a. Calves (less than 500 pounds liveweight)	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Feeder cattle (500 pounds liveweight or more)	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
c. Fed cattle (steers and heifers)	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

For questions that ask for percentages, your best estimate is acceptable.

5.2 What methods for selling or shipping calves and cattle are used by your operation? ***Enter the percentage of total head by type of method for each time period. The total for each column should sum to 100 percent.***

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock within 2 weeks of delivery or kill date.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of livestock at either a fixed or base price more than 2 weeks prior to delivery or kill date.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase livestock under specific terms.

By **packer fed/owned** we mean the livestock are owned by the packer and fed for slaughter at either a custom feedlot or a packer-owned or controlled feedlot.

By **internal transfer** we mean the transfer of livestock to another business unit owned by the same company (not including packer fed/owned).

Method	Percentage of total head sold or shipped		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Video/electronic auctions	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Dealers or brokers	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Direct trade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Forward contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Marketing agreement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
g. Packer fed/owned	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
h. Internal transfer	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
i. Custom fed/ backgrounded, not marketed by your operation	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
j. Custom slaughtered for your operation	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
k. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the sale of livestock (for example, USDA price). The formula can include grid or non-grid values.

5.3 What types of pricing methods are used by your operation for selling calves and cattle? **Check (✓) one or more responses representing most sales of calves and cattle for each time period.**

Pricing method	Sales during past year	Expected sales in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Custom fed/backgrounded, not marketed by your operation		
7. Custom slaughtered for your operation		
8. Other (specify): _____		

If your operation only ships fed cattle for custom slaughter, check (✓) the box and go to Section 7 on page 16.

5.4 For calves and cattle sold by your operation during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of calves and cattle for grid and non-grid pricing.**

By **grid** we mean prices are adjusted by premiums or discounts for specific carcass quality characteristics such as grade and yield.

Base price of formula for formula pricing	With grid	Without grid
Check the box if formula pricing was NOT used	<input type="checkbox"/>	<input type="checkbox"/>
1. Individual or multiple packing plant average price		
2. USDA live quote		
3. USDA dressed or carcass quote		
4. USDA boxed beef price		
5. Chicago Mercantile Exchange (CME) cattle futures		
6. Subscription service price (for example, Cattle Fax, Urner Barry)		
7. Cost of production		
8. Retail price		
9. Other market price (specify): _____		
10. Other (specify): _____		

5.5 What types of valuation methods are used by your operation for selling fed cattle? **Check (✓) one or more responses representing most sales of fed cattle for each time period.**

By **carcass weight** we mean a dressed or rail weight.

Valuation method	Sales during past year	Expected sales in 3 years
<i>Check the box if your operation did NOT sell fed cattle</i>	<input type="checkbox"/>	<input type="checkbox"/>
1. Live weight		
2. Carcass weight <u>not</u> dependent on grid value		
3. Carcass weight dependent on grid value		
4. Other (specify): _____		

By **slide** we mean the adjustment made to prices based on an animal's weight relative to a target weight.

5.6 For calves and cattle sold using a **slide** during the past year, what were the most common terms of the slide?

Term	Calves	Steers	Heifers
<i>Check the box if your operation did NOT use slides</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Minimum target weight (hundred weight)	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt
b. Maximum target weight (hundred weight)	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt	<input type="text"/> <input type="text"/> cwt
c. First slide premium below target weight (cents per pound)	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb
d. First slide discount above target weight (cents per pound)	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb	<input type="text"/> <input type="text"/> ¢/lb

6

Terms of Sales Methods

For questions that ask for percentages, your best estimate is acceptable.

If your operation did not sell any calves or cattle during the past year, check (✓) the box and go to Section 7.

6.1 For what percentage of calves and cattle sold during the past year did the seller (your operation) pay for transportation? *If none, enter zero.*

percentage of total head sold

6.2 What percentage of calves and cattle sold during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total head sold

6.3 For calves and cattle sold during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total head sold by agreement or contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total head sold
a. Sales <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 6 months	<input type="text"/> <input type="text"/> <input type="text"/>
c. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
e. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
f. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

6.4 For calves and cattle sold during the past year, how far in advance of delivery was the delivery scheduled?
Enter the percentage of total head sold by time period. The total should sum to 100 percent.

Time period in advance of delivery	Percentage of total head sold
a. Less than 7 days	□□□
b. 8 to 14 days	□□□
c. 15 to 21 days	□□□
d. 22 to 30 days	□□□
e. 1 to 2 months	□□□
f. More than 2 months	□□□
TOTAL	100%

7 Reasons for Using Sales Methods

Answer Question 7.1 if your operation only uses the **cash or spot market** for selling calves and cattle.

OR

Answer Question 7.2 if your operation uses any **alternative sales methods** for selling calves and cattle.



7.1 What are the **three** most important reasons why your operation only uses the cash or spot market for selling calves and cattle?



7.2 What are the **three** most important reasons why your operation uses alternative sales methods for selling calves and cattle?

Reason	Check only 3 reasons
1. Can sell calves and cattle at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling calves and cattle	
4. Reduces price variability for calves and cattle	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality calves and cattle	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can sell calves and cattle at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling calves and cattle	
4. Reduces price variability for calves and cattle	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality calves and cattle	
8. Facilitates or increases market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week production management	
14. Secures a buyer for calves and cattle	
15. Provides detailed carcass data	
16. Enhances access to credit	
17. Other (specify): _____	

By **cash or spot market** we mean selling livestock through direct trade, auctions, or dealers within 2 weeks of delivery or kill date.

By **alternative sales methods** we mean forward contracts, marketing agreements, packer fed/owned arrangements, custom feeding/backgrounding, custom slaughter, and other alternatives to the cash or spot market (see page 11 for definitions).

8

Operation Characteristics

8.1 Approximately how many people (including yourself and family members) were employed for livestock production at your operation during the past year? *If none, enter zero.*

- a. Full time ,
- b. Part time ,
- c. Seasonal ,

8.2 What is the total acreage of your operation used for livestock production? *Include leased land.*

, acres

8.3 How many beef calves and cattle, including fed Holsteins, were on this operation on January 1, 2005? *Enter the number of head for each category of cattle. Include cattle owned by your operation and cattle custom-fed for others on your operation. If none, enter zero.*

Category	Number of head (inventory)
a. Calves (less than 500 pounds liveweight)	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Steers	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
c. Heifers	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
d. Bulls, stags, and bullocks	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
e. Cows and heiferettes	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

8.4 How many auctions operate for selling cattle within 200 miles of your operation? *If none, enter zero.*

- a. Number of auctions operating 3 years ago
- b. Number of auctions currently operating

8.5 For the auction located closest to your operation, how often does it operate for selling cattle? *Check (✓) one response for each time period.*

Auction schedule	3 years ago	Currently
1. Monthly		
2. Every 2 weeks		
3. Weekly		
4. 2 times per week		
5. 3 to 5 times per week		
6. Daily		
7. Other (specify): _____		

All answers you give in this survey will be kept strictly confidential.

8.6 What were your operation's approximate total gross sales for calves and cattle during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 or more

8.7 What were your operation's approximate total gross sales for all farm outputs during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 or more

8.8 Which of the following best describes your position with this operation? *Circle only one.*

1. Owner
2. Manager
3. Family member (not owner or manager)
4. Other hired employee
5. Other (specify): _____

Please answer Questions 8.9 through 8.11 if you are the owner of this operation.

8.9 What is your age?

1. Less than 25
2. 26 to 35
3. 36 to 45
4. 46 to 55
5. 56 to 65
6. Older than 65

All answers you give in this survey will be kept strictly confidential.

8.10 What is your education level?

1. Less than high school graduate
2. High school graduate/GED
3. Some college or technical school, no degree
4. College graduate
5. Post-graduate

8.11 What percentage of your total annual household income comes from off-farm sources? *If none, enter zero.*

percent



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF ALTERNATIVE MARKETING ARRANGEMENTS:

PORK PRODUCERS

Place label here.

**Respond to this survey providing
information only for the operation
located at the address shown on
the label.**

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 45 to 90 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of alternative marketing arrangements. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your operation was selected to participate in the survey. The survey collects information about your operation's use of various arrangements for receiving and selling pigs and hogs and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. GIPSA needs information on how small and large operations buy and sell livestock to obtain a full understanding of practices across all sizes of operations.

Please answer all questions as they pertain to the specific operation identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your operation, please contact our survey help line (contact information provided below). Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to records on purchases and sales of livestock as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept ***completely confidential***. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your operation. The study findings will be reported to the public only in aggregated form so that individual operations cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDASTUDY@RTI.ORG or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

About Your Operation

If you are using calendar year 2004, enter 01/2004–12/2004.

By **swine integrator** we mean a business that owns or contracts with producers or other businesses to perform specific steps in the swine production process such as breeding and birthing, nursery care, growing and finishing, transportation, processing, and marketing.

By **certification programs** we mean programs that certify livestock breed, carcass, or meat characteristics.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. **Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.**

- a. Start of 12-month period (month/year) /200
b. End of 12-month period (month/year) /200

1.2 Which of the following describes your operation during the past year? **Circle all that apply.**

1. Independent grower
2. Contract grower (producer with production contract)
3. **Swine integrator** with production facilities
4. **Swine integrator** without production facilities
5. Packer-owned farm
6. Other (specify): _____

If your operation is a swine integrator with no production facilities or a packer-owned farm, you do not need to complete the survey. Please return the survey in the envelope provided.

1.3 What types of activities were conducted at this location during the past year? **Circle all that apply.**

1. Farrow to wean
2. Wean to feeder
3. Feeder to finish

1.4 What types of **certification programs** did your operation participate in during the past year? **Do not include USDA grading or breed registration programs. Circle all that apply.**

1. None
2. Organic certification
3. Animal welfare certification
4. Pork Quality Assurance (PQA) certification
5. Third-party certification of breed or livestock quality (for example, Berkshire Gold)
6. Own-company certification of breed or livestock quality
7. Buyer-certification of breed or livestock quality
8. Other (specify): _____

2

Methods for Receiving Pigs

- If your operation did not receive or purchase any pigs during the past year, check (✓) the box and go to Section 6 on page 12.

For questions that ask for percentages, your best estimate is acceptable.

Sections 2 through 5 ask about your operation's receipt or purchase of pigs. When answering the questions, do not include information on breeding stock.

If your operation is a swine integrator, do not include information on pigs produced on contract farms.

- 2.1** How many pigs did your operation receive or purchase during the past year? **Enter the number of head by category for each source. If none, enter zero.**

Category	Number of head received or purchased	
	U.S. sources	Outside the U.S.
a. Weaned pigs (including iso-weaned and nursery pigs)	□□, □□□, □□□	□□, □□□, □□□
b. Feeder pigs	□□, □□□, □□□	□□, □□□, □□□

- 2.2** For all pigs received or purchased by your operation, what were the ownership arrangements? **Enter the percentage of total head by type of arrangement for each time period. The total for each column should sum to 100 percent.**

By **partner arrangement** we mean an arrangement between two parties at the same level of production for the purchase of livestock.

By **shared ownership** we mean an arrangement in which the original owner and your operation both retain partial ownership of the livestock (that is, a vertical arrangement).

By **joint venture** we mean your business and one or more other businesses joining together under a contractual agreement for a specific venture such as use of specific animal genetics or brand names.

Ownership arrangement for pigs	Percentage of total head received or purchased		
	3 years ago	During past year	Expected in 3 years
a. Sole ownership by your operation	□□□	□□□	□□□
b. Partner arrangement	□□□	□□□	□□□
c. Shared ownership	□□□	□□□	□□□
d. Joint venture	□□□	□□□	□□□
e. Owned by integrator or packer (other than your operation)	□□□	□□□	□□□
f. Other (specify): _____	□□□	□□□	□□□
TOTAL	100%	100%	100%

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock (including buying stations) within 2 weeks of delivery.

By **procurement or marketing contract** we mean a formal agreement specifying the terms for the transfer of pigs between a seller and buyer using a pre-specified price or payment formula.

By **production contract** we mean a formal agreement between a packer or integrator and grower for the production and delivery of pigs or hogs, where the ownership of the animals is retained by the packer or integrator and the grower gets compensated for housing and husbandry.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of livestock at either a fixed or base price more than 2 weeks prior to delivery.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase livestock under specific terms.

By **internal transfer** we mean the transfer of livestock from another business unit owned by the same company.

2.3 What methods are used by your operation for receiving or purchasing pigs? ***Enter the percentage of total head by type of method for each time period. The total for each column should sum to 100 percent.***

Method	Percentage of total head received or purchased		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	□□□	□□□	□□□
b. Video/electronic auctions	□□□	□□□	□□□
c. Dealers or brokers	□□□	□□□	□□□
d. Direct trade	□□□	□□□	□□□
e. Procurement or marketing contract	□□□	□□□	□□□
f. Production contract with packer or integrator	□□□	□□□	□□□
g. Production contract with weaner or feeder pig producer	□□□	□□□	□□□
h. Forward contract	□□□	□□□	□□□
i. Marketing agreement	□□□	□□□	□□□
j. Internal transfer	□□□	□□□	□□□
k. Other (specify): _____	□□□	□□□	□□□
TOTAL	100%	100%	100%

If your operation only received pigs produced under production contracts during the past year, check (✓) the box and go to Section 4 on page 8.

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the purchase of livestock (for example, USDA price).

2.4 What types of pricing methods are used by your operation for purchasing pigs? **Check (✓) one or more responses representing most purchases of pigs for each time period.**

Pricing method	Purchases during past year	Expected purchases in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Production contract terms		
7. Other (specify): _____		

2.5 For pigs purchased by your operation during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of pigs.**

Base price of formula for formula pricing	Purchases during past year
Check the box if formula pricing was NOT used	<input type="checkbox"/>
1. USDA live quote	
2. Chicago Mercantile Exchange (CME) lean hog futures	
3. Subscription service price (for example, Urner Barry)	
4. Cost of production	
5. Other market price (specify): _____	
6. Other (specify): _____	

By **slide** we mean the adjustment made to prices based on an animal's weight relative to a target weight.

2.6 What percentage of pigs purchased during the past year were purchased using a **slide**? *If none, enter zero.*

percentage of total head purchased

2.7 For what percentage of pigs purchased during the past year did the buyer (your operation) pay for transportation? *If none, enter zero.*

percentage of total head purchased

2.8 What percentage of pigs purchased during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total head purchased

3

Terms of Procurement or Marketing Contracts for Purchasing Pigs

By **procurement or marketing contract** we mean a formal agreement specifying the terms for the transfer of pigs between a seller and buyer using a pre-specified price or payment formula.

If your operation did not use procurement or marketing contracts for purchasing pigs during the past year, check (✓) the box and go to Section 4.

3.1 With how many pork producers did your operation maintain **procurement or marketing contracts** for purchasing pigs during the past year?

1. One
2. Two
3. Three to five
4. Six to ten
5. More than ten

3.2 For pigs purchased under a procurement or marketing contract during the past year, what was the length of the contract? *Enter the percentage of total head by contract length. The total should sum to 100 percent.*

For questions that ask for percentages, your best estimate is acceptable.

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Contract length	Percentage of total head purchased under a procurement or marketing contract
a. Less than 6 months	□□□
b. 6 to 11 months	□□□
c. 1 to 2 years	□□□
d. 3 to 5 years	□□□
e. 6 to 10 years	□□□
f. More than 10 years or evergreen	□□□
TOTAL	100%

3.3 Which of the following terms were specified in the procurement or marketing contracts used by your operation during the past year? ***Circle all that apply.***

1. Number of pigs to be delivered each specified time period
2. Average weight of pigs
3. Quality of pigs
4. Producer must sell 100 percent of production to your operation
5. Minimum guaranteed price for pigs
6. Includes a ledger account
7. Includes a price window
8. Specifications for production facilities
9. Breeding/genetics used by producer
10. Feeding programs used by producer
11. Producer must be Pork Quality Assurance (PQA) certified
12. Allows your operation to inspect and monitor production facilities
13. Includes definition of viable or acceptable pig
14. Price adjustment for single or multiple source pigs
15. None of the above

4

Terms of Production Contracts

For questions that ask for percentages, your best estimate is acceptable.

By **production contract** we mean a formal agreement between a packer or integrator and grower for the production and delivery of pigs or hogs, where the ownership of the animals is retained by the packer or integrator and the grower gets compensated for housing and husbandry.

If your operation was not a contract grower during the past year, check (✓) the box and go to Section 5.

4.1 What types of contracts did your operation have during the past year for the production of pigs or hogs? *Enter the percentage of total head for each type of contract.*

Contract type	Percentage of total head
a. Farrow to wean	□ □ □
b. Farrow to feeder	□ □ □
c. Farrow to finish	□ □ □
d. Wean to feeder	□ □ □
e. Wean to finish	□ □ □
f. Feeder to finish	□ □ □
g. Other (specify): _____	□ □ □
TOTAL	100%

4.2 What was the length of the **production contracts** used by your operation during the past year? *Check (✓) one response for each production segment for which you have a contract.*

Contract length	1	2	3	4	5	6
	Farrow to wean	Farrow to feeder	Farrow to finish	Wean to feeder	Wean to finish	Feeder to finish
1. One batch of pigs or hogs at a time						
2. Less than 1 year						
3. 1 to 2 years						
4. 3 to 5 years						
5. 6 to 10 years						
6. More than 10 years						

4.3 What was the compensation formula for production contracts used by your operation during the past year? **Check (✓) all that apply for each production segment for which you have a contract.**

Formula	1 Farrow to wean	2 Farrow to feeder	3 Farrow to finish	4 Wean to feeder	5 Wean to finish	6 Feeder to finish
1. Payment per square foot of housing for each specified time period						
2. Payment per pig or hog delivered						
3. Payment per pound of weight gain						
4. Other (specify) _____						

4.4 What type of efficiency adjustments were used as part of the compensation formula for production contracts used by your operation during the past year? **Check (✓) all that apply for each production segment for which you have a contract.**

Adjustment	1 Farrow to wean	2 Farrow to feeder	3 Farrow to finish	4 Wean to feeder	5 Wean to finish	6 Feeder to finish
Check the box if your operation did NOT use efficiency adjustments for this segment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Feed conversion efficiency						
2. Livability/survivability						
3. Preferred weight category						
4. Comparison between your operation's performance and other growers' performance						
5. Comparison between your operation's performance and a fixed standard						
6. Pigs weaned per sow						
7. Back fat measurement within target range						
8. Quality defects (for example, abscesses or injuries)						
9. Other (specify): _____						

4.5 Which of the following terms were specified in the production contracts used by your operation during the past year? *Check (✓) all that apply for each production segment for which you have a contract.*

Term	1 Farrow to wean	2 Farrow to feeder	3 Farrow to finish	4 Wean to feeder	5 Wean to finish	6 Feeder to finish
1. Specifies minimum number of batches of pigs or hogs for each specified time period						
2. Specifies genetics of pigs or hogs						
3. Offers minimum guaranteed payment for each batch						
4. Specifies that insurance premiums for pig or hog mortality are paid by grower						
5. Requires mandatory facilities/equipment upgrades						
6. Offers payment incentives for facilities/equipment upgrades						
7. Offers subsidized financing for facilities/equipment upgrades						
8. Requires mandatory arbitration for conflict resolution						
9. Allows contractor to change compensation formula without grower's consent						
10. Includes provision for dead on arrival, condemned, lightweight, or culled pigs or hogs						
11. Includes definition of viable or acceptable pig						
12. Other (specify): _____						

5 Reasons for Using Purchase Methods

Answer Question 5.1 if your operation only uses the **cash or spot market** for purchasing pigs.

OR

Answer Question 5.2 if your operation uses any **alternative purchase methods** for purchasing pigs.



5.1 What are the **three** most important reasons why your operation only uses the cash or spot market for purchasing pigs?



5.2 What are the **three** most important reasons why your operation uses alternative purchase methods for purchasing pigs?

Reason	Check only 3 reasons
1. Can purchase pigs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying pigs	
4. Reduces price variability for pigs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality pigs	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can purchase pigs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying pigs	
4. Reduces price variability for pigs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality pigs	
8. Facilitates or increases market access	
9. Allows for food safety and biosecurity assurances	
10. Allows for product traceability	
11. Improves week-to-week supply management	
12. Improves efficiency of operations due to animal uniformity	
13. Reduces investment requirements for facilities and equipment	
14. Reduces operating capital requirements	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean purchasing livestock through direct trade, auctions, or dealers within 2 weeks of delivery.

By **alternative purchase methods** we mean procurement or marketing contracts, production contracts, forward contracts, marketing agreements, and other alternatives to the cash or spot market (see page 3 for definitions).

6

Methods for Selling Pigs and Hogs

For questions that ask for percentages, your best estimate is acceptable.

Sections 6 through 8 ask about your operation's sale of pigs and hogs. When answering the questions, include transfer of pigs or hogs to another business unit owned by the same company. Do not include information on breeding stock.

If your operation is a swine integrator, do not include pigs and hogs produced on contract farms.

6.1 How many pigs and hogs did your operation sell or ship during the past year? *Enter the number of head for each category. If none, enter zero.*

Category	Number of head sold or shipped
a. Weaned pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Feeder pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
c. Market hogs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock (including buying stations) within 2 weeks of delivery or kill date.

By **procurement or marketing contract** we mean a formal agreement specifying the terms for the transfer of pigs or hogs between a seller and buyer using a pre-specified price or payment formula.

By **production contract** we mean a formal agreement between a packer or integrator and grower for the production and delivery of pigs or hogs, where the ownership of the animals is retained by the packer or integrator and the grower gets compensated for housing and husbandry.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of livestock at either a fixed or base price more than 2 weeks prior to delivery or kill date.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase livestock under specific terms.

By **internal transfer** we mean the transfer of livestock to another business unit owned by the same company.

6.2 What methods for selling or shipping pigs and hogs are used by your operation? **Enter the percentage of total head by type of method for each time period. The total for each column should sum to 100 percent.**

Method	Percentage of total head sold or shipped		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Video/electronic auctions	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Dealers or brokers	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Direct trade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Procurement or marketing contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Production contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
g. Forward contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
h. Marketing agreement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
i. Internal transfer	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
j. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the sale of livestock (for example, USDA price).

If your operation only shipped pigs or hogs produced under production contracts during the past year, check (✓) the box and go to Section 8 on page 18.

6.3 What types of pricing methods are used by your operation for selling pigs and hogs? **Check (✓) one or more responses representing most sales of pigs and hogs for each time period.**

Pricing method	Sales during past year	Expected sales in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Production contract terms		
7. Other (specify): _____		

6.4 For pigs and hogs sold by your operation during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of pigs and hogs by type of animal sold.**

Base price of formula for formula pricing	Weaned pigs	Feeder pigs	Market hogs
Check the box if your operation did NOT sell this type of pig or hog using formula pricing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Individual or multiple packing plant average price			
2. USDA live quote			
3. USDA dressed or carcass quote			
4. Auction prices			
5. Chicago Mercantile Exchange (CME) lean hog futures			
6. Subscription service price (for example, Urner Barry)			
7. Corn or soybean meal futures			
8. Cost of production			
9. Retail price			
10. Other market price (specify): _____			
11. Other (specify): _____			

6.5 What types of valuation methods are used by your operation for selling market hogs? **Check (✓) one or more responses representing most sales of market hogs for each time period.**

By **carcass weight** we mean a dressed or rail weight.

Valuation method	Sales during past year	Expected sales in 3 years
<i>Check the box if your operation did NOT sell market hogs</i>	<input type="checkbox"/>	<input type="checkbox"/>
1. Live weight		
2. Carcass weight <u>not</u> dependent on merit		
3. Carcass weight dependent on merit		
4. Other (specify): _____		

By **slide** we mean the adjustment made to prices based on an animal's weight relative to a target weight.

6.6 What percentage of pigs and hogs sold during the past year were sold using a **slide**? **If none, enter zero.**

percentage of total head sold

6.7 For what percentage of pigs and hogs sold during the past year did the seller (your operation) pay for transportation? **If none, enter zero.**

percentage of total head sold

6.8 What percentage of pigs and hogs sold during the past year were under a written agreement (versus oral)? **If none, enter zero.**

percentage of total head sold

7

Terms of Procurement or Marketing Contracts for Selling Pigs and Hogs

If your operation did not use procurement or marketing contracts for selling pigs and hogs during the past year, check (✓) the box and go to Section 8.

7.1 With how many buyers did your operation maintain procurement or marketing contracts during the past year?

1. One
2. Two
3. Three to five
4. Six to ten
5. More than ten

For questions that ask for percentages, your best estimate is acceptable.

7.2 For pigs and hogs sold under a procurement or marketing contract during the past year, what was the length of the contract? *Enter the percentage of total head by contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Contract length	Percentage of total head sold under a procurement or marketing contract
a. Less than 6 months	□□□
b. 6 to 11 months	□□□
c. 1 to 2 years	□□□
d. 3 to 5 years	□□□
e. 6 to 10 years	□□□
f. More than 10 years or evergreen	□□□
TOTAL	100%

7.3 Which of the following terms were specified in the procurement or marketing contracts used by your operation during the past year? ***Circle all that apply.***

1. Number of pigs or hogs to be delivered each specified time period
2. Average weight of pigs or hogs
3. Quality of pigs or hogs
4. Yield percentage of market hogs
5. Producer must sell 100 percent of production to your operation
6. Minimum guaranteed price for pigs or hogs
7. Includes a ledger account
8. Includes a price window
9. Specifications for production facilities
10. Breeding/genetics used by producer
11. Feeding programs used by producer
12. PSE requirements
13. Producer must be Pork Quality Assurance (PQA) certified
14. Allows packer to inspect and monitor production facilities
15. Allows producer to visit and monitor packing facilities
16. Allows packer to change carcass pricing grid without producer's consent
17. Includes definition of viable or acceptable pig or hog
18. Price adjustment for single or multiple sources of pigs or hogs
19. None of the above

8 Reasons for Using Sales Methods

Answer Question 8.1 if your operation only uses the **cash or spot market** for selling pigs and hogs.

OR

Answer Question 8.2 if your operation uses any **alternative sales method** for selling pigs and hogs.



8.1 What are the **three** most important reasons why your operation only uses the cash or spot market for selling pigs and hogs?



8.2 What are the **three** most important reasons why your operation uses alternative sales methods for selling pigs and hogs?

Reason	Check only 3 reasons
1. Can sell pigs and hogs at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling pigs and hogs	
4. Reduces price variability for pigs and hogs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality pigs	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can sell pigs and hogs at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling pigs and hogs	
4. Reduces price variability for pigs and hogs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality pigs	
8. Facilitates or increases market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week production management	
14. Secures a buyer for pigs and hogs	
15. Provides detailed carcass data	
16. Enhances access to credit	
17. Other (specify): _____	

By **cash or spot market** we mean selling livestock through direct trade, auctions, or dealers within 2 weeks of delivery or kill date.

By **alternative sales methods** we mean procurement or marketing contracts, production contracts, forward contracts, marketing agreements, and other alternatives to the cash or spot market (see page 13 for definitions).

9

Operation Characteristics

9.1 Approximately how many people (including yourself and family members) were employed for livestock production at your operation during the past year? *If none, enter zero.*

- a. Full time ,
- b. Part time ,
- c. Seasonal ,

9.2 What is the total acreage of your operation used for livestock production? *Include leased land.*

, acres

9.3 How many pigs and hogs were on your operation on January 1, 2005? *Enter the number of head by category for each type of ownership. If none, enter zero.*

If all of the pigs and hogs owned by your operation were located on contract farms, check (✓) the box and go to Question 9.4.

Category	Number of head (inventory)		
	Owned by your operation	Owned by another operation	Owned jointly with another operation
a. Nursing pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Weaned pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
c. Feeder pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
d. Finishing hogs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
e. Sows	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
f. Boars	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

9.4 How many pigs and hogs owned by your operation were on contract farms operated by a different owner on January 1, 2005? **Enter the number of head for each category. If none, enter zero.**

Category	Number of head
a. Nursing pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
b. Weaned pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
c. Feeder pigs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
d. Finishing hogs	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
e. Sows	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
f. Boars	<input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

9.5 How many auctions and buying stations operate for selling pigs and hogs within 200 miles of your operation? **If none, enter zero.**

Type	3 years ago	Currently
a. Hog auctions	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
b. Buying stations	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>

9.6 For the auction or buying station located closest to your operation, how often does it operate for selling pigs and hogs? **Check (✓) one response for each time period.**

Schedule	3 years ago	Currently
1. Monthly		
2. Every 2 weeks		
3. Weekly		
4. 2 times per week		
5. 3 to 5 times per week		
6. Daily		
7. Other (specify): _____		

All answers you give in this survey will be kept strictly confidential.

9.7 What were your operation's approximate total gross sales for pigs and hogs during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 or more

9.8 What were your operation's approximate total gross sales for all farm outputs during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 or more

9.9 Which of the following best describes your position with this operation? **Circle only one.**

1. Owner
2. Manager
3. Family member (not owner or manager)
4. Other hired employee
5. Other (specify): _____

Please answer Questions 9.10 through 9.12 if you are the owner of this operation.

All answers you give in this survey will be kept strictly confidential.

9.10 What is your age?

1. Less than 25
2. 26 to 35
3. 36 to 45
4. 46 to 55
5. 56 to 65
6. Older than 65

9.11 What is your education level?

1. Less than high school graduate
2. High school graduate/GED
3. Some college or technical school, no degree
4. College graduate
5. Post-graduate

9.12 What percentage of your total annual household income comes from off-farm sources? ***If none, enter zero.***

percent



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF ALTERNATIVE MARKETING ARRANGEMENTS:

LAMB PRODUCERS AND FEEDERS

Place label here.

**Respond to this survey providing
information only for the operation
located at the address shown on
the label.**

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 45 to 60 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of alternative marketing arrangements. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your operation was selected to participate in the survey. The survey collects information about your operation's use of various arrangements for receiving and selling lambs and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. GIPSA needs information on how small and large operations buy and sell livestock to obtain a full understanding of practices across all sizes of operations.

Please answer all questions as they pertain to the specific operation identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your operation, please contact our survey help line (contact information provided below). Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to records on purchases and sales of livestock as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept ***completely confidential.*** ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your operation. The study findings will be reported to the public only in aggregated form so that individual operations cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDASTUDY@RTI.ORG or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

About Your Operation

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. ***Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.***

- a. Start of 12-month period (month/year) /200
- b. End of 12-month period (month/year) /200

1.2 Which of the following describes your operation during the past year? ***Circle all that apply.***

1. Lamb producer
2. Lamb feeder or feedlot
3. Other (specify): _____

By **certification programs** we mean programs that certify livestock breed, carcass, or meat characteristics.

1.3 What types of **certification programs** did your operation participate in during the past year? ***Do not include USDA grading or breed registration programs. Circle all that apply.***

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. Animal welfare certification
6. Third-party certification of breed or livestock quality
7. Own-company certification of breed or livestock quality
8. Buyer certification of breed or livestock quality
9. Other (specify): _____

By **alliances** we mean a relationship formed by two or more industry participants to meet common production or marketing objectives and to improve information flows.

1.4 What types of **alliances** did your operation participate in during the past year for the receipt and/or sale of lambs? **Enter the name of each alliance and check (✓) the participants (not including yourself) involved in each alliance.**

If your operation did not participate in any alliances, check (✓) the box and go to Section 2.

Name of alliance	Check all participants involved in each alliance							8
	1	2	3	4	5	6	7	
	Seed stock supplier	Feed company	Producer	Feeder or Feedlot	Packer\processor\ breaker	Food service	Retailer	Other (specify below)
a. _____								
b. _____								
c. _____								
d. _____								

2

Methods for Receiving Lambs

- If your operation did not receive or purchase any lambs during the past year, check (✓) the box and go to Section 5 on page 9.*

For questions that ask for percentages, your best estimate is acceptable.

Sections 2 through 4 ask about your operation's receipt or purchase of lambs. When answering the questions, include lambs delivered to your operation for custom feeding.

Do not include information on breeding stock or culled animals.

- 2.1** How many lambs did your operation receive or purchase during the past year?

, , head

- 2.2** For all lambs received or purchased by your operation, what were the ownership arrangements? **Enter the percentage of total head by type of arrangement for each time period. The total for each column should sum to 100 percent.**

By **partner arrangement** we mean an arrangement between two parties at the same level of production for the purchase of livestock.

By **shared ownership** we mean an arrangement in which the original owner and your operation both retain partial ownership of the livestock (that is, a vertical arrangement).

By **joint venture** we mean your business and one or more other businesses joining together under a contractual agreement for a specific venture such as use of specific animal genetics or brand names.

Ownership arrangement for lambs	Percentage of total head received or purchased		
	3 years ago	During past year	Expected in 3 years
a. Sole ownership by your operation	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Partner arrangement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Shared ownership	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Joint venture	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Delivered for custom feeding	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock within 2 weeks of delivery.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of livestock at either a fixed or base price more than 2 weeks prior to delivery.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase livestock under specific terms.

By **internal transfer** we mean the transfer of livestock from another business unit owned by the same company.

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the purchase of livestock (for example, USDA price). The formula can include grid or non-grid values.

2.3 What methods are used by your operation for receiving or purchasing lambs? *Enter the percentage of total head by type of method for each time period. The total for each column should sum to 100 percent.*

Method	Percentage of total head received or purchased		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Video/electronic auctions	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Dealers or brokers	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Direct trade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Forward contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Marketing agreement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
g. Internal transfer	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
h. Delivered for custom feeding	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
i. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

2.4 What types of pricing methods are used by your operation for purchasing lambs? *Check (✓) one or more responses representing most purchases of lambs for each time period.*

Pricing method	Purchases during past year	Expected purchases in 3 years
1. Individually negotiated pricing	<input type="checkbox"/>	<input type="checkbox"/>
2. Public auction	<input type="checkbox"/>	<input type="checkbox"/>
3. Sealed bid	<input type="checkbox"/>	<input type="checkbox"/>
4. Formula pricing (using another price as the base)	<input type="checkbox"/>	<input type="checkbox"/>
5. Internal transfer	<input type="checkbox"/>	<input type="checkbox"/>
6. Delivered for custom feeding	<input type="checkbox"/>	<input type="checkbox"/>
7. Other (specify): _____	<input type="checkbox"/>	<input type="checkbox"/>

2.5 For lambs purchased by your operation during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of lambs.**

Base price of formula for formula pricing	Purchases during past year
<i>Check the box if formula pricing was NOT used</i>	<input type="checkbox"/>
1. USDA live quote	
2. Subscription service price (for example, Urner Barry)	
3. Cost of production	
4. Other market price (specify): _____	
5. Other (specify): _____	

If your operation did not purchase lambs using a slide, check (✓) the box and go to Section 3.

2.6 For lambs purchased using a **slide** during the past year, what were the most common terms of the slide?

- a. Minimum target weight: pounds
- b. Maximum target weight: pounds
- c. First slide premium below target weight: cents per pound
- d. First slide discount above target weight: cents per pound

By **slide** we mean the adjustment made to prices based on an animal's weight relative to a target weight.

3

Terms of Purchase Methods

For questions that ask for percentages, your best estimate is acceptable.

If your operation did not purchase any lambs during the past year, check (✓) the box and go to Section 4.

3.1 For what percentage of lambs purchased during the past year did the buyer (your operation) pay for transportation? ***If none, enter zero.***

percentage of total head purchased

3.2 What percentage of lambs purchased during the past year were under a written agreement (versus oral)? ***If none, enter zero.***

percentage of total head purchased

3.3 For lambs purchased during the past year, what was the length of the agreement or contract (oral or written)? ***Enter the percentage of total head purchased by agreement or contract length. The total should sum to 100 percent.***

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total head purchased
a. Purchases <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 6 months	<input type="text"/> <input type="text"/> <input type="text"/>
c. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
e. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
f. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.4 For lambs purchased during the past year, how far in advance of delivery was the delivery scheduled? **Enter the percentage of total head purchased by time period. The total should sum to 100 percent.**

Time period in advance of delivery	Percentage of total head purchased
a. Less than 2 weeks	□□□
b. 3 to 4 weeks	□□□
c. 5 to 8 weeks	□□□
d. 9 to 12 weeks	□□□
e. 13 to 16 weeks	□□□
f. More than 16 weeks	□□□
TOTAL	100%

4 Reasons for Using Purchase Methods

Answer Question 4.1 if your operation only uses the **cash or spot market** for purchasing lambs.

OR

Answer Question 4.2 if your operation uses any **alternative purchase methods** for purchasing lambs.



4.1 What are the **three** most important reasons why your operation only uses the cash or spot market for purchasing lambs?

Reason	Check only 3 reasons
1. Can purchase lambs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying lambs	
4. Reduces price variability for lambs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality lambs	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	



4.2 What are the **three** most important reasons why your operation uses alternative purchase methods for purchasing lambs?

Reason	Check only 3 reasons
1. Can purchase lambs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying lambs	
4. Reduces price variability for lambs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality lambs	
8. Facilitates or increases market access	
9. Allows for food safety and biosecurity assurances	
10. Allows for product traceability	
11. Improves week-to-week supply management	
12. Improves efficiency of operations due to animal uniformity	
13. Reduces investment requirements for facilities and equipment	
14. Reduces operating capital requirements	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean purchasing livestock through direct trade, auctions, or dealers within 2 weeks of delivery.

By **alternative purchase methods** we mean forward contracts, marketing agreements, custom feeding, and other alternatives to the cash or spot market (see page 4 for definitions).

5

Methods for Selling Lambs

Sections 5 through 7 ask about your operation's sale of lambs. When answering the questions, include lambs that were delivered to your operation for custom feeding and lambs shipped for custom slaughter.

Do not include information on breeding stock or culled animals.

5.1 How many lambs did your operation sell or ship during the past year? *Enter the number of head for each category. If none, enter zero.*

Category	Number of head sold or shipped
a. Feeder lambs	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Slaughter lambs, less than 105 pounds liveweight	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
c. Slaughter lambs, 105 pounds liveweight or more	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

For questions that ask for percentages, your best estimate is acceptable.

5.2 What methods for selling or shipping lambs are used by your operation? *Enter the percentage of total head by type of method for each time period. The total for each column should sum to 100 percent.*

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock within 2 weeks of delivery or kill date.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of livestock at either a fixed or base price more than 2 weeks prior to delivery or kill date.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase livestock under specific terms.

By **packer fed/owned** we mean the livestock are owned by the packer and fed for slaughter at either a custom feedlot or a packer-owned or controlled feedlot.

By **internal transfer** we mean the transfer of livestock to another business unit owned by the same company (not including packer fed/owned).

Method	Percentage of total head sold or shipped		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Video/electronic auctions	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Dealers or brokers	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Direct trade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Forward contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Marketing agreement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
g. Packer fed/owned	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
h. Internal transfer	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
i. Custom fed, not marketed by your operation	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
j. Custom slaughtered for your operation	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
k. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the sale of livestock (for example, USDA price). The formula can include grid or non-grid values.

5.3 What types of pricing methods are used by your operation for selling lambs? **Check (✓) one or more responses representing most sales of lambs for each time period.**

Pricing method	Sales during past year	Expected sales in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Custom fed, not marketed by your operation		
7. Custom slaughtered for your operation		
8. Other (specify): _____		

If your operation only ships lambs for custom slaughter, check (✓) the box and go to Section 7 on page 15.

5.4 For lambs sold by your operation during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of lambs for grid and non-grid pricing.**

By **grid** we mean prices are adjusted by premiums or discounts for specific carcass quality characteristics such as grade and yield.

Base price of formula for formula pricing	With grid	Without grid
Check the box if formula pricing was NOT used	<input type="checkbox"/>	<input type="checkbox"/>
1. Individual or multiple packing plant average price		
2. USDA live quote		
3. USDA dressed or carcass quote		
4. USDA boxed lamb price		
5. Subscription service price (for example, Urner Barry)		
6. Cost of production		
7. Retail price		
8. Other market price (specify): _____		
9. Other (specify): _____		

5.5 What types of valuation methods are used by your operation for selling slaughter lambs? **Check (✓) one or more responses representing most sales of lambs for each time period.**

Valuation method	Sales during past year	Expected sales in 3 years
<i>Check the box if this operation did NOT sell slaughter lambs</i>	<input type="checkbox"/>	<input type="checkbox"/>
1. Per head		
2. Live weight		
3. Carcass weight , <u>not</u> dependent on grid value		
4. Carcass weight , dependent on grid value		
5. Other (specify): _____		

By **carcass weight** we mean a dressed or rail weight.

By **slide** we mean the adjustment made to prices based on an animal's weight relative to a target weight.

If your operation did not sell feeder lambs using a slide, check (✓) the box and go to Section 6.

5.6 For feeder lambs sold using a **slide** during the past year, what were the most common terms of the slide?

- a. Minimum target weight: pounds
- b. Maximum target weight: pounds
- c. First slide premium below target weight: cents per pound
- d. First slide discount above target weight: cents per pound

6

Terms of Sales Methods

For questions that ask for percentages, your best estimate is acceptable.

If your operation did not sell any lambs during the past year, check (✓) the box and go to Section 7.

6.1 For what percentage of lambs sold during the past year did the seller (your operation) pay for transportation? *If none, enter zero.*

percentage of total head sold

6.2 What percentage of lambs sold during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total head sold

6.3 For lambs sold during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total head sold by agreement or contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total head sold
a. Sales <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 6 months	<input type="text"/> <input type="text"/> <input type="text"/>
c. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
e. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
f. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

6.4 For lambs sold during the past year, how far in advance of delivery was the delivery scheduled? ***Enter the percentage of total head sold by time period. The total should sum to 100 percent.***

Time period in advance of delivery	Percentage of total head sold
a. Less than 7 days	□□□
b. 8 to 14 days	□□□
c. 15 to 21 days	□□□
d. 22 to 30 days	□□□
e. 1 to 2 months	□□□
f. More than 2 months	□□□
TOTAL	100%

7 Reasons for Using Sales Methods

Answer Question 7.1 if your operation only uses the **cash or spot market** for selling lambs.

OR

Answer Question 7.2 if your operation uses any **alternative sales methods** for selling lambs.



7.1 What are the **three** most important reasons why your operation only uses the cash or spot market for selling lambs?



7.2 What are the **three** most important reasons why your operation uses alternative sales methods for selling lambs?

Reason	Check only 3 reasons
1. Can sell lambs at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling lambs	
4. Reduces price variability for lambs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality lambs	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can sell lambs at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling lambs	
4. Reduces price variability for lambs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality lambs	
8. Facilitates or increases market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week production management	
14. Secures a buyer for lambs	
15. Provides detailed carcass data	
16. Enhances access to credit	
17. Other (specify): _____	

By **cash or spot market** we mean selling livestock through direct trade, auctions, or dealers within 2 weeks of delivery or kill date.

By **alternative sales methods** we mean forward contracts, marketing agreements, packer fed/owned arrangements, custom feeding, custom slaughter, and other alternatives to the cash or spot market (see page 10 for definitions).

8 Operation Characteristics

8.1 Approximately how many people (including yourself and family members) were employed for livestock production at your operation during the past year? *If none, enter zero.*

- a. Full time ,
- b. Part time ,
- c. Seasonal ,

8.2 What is the total acreage of your operation used for livestock production? *Include leased land.*

, acres

8.3 How many lambs and sheep were on your operation on January 1, 2005? *Enter the number of head for each category. Include lambs owned by your operation and lambs custom-fed for others on your operation. If none, enter zero.*

Category	Number of head (inventory)
a. Lambs	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Ewes	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
c. Rams	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

8.4 How many auctions operate for selling lambs within 200 miles of your operation? *If none, enter zero.*

- a. Number of auctions operating 3 years ago
- b. Number of auctions currently operating

8.5 For the auction located closest to your operation, how often does it operate for selling lambs? *Check (✓) one response for each time period.*

Auction schedule	3 years ago	Currently
1. Monthly		
2. Every 2 weeks		
3. Weekly		
4. 2 times per week		
5. 3 to 5 times per week		
6. Daily		
7. Other (specify): _____		

All answers you give in this survey will be kept strictly confidential.

8.6 What were your operation's approximate total gross sales for lambs during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 or more

8.7 What were your operation's approximate total gross sales for all farm outputs during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 or more

8.8 Which of the following best describes your position with this operation? *Circle only one.*

1. Owner
2. Manager
3. Family member (not owner or manager)
4. Other hired employee
5. Other (specify): _____

Please answer Questions 8.9 through 8.11 if you are the owner of this operation.

8.9 What is your age?

1. Less than 25
2. 26 to 35
3. 36 to 45
4. 46 to 55
5. 56 to 65
6. Older than 65

8.10 What is your education level?

1. Less than high school graduate
2. High school graduate/GED
3. Some college or technical school, no degree
4. College graduate
5. Post-graduate

8.11 What percentage of your total annual household income comes from off-farm sources? ***If none, enter zero.***

percent



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF ALTERNATIVE MARKETING ARRANGEMENTS:

BEEF PACKERS

Place label here.

**Respond to this survey providing
information only for the plant
located at the address shown on
the label.**

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 45 to 75 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of alternative marketing arrangements. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your plant was selected to participate in the survey. The survey collects information about your plant's use of various arrangements for purchasing fed beef cattle (including fed Holsteins) and selling beef products and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. GIPSA needs information on how small and large plants buy livestock and sell meat products to obtain a full understanding of practices across all sizes of plants.

Please answer all questions as they pertain to the specific plant identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your plant, please contact our survey help line (contact information provided below). Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to slaughter records and records on livestock purchases and meat sales as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept ***completely confidential***. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your plant. The study findings will be reported to the public only in aggregated form so that individual plants or companies cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDASTUDY@RTI.ORG or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

About Your Plant

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. ***Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.***

- a. Start of 12-month period (month/year) /200
- b. End of 12-month period (month/year) /200

1.2 What types of livestock did your plant slaughter during the past year? ***Circle all that apply.***

1. Fed beef cattle (including fed Holsteins)
2. Other beef cattle
3. Dairy cattle
4. Hogs
5. Lambs or sheep
6. Other (specify): _____

The survey asks about your plant's use of methods for purchasing fed beef cattle, including fed Holsteins, and selling beef products.

Do not include information on breeding stock or culled animals, other livestock, or other types of meat when answering the following questions.

By **further processing** we mean activities beyond fabrication of primals, subprimals, and cuts (for example, grinding, cooking, curing).

1.3 Which of the following best describes your plant's operations during the past year? ***Circle only one.***

1. Only conducted slaughter operations
2. Conducted slaughter and fabrication operations, but no **further processing** activities
3. Conducted slaughter operations, fabrication operations, and **further processing** activities

1.4 How many fed cattle were purchased by your plant during the past year? **Enter the number of head for each category of cattle. Include packer-owned fed cattle. If none, enter zero.**

Category	Number of head
a. Steers	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
b. Heifers	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
c. Other (specify): _____	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

1.5 How many fed cattle were custom slaughtered by your plant during the past year? **If none, enter zero.**

, , head

When completing the rest of the survey, do not include information on fed cattle that were custom slaughtered.

1.6 What was the carcass yield grade for fed cattle slaughtered by your plant during the past year? **Enter the percentage of total head or percentage of total weight by carcass yield grade. The total for each column should sum to 100 percent.**

For questions that ask for percentages, your best estimate is acceptable.

Carcass yield grade	Percentage of total head	Percentage of total weight
a. Yield grade 1	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Yield grade 2	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Yield grade 3	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Yield grade 4	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Yield grade 5	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Other yield grade or no yield grade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%

1.7 What was the carcass quality grade for fed cattle slaughtered by your plant during the past year? **Enter the percentage of total head or percentage of total weight by carcass quality grade. The total for each column should sum to 100 percent.**

Carcass quality grade	Percentage of total head	Percentage of total weight
a. Prime	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Choice	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Select	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Standard	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Other quality grade or no quality grade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%

1.8 What was the carcass weight classification for fed cattle slaughtered by your plant during the past year? **Enter the weight for heavy weight and light weight carcasses and the percentage of total head or percentage of total weight by carcass weight classification. The total for each column should sum to 100 percent.**

Carcass weight classification	Specify weight	Percentage of total head	Percentage of total weight
a. Standard weight carcasses		<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Heavy weight carcasses	Greater than <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> pounds	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Light weight carcasses	Less than <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> pounds	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL		100%	100%

By **certification programs** we mean programs that certify livestock breed, carcass characteristics, product characteristics (for example, Kosher), or product processing method.

USDA Process Verified suppliers are able to make marketing claims—such as breed, feeding practices, or other raising and processing claims—and market themselves as “USDA Process Verified.”

1.9 What types of **certification programs** did your plant participate in during the past year? **Do not include USDA grading. Circle all that apply.**

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. **USDA Process Verified** certification
6. ISO certification
7. Certified Angus Beef
8. Other third-party certification of breed or livestock quality (not including Certified Angus Beef)
9. Own-company certification of breed or livestock quality
10. Buyer certification of breed or livestock quality
11. Other (specify): _____

1.10 What levels of production were owned by the same company that owns your plant during the past year? **Circle all that apply.**

1. None
2. Seed stock supplier
3. Feed company
4. Cow calf operation
5. Feedlot
6. Food manufacturer or meat processor
7. Restaurant, hotel, or other food service
8. Grocery store, meat market, or other retailer
9. Exporter
10. Other (specify): _____

By **alliances** we mean a relationship formed by two or more industry participants to meet common production or marketing objectives and to improve information flows.

1.11 What types of **alliances** did your plant participate in during the past year for purchasing fed cattle and/or selling beef products? **Enter the name of each alliance and check (✓) the participants (not including yourself) involved in each alliance.**

If your plant did not participate in any alliances, check (✓) the box and go to Question 1.12.

Name of alliance	Check the participants involved in each alliance								
	1 Seed stock supplier	2 Feed company	3 Cow calf operation	4 Feedlot	5 Other packer	6 Processor	7 Food service	8 Retailer	9 Other (specify below)
a. _____									
b. _____									
c. _____									
d. _____									
e. _____									

By **primal cuts** we mean groups of muscles from the same area of the carcass, also referred to as wholesale cuts (for example, beef loin, beef chuck).

By **subprimal cuts** we mean smaller cuts of meat taken from primal cuts, but from which even smaller cuts can be made (for example, beef sirloin, beef chuck arm half).

By **ground, including trimmings**, we mean raw meat that has been ground but has not received any additional processing, including case ready ground product.

By **portion cuts** we mean steaks, chops, and other cuts that have been cut to uniform sizes or weights and packaged in bulk.

By **case ready** we mean meats packaged in a centralized facility and shipped to supermarkets for display in refrigerated cases.

By **processed, ready-to-eat** we mean meat products that have received further processing and do not require cooking to achieve food safety (for example, lunch meats).

By **processed, not-ready-to-eat** we mean meat products that have received further processing and require cooking to achieve food safety (for example, partially cooked meat patties).

By **branded** we mean product sold with a national, regional, or store brand name.

1.12 Complete the table below by entering the percentage of total beef product dollar sales during the past year by product category. ***Include the value of beef products transferred to other business units owned by the same company. The total should sum to 100 percent.***

Product category	Percentage of total beef product dollar sales
a. Carcass or side	<input type="text"/> <input type="text"/> <input type="text"/>
b. Primal cuts	<input type="text"/> <input type="text"/> <input type="text"/>
c. Subprimal cuts	<input type="text"/> <input type="text"/> <input type="text"/>
d. Ground, including trimmings	<input type="text"/> <input type="text"/> <input type="text"/>
e. Portion cuts	<input type="text"/> <input type="text"/> <input type="text"/>
f. Case ready	<input type="text"/> <input type="text"/> <input type="text"/>
g. Processed, ready-to-eat	<input type="text"/> <input type="text"/> <input type="text"/>
h. Processed, not-ready-to-eat	<input type="text"/> <input type="text"/> <input type="text"/>
i. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

1.13 What percentage of beef product sold by your plant during the past year was **branded**? ***Do not include USDA grading. If none, enter zero.***

percentage of total beef product dollar sales

For questions that ask for percentages, your best estimate is acceptable.

2

Use of Purchase Methods

By **joint venture** we mean your business and one or more other businesses joining together under a contractual agreement for a specific venture such as use of specific animal genetics or brand names.

By **shared ownership** we mean the original owner and your business both retain partial ownership of the livestock (that is, a vertical arrangement).

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock within 2 weeks of kill date.

By **forward contract** we mean an oral or written agreement between a packer and seller for the future purchase of a specified quantity of livestock. Contract is entered into at any time between placement of livestock on feed and 2 weeks prior to kill date.

By **marketing agreement** we mean a long-term oral or written agreement between a packer and seller where a packer agrees to purchase livestock under specific terms.

By **packer fed/owned** we mean the transfer of packer-owned livestock from either a custom feedlot or a packer-owned or controlled feedlot.

2.1 For all fed cattle purchased or received by your operation, what were the ownership arrangements? **Enter the percentage of total head by type of arrangement for each time period. Do not include custom slaughter. The total for each column should sum to 100 percent.**

Ownership arrangement for fed cattle	Percentage of total head purchased or received		
	3 years ago	During past year	Expected in 3 years
a. Sole ownership by your plant	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Joint venture	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Shared ownership	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Total	100%	100%	100%

2.2 What methods are used by your plant for purchasing fed cattle? **Enter the percentage of total head by type of purchase method for each time period. The total for each column should sum to 100 percent.**

Purchase method	Percentage of total head purchased		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Video/electronic auctions	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Dealers or brokers	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Direct trade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Forward contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Marketing agreement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
g. Packer fed/owned	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
h. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

For questions that ask for percentages, your best estimate is acceptable.

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the purchase of livestock (for example, USDA price). The formula can include grid or non-grid values.

By **internal transfer** we mean the transfer of packer-owned livestock from a feedlot to the slaughter plant.

By **grid pricing** we mean prices are adjusted by premiums or discounts for specific carcass quality characteristics such as grade and yield.

2.3 What types of pricing methods are used by your plant for purchasing fed cattle? **Check (✓) one or more responses representing most purchases of fed cattle for each time period.**

Pricing method	Purchases during past year	Expected purchases in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Other (specify): _____		

2.4 For fed cattle purchased by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of fed cattle for grid and non-grid pricing.**

Base price of formula for formula pricing	With grid	Without grid
Check the box if formula pricing was NOT used	<input type="checkbox"/>	<input type="checkbox"/>
1. Individual or multiple plant average price		
2. Individual or multiple plant average cost of production		
3. USDA live quote		
4. USDA dressed or carcass quote		
5. USDA boxed beef price		
6. Chicago Mercantile Exchange (CME) cattle futures		
7. Retail price		
8. Subscription service price (for example, Cattle Fax, Urner Barry)		
9. Other market price (specify): _____		
10. Other (specify): _____		

2.5 For fed cattle received during the past year from another business unit owned by the same company, what was the source of the internal transfer price? **Check (✓) one or more responses representing most fed cattle received.**

Source for internal transfer price	Received during past year
<i>Check the box if your plant did NOT receive fed cattle from another business unit owned by the same company</i>	<input type="checkbox"/>
1. Price paid for purchased fed cattle	
2. Reported market price	
3. Measure of internal production cost with a profit margin	
4. Measure of internal production cost <u>without</u> a profit margin	
5. Other (specify): _____	

2.6 What types of valuation methods are used by your plant for purchasing fed cattle? **Check (✓) one or more responses representing most purchases of fed cattle for each time period.**

Valuation method	Purchases during past year	Expected purchases in 3 years
1. Live weight		
2. Carcass weight , <u>not</u> dependent on grid value		
3. Carcass weight , dependent on grid value		
4. Other (specify): _____		

By **carcass weight** we mean a dressed or rail weight.

3

Terms of Purchase Methods

For questions that ask for percentages, your best estimate is acceptable.

3.1 For what percentage of fed cattle purchased during the past year did the buyer (your plant) pay for transportation? *If none, enter zero.*

percentage of total head purchased

3.2 What percentage of fed cattle purchased during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total head purchased

3.3 For fed cattle purchased during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total head purchased by agreement or contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total head purchased
a. Purchases <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 6 months	<input type="text"/> <input type="text"/> <input type="text"/>
c. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
e. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
f. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.4 For fed cattle purchased during the past year, how far in advance of slaughter was the delivery scheduled? **Enter the percentage of total head purchased by time period. The total should sum to 100 percent.**

Time period in advance of slaughter	Percentage of total head purchased
a. Less than 7 days	<input type="text"/> <input type="text"/> <input type="text"/>
b. 8 to 14 days	<input type="text"/> <input type="text"/> <input type="text"/>
c. 15 to 21 days	<input type="text"/> <input type="text"/> <input type="text"/>
d. 22 to 30 days	<input type="text"/> <input type="text"/> <input type="text"/>
e. 1 to 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
f. More than 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.5 For what percentage of fed cattle purchased during the past year did your plant provide information back to the feeder or finisher? **If none, enter zero and go to Section 4.**

percentage of total head purchased

3.6 Under what conditions did your plant provide information back to the feeder or finisher? **Circle all that apply.**

1. Requested by seller, no charge
2. Requested by seller, for a set fee (*specify fee* \$ _____)
3. Cash or spot market purchases
4. Forward contract
5. Marketing agreement
6. Alliance
7. Joint venture
8. Shared ownership
9. Other (specify): _____

3.7 What types of information did your plant provide back to the feeder or finisher? **Circle all that apply.**

1. USDA carcass quality grade for individual animals
2. USDA carcass yield grade for individual animals
3. Carcass weight for individual animals
4. Price paid for individual carcasses
5. USDA carcass quality grade by lot
6. USDA carcass yield grade by lot
7. Carcass weight by lot
8. Average dressing percentage by lot
9. Other (specify): _____

4 Reasons for Using Purchase Methods

Answer Question 4.1 if your plant only uses the **cash or spot market** for purchasing fed cattle.

OR

Answer Question 4.2 if your plant uses any **alternative purchase methods** for purchasing fed cattle.



4.1 What are the **three** most important reasons why your plant only uses the cash or spot market for purchasing fed cattle?



4.2 What are the **three** most important reasons why your plant uses alternative purchase methods for purchasing fed cattle?

Reason	Check only 3 reasons
1. Can purchase fed cattle at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying fed cattle	
4. Reduces price variability for fed cattle	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality fed cattle	
8. Allows for market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can purchase fed cattle at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying fed cattle	
4. Reduces price variability for fed cattle	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality fed cattle	
8. Allows for market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week supply management	
14. Improves efficiency of operations due to animal uniformity	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean purchasing livestock through direct trade, auctions, or dealers within 2 weeks of kill date.

By **alternative purchase methods** we mean forward contracts, marketing agreements, packer fed/owned arrangements, and other alternatives to the cash or spot market (see page 7 for definitions).

5 Use of Sales Methods

Sections 5 and 6 ask about your plant's use of methods for selling beef products. **When answering the questions, include the value of beef products transferred to another business unit owned by the same company. Do not include custom slaughter.**

For questions that ask for percentages, your best estimate is acceptable.

By **retail establishments** we mean grocery stores, meat markets, warehouse clubs, or other retail establishments located in the United States.

By **food service establishments** we mean restaurants, hotels, institutions, or other food service establishments located in the United States.

By **foreign buyers** we mean foreign distributors, retailers, or food service.

5.1 Complete the table below by entering the percentage of total beef product dollar sales during the past year by type of buyer or recipient. **The total should sum to 100 percent.**

Buyer or recipient	Percentage of total beef product dollar sales
a. Meat processors or food manufacturers	□□□
b. Wholesalers or distributors	□□□
c. Retail establishments	□□□
d. Food service establishments	□□□
e. Foreign buyers	□□□
f. Other (specify): _____	□□□
TOTAL	100%

By **sales method** we mean the transfer of product from your plant's physical location to another physical location, including internal product transfers to another business unit owned by the same company.

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of product at either a fixed or base price.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase product under specific terms.

By **internal company transfer** we mean the transfer of product to another business unit owned by the same company.

5.2 What **sales methods** are used by your plant for selling beef products? **Enter the percentage of total beef product dollar sales by type of sales method for each time period. The total for each column should sum to 100 percent.**

Sales method	Percentage of total beef product dollar sales		
	3 years ago	During past year	Expected in 3 years
a. Cash or spot market (less than 3 weeks forward)	□□□	□□□	□□□
b. Forward contract	□□□	□□□	□□□
c. Marketing agreement	□□□	□□□	□□□
d. Internal company transfer	□□□	□□□	□□□
e. Other (specify): _____	□□□	□□□	□□□
TOTAL	100%	100%	100%

5.3 What sales methods did your plant use during the past year for selling beef products to different types of recipients? **Check (✓) one or more responses representing most sales of beef products for each type of recipient you sell to.**

Sales method	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Cash or spot market (less than 3 weeks forward)					
2. Forward contract					
3. Marketing agreement					
4. Internal company transfer					
5. Other (specify): _____					

By **price list** we mean using a seller's price list without negotiation.

By **individually negotiated pricing** we mean negotiations between a buyer and seller, excluding negotiated formula pricing.

By **formula pricing** we mean using another price as the base for the sale of product (for example, USDA price).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **internal transfer** we mean the transfer of product to another business unit owned by the same company.

5.4 What types of pricing methods did your plant use during the past year for selling beef products to different types of recipients? **Check (✓) one or more responses representing most sales of beef products for each type of recipient you sell to.**

Pricing method	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Price list					
2. Individually negotiated pricing					
3. Formula pricing (using another price as the base)					
4. Sealed bid					
5. Internal transfer					
6. Other (specify): _____					

5.5 For beef products sold by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of beef products.**

Base price of formula for formula pricing	Sales during past year
Check the box if formula pricing was NOT used	<input type="checkbox"/>
1. Individual or multiple plant average price	
2. Individual or multiple plant average cost of production	
3. USDA publicly reported price	
4. Retail price	
5. Subscription service price (for example, Urner Barry)	
6. Other market price (specify): _____	
7. Other (specify): _____	

5.6 What types of pricing methods does your plant expect to use in 3 years for selling beef products? **Check (✓) one or more responses representing most sales of beef products.**

Pricing method	Expected sales in 3 years
1. Price list	
2. Individually negotiated pricing	
3. Formula pricing (using another price as the base)	
4. Sealed bid	
5. Internal transfer	
6. Other (specify): _____	

By **two-part pricing** we mean pricing that includes a fixed payment (for example, slotting allowance) and a per unit price.

By **volume discounts** we mean pricing in which larger shipments have lower per unit prices.

By **exclusive dealings** we mean a requirement in which a buyer is prohibited from buying and selling the same products from another supplier.

By **bundling** we mean a buyer must purchase other related products to receive a lower price.

5.7 Which of the following marketing practices did your plant use during the past year for the sale of beef products? **Check (✓) all that apply for each type of recipient you sell to.**

Marketing practice	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Two-part pricing					
2. Volume discounts					
3. Exclusive dealings					
4. Bundling					
5. None of the above					

6

Terms of Sales Methods

For questions that ask for percentages, your best estimate is acceptable.

6.1 For what percentage of beef products sold during the past year did the seller (your plant) pay for transportation? *If none, enter zero.*

percentage of total beef product dollar sales

6.2 What percentage of beef products sold during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total beef product dollar sales

6.3 For beef products sold during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total beef product dollar sales by agreement or contract length. The total should sum to 100 percent.*

Agreement or contract length	Percentage of total beef product dollar sales
a. Sales <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 1 month	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 5 months	<input type="text"/> <input type="text"/> <input type="text"/>
e. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
f. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
h. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
i. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

6.4 For beef products sold during the past year, how far in advance of delivery was the delivery scheduled? **Enter the percentage of total beef product dollar sales by time period. The total should sum to 100 percent.**

Time period in advance of delivery	Percentage of total beef product dollar sales
a. Less than 3 days	□□□
b. 4 to 6 days	□□□
c. 1 to 2 weeks	□□□
d. 3 to 4 weeks	□□□
e. More than 1 month	□□□
TOTAL	100%

7 Reasons for Using Sales Methods

Answer Question 7.1 if your plant only uses the **cash or spot market** for selling beef products.

OR

Answer Question 7.2 if your plant uses any **alternative sales methods** for selling beef products.



7.1 What are the **three** most important reasons why your plant only uses the cash or spot market for selling beef products?

7.2 What are the **three** most important reasons why your plant uses alternative sales methods for selling beef products?

Reason	Check only 3 reasons
1. Can sell beef products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling beef products	
4. Reduces price variability for beef products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality beef products	
8. Allows for market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can sell beef products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling beef products	
4. Reduces price variability for beef products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality beef products	
8. Allows for market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week production management	
14. Secures a buyer for beef products	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **alternative sales methods** we mean forward contracts, marketing agreements, and other alternatives to the cash or spot market (see page 14 for definitions).

8 Plant Operations

Provide information on your plant's operations for slaughtering fed cattle and producing beef products during the past year.

8.1 How many days per week did your plant usually slaughter fed cattle?

1. Less frequently than once a week
2. 1 or 2 days per week
3. 3 or 4 days per week
4. 5 or 6 days per week

8.2 How many fed cattle slaughter shifts did your plant usually operate per day? ***Do not include cleanup shifts.***

1. One
2. Two
3. Three

8.3 How many beef processing shifts did your plant usually operate per day? ***Do not include cleanup shifts.***

1. None
2. One
3. Two
4. Three

8.4 What is your plant's maximum slaughter capacity per week for fed cattle? ***Provide your plant's capacity, not the actual slaughter volume.***

, head per week

8.5 What is your plant's maximum processing capacity per week for beef products? ***Provide your plant's capacity, not the actual production volume. If no processing operations, enter zero.***

, , pounds per week

8.6 What was the slaughter line speed for fed cattle? ***If there were multiple lines at different speeds, enter the highest line speed. Enter zero if you do not use an automated line.***

head per hour

8.7 How many meat slaughter and processing plants, including this one, are owned by the company that owns your plant?

1. One
2. 2 to 5
3. 6 to 10
4. 11 to 20
5. 21 or more

8.8 What percentage of fed cattle purchased for slaughter during calendar year 2002 (prior to the ban on importation of cattle from Canada) were imported from Canada?

percentage of fed cattle

8.9 Approximately how many people were employed at your plant during the past year?

- a. Full time ,
- b. Part time or seasonal ,

8.10 What were your plant's approximate total gross sales for fresh, frozen, and processed beef products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

All answers you give in this survey will be kept strictly confidential.

By **by-products** we mean hides, offals, and all other beef products not included in Question 8.10.

8.11 What were your plant's approximate total gross sales for beef **by-products** during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

8.12 What were your plant's approximate total gross sales for all products during the past year? ***Include revenue from custom slaughter.***

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF ALTERNATIVE MARKETING ARRANGEMENTS:

PORK PACKERS

Place label here.

**Respond to this survey providing
information only for the plant
located at the address shown on
the label.**

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 45 to 90 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of alternative marketing arrangements. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your plant was selected to participate in the survey. The survey collects information about your plant's use of various arrangements for procuring market hogs and selling pork products and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. GIPSA needs information on how small and large plants buy livestock and sell meat products to obtain a full understanding of practices across all sizes of plants.

Please answer all questions as they pertain to the specific plant identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your plant, please contact our survey help line (contact information provided below). Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to slaughter records and records on livestock purchases and meat sales as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept ***completely confidential***. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your plant. The study findings will be reported to the public only in aggregated form so that individual plants or companies cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDAstudy@rti.org or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

About Your Plant

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. **Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.**

- a. Start of 12-month period (month/year) /200
b. End of 12-month period (month/year) /200

1.2 What types of livestock did your plant slaughter during the past year? **Circle all that apply.**

1. Market hogs
2. Other hogs
3. Beef cattle (including fed Holsteins)
4. Dairy cattle
5. Lambs or sheep
6. Other (specify): _____

The survey asks about your plant's use of methods for procuring market hogs and selling pork products.

Do not include information on breeding stock, other livestock, or other types of meat when answering the following questions.

By **further processing** we mean activities beyond fabrication of primals, subprimals, and cuts (for example, grinding, cooking, curing).

1.3 Which of the following best describes your plant's operations during the past year? **Circle only one.**

1. Only conducted slaughter operations
2. Conducted slaughter and fabrication operations, but no **further processing** activities
3. Conducted slaughter operations, fabrication operations, and **further processing** activities

1.4 How many market hogs (barrows and gilts) were procured by your plant during the past year?

, , head

1.5 How many market hogs (barrows and gilts) were custom slaughtered by your plant during the past year? *If none, enter zero.*

, , head

When completing the rest of the survey, do not include information on market hogs that were custom slaughtered.

1.6 Which of the following measures of quality were used for market hogs slaughtered by your plant during the past year? *Circle all that apply.*

1. None
2. USDA carcass quality grade
3. Lean percentage
4. Back fat
5. Loin eye depth
6. Fat free lean index (FFLI)
7. pH factor
8. Weight standard
9. Other (specify): _____

By **certification programs** we mean programs that certify livestock breed, carcass characteristics, product characteristics, or product processing methods.

USDA Process Verified suppliers are able to make marketing claims—such as breed, feeding practices, or other raising and processing claims—and market themselves as “USDA Process Verified.”

1.7 What carcass weight range for market hogs did your plant use for standard weight carcasses during the past year? *Enter the weight range before the hog price was discounted because of weight.*

- a. Minimum carcass weight: pounds
- b. Maximum carcass weight: pounds

1.8 What types of **certification programs** did your plant participate in during the past year? *Do not include USDA grading. Circle all that apply.*

1. None
2. Organic certification
3. **USDA Process Verified** certification
4. ISO certification
5. Third-party certification of breed or livestock quality (for example, Berkshire Gold)
6. Own-company certification of breed or livestock quality
7. Buyer certification of breed or livestock quality
8. Other (specify): _____

1.9 What levels of production were owned by the same company that owns your plant during the past year?
Circle all that apply.

1. None
2. Genetic supplier
3. Feed company
4. Farrow to wean
5. Wean to feeder
6. Feeder to finish
7. Food manufacturer or meat processor
8. Restaurant, hotel, or other food service
9. Grocery store, meat market, or other retailer
10. Exporter
11. Other (specify): _____

By **primal cuts** we mean groups of muscles from the same area of the carcass, also referred to as wholesale cuts (for example, pork loin, pork leg).

By **subprimal cuts** we mean smaller cuts of meat taken from primal cuts, but from which even smaller cuts can be made (for example, tenderloin, arm picnic roast).

By **ground, including trimmings**, we mean raw meat that has been ground but has not received any additional processing, including case ready ground product.

By **portion cuts** we mean chops and other cuts that have been cut to uniform sizes or weights and packaged in bulk.

By **case ready** we mean meats packaged in a centralized facility and shipped to supermarkets for display in refrigerated cases.

By **processed, ready-to-eat** we mean meat products that have received further processing and do not require cooking to achieve food safety (for example, lunch meats, cooked sausages).

By **processed, not-ready-to-eat** we mean meat products that have received further processing and require cooking to achieve food safety (for example, raw bacon, sausage).

By **branded** we mean product sold with a national, regional, or store brand name.

1.10 Complete the table below by entering the percentage of total pork product dollar sales during the past year by product category. ***Include the value of pork products transferred to other business units owned by the same company. The total should sum to 100 percent.***

Product category	Percentage of total pork product dollar sales
a. Carcass or side	<input type="text"/> <input type="text"/> <input type="text"/>
b. Primal cuts	<input type="text"/> <input type="text"/> <input type="text"/>
c. Subprimal cuts	<input type="text"/> <input type="text"/> <input type="text"/>
d. Ground, including trimmings	<input type="text"/> <input type="text"/> <input type="text"/>
e. Portion cuts	<input type="text"/> <input type="text"/> <input type="text"/>
f. Case ready	<input type="text"/> <input type="text"/> <input type="text"/>
g. Processed, ready-to-eat	<input type="text"/> <input type="text"/> <input type="text"/>
h. Processed, not-ready-to-eat	<input type="text"/> <input type="text"/> <input type="text"/>
i. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

1.11 What percentage of pork product sold by your plant during the past year was **branded**? ***Do not include USDA grading. If none, enter zero.***

percentage of total pork product dollar sales

For questions that ask for percentages, your best estimate is acceptable.

2

For questions that ask for percentages, your best estimate is acceptable.

By **joint venture** we mean your business and one or more other businesses joining together under a contractual agreement for a specific venture such as use of specific animal genetics or brand names.

By **shared ownership** we mean the original owner and your business both retain partial ownership of the livestock (that is, a vertical arrangement).

Use of Procurement Methods

2.1 For all market hogs procured by your operation, what were the ownership arrangements? **Enter the percentage of total head by type of arrangement for each time period. Do not include custom slaughter. The total for each column should sum to 100 percent.**

Ownership arrangement for market hogs	Percentage of total head procured		
	3 years ago	During past year	Expected in 3 years
a. Sole ownership by your plant	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Joint venture	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Shared ownership	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock (including buying stations) within 2 weeks of kill date.

By **procurement or marketing contract** we mean a formal agreement specifying the terms for the transfer of market hogs between a seller and buyer using a pre-specified price or payment formula.

By **production contract** we mean a formal agreement between a packer or integrator and grower for the production and delivery of market hogs, where the ownership of the hogs is retained by the packer or integrator and the grower gets compensated for housing and husbandry.

By **forward contract** we mean an oral or written agreement between a packer and seller for the future purchase of a specified quantity of livestock. Contract is entered into at any time between placement of livestock on feed and 2 weeks prior to kill date.

By **marketing agreement** we mean a long-term oral or written agreement between a packer and seller where a packer agrees to purchase livestock under specific terms.

By **packer owned** we mean the transfer of packer-owned livestock from company-owned farms.

2.2 What methods are used by your plant for procuring market hogs? ***Enter the percentage of total head by type of procurement method for each time period. The total for each column should sum to 100 percent.***

Procurement method	Percentage of total head procured		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	□□□	□□□	□□□
b. Video/electronic auctions	□□□	□□□	□□□
c. Dealers or brokers	□□□	□□□	□□□
d. Direct trade	□□□	□□□	□□□
e. Procurement or marketing contract	□□□	□□□	□□□
f. Production contract	□□□	□□□	□□□
g. Forward contract	□□□	□□□	□□□
h. Marketing agreement	□□□	□□□	□□□
i. Packer owned	□□□	□□□	□□□
j. Other (specify): _____	□□□	□□□	□□□
TOTAL	100%	100%	100%

If your plant only procured market hogs produced under production contracts during the past year, check (✓) the box and go to Section 4 on page 11.

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the purchase of livestock (for example, USDA price).

By **internal transfer** we mean the transfer of packer-owned livestock from a finisher to the slaughter plant.

2.3 What types of pricing methods are used by your plant for purchasing market hogs? **Check (✓) one or more responses representing most purchases of market hogs for each time period.**

Pricing method	Purchases during past year	Expected purchases in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Production contract terms		
7. Other (specify): _____		

2.4 For market hogs purchased by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of market hogs.**

Base price of formula for formula pricing	Purchases during past year
Check the box if formula pricing was NOT used	<input type="checkbox"/>
1. Individual or multiple plant average price	
2. Individual or multiple plant average cost of production	
3. USDA live quote	
4. USDA dressed or carcass quote	
5. USDA boxed pork price	
6. Chicago Mercantile Exchange (CME) lean hog futures	
7. Retail price	
8. Subscription service price (for example, Urner Barry)	
9. Other market price (specify): _____	
10. Other (specify): _____	

2.5 For market hogs received during the past year from another business unit owned by the same company, what was the source of the internal transfer price? **Check (✓) one or more responses representing most market hogs received.**

Source for internal transfer price	Received during past year
<i>Check the box if your plant did NOT receive market hogs from another business unit owned by the same company</i>	<input type="checkbox"/>
1. Price paid for purchased market hogs	
2. Reported market price	
3. Measure of internal production cost with a profit margin	
4. Measure of internal production cost <u>without</u> a profit margin	
5. Other (specify): _____	

2.6 What types of valuation methods are used by your plant for purchasing market hogs? **Check (✓) one or more responses representing most purchases of market hogs for each time period.**

Valuation method	Purchases during past year	Expected purchases in 3 years
1. Live weight		
2. Carcass weight , <u>not</u> dependent on merit		
3. Carcass weight , dependent on merit		
4. Other (specify): _____		

By **carcass weight** we mean a dressed or rail weight.

2.7 For what percentage of market hogs purchased during the past year did the buyer (your plant) pay for transportation? **If none, enter zero.**

percentage of total head purchased

2.8 What percentage of market hogs purchased during the past year were under a written agreement (versus oral)? **If none, enter zero.**

percentage of total head purchased

3

Terms of Procurement or Marketing Contracts

By **procurement or marketing contract** we mean a formal agreement specifying the terms for the future transfer of market hogs between a seller and buyer using a pre-specified price or payment formula.

For questions that ask for percentages, your best estimate is acceptable.

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

If your plant did not use procurement or marketing contracts for purchasing market hogs during the past year, check (✓) the box and go to Section 4.

3.1 With how many pork producers did your plant maintain procurement or marketing contracts during the past year?

1. One
2. Two
3. Three to five
4. Six to ten
5. More than ten

3.2 For market hogs purchased under a procurement or marketing contract during the past year, what was the length of the contract? *Enter the percentage of total head by contract length. The total should sum to 100 percent.*

Contract length	Percentage of total head purchased under a procurement or marketing contract
a. Less than 6 months	<input type="text"/> <input type="text"/> <input type="text"/>
b. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
e. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
f. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.3

Which of the following terms were specified in the procurement or marketing contracts used by your plant during the past year? ***Circle all that apply.***

1. Number of market hogs to be delivered each specified time period
2. Average weight of market hogs
3. Quality of market hogs
4. Yield percentage of market hogs
5. Producer must sell 100 percent of production to your plant
6. Minimum guaranteed price for market hogs
7. Includes a ledger account
8. Includes a price window
9. Specifications for production facilities
10. Breeding/genetics used by producer
11. Feeding programs used by producer
12. PSE requirements
13. Producer must be Pork Quality Assurance (PQA) certified
14. Allows packer to inspect and monitor production facilities
15. Allows producer to visit and monitor packing facilities
16. Allows packer to change carcass pricing grid without producer's consent
17. Includes definition of viable or acceptable hog
18. Price adjustment for single or multiple source hogs
19. None of the above

4

Terms of Production Contracts

For questions that ask for percentages, your best estimate is acceptable.

By **production contract** we mean a formal agreement between a packer or integrator and grower for the production and delivery of market hogs, where the ownership of the hogs is retained by the packer or integrator and the grower gets compensated for housing and husbandry.

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

If your plant did not use production contracts for procuring market hogs during the past year, check (✓) the box and go to Section 5.

4.1 What types of contracts did your plant have during the past year for the production of market hogs? *Enter the percentage of total head by type of contract.*

Contract type	Percentage of total head
a. Farrow to finish	<input type="text"/> <input type="text"/> <input type="text"/>
b. Wean to finish	<input type="text"/> <input type="text"/> <input type="text"/>
c. Feeder to finish	<input type="text"/> <input type="text"/> <input type="text"/>
d. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

4.2 What was the length of the production contracts offered by your plant during the past year? *Check (✓) one response for each production segment for which a production contract is used.*

Contract length	Farrow to finish	Wean to finish	Feeder to finish
1. One batch of hogs at a time			
2. Less than 1 year			
3. 1 to 2 years			
4. 3 to 5 years			
5. 6 to 10 years			
6. More than 10 years or evergreen			

4.3 What was the compensation formula for production contracts offered by your plant during the past year? **Check (✓) all that apply for each production segment for which a production contract is used.**

Formula	Farrow to finish	Wean to finish	Feeder to finish
1. Payment per square foot of housing for each specified time period			
2. Payment per hog delivered			
3. Payment per pound of weight gain			
4. Other (specify): _____			

4.4 What type of efficiency adjustments were used as part of the compensation formula for production contracts offered by your plant during the past year? **Check (✓) all that apply for each production segment for which a production contract is used.**

Adjustment	Farrow to finish	Wean to finish	Feeder to finish
<i>Check the box if your plant did NOT use efficiency adjustments for this segment</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Feed conversion efficiency			
2. Livability/survivability			
3. Preferred weight category			
4. Comparison between individual grower's performance and other growers' performance			
5. Comparison between individual grower's performance and a fixed standard			
6. Pigs weaned per sow			
7. Back fat measurement within target range			
8. Quality defects (for example, abscesses or injuries)			
9. Other (specify): _____			

4.5 Which of the following terms were specified in the production contracts offered by your plant during the past year? **Check (✓) all that apply for each production segment for which a production contract is used.**

Term	Farrow to finish	Wean to finish	Feeder to finish
1. Specifies minimum number of batches of hogs for each specified time period			
2. Specifies genetics of hogs			
3. Offers minimum guaranteed payment for each batch			
4. Specifies that insurance premiums for hog mortality are paid by grower			
5. Requires mandatory facilities/equipment upgrades			
6. Offers payment incentives for facilities/equipment upgrades			
7. Offers subsidized financing for facilities/equipment upgrades			
8. Requires mandatory arbitration for conflict resolution			
9. Allows packer to change compensation formula without grower's consent			
10. Includes provision for dead on arrival, condemned, lightweight, or culled hogs			
11. Includes definition of viable or acceptable pig			
12. Other (specify): _____			

5 Reasons for Using Procurement Methods

Answer Question 5.1 if your plant only uses the **cash or spot market** for procuring market hogs.

OR

Answer Question 5.2 if your plant uses any **alternative procurement methods** for procuring market hogs.



5.1 What are the **three** most important reasons why your plant only uses the cash or spot market for procuring market hogs?



5.2 What are the **three** most important reasons why your plant uses alternative procurement methods for procuring market hogs?

Reason	Check only 3 reasons
1. Can purchase market hogs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying market hogs	
4. Reduces price variability for market hogs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality market hogs	
8. Allows for market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can purchase market hogs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying market hogs	
4. Reduces price variability for market hogs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality market hogs	
8. Allows for market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week supply management	
14. Improves efficiency of operations due to animal uniformity	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean purchasing livestock through direct trade, auctions, or dealers within 2 weeks of kill date.

By **alternative procurement methods** we mean procurement or marketing contracts, production contracts, packer-owned arrangements, forward contracts, marketing agreements, or other alternatives to the cash or spot market (see page 6 for definitions).

6

Use of Sales Methods

For questions that ask for percentages, your best estimate is acceptable.

By **retail establishments** we mean grocery stores, meat markets, warehouse clubs, or other retail establishments located in the United States.

By **food service establishments** we mean restaurants, hotels, institutions, or other food service establishments located in the United States.

By **foreign buyers** we mean foreign distributors, retailers, or food service.

By **sales method** we mean the transfer of product from your plant's physical location to another physical location, including internal product transfers to another business unit owned by the same company.

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of product at either a fixed or base price.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase product under specific terms.

By **internal company transfer** we mean the transfer of product to another business unit owned by the same company.

*Sections 6 and 7 ask about your plant's use of methods for selling pork products. **When answering the questions, include the value of pork products transferred to another business unit owned by the same company. Do not include custom slaughter.***

6.1 Complete the table below by entering the percentage of total pork product dollar sales during the past year by type of buyer or recipient. **The total should sum to 100 percent.**

Buyer or recipient	Percentage of total pork product dollar sales
a. Meat processors or food manufacturers	<input type="text"/> <input type="text"/> <input type="text"/>
b. Wholesalers or distributors	<input type="text"/> <input type="text"/> <input type="text"/>
c. Retail establishments	<input type="text"/> <input type="text"/> <input type="text"/>
d. Food service establishments	<input type="text"/> <input type="text"/> <input type="text"/>
e. Foreign buyers	<input type="text"/> <input type="text"/> <input type="text"/>
f. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

6.2 What **sales methods** are used by your plant for selling pork products? **Enter the percentage of total pork product dollar sales by type of sales method for each time period. The total for each column should sum to 100 percent.**

Sales method	Percentage of total pork product dollar sales		
	3 years ago	During past year	Expected in 3 years
a. Cash or spot market (less than 3 weeks forward)	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Forward contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Marketing agreement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Internal company transfer	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

6.3 What sales methods did your plant use during the past year for selling pork products to different types of recipients? **Check (✓) one or more responses representing most sales of pork products for each type of recipient you sell to.**

Sales method	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Cash or spot market (less than 3 weeks forward)					
2. Forward contract					
3. Marketing agreement					
4. Internal company transfer					
5. Other (specify): _____					

By **price list** we mean using a seller's price list without negotiation.

By **individually negotiated pricing** we mean negotiations between a buyer and seller, excluding negotiated formula pricing.

By **formula pricing** we mean using another price as the base for the sale of product (for example, USDA price).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **internal transfer** we mean the transfer of product to another business unit owned by the same company.

6.4 What types of pricing methods did your plant use during the past year for selling pork products to different types of recipients? **Check (✓) one or more responses representing most sales of pork products for each type of recipient you sell to.**

Pricing method	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Price list					
2. Individually negotiated pricing					
3. Formula pricing (using another price as the base)					
4. Sealed bid					
5. Internal transfer					
6. Other (specify): _____					

6.5 For pork products sold by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of pork products.**

Base price of formula for formula pricing	Sales during past year
<i>Check the box if formula pricing was NOT used</i>	<input type="checkbox"/>
1. Individual or multiple plant average price	
2. Individual or multiple plant average cost of production	
3. USDA publicly reported price	
4. Retail price	
5. Subscription service price (for example, Urner Barry)	
6. Other market price (specify): _____	
7. Other (specify): _____	

6.6 What types of pricing methods does your plant expect to use in 3 years for selling pork products? **Check (✓) one or more responses representing most sales of pork products.**

Pricing method	Expected sales in 3 years
1. Price list	
2. Individually negotiated pricing	
3. Formula pricing (using another price as the base)	
4. Sealed bid	
5. Internal transfer	
6. Other (specify): _____	

By **two-part pricing** we mean pricing that includes a fixed payment (for example, slotting allowance) and a per unit price.

By **volume discounts** we mean pricing in which larger shipments have lower per unit prices.

By **exclusive dealings** we mean a requirement in which a buyer is prohibited from buying and selling the same products from another supplier.

By **bundling** we mean the buyer must purchase other related products to receive a lower price.

6.7 Which of the following marketing practices did your plant use during the past year for the sale of pork products?
Check (✓) all that apply for each type of recipient you sell to.

Marketing practice	Processors/ manufacturers ¹	Wholesalers/ distributors ²	Retail establishments ³	Food service establishments ⁴	Foreign buyers ⁵
1. Two-part pricing					
2. Volume discounts					
3. Exclusive dealings					
4. Bundling					
5. None of the above					

7

Terms of Sales Methods

For questions that ask for percentages, your best estimate is acceptable.

7.1 For what percentage of pork products sold during the past year did the seller (your plant) pay for transportation? *If none, enter zero.*

percentage of total pork product dollar sales

7.2 What percentage of pork products sold during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total pork product dollar sales

7.3 For pork products sold during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total pork product dollar sales by agreement or contract length. The total should sum to 100 percent.*

Agreement or contract length	Percentage of total pork product dollar sales
a. Sales <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 1 month	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 5 months	<input type="text"/> <input type="text"/> <input type="text"/>
e. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
f. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
h. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
i. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

7.4 For pork products sold during the past year, how far in advance of delivery was the delivery scheduled? **Enter the percentage of total pork product dollar sales by time period. The total should sum to 100 percent.**

Time period in advance of delivery	Percentage of total pork product dollar sales
a. Less than 3 days	□□□
b. 4 to 6 days	□□□
c. 1 to 2 weeks	□□□
d. 3 to 4 weeks	□□□
e. More than 1 month	□□□
TOTAL	100%

8 Reasons for Using Sales Methods

Answer Question 8.1 if your plant only uses the **cash or spot market** for selling pork products.

OR

Answer Question 8.2 if your plant uses any **alternative sales methods** for selling pork products.



8.1 What are the **three** most important reasons why your plant only uses the cash or spot market for selling pork products?



8.2 What are the **three** most important reasons why your plant uses alternative sales methods for selling pork products?

Reason	Check only 3 reasons
1. Can sell pork products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling pork products	
4. Reduces price variability for pork products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality pork products	
8. Allows for market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can sell pork products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling pork products	
4. Reduces price variability for pork products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality pork products	
8. Allows for market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week production management	
14. Secures a buyer for pork products	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **alternative sales methods** we mean forward contracts, marketing agreements, and other alternatives to the cash or spot market (see page 15 for definitions).

9

Plant Operations

Provide information on your plant's operations for slaughtering market hogs and producing pork products during the past year.

9.1 How many days per week did your plant usually slaughter market hogs?

1. Less frequently than once a week
2. 1 or 2 days per week
3. 3 or 4 days per week
4. 5 or 6 days per week

9.2 How many market hog slaughter shifts did your plant usually operate per day? ***Do not include cleanup shifts.***

1. One
2. Two
3. Three

9.3 How many pork processing shifts did your plant usually operate per day? ***Do not include cleanup shifts.***

1. None
2. One
3. Two
4. Three

9.4 What is your plant's maximum slaughter capacity per week for market hogs? ***Provide your plant's capacity, not the actual slaughter volume.***

, head per week

9.5 What is your plant's maximum processing capacity per week for pork products? ***Provide your plant's capacity, not the actual production volume. If no processing operations, enter zero.***

, , pounds per week

9.6 What was the slaughter line speed for market hogs? ***If there were multiple lines at different speeds, enter the highest line speed. Enter zero if you do not use an automated line.***

head per hour

9.7 How many meat slaughter and processing plants, including this one, are owned by the company that owns your plant?

1. One
2. 2 to 5
3. 6 to 10
4. 11 to 20
5. 21 or more

9.8 Approximately how many people were employed at your plant during the past year?

- a. Full time ,
- b. Part time or seasonal ,

9.9 What were your plant's approximate total gross sales for fresh, frozen, and processed pork products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

All answers you give in this survey will be kept strictly confidential.

9.10 What were your plant's approximate total gross sales for pork **by-products** during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

By **by-products** we mean hides, offals, and all other pork products not included in Question 9.9.

9.11 What were your plant's approximate total gross sales for all products during the past year? ***Include revenue from custom slaughter.***

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF ALTERNATIVE MARKETING ARRANGEMENTS:

LAMB PACKERS

Place label here.

**Respond to this survey providing
information only for the plant
located at the address shown on
the label.**

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 45 to 75 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of alternative marketing arrangements. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your plant was selected to participate in the survey. The survey collects information about your plant's use of various arrangements for purchasing lambs and selling lamb products and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. GIPSA needs information on how small and large plants buy livestock and sell meat products to obtain a full understanding of practices across all sizes of plants.

Please answer all questions as they pertain to the specific plant identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your plant, please contact our survey help line (contact information provided below). Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to slaughter records and records on livestock purchases and meat sales as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept ***completely confidential***. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your plant. The study findings will be reported to the public only in aggregated form so that individual plants or companies cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDASTUDY@RTI.ORG or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

About Your Plant

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. **Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.**

- a. Start of 12-month period (month/year) /200
b. End of 12-month period (month/year) /200

1.2 What types of livestock did your plant slaughter during the past year? **Circle all that apply.**

1. Lambs
2. Ewes and/or rams
3. Goats
4. Hogs
5. Beef cattle (including fed Holsteins)
6. Dairy cattle
7. Other (specify): _____

The survey asks about your plant's use of methods for purchasing lambs and selling lamb products.

Do not include information on yearling lambs (meat sold as mutton), breeding stock or culled animals, other livestock, or other types of meat when answering the following questions.

By **further processing** we mean activities beyond fabrication of primals, subprimals, and cuts (for example, grinding, cooking, curing).

1.3 Which of the following best describes your plant's operations during the past year? **Circle only one.**

1. Only conducted slaughter operations
2. Conducted slaughter and fabrication operations, but no **further processing** activities
3. Conducted slaughter operations, fabrication operations, and **further processing** activities

1.4 How many lambs were purchased by your plant during the past year? **Include packer-owned lambs.**

, head

1.5 How many lambs were custom slaughtered by your plant during the past year? *If none, enter zero.*

, head

When completing the rest of the survey, do not include information on lambs that were custom slaughtered.

1.6 What was the carcass yield grade for lambs slaughtered by your plant during the past year? *Enter the percentage of total head by carcass yield grade. The total should sum to 100 percent.*

For questions that ask for percentages, your best estimate is acceptable.

Carcass yield grade	Percentage of total head
a. Yield grades 1, 2, and 3	<input type="text"/> <input type="text"/> <input type="text"/>
b. Yield grades 4 and 5	<input type="text"/> <input type="text"/> <input type="text"/>
c. Other yield grade or no yield grade	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

1.7 What was the carcass quality grade for lambs slaughtered by your plant during the past year? *Enter the percentage of total head by carcass quality grade. The total should sum to 100 percent.*

Carcass quality grade	Percentage of total head
a. Prime and choice	<input type="text"/> <input type="text"/> <input type="text"/>
b. Good	<input type="text"/> <input type="text"/> <input type="text"/>
c. Utility	<input type="text"/> <input type="text"/> <input type="text"/>
d. Other quality grade or no quality grade	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

1.8 What was the carcass weight classification for lambs slaughtered by your plant during the past year? **Enter the weight for heavy weight and light weight carcasses and the percentage of total head by carcass weight classification. The total should sum to 100 percent.**

Carcass weight classification	Specify weight	Percentage of total head
a. Standard weight carcasses		<input type="text"/> <input type="text"/> <input type="text"/>
b. Heavy weight carcasses	Greater than <input type="text"/> <input type="text"/> <input type="text"/> pounds	<input type="text"/> <input type="text"/> <input type="text"/>
c. Light weight carcasses	Less than <input type="text"/> <input type="text"/> <input type="text"/> pounds	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL		100%

By **certification programs** we mean programs that certify livestock breed, carcass characteristics, product characteristics (for example, Kosher), or product processing method.

USDA Process Verified suppliers are able to make marketing claims—such as breed, feeding practices, or other raising and processing claims—and market themselves as “USDA Process Verified.”

1.9 What types of **certification programs** did your plant participate in during the past year? **Do not include USDA grading. Circle all that apply.**

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. **USDA Process Verified** certification
6. ISO certification
7. Third-party certification of breed or livestock quality
8. Own-company certification of breed or livestock quality
9. Buyer certification of breed or livestock quality
10. Other (specify): _____

1.10 What levels of production were owned by the same company that owns your plant during the past year? **Circle all that apply.**

1. None
2. Seed stock supplier
3. Producer
4. Feeder or finisher
5. Breaker or meat processor
6. Restaurant, hotel, or other food service
7. Grocery store, meat market, or other retailer
8. Exporter
9. Other (specify): _____

By **alliances** we mean a relationship formed by two or more industry participants to meet common production or marketing objectives and to improve information flows.

1.11 What types of **alliances** did your plant participate in during the past year for purchasing lambs and/or selling lamb products? **Enter the name of each alliance and check (✓) the participants (not including yourself) involved in each alliance.**

If your plant did not participate in any alliances, check (✓) the box and go to Question 1.12.

Name of alliance	Check the participants involved in each alliance							
	1 Seed stock supplier	2 Producer	3 Feeder/ finisher	4 Other packer	5 Breaker or Processor	6 Food service	7 Retailer	8 Other (specify below)
a. _____								
b. _____								
c. _____								

By **primal cuts** we mean groups of muscles from the same area of the carcass, also referred to as wholesale cuts (for example, leg, shoulder).

By **subprimal cuts** we mean smaller cuts of meat taken from primal cuts, but from which even smaller cuts can be made (for example, sirloin, flank).

By **ground, including trimmings**, we mean raw meat that has been ground but has not received any additional processing, including case ready ground product.

By **portion cuts** we mean chops and other cuts that have been cut to uniform sizes or weights and packaged in bulk.

By **case ready** we mean meats packaged in a centralized facility and shipped to supermarkets for display in refrigerated cases.

By **processed, ready-to-eat** we mean meat products that have received further processing and do not require cooking to achieve food safety (for example, pre-cooked meat).

By **processed, not-ready-to-eat** we mean meat products that have received further processing and require cooking to achieve food safety (for example, partially cooked patties).

By **branded** we mean product sold with a national, regional, or store brand name.

1.12 Complete the table below by entering the percentage of total lamb product dollar sales during the past year by product category. ***Include the value of lamb products transferred to other business units owned by the same company. The total should sum to 100 percent.***

Product category	Percentage of total lamb product dollar sales
a. Carcass or saddle	<input type="text"/> <input type="text"/> <input type="text"/>
b. Primal cuts	<input type="text"/> <input type="text"/> <input type="text"/>
c. Subprimal cuts	<input type="text"/> <input type="text"/> <input type="text"/>
d. Ground, including trimmings	<input type="text"/> <input type="text"/> <input type="text"/>
e. Portion cuts	<input type="text"/> <input type="text"/> <input type="text"/>
f. Case ready	<input type="text"/> <input type="text"/> <input type="text"/>
g. Processed, ready to eat	<input type="text"/> <input type="text"/> <input type="text"/>
h. Processed, not-ready-to-eat	<input type="text"/> <input type="text"/> <input type="text"/>
i. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

1.13 What percentage of lamb product sold by your plant during the past year was **branded**? ***Do not include USDA grading. If none, enter zero.***

percentage of total lamb product dollar sales

For questions that ask for percentages, your best estimate is acceptable.

2

Use of Purchase Methods

By **joint venture** we mean your business and one or more other businesses joining together under a contractual agreement for a specific venture such as use of specific animal genetics or brand names.

By **shared ownership** we mean the original owner and your business both retain partial ownership of the livestock (that is, a vertical arrangement).

By **direct trade** we mean a cash or spot market transaction between an individual buyer and seller of livestock within 2 weeks of kill date.

By **forward contract** we mean an oral or written agreement between a packer and seller for the future purchase of a specified quantity of livestock. Contract is entered into at any time between placement of livestock on feed and 2 weeks prior to kill date.

By **marketing agreement** we mean a long-term oral or written agreement between a packer and seller where a packer agrees to purchase livestock under specific terms.

By **packer fed/owned** we mean the transfer of packer-owned livestock from either a custom feedlot or packer-owned or controlled feedlot.

2.1 For all lambs purchased or received by your operation, what were the ownership arrangements? **Enter the percentage of total head by type of arrangement for each time period. Do not include custom slaughter. The total for each column should sum to 100 percent.**

Ownership arrangement for lambs	Percentage of total head purchased or received		
	3 years ago	During past year	Expected in 3 years
a. Sole ownership by your plant	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Joint venture	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Shared ownership	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

2.2 What methods are used by your plant for purchasing lambs? **Enter the percentage of total head by type of purchase method for each time period. The total for each column should sum to 100 percent.**

Purchase method	Percentage of total head purchased		
	3 years ago	During past year	Expected in 3 years
a. Auction barns	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Video/electronic auctions	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Dealers or brokers	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
d. Direct trade	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
e. Forward contract	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
f. Marketing agreement	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
g. Packer fed/owned	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
h. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

For questions that ask for percentages, your best estimate is acceptable.

By **individually negotiated pricing** we mean negotiations between a buyer and seller (excluding negotiated formula pricing).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **formula pricing** we mean using another price as the base for the purchase of livestock (for example, USDA price). The formula can include grid or non-grid values.

By **internal transfer** we mean the transfer of packer-owned livestock from a feedlot to the slaughter plant.

By **grid pricing** we mean prices are adjusted by premiums or discounts for specific carcass quality characteristics such as grade and yield.

2.3 What types of pricing methods are used by your plant for purchasing lambs? **Check (✓) one or more responses representing most purchases of lambs for each time period.**

Pricing method	Purchases during past year	Expected purchases in 3 years
1. Individually negotiated pricing		
2. Public auction		
3. Sealed bid		
4. Formula pricing (using another price as the base)		
5. Internal transfer		
6. Other (specify): _____		

2.4 For lambs purchased by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of lambs for grid and non-grid pricing.**

Base price of formula for formula pricing	With grid	Without grid
Check the box if formula pricing was NOT used	<input type="checkbox"/>	<input type="checkbox"/>
1. Individual or multiple plant average price		
2. Individual or multiple plant average cost of production		
3. USDA live quote		
4. USDA dressed or carcass quote		
5. USDA cutout value		
6. Retail price		
7. Subscription service price (for example, Urner Barry)		
8. Other market price (specify): _____		
9. Other (specify): _____		

2.5 For lambs received during the past year from another business unit owned by the same company, what was the source of the internal transfer price? **Check (✓) one or more responses representing most lambs received.**

Source for internal transfer price	Received during past year
<i>Check the box if your plant did NOT receive lambs from another business unit owned by the same company</i>	<input type="checkbox"/>
1. Price paid for purchased lambs	
2. Reported market price	
3. Measure of internal production cost with a profit margin	
4. Measure of internal production cost <u>without</u> a profit margin	
5. Other (specify): _____	

2.6 What types of valuation methods are used by your plant for purchasing lambs? **Check (✓) one or more responses representing most purchases of lambs for each time period.**

Valuation method	Purchases during past year	Expected purchases in 3 years
1. Per head		
2. Live weight		
3. Carcass weight , <u>not</u> dependent on grid value		
4. Carcass weight , dependent on grid value		
5. Other (specify): _____		

By **carcass weight** we mean a dressed or rail weight.

3

Terms of Purchase Methods

For questions that ask for percentages, your best estimate is acceptable.

3.1 For what percentage of lambs purchased during the past year did the buyer (your plant) pay for transportation? *If none, enter zero.*

percentage of total head purchased

3.2 What percentage of lambs purchased during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total head purchased

3.3 For lambs purchased during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total head purchased by agreement or contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total head purchased
a. Purchases <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 6 months	<input type="text"/> <input type="text"/> <input type="text"/>
c. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
e. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
f. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.4 For lambs purchased during the past year, how far in advance of slaughter was the delivery scheduled? **Enter the percentage of total head purchased by time period. The total should sum to 100 percent.**

Time period in advance of slaughter	Percentage of total head purchased
a. Less than 7 days	<input type="text"/> <input type="text"/> <input type="text"/>
b. 8 to 14 days	<input type="text"/> <input type="text"/> <input type="text"/>
c. 15 to 21 days	<input type="text"/> <input type="text"/> <input type="text"/>
d. 22 to 30 days	<input type="text"/> <input type="text"/> <input type="text"/>
e. 1 to 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
f. More than 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.5 For what percentage of lambs purchased during the past year did your plant provide information back to the feeder or finisher? **If none, enter zero and go to Section 4.**

percentage of total head purchased

3.6 Under what conditions did your plant provide information back to the feeder or finisher? **Circle all that apply.**

1. Requested by seller, no charge
2. Requested by seller, for a set fee (*specify fee* \$ _____)
3. Cash or spot market purchases
4. Forward contract
5. Marketing agreement
6. Alliance
7. Joint venture
8. Shared ownership
9. Other (specify): _____

3.7 What types of information did your plant provide back to the feeder or finisher? **Circle all that apply.**

1. USDA carcass quality grade for individual animals
2. USDA carcass yield grade for individual animals
3. Carcass weight for individual animals
4. Price paid for individual carcasses
5. USDA carcass quality grade by lot
6. USDA carcass yield grade by lot
7. Carcass weight by lot
8. Average dressing percentage by lot
9. Other (specify): _____

4 Reasons for Using Purchase Methods

Answer Question 4.1 if your plant only uses the **cash or spot market** for purchasing lambs.

OR

Answer Question 4.2 if your plant uses any **alternative purchase methods** for purchasing lambs.



4.1 What are the **three** most important reasons why your plant only uses the cash or spot market for purchasing lambs?



4.2 What are the **three** most important reasons why your plant uses alternative purchase methods for purchasing lambs?

Reason	Check only 3 reasons
1. Can purchase lambs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying lambs	
4. Reduces price variability for lambs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality lambs	
8. Allows for market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can purchase lambs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying lambs	
4. Reduces price variability for lambs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality lambs	
8. Allows for market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week supply management	
14. Improves efficiency of operations due to animal uniformity	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean purchasing livestock through direct trade, auctions, or dealers within 2 weeks of kill date.

By **alternative purchase methods** we mean forward contracts, marketing agreements, packer fed/owned arrangements, and other alternatives to the cash or spot market (see page 6 for definitions).

5 Use of Sales Methods

Sections 5 and 6 ask about your plant's use of methods for selling lamb products. **When answering the questions, include the value of lamb products transferred to another business unit owned by the same company. Do not include custom slaughter.**

For questions that ask for percentages, your best estimate is acceptable.

By **retail establishments** we mean grocery stores, meat markets, warehouse clubs, or other retail establishments located in the United States.

By **food service establishments** we mean restaurants, hotels, institutions, or other food service establishments located in the United States.

By **foreign buyers** we mean foreign distributors, retailers, or food service.

5.1 Complete the table below by entering the percentage of total lamb product dollar sales during the past year by type of buyer or recipient. **The total should sum to 100 percent.**

Buyer or recipient	Percentage of total lamb product dollar sales
a. Breakers or meat processors	□□□
b. Wholesalers or distributors	□□□
c. Retail establishments	□□□
d. Food service establishments	□□□
e. Foreign buyers	□□□
f. Other (specify): _____	□□□
TOTAL	100%

By **sales method** we mean the transfer of product from your plant's physical location to another physical location, including internal product transfers to another business unit owned by the same company.

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of product at either a fixed or base price.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase product under specific terms.

By **internal company transfer** we mean the transfer of product to another business unit owned by the same company.

5.2 What **sales methods** are used by your plant for selling lamb products? **Enter the percentage of total lamb product dollar sales by type of sales method for each time period. The total for each column should sum to 100 percent.**

Sales method	Percentage of total lamb product dollar sales		
	3 years ago	During past year	Expected in 3 years
a. Cash or spot market (less than 3 weeks forward)	□□□	□□□	□□□
b. Forward contract	□□□	□□□	□□□
c. Marketing agreement	□□□	□□□	□□□
d. Internal company transfer	□□□	□□□	□□□
e. Other (specify): _____	□□□	□□□	□□□
TOTAL	100%	100%	100%

5.3 What sales methods did your plant use during the past year for selling lamb products to different types of recipients? **Check (✓) one or more responses representing most sales of lamb products for each type of recipient you sell to.**

Sales method	¹ Breakers or processors	² Wholesalers/ distributors	³ Retail establishments	⁴ Food service establishments	⁵ Foreign buyers
1. Cash or spot market (less than 3 weeks forward)					
2. Forward contract					
3. Marketing agreement					
4. Internal company transfer					
5. Other (specify): _____					

By **price list** we mean using a seller's price list without negotiation.

By **individually negotiated pricing** we mean negotiations between a buyer and seller, excluding negotiated formula pricing.

By **formula pricing** we mean using another price as the base for the sale of product (for example, USDA price).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **internal transfer** we mean the transfer of product to another business unit owned by the same company.

5.4 What types of pricing methods did your plant use during the past year for selling lamb products to different types of recipients? **Check (✓) one or more responses representing most sales of lamb products for each type of recipient you sell to.**

Pricing method	1 Breakers or processors	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Price list					
2. Individually negotiated pricing					
3. Formula pricing (using another price as the base)					
4. Sealed bid					
5. Internal transfer					
6. Other (specify): _____					

5.5 For lamb products sold by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of lamb products.**

Base price of formula for formula pricing	Sales during past year
Check the box if formula pricing was NOT used	<input type="checkbox"/>
1. Individual or multiple plant average price	
2. Individual or multiple plant average cost of production	
3. USDA publicly reported price	
4. Retail price	
5. Subscription service price (for example, Urner Barry)	
6. Other market price (specify): _____	
7. Other (specify): _____	

5.6 What types of pricing methods does your plant expect to use in 3 years for selling lamb products? **Check (✓) one or more responses representing most sales of lamb products.**

Pricing method	Expected sales in 3 years
1. Price list	
2. Individually negotiated pricing	
3. Formula pricing (using another price as the base)	
4. Sealed bid	
5. Internal transfer	
6. Other (specify): _____	

5.7 Which of the following marketing practices did your plant use during the past year for the sale of lamb products? **Check (✓) all that apply for each type of recipient you sell to.**

By **two-part pricing** we mean pricing that includes a fixed payment (for example, slotting allowance) and a per unit price.

By **volume discounts** we mean pricing in which larger shipments have lower per unit prices.

By **exclusive dealings** we mean a requirement in which a buyer is prohibited from buying and selling the same products from another supplier.

By **bundling** we mean a buyer must purchase other related products to receive a lower price.

Marketing practice	1 Breakers or processors	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Two-part pricing					
2. Volume discounts					
3. Exclusive dealings					
4. Bundling					
5. None of the above					

6

Terms of Sales Methods

For questions that ask for percentages, your best estimate is acceptable.

6.1 For what percentage of lamb products sold during the past year did the seller (your plant) pay for transportation? *If none, enter zero.*

percentage of total lamb product dollar sales

6.2 What percentage of lamb products sold during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total lamb product dollar sales

6.3 For lamb products sold during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total lamb product dollar sales by agreement or contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total lamb product dollar sales
a. Sales <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 1 month	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 5 months	<input type="text"/> <input type="text"/> <input type="text"/>
e. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
f. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
h. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
i. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

6.4 For lamb products sold during the past year, how far in advance of delivery was the delivery scheduled? **Enter the percentage of total lamb product dollar sales by time period. The total should sum to 100 percent.**

Time period in advance of delivery	Percentage of total lamb product dollar sales
a. Less than 3 days	□□□
b. 4 to 6 days	□□□
c. 1 to 2 weeks	□□□
d. 3 to 4 weeks	□□□
e. More than 1 month	□□□
TOTAL	100%

7 Reasons for Using Sales Methods

Answer Question 7.1 if your plant only uses the **cash or spot market** for selling lamb products.

OR

Answer Question 7.2 if your plant uses any **alternative sales method** for selling lamb products.



7.1 What are the **three** most important reasons why your plant only uses the cash or spot market for selling lamb products?



7.2 What are the **three** most important reasons why your plant uses alternative sales methods for selling lamb products?

Reason	Check only 3 reasons
1. Can sell lamb products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling lamb products	
4. Reduces price variability for lamb products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality lamb products	
8. Allows for market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can sell lamb products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling lamb products	
4. Reduces price variability for lamb products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality lamb products	
8. Allows for market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week production management	
14. Secures a buyer for lamb products	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **alternative sales methods** we mean forward contracts, marketing agreements, and other alternatives to the cash or spot market (see page 13 for definitions).

8 Plant Operations

Provide information on your plant's operations for slaughtering lambs and producing lamb products during the past year.

8.1 How many days per week did your plant usually slaughter lambs?

1. Less frequently than once a week
2. 1 or 2 days per week
3. 3 or 4 days per week
4. 5 or 6 days per week

8.2 How many lamb slaughter shifts did your plant usually operate per day? ***Do not include cleanup shifts.***

1. One
2. Two
3. Three

8.3 How many lamb breaking and processing shifts did your plant usually operate per day? ***Do not include cleanup shifts.***

1. None
2. One
3. Two
4. Three

8.4 What is your plant's maximum slaughter capacity per week for lambs? ***Provide your plant's capacity, not the actual slaughter volume.***

, head per week

8.5 What is your plant's maximum breaking and processing capacity per week for lamb products? ***Provide your plant's capacity, not the actual production volume. If no processing operations, enter zero.***

, , pounds per week

8.6 What was the slaughter line speed for lambs? ***If there were multiple lines at different speeds, enter the highest line speed. Enter zero if you do not use an automated line.***

head per hour

8.7 How many meat slaughter and processing plants, including this one, are owned by the company that owns your plant?

1. One
2. 2 to 5
3. 6 to 10
4. 11 to 20
5. 21 or more

8.8 Approximately how many people were employed at your plant during the past year?

- a. Full time ,
- b. Part time or seasonal ,

8.9 What were your plant's approximate total gross sales for fresh, frozen, and processed lamb products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 or more

All answers you give in this survey will be kept strictly confidential.

By **by-products** we mean pelts, offals, and all other lamb products not included in Question 8.9.

8.10 What were your plant's approximate total gross sales for lamb **by-products** during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 or more

8.11 What were your plant's approximate total gross sales for all products during the past year? ***Include revenue from custom slaughter.***

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 or more



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF ALTERNATIVE MARKETING ARRANGEMENTS:

MEAT PROCESSORS

Place label here.

**Respond to this survey providing
information only for the plant
located at the address shown on
the label.**

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 45 to 60 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of alternative marketing arrangements. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your plant was selected to participate in the survey. The survey collects information about your plant's use of various arrangements for purchasing and selling beef, pork, and lamb products and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. GIPSA needs information on how small and large plants buy and sell beef, pork, and lamb products to obtain a full understanding of practices across all sizes of plants.

Please answer all questions as they pertain to the specific plant identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your plant, please contact our survey help line (contact information provided below). Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to records on purchases and sales of beef, pork, and lamb products as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept **completely confidential**. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your plant. The study findings will be reported to the public only in aggregated form so that individual plants or companies cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDASTUDY@RTI.ORG or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

About Your Plant

The survey asks about your plant's use of methods for purchasing or receiving beef, pork, and lamb as inputs to production. ***When answering the questions about purchases of meat inputs, include fresh, frozen, and processed beef, pork, and lamb products.***

The survey also asks about your plant's use of methods for selling beef, pork, and lamb products. ***When answering the questions about sales of meat products, only include products that contain at least 50 percent meat by weight.***

Include information on products transferred from or to another business unit owned by the same company.

Do not include information on other meats, poultry, or products containing less than 50 percent meat when answering the questions.

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. ***Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.***

- a. Start of 12-month period (month/year) /200
- b. End of 12-month period (month/year) /200

For questions that ask for percentages, your best estimate is acceptable.

1.2 Complete the table below by entering the percentage of total dollar value of meat inputs during the past year by type of meat. ***Include the value of meat products transferred from another business unit owned by the same company. The total should sum to 100 percent.***

Type of meat	Percentage of total dollar value of meat inputs
a. Beef	<input type="text"/> <input type="text"/> <input type="text"/>
b. Pork	<input type="text"/> <input type="text"/> <input type="text"/>
c. Lamb	<input type="text"/> <input type="text"/> <input type="text"/>
d. Combination of beef, pork, and/or lamb (for example, sausage)	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

By **custom processing or co-packing** we mean the processing of meat products by a manufacturer other than the company whose name appears on the product label. Examples included outside contracting and private labeling.

1.3 What percentage of your plant's total volume (weight) of meat products during the past year was for your own production and for **custom processing or co-packing**? ***Provide the percentage of total volume (weight) for each type of meat. The total for each column should sum to 100 percent.***

Type of production	Percentage of total volume (weight)			
	Beef	Pork	Lamb	Combination
a. Own production	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Custom processed or co-packed	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%	100%

When completing the rest of the survey, do not include information on product that was custom processed or co-packed.

By **primal cuts** we mean groups of muscles from the same area of the carcass, also referred to as wholesale cuts (for example, beef loin, beef chuck).

By **subprimal cuts** we mean smaller cuts of meat taken from primal cuts, but from which even smaller cuts can be made (for example, beef sirloin, beef chuck arm half).

By **ground, including trimmings**, we mean raw meat that has been ground but has not received any additional processing, including case ready ground product.

By **portion cuts** we mean steaks, chops, and other cuts that have been cut to uniform sizes or weights and packaged in bulk.

By **case ready** we mean meats packaged in a centralized facility and shipped to supermarkets for display in refrigerated cases.

By **processed, ready-to-eat** we mean meat products that have received further processing and do not require cooking to achieve food safety (for example, lunch meats, cooked sausages).

By **processed, not-ready-to-eat** we mean meat products that have received further processing and require cooking to achieve food safety (for example, raw bacon, partially cooked patties).

By **branded** we mean product sold with a national, regional, or store brand name.

1.4 What types of meat products did your plant sell or ship during the past year? **Check (✓) one or more responses representing most sales of meat products for each type of meat.**

Product category	Beef	Pork	Lamb
1. Primal cuts			
2. Subprimal cuts			
3. Ground, including trimmings			
4. Portion cuts			
5. Case ready			
6. Processed, ready-to-eat			
7. Processed, not-ready-to-eat			
8. Other (specify): _____			

1.5 What percentage of meat product sold by your plant during the past year were **branded**? **Do not include USDA grading. If none, enter zero.**

percentage of total meat product dollar sales

1.6 What levels of production were owned by the same company that owns your plant during the past year? **Circle all that apply.**

1. None
2. Feed company
3. Livestock producer or feeder
4. Packer
5. Restaurant, hotel, or other food service
6. Grocery store, meat market, or other retailer
7. Exporter
8. Other (specify): _____

By **certification** we mean products produced under programs that certify livestock breed, carcass characteristics, product characteristics (for example, Kosher), or product processing method.

USDA Process Verified suppliers are able to make marketing claims—such as breed, feeding practices, or other raising and processing claims—and market themselves as “USDA Process Verified.”

1.7 Which of the following types of **certification** apply for products produced by your plant during the past year? **Do not include USDA grading. Circle all that apply.**

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. **USDA Process Verified** certification
6. ISO certification
7. Certified Angus Beef
8. Other third-party certification of breed or livestock quality (not including Certified Angus Beef)
9. Own-company certification of breed or livestock quality
10. Buyer certification of breed or livestock quality
11. Other (specify): _____

By **alliances** we mean a relationship formed by two or more industry participants to meet common production or marketing objectives and to improve information flows.

1.8 What types of **alliances** did your plant participate in during the past year for purchasing meat inputs and selling meat products? **Enter the name of each alliance and check (✓) the participants (not including yourself) involved in each alliance.**

If your plant did not participate in any alliances, check (✓) the box and go to Section 2.

Name of alliance	Check the participants involved in each alliance							
	1 Livestock producer or feeder	2 Feed company	3 Packer	4 Other processor	5 Food service	6 Retailer	7 Exporter	8 Other (specify below)
a. _____								
b. _____								
c. _____								
d. _____								
e. _____								

2

Use of Purchase Methods

By **joint venture** we mean your business and one or more other businesses joining together under a contractual agreement for a specific venture such as use of specific brand names.

By **shared ownership** we mean the original owner and your business both retain partial ownership of the product (that is, a vertical arrangement).

By **cash or spot market** we mean purchasing product directly from a seller, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of product at either a fixed or base price.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase product under specific terms.

By **internal company transfer** we mean the transfer of product from another business unit owned by the same company.

2.1 For all meat inputs purchased or received by your operation, what were the ownership arrangements? **Check (✓) one or more responses representing most purchases of meat inputs for each time period.**

Ownership arrangement	Purchases during past year	Expected purchases in 3 years
1. Sole ownership by your plant		
2. Joint venture		
3. Shared ownership		
4. Other (specify): _____		

2.2 What methods are used by your plant for purchasing meat inputs? **Check (✓) one or more responses representing most purchases of meat inputs for each time period.**

Purchase method	Purchases during past year	Expected purchases in 3 years
1. Cash or spot market (less than 3 weeks forward)		
2. Forward contract		
3. Marketing agreement		
4. Internal company transfer		
5. Other (specify): _____		

By **price list** we mean using a seller's price list without negotiation.

By **individually negotiated pricing** we mean negotiations between a buyer and seller, excluding negotiated formula pricing.

By **formula pricing** we mean using another price as the base for the purchase of product (for example, USDA price).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **internal transfer** we mean the transfer of product from another business unit owned by the same company.

2.3 What types of pricing methods are used by your plant for purchasing meat inputs? **Check (✓) one or more responses representing most purchases of meat inputs for each time period.**

Pricing method	Purchases during past year	Expected purchases in 3 years
1. Price list		
2. Individually negotiated pricing		
3. Formula pricing (using another price as the base)		
4. Sealed bid		
5. Internal transfer		
6. Other (specify): _____		

2.4 For meat inputs purchased by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of meat inputs.**

Base price of formula for formula pricing	Purchases during past year
Check the box if formula pricing was NOT used	<input type="checkbox"/>
1. Individual or multiple plant average price	
2. Individual or multiple plant average cost of production	
3. USDA publicly reported price	
4. Retail price	
5. Subscription service price (for example, Urner Barry)	
6. Other market price (specify): _____	
7. Other (specify): _____	

3

Terms of Purchase Methods

For questions that ask for percentages, your best estimate is acceptable.

3.1 What percentage of meat inputs purchased during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total dollar value of meat inputs

3.2 For meat inputs purchased during the past year what was the length of the agreement or contract (oral or written)? *Enter the percentage of total dollar value of meat inputs by agreement or contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total dollar value of meat inputs
a. Purchases <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 1 month	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 5 months	<input type="text"/> <input type="text"/> <input type="text"/>
e. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
f. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
h. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
i. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

3.3 For meat inputs purchased during the past year, how far in advance of delivery was the delivery scheduled? *Enter the percentage of total dollar value of meat inputs by time period. The total should sum to 100 percent.*

Time period in advance of delivery	Percentage of total dollar value of meat inputs
a. Less than 3 days	<input type="text"/> <input type="text"/> <input type="text"/>
b. 4 to 6 days	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 weeks	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 4 weeks	<input type="text"/> <input type="text"/> <input type="text"/>
e. More than 1 month	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

4 Reasons for Using Purchase Methods

Answer Question 4.1 if your plant only uses the **cash or spot market** for purchasing meat inputs.

OR

Answer Question 4.2 if your plant uses any **alternative purchase methods** for purchasing meat inputs.



4.1 What are the **three** most important reasons why your plant only uses the cash or spot market for purchasing meat inputs?

Reason	Check only 3 reasons
1. Can purchase meat inputs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying meat inputs	
4. Reduces price variability for meat inputs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality meat inputs	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	



4.2 What are the **three** most important reasons why your plant uses alternative purchase methods for purchasing meat inputs?

Reason	Check only 3 reasons
1. Can purchase meat inputs at lower prices	
2. Reduces risk exposure	
3. Reduces costs of activities for buying meat inputs	
4. Reduces price variability for meat inputs	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Secures higher quality meat inputs	
8. Facilitates or increases market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week supply management	
14. Improves efficiency of operations due to product uniformity	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean purchasing product directly from a seller, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **alternative purchase methods** we mean forward contracts, marketing agreements, and other alternatives to the cash or spot market (see page 5 for definitions).

5

Use of Sales Methods

5.1 Did your plant sell any products that contain at least 50 percent beef, pork, or lamb by weight during the past year? *Circle only one.*

1. Yes
2. No Go to Section 8 on page 15

When answering the questions about sales of meat products, only include products that contain at least 50 percent meat by weight.

Include the value of meat products transferred to another business unit owned by the same company.

Do not include information on other meats, poultry, or products containing less than 50 percent meat when answering the questions.

Do not include information on product that was custom processed or co-packed.

For questions that ask for percentages, your best estimate is acceptable.

5.2 Complete the table below by entering the percentage of total meat product dollar sales during the past year by type of buyer or recipient. *The total should sum to 100 percent.*

By **retail establishments** we mean grocery stores, meat markets, warehouse clubs, or other retail establishments located in the United States.

By **food service establishments** we mean restaurants, hotels, institutions, or other food service establishments located in the United States.

By **foreign buyers** we mean foreign distributors, retailers, or food service.

Buyer or recipient	Percentage of total meat product dollar sales
a. Meat processors or food manufacturers	□□□
b. Wholesalers or distributors	□□□
c. Retail establishments	□□□
d. Food service establishments	□□□
e. Foreign buyers	□□□
f. Other (specify): _____	□□□
TOTAL	100%

By **sales method** we mean the transfer of product from your plant's physical location to another physical location, including internal product transfers to another business unit owned by the same company.

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **forward contract** we mean an oral or written agreement between a buyer and seller for the future purchase of a specified quantity of product at either a fixed or base price.

By **marketing agreement** we mean a long-term oral or written agreement between a buyer and seller where a buyer agrees to purchase product under specific terms, including preferred vendor programs.

By **internal company transfer** we mean the transfer of product to another business unit owned by the same company.

5.3 What **sales methods** did your plant use during the past year for selling meat products to different types of recipients? **Check (✓) one or more responses representing most sales of meat products for each type of recipient you sell to.**

Sales method	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Cash or spot market (less than 3 weeks forward)					
2. Forward contract					
3. Marketing agreement					
4. Internal company transfer					
5. Other (specify): _____					

5.4 What types of sales methods does your plant expect to use in 3 years? **Check (✓) one or more responses representing most sales of meat products.**

Sales method	Expected sales in 3 years
1. Cash or spot market (less than 3 weeks forward)	
2. Forward contract	
3. Marketing agreement	
4. Internal company transfer	
5. Other (specify): _____	

By **price list** we mean using a seller's price list without negotiation.

By **individually negotiated pricing** we mean negotiations between a buyer and seller, excluding negotiated formula pricing.

By **formula pricing** we mean using another price as the base for the sale of product (for example, USDA price).

By **sealed bid** we mean the price is determined by a sealed bidding process between multiple buyers and sellers.

By **internal transfer** we mean the transfer of product to another business unit owned by the same company.

5.5 What types of pricing methods did your plant use during the past year for selling meat products to different types of recipients? **Check (✓) one or more responses representing most sales of meat products for each type of recipient you sell to.**

Pricing method	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Price list					
2. Individually negotiated pricing					
3. Formula pricing (using another price as the base)					
4. Sealed bid					
5. Internal transfer					
6. Other (specify): _____					

5.6 For meat products sold by your plant during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of meat products.**

Base price of formula for formula pricing	Sales during past year
Check the box if formula pricing was NOT used	<input type="checkbox"/>
1. Individual or multiple plant average price	
2. Individual or multiple plant average cost of production	
3. USDA publicly reported price	
4. Retail price	
5. Subscription service price (for example, Urner Barry)	
6. Other market price (specify): _____	
7. Other (specify): _____	

5.7 What types of pricing methods does your plant expect to use in 3 years for selling meat products? **Check (✓) one or more responses representing most sales of meat products.**

Pricing method	Expected sales in 3 years
1. Price list	
2. Individually negotiated pricing	
3. Formula pricing (using another price as the base)	
4. Sealed bid	
5. Internal transfer	
6. Other (specify): _____	

5.8 Which of the following marketing practices did your plant use during the past year for the sale of meat products? **Check (✓) all that apply for each type of recipient you sell to.**

By **two-part pricing** we mean pricing that includes a fixed payment (for example, slotting allowance) and a per unit price.

By **volume discounts** we mean pricing in which larger shipments have lower per unit prices.

By **exclusive dealings** we mean a requirement in which a buyer is prohibited from buying and selling the same products from another supplier.

By **bundling** we mean a buyer must purchase other related products to receive a lower price.

Marketing practice	1 Processors/ manufacturers	2 Wholesalers/ distributors	3 Retail establishments	4 Food service establishments	5 Foreign buyers
1. Two-part pricing					
2. Volume discounts					
3. Exclusive dealings					
4. Bundling					
5. None of the above					

6

Terms of Sales Methods

For questions that ask for percentages, your best estimate is acceptable.

6.1 What percentage of meat products sold during the past year were under a written agreement (versus oral)? *If none, enter zero.*

percentage of total meat product dollar sales

6.2 For meat products sold during the past year, what was the length of the agreement or contract (oral or written)? *Enter the percentage of total meat product dollar sales by agreement or contract length. The total should sum to 100 percent.*

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

Agreement or contract length	Percentage of total meat product dollar sales
a. Sales <u>not</u> under agreement or contract	<input type="text"/> <input type="text"/> <input type="text"/>
b. Less than 1 month	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 months	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 5 months	<input type="text"/> <input type="text"/> <input type="text"/>
e. 6 to 11 months	<input type="text"/> <input type="text"/> <input type="text"/>
f. 1 to 2 years	<input type="text"/> <input type="text"/> <input type="text"/>
g. 3 to 5 years	<input type="text"/> <input type="text"/> <input type="text"/>
h. 6 to 10 years	<input type="text"/> <input type="text"/> <input type="text"/>
i. More than 10 years or evergreen	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

6.3 For meat products sold during the past year, how far in advance of delivery was the delivery scheduled? *Enter the percentage of total meat product dollar sales by time period. The total should sum to 100 percent.*

Time period in advance of delivery	Percentage of total meat product dollar sales
a. Less than 3 days	<input type="text"/> <input type="text"/> <input type="text"/>
b. 4 to 6 days	<input type="text"/> <input type="text"/> <input type="text"/>
c. 1 to 2 weeks	<input type="text"/> <input type="text"/> <input type="text"/>
d. 3 to 4 weeks	<input type="text"/> <input type="text"/> <input type="text"/>
e. More than 1 month	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

7 Reasons for Using Sales Methods

Answer Question 7.1 if your plant only uses the **cash or spot market** for selling meat products.

OR

Answer Question 7.2 if your plant uses any **alternative sales methods** for selling meat products.



7.1 What are the **three** most important reasons why your plant only uses the cash or spot market for selling meat products?



7.2 What are the **three** most important reasons why your plant uses alternative sales methods for selling meat products?

Reason	Check only 3 reasons
1. Can sell meat products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling meat products	
4. Reduces price variability for meat products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality meat products	
8. Facilitates or increases market access	
9. Allows for adjusting operations quickly in response to changes in market conditions	
10. Does not require identifying and recruiting long-term contracting partners	
11. Does not require managing complex and costly contracts	
12. Eliminates possible negative public perceptions about use of contracts	
13. Allows for independence, complete control, and flexibility of own business	
14. Enhances ability to benefit from favorable market conditions	
15. Other (specify): _____	

Reason	Check only 3 reasons
1. Can sell meat products at higher prices	
2. Reduces risk exposure	
3. Reduces costs of activities for selling meat products	
4. Reduces price variability for meat products	
5. Reduces potential liability and litigation concerns	
6. Increases supply chain information	
7. Allows for sale of higher quality meat products	
8. Facilitates or increases market access	
9. Increases flexibility in responding to consumer demand	
10. Allows for product branding in retail sales	
11. Allows for food safety and biosecurity assurances	
12. Allows for product traceability	
13. Improves week-to-week production management	
14. Secures a buyer for meat products	
15. Enhances access to credit	
16. Other (specify): _____	

By **cash or spot market** we mean selling product directly to a buyer, less than 3 weeks forward, at list or negotiated price including any specified discounts or premiums.

By **alternative sales methods** we mean forward contracts, marketing agreements, and other alternatives to the cash or spot market (see page 10 for definitions).

8

Plant Operations

Provide information on your plant's meat production operations during the past year.

8.1 How many days per week did your plant usually produce meat products?

1. Less frequently than once a week
2. 1 or 2 days per week
3. 3 or 4 days per week
4. 5 or 6 days per week

8.2 How many meat processing shifts did your plant usually operate per day? *Do not include cleanup shifts.*

1. One
2. Two
3. Three

8.3 How many meat slaughter and processing plants, including this one, are owned by the company that owns your plant?

1. One
2. 2 to 5
3. 6 to 10
4. 11 to 20
5. 21 or more

8.4 Approximately how many people were employed at your plant during the past year?

- a. Full time ,
- b. Part time or seasonal ,

8.5 Complete the table below by entering the total dollar sales during the past year for each type of meat. *Include the value of product transferred to another business unit owned by the same company. If none, enter zero.*

Type of meat	Total dollar sales for meat products
a. Beef	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
b. Pork	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
c. Lamb	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
d. Combination of beef, pork, and/or lamb (for example, sausage)	<input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

All answers you give in this survey will be kept strictly confidential.

8.6 What were your plant's approximate total gross sales for fresh, frozen, and processed beef, pork, and lamb products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

8.7 What were your plant's approximate total gross sales for meat **by-products** during the past year?

1. Do not sell by-products
2. Under \$99,999
3. \$100,000 to \$499,999
4. \$500,000 to \$999,999
5. \$1,000,000 to \$2,499,999
6. \$2,500,000 to \$4,999,999
7. \$5,000,000 to \$9,999,999
8. \$10,000,000 to \$19,999,999
9. \$20,000,000 to \$49,999,999
10. \$50,000,000 to \$99,999,999
11. \$100,000,000 to \$499,999,999
12. \$500,000,000 to \$999,999,999
13. \$1,000,000,000 or more

By **by-products** we mean bones, grease, and all other meat products not included in Question 8.6.

8.8 What were your plant's approximate total gross sales for all products during the past year? ***Include revenue for custom processing or co-packing.***

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF MARKETING PRACTICES IN THE MEAT INDUSTRY:

FOOD WHOLESALERS AND MEAT EXPORTERS

Place label here.

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 30 to 45 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of marketing practices. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your company was selected to participate in the survey. The survey collects information about your company's use of various arrangements for purchasing or brokering meat products and selling or transferring meat products and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. USDA needs information on how small and large companies buy and sell meat products to better understand issues related to quality; consistency; and availability of beef, pork, and lamb products.

Please answer all questions as they pertain to the specific company identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your company, please contact our survey help line (contact information provided below).

The survey asks about your company's operations for all business locations. Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to records on purchases and sales of beef, pork, and lamb products as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept **completely confidential**. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your company. The study findings will be reported to the public only in aggregated form so that individual companies cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDAstudy@rti.org or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

Purchases of Meat Products

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. **Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.**

- a. Start of 12-month period (month/year) / 200
- b. End of 12-month period (month/year) / 200

For questions that ask for percentages, your best estimate is acceptable.

1.2 Complete the table below by entering the percentage of total dollar purchases of meat products during the past year by type of product category for each type of meat. **Only include products that contain at least 50 percent meat by weight. Include the value of products transferred from another business unit owned by the same company. The total for each column should sum to 100 percent.**

Product category	Percentage of total dollar purchases of meat products			
	Beef (exclude veal)	Pork	Lamb	Combination of meat (for example, sausage)
a. Fresh or Frozen	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Processed	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Variety meats and edible by-products	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%	100%

Sections 1 and 2 ask about your company's use of methods for purchasing or brokering beef, pork, and lamb products. When answering the questions in Sections 1 and 2

- **include information on beef, pork, and lamb products (including fresh, frozen, and processed) that contain at least 50 percent meat by weight**
- **include information on products transferred from another business unit owned by the same company**
- **do not include information on veal products, variety meats, and edible by-products**

By **case ready** we mean meat products that were packaged in a centralized facility for display in refrigerated cases.

1.3 What percentage of total dollar purchases of beef products during the past year were **case ready**? *If none, enter zero.*

percent

1.4 What percentage of total dollar purchases of pork products during the past year were case ready? *If none, enter zero.*

percent

1.5 What percentage of total dollar purchases of lamb products during the past year were case ready? *If none, enter zero.*

percent

By **certification** we mean products produced under programs that certify livestock breed, carcass characteristics, product characteristics (for example, Kosher), or product processing method.

USDA Process Verified suppliers are able to make marketing claims—such as breed, feeding practices, or other raising and processing claims—and market themselves as “USDA Process Verified.”

1.6 Which of the following types of **certification** apply for meat products purchased or received by your company? *Do not include USDA grading. Circle all that apply.*

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. **USDA Process Verified** certification
6. ISO certification
7. Certified Angus Beef
8. Other third-party certification of breed or livestock quality (not including Certified Angus Beef)
9. Own-company certification of breed or livestock quality
10. Buyer certification of breed or livestock quality
11. Other (specify): _____

1.7 Complete the table below by entering the percentage of total dollar purchases of meat products during the past year by type of label for each type of meat. *The total for each column should sum to 100 percent.*

By **national or regional brand** we mean a brand that is sold by various retailers throughout the country or in a specific region.

By **private label brand** we mean a brand that is sold exclusively by one retailer.

Type of label	Percentage of total dollar purchases of meat products		
	Beef	Pork	Lamb
a. National or regional brand	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Private label brand	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Commodity product— not branded	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

1.8 For meat products purchased during the past year with a national or regional brand label, what was the source of the brand name? **Do not include USDA grading. Check (✓) one or more responses representing most purchases for each type of meat.**

Source of brand name	Beef	Pork	Lamb
<i>Check the box if your company did NOT purchase products with national or regional brand labels</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Brand name used by packer or processor			
2. Name of livestock producer organization			
3. Name of certification organization			
4. Other (specify): _____			

2

How Meat Products Are Purchased

For questions that ask for percentages, your best estimate is acceptable.

2.1 Complete the table below by entering the percentage of total dollar purchases of beef, pork, and lamb products during the past year by type of supplier. ***Include the value of products transferred from another business unit owned by the same company. The total should sum to 100 percent.***

Type of supplier	Percentage of total dollar purchases of meat products
a. Packer	<input type="text"/> <input type="text"/> <input type="text"/>
b. Further processor	<input type="text"/> <input type="text"/> <input type="text"/>
c. Wholesaler or distributor	<input type="text"/> <input type="text"/> <input type="text"/>
d. Dealer or broker	<input type="text"/> <input type="text"/> <input type="text"/>
e. Importer	<input type="text"/> <input type="text"/> <input type="text"/>
f. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

2.2 What were the **three** most important reasons for purchasing meat products from your chosen suppliers during the past year?

Reason	Check only three reasons
1. Offers portion cut product for repackaging	
2. Has product traceability system in operation	
3. Is in electronic procurement system	
4. Provides product quality guarantees	
5. Provides food safety guarantees	
6. Has provided good quality product in the past	
7. Offers lower prices for given product specifications	
8. Offers products from specific packers or processors	
9. Offers case ready product	
10. Meets exact product specifications	
11. Offers products with certifications (for example, Certified Angus Beef)	
12. Offers products from U.S. sources	
13. Is on approved list of suppliers	
14. Meets delivery time requirements	
15. Can meet all meat product needs	
16. Other (specify): _____	

2.3 Which of the following terms were specified in purchase transactions for meat products made by your company during the past year? ***Circle all that apply.***

1. Retail price maintenance
2. Volume discounts
3. Maximum or minimum purchase quantities
4. Maximum or minimum pricing requirements
5. Delivery lead times
6. Product quality specifications
7. Information sharing
8. Slotting fees
9. Inventory management
10. Inventory cost control
11. Advertising requirements
12. Other (specify): _____
13. None of the above

2.4 For meat products purchased under an ongoing arrangement (oral or written) during the past year, what was the length of the arrangement? **Check (✓) one or more responses representing most purchases of meat products.**

Length of arrangement	Purchases during past year
<i>Check the box if your company did NOT purchase meat products under an ongoing arrangement</i>	<input type="checkbox"/>
1. Less than 1 month	
2. 1 to 2 months	
3. 3 to 5 months	
4. 6 to 11 months	
5. 1 to 2 years	
6. 3 to 5 years	
7. 6 to 10 years	
8. More than 10 years or evergreen	

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

2.5 For meat products purchased during the past year, how far in advance of delivery was the delivery scheduled? **Check (✓) one or more responses representing most purchases of meat products.**

Time period in advance of delivery	Purchases during past year
1. Less than 3 days	
2. 4 to 6 days	
3. 1 to 2 weeks	
4. 3 to 4 weeks	
5. More than 1 month	

By **flat pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period.

By **formula pricing** we mean using another price as the base for the purchase of product (for example, USDA price).

By **or-better pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period; however, if the market price decreases over the time period, then the purchase price decreases as well.

By **floor and ceiling pricing** we mean the agreed upon purchase price increases and decreases with market prices but has a lower limit and an upper limit for a specified time period.

By **benchmarking** we mean comparing the base price used in the formula to some market or reported price or comparing the current pricing arrangement to bids from other companies you buy from.

2.6 What types of pricing methods did your company use during the past year for purchasing meat products? **Enter the percentage of total dollar purchases of meat products by type of pricing method. The total should sum to 100 percent.**

Pricing method	Percentage of total dollar purchases of meat products
a. Flat pricing	<input type="text"/> <input type="text"/> <input type="text"/>
b. Formula pricing (using another price as the base)	<input type="text"/> <input type="text"/> <input type="text"/>
c. Or-better pricing	<input type="text"/> <input type="text"/> <input type="text"/>
d. Floor and ceiling pricing	<input type="text"/> <input type="text"/> <input type="text"/>
e. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

2.7 If flat pricing was used during the past year, did the purchase price include a premium (or overage) relative to the market price? **Circle only one.**

1. Did not use flat pricing during the past year
2. Yes, for some meat product purchases (less than 50 percent)
3. Yes, for most meat product purchases (50 percent or more)
4. No

2.8 For meat products purchased under an ongoing arrangement during the past year, how was the purchase price or base price **benchmarked?** **Circle all that apply.**

1. Did not purchase under an ongoing arrangement
2. Did not benchmark purchase price or base price
3. Relative to market-reported price
4. Relative to internal rates of return
5. Relative to other bids or offers
6. Other (specify): _____

If your company did not use formula pricing during the past year, check (✓) the box and go to Section 3.

2.9 For meat products purchased during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of meat products.**

Base price of formula for formula pricing	Purchases during past year
1. USDA publicly reported price	
2. Futures price or price ratio	
3. Retail price	
4. Subscription service price (for example, Urner Barry)	
5. Other (specify): _____	

2.10 For meat products purchased during the past year using formula pricing, what was the timing for the base price? **Check (✓) one or more responses representing most purchases of meat products.**

Timing for base price	Purchases during past year
1. Current market	
2. Average of the previous week	
3. Average of the previous 2 weeks	
4. Average of the previous 3 weeks	
5. Average of the previous month	
6. Average of the previous 2 months or longer	
7. Other (specify): _____	

2.11 For meat products purchased during the past year using formula pricing, what was the basis of any premiums or discounts? **Check (✓) one or more responses representing most purchases of meat products.**

Basis for premiums and discounts	Purchases during past year
Check the box if formula pricing did NOT include any premiums or discounts	<input type="checkbox"/>
1. USDA yield grade	
2. USDA quality grade	
3. Brand name	
4. Availability/timing	
5. Customer service	
6. Other (specify): _____	

3

How Meat Products Are Sold

This section asks about your company's use of methods for selling or transferring beef, pork, and lamb products.

When answering the following questions

- *include information on beef, pork, and lamb products (including fresh, frozen, and processed) that contain at least 50 percent meat by weight*
- *include information on products transferred to another business unit owned by the same company*
- *include information on sales or shipments to retail establishments or restaurants in the United States and to any type of foreign buyer*
- *do not include information on veal, variety meats, and edible by-products*

3.1 Complete the table below by entering the percentage of total dollar sales or shipments of beef, pork, and lamb products during the past year by type of buyer or receiver. *Include the value of products transferred to another business unit owned by the same company. The total should sum to 100 percent.*

For questions that ask for percentages, your best estimate is acceptable.

Buyer or receiver	Percentage of total dollar sales of meat products
a. Grocery stores, meat markets, warehouse clubs, or other retail establishments in the United States	□□□
b. Restaurants, hotels, institutions, or other food service establishments in the United States	□□□
c. Foreign distributors, retailers, or food service	□□□
d. Other (specify): _____	□□□
TOTAL	100%

3.2 Which of the following terms were specified in sales transactions for meat products made by your company during the past year? **Circle all that apply.**

1. Retail price maintenance
2. Volume discounts
3. Maximum or minimum sales quantities
4. Maximum or minimum pricing requirements
5. Delivery lead times
6. Information sharing
7. Slotting fees
8. Inventory management
9. Inventory cost control
10. Advertising requirements
11. Other (specify): _____
12. None of the above

3.3 For meat products sold under an ongoing arrangement (oral or written) during the past year, what was the length of the arrangement? **Check (✓) one or more responses representing most sales of meat products.**

Length of arrangement	Sales during past year
<i>Check the box if your company did NOT sell meat products under an ongoing arrangement</i>	<input type="checkbox"/>
1. Less than 1 month	
2. 1 to 2 months	
3. 3 to 5 months	
4. 6 to 11 months	
5. 1 to 2 years	
6. 3 to 5 years	
7. 6 to 10 years	
8. More than 10 years or evergreen	

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

3.4 For meat products sold during the past year, how far in advance of delivery was the delivery scheduled? **Check (✓) one or more responses representing most sales of meat products.**

Time period in advance of delivery	Sales during past year
1. Less than 3 days	
2. 4 to 6 days	
3. 1 to 2 weeks	
4. 3 to 4 weeks	
5. More than 1 month	

By **flat pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period.

By **formula pricing** we mean using another price as the base for the sale of product (for example, USDA price).

By **or-better pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period; however, if the market price decreases over the time period, then the sales price decreases as well.

By **floor and ceiling pricing** we mean the agreed upon sales price increases and decreases with market prices but has a lower limit and an upper limit for a specified time period.

3.5 What types of pricing methods did your company use during the past year for selling meat products? **Enter the percentage of total dollar sales of meat products by type of pricing method. The total should sum to 100 percent.**

Pricing method	Percentage of total dollar sales of meat products
a. Flat pricing	□□□
b. Formula pricing (using another price as the base)	□□□
c. Or-better pricing	□□□
d. Floor and ceiling pricing	□□□
e. Other (specify): _____	□□□
TOTAL	100%

3.6 If flat pricing was used during the past year, did the sales price include a premium (or overage) relative to the market price? **Circle only one.**

1. Did not use flat pricing during the past year
2. Yes, for some meat product sales (less than 50 percent)
3. Yes, for most meat product sales (50 percent or more)
4. No

If your company did not use formula pricing during the past year, check (✓) the box and go to Section 4.

3.7 For meat products sold during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most sales of meat products.**

Base price of formula for formula pricing	Sales during past year
1. USDA publicly reported price	
2. Futures price or price ratio	
3. Retail price	
4. Subscription service price (for example, Urner Barry)	
5. Other (specify): _____	

3.8 For meat products sold during the past year using formula pricing, what was the timing for the base price? **Check (✓) one or more responses representing most sales of meat products.**

Timing for base price	Sales during past year
1. Current market	
2. Average of the previous week	
3. Average of the previous 2 weeks	
4. Average of the previous 3 weeks	
5. Average of the previous month	
6. Average of the previous 2 months or longer	
7. Other (specify): _____	

3.9 For meat products sold during the past year using formula pricing, what was the basis of any premiums or discounts? **Check (✓) one or more responses representing most sales of meat products.**

Basis for premiums and discounts	Sales during past year
Check the box if formula pricing did NOT include any premiums or discounts	<input type="checkbox"/>
1. USDA yield grade	
2. USDA quality grade	
3. Brand name	
4. Availability/timing	
5. Customer service	
6. Other (specify): _____	

4

Company Operations

4.1 How many warehouses or distribution centers were owned by your company during the past year?

1. None
2. One
3. 2 to 9
4. 10 to 99
5. 100 to 499
6. 500 to 999
7. 1,000 or more

4.2 What was the approximate total number of people employed by your company during the past year?

- a. Full time , ,
- b. Part time , ,

All answers you give in this survey will be kept strictly confidential.

4.3 What were your company's approximate total gross sales for fresh, frozen, and processed beef, pork, and lamb products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

4.4 What were your company's approximate total gross sales for all products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF MARKETING PRACTICES IN THE MEAT INDUSTRY:

GROCERY STORES AND OTHER FOOD RETAILERS

Place label here.

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 30 to 45 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of marketing practices. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your company was selected to participate in the survey. The survey collects information about your company's use of various arrangements for purchasing and selling beef, pork, and lamb products and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. USDA needs information on how small and large companies buy and sell meat products to better understand issues related to quality; consistency; and availability of beef, pork, and lamb products.

Please answer all questions as they pertain to the specific company identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your company, please contact our survey help line (contact information provided below).

The survey asks about your company's operations for all business locations. Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to records on purchases and sales of beef, pork, and lamb products as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept **completely confidential**. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your company. The study findings will be reported to the public only in aggregated form so that individual companies cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDASTUDY@RTI.ORG or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

Purchases of Meat Products

If you are using calendar year 2004, enter 01/2004–12/2004.

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. **Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.**

- a. Start of 12-month period (month/year) / 200
- b. End of 12-month period (month/year) / 200

Sections 1 and 2 ask about your company's use of methods for purchasing beef, pork, and lamb products.

When answering the questions in Sections 1 and 2

- **include information on beef, pork, and lamb products (including fresh, frozen, and processed) that contain at least 50 percent meat by weight**
- **include information on products transferred from another business unit owned by the same company**
- **do not include information on veal products**

1.2 Complete the table below by entering the percentage of total dollar purchases of meat products during the past year by type of product category for each type of meat. **Include the value of products transferred from another business unit owned by the same company. The total for each column should sum to 100 percent.**

For questions that ask for percentages, your best estimate is acceptable.

Product category	Percentage of total dollar purchases of meat products			
	Beef	Pork	Lamb	Combination of meat (for example, sausage)
a. Fresh or frozen	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Processed	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%	100%

By **case ready** we mean meat products that were packaged in a centralized facility for display in refrigerated cases.

By **certification** we mean products produced under programs that certify livestock breed, carcass characteristics, product characteristics (for example, Kosher), or product processing method.

USDA Processed Verified suppliers are able to make marketing claims—such as breed, feeding practices, or other raising and processing claims—and market themselves as “USDA Process Verified.”

By **national or regional brand** we mean a brand that is sold by various retailers throughout the country or in a specific region.

By **private label brand** we mean a brand that is sold exclusively by one retailer.

1.3 What percentage of total dollar purchases of beef products during the past year were **case ready**? *If none, enter zero.*

percent

1.4 What percentage of total dollar purchases of pork products during the past year were case ready? *If none, enter zero.*

percent

1.5 What percentage of total dollar purchases of lamb products during the past year were case ready? *If none, enter zero.*

percent

1.6 Which of the following types of **certification** apply for meat products purchased or received by your company? *Do not include USDA grading. Circle all that apply.*

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. **USDA Process Verified** certification
6. ISO certification
7. Certified Angus Beef
8. Other third-party certification of breed or livestock quality (not including Certified Angus Beef)
9. Own-company certification of breed or livestock quality
10. Buyer certification of breed or livestock quality
11. Other (specify): _____

1.7 Complete the table below by entering the percentage of total dollar purchases of meat products during the past year by type of label for each type of meat. *The total for each column should sum to 100 percent.*

Type of label	Percentage of total dollar purchases of meat products		
	Beef	Pork	Lamb
a. National or regional brand	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Private label brand	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Commodity product— not branded	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

1.8 For meat products purchased during the past year with a national or regional brand label, what was the source of the brand name? **Do not include USDA grading. Check (✓) one or more responses representing most purchases for each type of meat.**

Source of brand name	Beef	Pork	Lamb
<i>Check the box if your company did NOT purchase products with national or regional brand labels</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Brand name used by packer or processor			
2. Name of livestock producer organization			
3. Name of certification organization			
4. Other (specify): _____			

2

How Meat Products Are Purchased

For questions that ask for percentages, your best estimate is acceptable.

2.1 Complete the table below by entering the percentage of total dollar purchases of beef, pork, and lamb products during the past year by type of supplier. ***Include the value of products transferred from another business unit owned by the same company. The total should sum to 100 percent.***

Type of supplier	Percentage of total dollar purchases of meat products
a. Packer	<input type="text"/> <input type="text"/> <input type="text"/>
b. Further processor	<input type="text"/> <input type="text"/> <input type="text"/>
c. Wholesaler or distributor	<input type="text"/> <input type="text"/> <input type="text"/>
d. Dealer or broker	<input type="text"/> <input type="text"/> <input type="text"/>
e. Importer	<input type="text"/> <input type="text"/> <input type="text"/>
f. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

2.2 During the past year, what percentage of your company's case space for beef products received slotting fees from suppliers? ***If none, enter zero.***

- a. percentage of fresh product case space
 b. percentage of frozen product case space

2.3 During the past year, what percentage of your company's case space for pork products received slotting fees from suppliers? ***If none, enter zero.***

- a. percentage of fresh product case space
 b. percentage of frozen product case space

2.4 During the past year, what percentage of your company's case space for lamb products received slotting fees from suppliers? ***If none, enter zero.***

- a. percentage of fresh product case space
 b. percentage of frozen product case space

2.5 What were the **three** most important reasons for purchasing meat products from your chosen suppliers during the past year?

Reason	Check only three reasons
1. Offers portion cut product for repackaging	
2. Has product traceability system in operation	
3. Is in electronic procurement system	
4. Provides product quality guarantees	
5. Provides food safety guarantees	
6. Has provided good quality product in the past	
7. Offers lower prices for given product specifications	
8. Offers products from specific packers or processors	
9. Offers case ready product	
10. Meets exact product specifications	
11. Offers products with certifications (for example, Certified Angus Beef)	
12. Offers products from U.S. sources	
13. Is on approved list of suppliers	
14. Meets delivery time requirements	
15. Can meet all meat product needs	
16. Other (specify): _____	

2.6 Which of the following terms were specified in purchase transactions for meat products made by your company during the past year? ***Circle all that apply.***

1. Retail price maintenance
2. Volume discounts
3. Maximum or minimum purchase quantities
4. Maximum or minimum pricing requirements
5. Delivery lead times
6. Product quality specifications
7. Information sharing
8. Slotting fees
9. Inventory management
10. Inventory cost control
11. Advertising requirements
12. Other (specify): _____
13. None of the above

2.7 For meat products purchased under an ongoing arrangement (oral or written) during the past year, what was the length of the arrangement? **Check (✓) one or more responses representing most purchases of meat products.**

Length of arrangement	Purchases during past year
<i>Check the box if your company did NOT purchase meat products under an ongoing arrangement</i>	<input type="checkbox"/>
1. Less than 1 month	
2. 1 to 2 months	
3. 3 to 5 months	
4. 6 to 11 months	
5. 1 to 2 years	
6. 3 to 5 years	
7. 6 to 10 years	
8. More than 10 years or evergreen	

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

2.8 For meat products purchased during the past year, how far in advance of delivery was the delivery scheduled? **Check (✓) one or more responses representing most purchases of meat products.**

Time period in advance of delivery	Purchases during past year
1. Less than 3 days	
2. 4 to 6 days	
3. 1 to 2 weeks	
4. 3 to 4 weeks	
5. More than 1 month	

By **flat pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period.

By **formula pricing** we mean using another price as the base for the purchase of product (for example, USDA price).

By **or-better pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period; however, if the market price decreases over the time period, then the purchase price decreases as well.

By **floor and ceiling pricing** we mean the agreed upon purchase price increases and decreases with market prices but has a lower limit and an upper limit for a specified time period.

By **benchmarking** we mean comparing the base price used in the formula to some market or reported price or comparing the current pricing arrangement to bids from other companies you buy from.

2.9 What types of pricing methods did your company use during the past year for purchasing meat products? **Enter the percentage of total dollar purchases of meat products by type of pricing method. The total should sum to 100 percent.**

Pricing method	Percentage of total dollar purchases of meat products
a. Flat pricing	<input type="text"/> <input type="text"/> <input type="text"/>
b. Formula pricing (using another price as the base)	<input type="text"/> <input type="text"/> <input type="text"/>
c. Or-better pricing	<input type="text"/> <input type="text"/> <input type="text"/>
d. Floor and ceiling pricing	<input type="text"/> <input type="text"/> <input type="text"/>
e. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

2.10 If flat pricing was used during the past year, did the purchase price include a premium (or overage) relative to the market price? **Circle only one.**

1. Did not use flat pricing during the past year
2. Yes, for some meat product purchases (less than 50 percent)
3. Yes, for most meat product purchases (50 percent or more)
4. No

2.11 For meat products purchased under an ongoing arrangement during the past year, how was the purchase price or base price **benchmarked**? **Circle all that apply.**

1. Did not purchase under an ongoing arrangement
2. Did not benchmark purchase price or base price
3. Relative to market-reported price
4. Relative to internal rates of return
5. Relative to other bids or offers
6. Other (specify): _____

If your company did not use formula pricing during the past year, check (✓) the box and go to Section 3.

2.12 For meat products purchased during the past year using formula pricing, what was the base price of the formula? ***Check (✓) one or more responses representing most purchases of meat products.***

Base price of formula for formula pricing	Purchases during past year
1. USDA publicly reported price	
2. Futures price or price ratio	
3. Retail price	
4. Subscription service price (for example, Urner Barry)	
5. Other (specify): _____	

2.13 For meat products purchased during the past year using formula pricing, what was the timing for the base price? ***Check (✓) one or more responses representing most purchases of meat products.***

Timing for base price	Purchases during past year
1. Current market	
2. Average of the previous week	
3. Average of the previous 2 weeks	
4. Average of the previous 3 weeks	
5. Average of the previous month	
6. Average of the previous 2 months or longer	
7. Other (specify): _____	

2.14 For meat products purchased during the past year using formula pricing, what was the basis of any premiums or discounts? **Check (✓) one or more responses representing most purchases of meat products.**

Basis for premiums and discounts	Purchases during past year
<i>Check the box if formula pricing did NOT include premiums or discounts</i>	<input type="checkbox"/>
1. USDA yield grade	
2. USDA quality grade	
3. Brand name	
4. Availability/timing	
5. Customer service	
6. Other (specify): _____	

3

Sales of Meat Products

3.1 In your opinion, what are the **three** most important factors that affect consumer purchases of beef, pork, and lamb products in stores owned by your company?

Reason	Check only three reasons
1. Fat trim	
2. Recipes or cooking instructions on label	
3. Case ready packaging	
4. Cut of meat	
5. Package size	
6. Size of cuts	
7. Featured (discounted) product	
8. Visual appearance (color, marbling, etc.)	
9. Food safety assurances on label	
10. Shelf life (use-by date)	
11. Produced in United States	
12. Quality assurances on label	
13. Brand name of product	
14. Price per pound	
15. Resealable packaging	
16. Other (specify) _____	

For questions that ask for percentages, your best estimate is acceptable.

3.2 During the past year, what percentage of your company's total pounds of beef products were sold at a discounted or featured price? ***If none, enter zero.***

- a. percentage of fresh product pounds sold
- b. percentage of frozen product pounds sold

3.3 During the past year, what percentage of your company's total pounds of pork products were sold at a discounted or featured price? ***If none, enter zero.***

- a. percentage of fresh product pounds sold
- b. percentage of frozen product pounds sold

3.4 During the past year, what percentage of your company's total pounds of lamb products were sold at a discounted or featured price? ***If none, enter zero.***

- a. percentage of fresh product pounds sold
- b. percentage of frozen product pounds sold

3.5 What were the **three** most important reasons for selling fresh or frozen meat products at a discounted or featured price during the past year? ***Complete the table below by ranking the top three reasons (1=most important, 2=second most important, and 3=third most important) for each type of meat.***

Reason	Fresh meat	Frozen meat
<i>Check the box if your company did NOT sell at a featured or discount price</i>	<input type="checkbox"/>	<input type="checkbox"/>
a. Bring new customers into the store		
b. Reward loyal customers		
c. Reduce excess inventory		
d. Pass on discounts offered by suppliers		
e. Sell product with nearing expiration dates		
f. Offer volume discount for larger size packages		
g. Other (specify): _____		

4

Company Operations

4.1 How many retail establishments were owned by your company during the past year?

1. One
2. 2 to 9
3. 10 to 99
4. 100 to 499
5. 500 to 999
6. 1,000 or more

4.2 What was the approximate total number of people employed by your company during the past year?

- a. Full time , ,
- b. Part time , ,

All answers you give in this survey will be kept strictly confidential.

4.3 What was the average discount on the list price for meat products sold by your company during the past year? ***Include promotions, special sales, and discounted sales.***

1. 0 percent
2. 1 to 5 percent
3. 6 to 10 percent
4. 11 to 15 percent
5. 16 to 20 percent
6. More than 20 percent

4.4 What was your company's target rate of return or profit on meat product sales during the past year?

1. 1 to 5 percent
2. 6 to 10 percent
3. 11 to 15 percent
4. 16 to 20 percent
5. 21 to 25 percent
6. 26 to 30 percent
7. More than 30 percent

4.5 What percentage of meat products purchased by your company during the past year passed the sell-by date or were discarded because of spoilage? ***If none, enter zero.***

percentage of total product pounds purchased

4.6 What were your company's approximate total gross sales for fresh, frozen, and processed beef, pork, and lamb products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

4.7 What were your company's approximate total gross sales for all products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more



United States Department of Agriculture
**Grain Inspection,
Packers and Stockyards Administration**

OMB Control No. 0580-0023
Expiration Date: 10/31/2008

SURVEY OF MARKETING PRACTICES IN THE MEAT INDUSTRY:

RESTAURANTS, HOTELS, AND OTHER FOOD SERVICE

Place label here.

According to the Paperwork Reduction Act of 1995, no persons are 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 0580-0023 and the expiration date is 10/31/2008. The time required to complete this information collection is estimated to average 30 to 45 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

For information about completing the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road
P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: (877) 254-1949
E-mail: USDASTUDY@RTI.ORG

For general information about the study, please contact:

Roger E. Schneider
USDA, GIPSA
14th and Independence Avenue SW
Washington, DC 20250-3647
Phone: (202) 720-7455
E-mail: Roger.E.Schneider@usda.gov

If you have questions regarding your rights as a research participant, you may contact RTI's Office of Research Protection toll-free at (866) 214-2043.

Instructions

The U.S. Department of Agriculture (USDA) has contracted with RTI International (RTI)* to conduct a study of marketing practices. This study, which was funded by Congress, will address changes in the structure and business practices in the livestock and meat industries.

As part of the study, RTI is surveying companies in the livestock and meat industries. Your company was selected to participate in the survey. The survey collects information about your company's use of various arrangements for purchasing beef, pork, and lamb products and the terms of those arrangements.

Your participation in this survey is vitally important, and we thank you for your help. USDA needs information on how small and large companies buy meat products to better understand issues related to quality; consistency; and availability of beef, pork, and lamb products.

Please answer all questions as they pertain to the specific company identified on the mailing label attached to the front of this survey booklet. If you believe the survey does not apply to your company, please contact our survey help line (contact information provided below).

The survey asks about your company's operations for all business locations. Please try to answer all of the questions. For questions that ask for percentages, your best estimate is acceptable.

Please consult with other members of your organization if you do not know the answer to a particular question. If necessary, please refer to records on purchases of beef, pork, and lamb products as you complete the survey.

For purposes of this survey, certain words have particular meanings. For any word printed in **bold** type in a question, please read the definition provided in the margin near the question.

Your participation in this survey is voluntary. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept **completely confidential**. ***Your response to the survey will not be used as the basis of an investigation or enforcement action against your company. The study findings will be reported to the public only in aggregated form so that individual companies cannot be identified.***

Please return the completed survey within 10 business days in the enclosed postage-paid return envelope or to Justin Taylor, RTI, P.O. Box 12194, Research Triangle Park, NC 27709.

Questions?

Contact our survey help line

If you have any questions as you complete the survey, please send an e-mail to USDAstudy@rti.org or call our survey help line toll-free at (877) 254-1949. We operate the help line on weekdays from 9:00 a.m. to 5:00 p.m. EST.

*RTI International is a trade name of Research Triangle Institute.

1

Purchases of Meat Products

1.1 The survey asks for information on the past 12-month period or most recently completed fiscal year. **Provide the month and year for the beginning and ending of the 12-month period you will use in the survey.**

If you are using calendar year 2004, enter 01/2004–12/2004.

- a. Start of 12-month period (month/year) /200
- b. End of 12-month period (month/year) /200

Sections 1 and 2 ask about your company's use of methods for purchasing beef, pork, and lamb products.

When answering the questions in Sections 1 and 2

- **include information on beef, pork, and lamb products (including fresh, frozen, and processed) that contain at least 50 percent meat by weight**
- **include information on products transferred from another business unit owned by the same company**
- **do not include information on veal products**

1.2 Complete the table below by entering the percentage of total dollar purchases of meat products during the past year by type of product category for each type of meat. **Include the value of products transferred from another business unit owned by the same company. The total for each column should sum to 100 percent.**

For questions that ask for percentages, your best estimate is acceptable.

Product category	Percentage of total dollar purchases of meat products			
	Beef	Pork	Lamb	Combination of meat (for example, sausage)
a. Fresh or frozen	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Processed	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%	100%

By **certification** we mean products produced under programs that certify livestock breed, carcass characteristics, product characteristics (for example, Kosher), or product processing method.

USDA Processed Verified suppliers are able to make marketing claims—such as breed, feeding practices, or other raising and processing claims—and market themselves as “USDA Process Verified.”

1.3 Which of the following types of **certification** apply for meat products purchased or received by your company? **Do not include USDA grading. Circle all that apply.**

1. None
2. Kosher certification
3. Halal certification
4. Organic certification
5. **USDA Process Verified** certification
6. ISO certification
7. Certified Angus Beef
8. Other third-party certification of breed or livestock quality (not including Certified Angus Beef)
9. Own-company certification of breed or livestock quality
10. Buyer certification of breed or livestock quality
11. Other (specify): _____

1.4 Complete the table below by entering the percentage of total dollar purchases of meat products during the past year by type of label for each type of meat. **The total for each column should sum to 100 percent.**

By **national or regional brand** we mean a brand that is sold by various retailers throughout the country or in a specific region.

By **private label brand** we mean a brand that is sold exclusively by one retailer.

Type of label	Percentage of total dollar purchases of meat products		
	Beef	Pork	Lamb
a. National or regional brand	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
b. Private label brand	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
c. Commodity product— not branded	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%	100%	100%

1.5 For meat products purchased during the past year with a national or regional brand label, what was the source of the brand name? **Do not include USDA grading. Check (✓) one or more responses representing most purchases for each type of meat.**

Source of brand name	Beef	Pork	Lamb
<i>Check the box if your company did NOT purchase products with national or regional brand labels</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Brand name used by packer or processor			
2. Name of livestock producer organization			
3. Name of certification organization			
4. Other (specify): _____			

2

How Meat Products Are Purchased

For questions that ask for percentages, your best estimate is acceptable.

2.1 Complete the table below by entering the percentage of total dollar purchases of beef, pork, and lamb products during the past year by type of supplier. ***Include the value of products transferred from another business unit owned by the same company. The total should sum to 100 percent.***

Type of supplier	Percentage of total dollar purchases of meat products
a. Packer	<input type="text"/> <input type="text"/> <input type="text"/>
b. Further processor	<input type="text"/> <input type="text"/> <input type="text"/>
c. Wholesaler or distributor	<input type="text"/> <input type="text"/> <input type="text"/>
d. Dealer or broker	<input type="text"/> <input type="text"/> <input type="text"/>
e. Importer	<input type="text"/> <input type="text"/> <input type="text"/>
f. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

2.2 What were the **three** most important reasons for purchasing meat products from your chosen suppliers during the past year?

Reason	Check only three reasons
1. Offers portion cut product	
2. Has product traceability system in operation	
3. Is in electronic procurement system	
4. Provides product quality guarantees	
5. Provides food safety guarantees	
6. Has provided good quality product in the past	
7. Offers lower prices for given product specifications	
8. Offers products from specific packers or processors	
9. Offers case ready product	
10. Meets exact product specifications	
11. Offers products with certifications (e.g., Certified Angus Beef)	
12. Offers products from U.S. sources	
13. Is on approved list of suppliers	
14. Meets delivery time requirements	
15. Can meet all meat product needs	
16. Other (specify): _____	

2.3 Which of the following terms were specified in purchase transactions for meat products made by your company during the past year? ***Circle all that apply.***

1. Volume discounts
2. Maximum or minimum purchase quantities
3. Maximum or minimum pricing requirements
4. Delivery lead times
5. Product quality specifications
6. Information sharing
7. Inventory management
8. Inventory cost control
9. Advertising requirements
10. Other (specify): _____
11. None of the above

2.4 For meat products purchased under an ongoing arrangement (oral or written) during the past year, what was the length of the arrangement? **Check (✓) one or more responses representing most purchases of meat products.**

Length of arrangement	Purchases during past year
<i>Check the box if your company did NOT purchase meat products under an ongoing arrangement</i>	<input type="checkbox"/>
1. Less than 1 month	
2. 1 to 2 months	
3. 3 to 5 months	
4. 6 to 11 months	
5. 1 to 2 years	
6. 3 to 5 years	
7. 6 to 10 years	
8. More than 10 years or evergreen	

By **evergreen** we mean an agreement or contract that continues indefinitely until either party decides to terminate.

2.5 For meat products purchased during the past year, how far in advance of delivery was the delivery scheduled? **Check (✓) one or more responses representing most purchases of meat products.**

Time period in advance of delivery	Purchases during past year
1. Less than 3 days	
2. 4 to 6 days	
3. 1 to 2 weeks	
4. 3 to 4 weeks	
5. More than 1 month	

By **flat pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period.

By **formula pricing** we mean using another price as the base for the purchase of product (for example, USDA price).

By **or-better pricing** we mean the buyer and seller agree to a specific dollar per pound for a specified time period; however, if the market price decreases over the time period, then the purchase price decreases as well.

By **floor and ceiling pricing** we mean the agreed upon purchase price increases and decreases with market prices but has a lower limit and an upper limit for a specified time period.

By **benchmarking** we mean comparing the base price used in the formula to some market or reported price or comparing the current pricing arrangement to bids from other companies you buy from.

2.6 What types of pricing methods did your company use during the past year for purchasing meat products? **Enter the percentage of total dollar purchases of meat products by type of pricing method. The total should sum to 100 percent.**

Pricing method	Percentage of total dollar purchases of meat products
a. Flat pricing	<input type="text"/> <input type="text"/> <input type="text"/>
b. Formula pricing (using another price as the base)	<input type="text"/> <input type="text"/> <input type="text"/>
c. Or-better pricing	<input type="text"/> <input type="text"/> <input type="text"/>
d. Floor and ceiling pricing	<input type="text"/> <input type="text"/> <input type="text"/>
e. Other (specify): _____	<input type="text"/> <input type="text"/> <input type="text"/>
TOTAL	100%

2.7 If flat pricing was used during the past year, did the purchase price include a premium (or overage) relative to the market price? **Circle only one.**

1. Did not use flat pricing during the past year
2. Yes, for some meat product purchases (less than 50 percent)
3. Yes, for most meat product purchases (50 percent or more)
4. No

2.8 For meat products purchased under an ongoing arrangement during the past year, how was the purchase price or base price **benchmarked**? **Circle all that apply.**

1. Did not purchase under an ongoing arrangement
2. Did not benchmark purchase price or base price
3. Relative to market-reported price
4. Relative to internal rates of return
5. Relative to other bids or offers
6. Other (specify): _____

If your company did not use formula pricing during the past year, check (✓) the box and go to Section 3.

2.9 For meat products purchased during the past year using formula pricing, what was the base price of the formula? **Check (✓) one or more responses representing most purchases of meat products.**

Base price of formula for formula pricing	Purchases during past year
1. USDA publicly reported price	
2. Futures price or price ratio	
3. Retail price	
4. Subscription service price (for example, Urner Barry)	
5. Other (specify): _____	

2.10 For meat products purchased during the past year using formula pricing, what was the timing for the base price? **Check (✓) one or more responses representing most purchases of meat products.**

Timing for base price	Purchases during past year
1. Current market	
2. Average of the previous week	
3. Average of the previous 2 weeks	
4. Average of the previous 3 weeks	
5. Average of the previous month	
6. Average of the previous 2 months or longer	
7. Other (specify): _____	

2.11 For meat products purchased during the past year using formula pricing, what was the basis of any premiums or discounts? *Check (✓) one or more responses representing most purchases of meat products.*

Basis for premiums and discounts	Purchases during past year
<i>Check the box if formula pricing did NOT include any premiums or discounts</i>	<input type="checkbox"/>
1. USDA yield grade	
2. USDA quality grade	
3. Brand name	
4. Availability/timing	
5. Customer service	
6. Other (specify): _____	

3

Company Operations

3.1 How many food service establishments were owned by your company during the past year?

1. One
2. 2 to 9
3. 10 to 99
4. 100 to 499
5. 500 to 999
6. 1,000 or more

3.2 What was the approximate total number of people employed by your company during the past year?

- a. Full time , ,
- b. Part time , ,

All answers you give in this survey will be kept strictly confidential.

3.3 What were your company's approximate total gross sales for fresh, frozen, and processed beef, pork, and lamb products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

3.4 What were your company's approximate total gross sales for all products during the past year?

1. Under \$99,999
2. \$100,000 to \$499,999
3. \$500,000 to \$999,999
4. \$1,000,000 to \$2,499,999
5. \$2,500,000 to \$4,999,999
6. \$5,000,000 to \$9,999,999
7. \$10,000,000 to \$19,999,999
8. \$20,000,000 to \$49,999,999
9. \$50,000,000 to \$99,999,999
10. \$100,000,000 to \$499,999,999
11. \$500,000,000 to \$999,999,999
12. \$1,000,000,000 or more

Appendix B: Industry Survey Materials for Livestock Producers, Meat Packers, and Processors

This appendix contains the materials used for the industry survey data collection. The materials include

- § a cover letter from GIPSA (included with the questionnaire in the survey packet),
- § an information brochure (included with the questionnaire in the survey packet), and
- § a thank you/reminder postcard (sent to respondents 1 week after mailing the survey packet).

Cover Letter from GIPSA



United States
Department of
Agriculture

Grain Inspection,
Packers and Stockyards
Administration

Stop 3601
1400 Independence Ave., SW
Washington, DC 20250-3601

Date

Contact Name
Company Name
Street Address
City, State Zip

Dear (Contact Name):

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) is conducting a study of alternative marketing arrangements in the livestock and meat industries, and we are asking for your help.

In fiscal year 2003, GIPSA received \$4.5 million in Congressional appropriations for a broad study of marketing practices in the entire livestock and meat industries. This study will address many questions and concerns that have been raised about changes in the structure and business practices in the livestock and meat industries. The enclosed brochure provides additional information on the study, including the type of analyses that will be conducted and how the study findings will be used.

GIPSA has contracted with RTI International (RTI) to conduct the study. RTI is a not-for-profit contract research organization with an established history of conducting scientific research for many government agencies. Separately, RTI will be collecting data on procurement and sales transactions from the largest companies in the livestock and meat industries. Currently, RTI is collecting additional types of information by surveying livestock producers and feeders, meat packers, meat processors, food wholesalers, food retailers, food service operators, and meat exporters. The survey collects information on the use of, terms of, and reasons for using different methods of procuring and selling livestock and meat. RTI, in conjunction with university-based researchers, will collect and analyze the data and prepare reports on the study findings.

The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and your response to the survey will be kept completely confidential. Your response to the survey will not be used as the basis of an investigation or enforcement action against you. The study findings will be reported to the public only in aggregated form so that individual establishments or companies cannot be identified. The enclosed brochure provides additional information on RTI's confidentiality procedures.

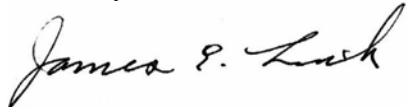
Your establishment or company is among the approximately 6,500 that were selected to participate in the survey. Your participation is voluntary, but without your response, the survey results may not properly reflect industry practices. Therefore, your participation is crucial. I am asking that you or someone that you designate complete the survey.

Page 2

Please complete the enclosed survey and return it to RTI within 10 business days in the enclosed postage-paid return envelope. Please contact Justin Taylor at RTI at 1-877-254-1949 or USDASTUDY@RTI.ORG if you have questions about the survey. For additional information you may also contact Dr. Roger Schneider at GIPSA at 202-720-7455 or Roger.E.Schneider@usda.gov.

GIPSA appreciates your help in this important endeavor.

Sincerely,

A handwritten signature in cursive script that reads "James E. Link".

James E. Link
Administrator
Grain Inspection, Packers and Stockyards Administration

Enclosures

Survey of Alternative Marketing Arrangements in the Livestock and Meat Industries

Q. Will the data be kept confidential?

- A. Absolutely. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept completely confidential (see Public Law 107-347).

Analysis datasets created using the survey data will be stored in an encrypted format. Each establishment will be identified by a unique identification (ID) number within the analysis dataset. The link file (links the ID number to the establishment) will be stored in a locked file cabinet in a secure room.

The study findings will be reported to the public only in aggregated form so that individual establishments or companies cannot be identified. At the end of the study, the analysis datasets (with identifying information removed) will be given to GIPSA, and RTI will destroy the questionnaires.

Q. Who is GIPSA?

- A. The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) administers the Packers and Stockyards Act of 1921, as amended and supplemented (7 U.S.C. 181-229) (P&S Act). The P&S Act prohibits unfair, deceptive, and fraudulent practices by market agencies, dealers, stockyards, packers, swine contractors, and live poultry dealers in the livestock, meatpacking, and poultry industries.

Q. Who is RTI International?*

- A. RTI is a not-for-profit contract research institute located in North Carolina's Research Triangle Park. With an established history of conducting scientific research for many government agencies, RTI is a proven leader in statistically valid survey research. GIPSA has contracted with RTI to conduct the Livestock and Meat Marketing Study. RTI, in conjunction with university-based researchers, will collect the data, analyze the data, and prepare reports on the study findings.

Q. How can I find out more about this study?

- A. For information about the survey, please contact:

Justin Taylor
RTI International
3040 Cornwallis Road · P.O. Box 12194
Research Triangle Park, NC 27709
Telephone: 1-877-254-1949
E-mail: USDAstudy@rti.org

For general information about the Livestock and Meat Marketing Study, please visit the "Marketing Study" link at www.usda.gov/gipsa or contact:

Roger Schneider
USDA, GIPSA
14th and Independence Ave, SW
Washington, DC 20250-3647
Telephone: (202) 720-7455
E-mail: Roger.E.Schneider@gipsa.usda.gov



*RTI International is a trade name of Research Triangle Institute

Q. What is this study about?

A. In fiscal year 2003, the Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) received \$4.5 million in Congressional appropriations for a broad study of marketing practices in the entire livestock and meat industries. The study will address many questions and concerns that have been raised about changes in the structure and business practices in the livestock and meat industries. More specifically, the study will

- (1) identify and classify spot market and alternative marketing arrangements;
- (2) describe the terms and availability of alternative marketing arrangements, reasons for the use of spot market and alternative marketing arrangements, and the prices associated with each;
- (3) determine extent of use, analyze price differences, and analyze short-run spot market price effects of alternative marketing arrangements;
- (4) measure and compare costs and benefits associated with the spot market and alternative marketing arrangements; and

- (5) analyze the implications of alternative marketing arrangements for the livestock and meat marketing system.

GIPSA has contracted with RTI International (RTI) to conduct the Livestock and Meat Marketing Study. In August 2005, RTI released an interim report that provided background information on the use of marketing arrangements in the livestock and meat industries. The survey will provide quantitative data for the second stage of the study that will assess the impact of alternative marketing arrangements on the livestock and meat industries.

Q. How will the study findings be used?

A. The Livestock and Meat Marketing Study will give livestock producers better information on which to base their decisions about whether to participate in nontraditional marketing arrangements and, if so, which types of arrangements are best suited to their needs. It will also contribute to better public understanding of the role of alternative marketing arrangements, the extent of their use, reasons why firms enter into them, and the implications of such arrangements. It will help identify emerging marketing

information needs of livestock producers and other market participants. Furthermore, it will provide objective information for market participants, Congress, and USDA to consider while confronting the challenges facing the cattle, hog, and lamb industries.

Q. What types of data are being collected?

A. RTI is surveying livestock producers and feeders, meat packers, meat processors, and companies that buy meat (for example, grocery stores and restaurants). The survey collects information on the use of, terms of, and reasons for using different methods of procuring and selling livestock and meat at the establishment level.

You may be contacted in a few months to provide data on purchase and sales transactions. To provide a complete picture of marketing practices, RTI plans to link the survey responses to the transactions data.

Q. How was my establishment selected to participate in the survey?

A. Your establishment was selected as part of a sample of all livestock producers and feeders, meat packers,

and meat processors using methods to ensure statistically valid results. Without your response, the sampling methods used to select your establishment could fail to produce information that accurately represents the livestock and meat industries. In particular, it's important that all sizes of establishments, including those that are very small, complete the survey.

If your establishment produces or slaughters multiple species and you received more than one questionnaire, please complete a separate questionnaire for each species. Companies that own multiple establishments may have received more than one questionnaire. If so, please complete a separate questionnaire for each establishment as identified by the label on the front of the questionnaire.

Q. How long will it take to complete the survey?

A. We estimate that it will take about 45 to 90 minutes to complete each questionnaire, depending on the version that you received.

Q. When should I return the completed survey?

A. Please return your completed questionnaire(s) to RTI within 10 business days.

Thank You/Reminder Postcard



RTI International
Survey of Alternative Marketing Arrangements
P.O. Box 12194
Research Triangle Park, NC 27709-2194

ADDRESS SERVICE REQUESTED

«Contact_Fname» «Contact_Lname»
«Company»
«Address3»
«Address4»
«City3», «State3» «ZipCode3»

«CaseID» «Batch»



Date

Dear Survey Respondent:

Recently, you received a survey on alternative marketing arrangements in the livestock and meat industries. RTI International (RTI) is conducting this survey for USDA's Grain Inspection, Packers and Stockyard Administration (GIPSA). If you have already returned the survey, we would like to thank you. Your assistance is very much appreciated.

If you have not yet returned the survey, please complete the survey and mail it back to us using the return envelope that was included with your survey. GIPSA needs information on how small and large establishments buy and sell livestock and meat to obtain a full understanding of practices across all sizes of establishments.

If you have any questions, please contact me toll-free at 1-877-254-1949 or USDASTUDY@RTI.ORG. Thank you again.

Sincerely,

A handwritten signature in black ink, appearing to read 'Justin Taylor'.

Justin Taylor

Appendix C: Industry Survey Materials for Downstream Market Participants

This appendix contains the materials used for the industry survey data collection. The materials include

- § a cover letter from GIPSA (included with the questionnaire in the survey packet),
- § an information brochure (included with the questionnaire in the survey packet), and
- § a thank you/reminder postcard (sent to respondents 1 week after mailing the survey packet).

Cover Letter from GIPSA



United States
Department of
Agriculture

Grain Inspection,
Packers and Stockyards
Administration

Stop 3601
1400 Independence Ave., SW
Washington, DC 20250-3601

Date

Contact Name
Company Name
Street Address
City, State Zip

Dear (Contact Name):

The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) is conducting a study of alternative marketing arrangements in the livestock and meat industries, and we are asking for your help.

In fiscal year 2003, GIPSA received \$4.5 million in Congressional appropriations for a broad study of marketing practices in the entire livestock and meat industries. This study will address many questions and concerns that have been raised about changes in the structure and business practices in the livestock and meat industries. The enclosed brochure provides additional information on the study, including the type of analyses that will be conducted and how the study findings will be used.

GIPSA has contracted with RTI International (RTI) to conduct the study. RTI is a not-for-profit contract research organization with an established history of conducting scientific research for many government agencies. Separately, RTI will be collecting data on procurement and sales transactions from the largest companies in the livestock and meat industries. Currently, RTI is collecting additional types of information by surveying livestock producers and feeders, meat packers, meat processors, food wholesalers, food retailers, food service operators, and meat exporters. The survey collects information on the use of, terms of, and reasons for using different methods of procuring and selling livestock and meat. RTI, in conjunction with university-based researchers, will collect and analyze the data and prepare reports on the study findings.

The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and your response to the survey will be kept completely confidential. Your response to the survey will not be used as the basis of an investigation or enforcement action against you. The study findings will be reported to the public only in aggregated form so that individual establishments or companies cannot be identified. The enclosed brochure provides additional information on RTI's confidentiality procedures.

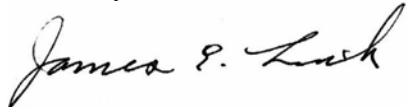
Your establishment or company is among the approximately 6,500 that were selected to participate in the survey. Your participation is voluntary, but without your response, the survey results may not properly reflect industry practices. Therefore, your participation is crucial. I am asking that you or someone that you designate complete the survey.

Page 2

Please complete the enclosed survey and return it to RTI within 10 business days in the enclosed postage-paid return envelope. Please contact Justin Taylor at RTI at 1-877-254-1949 or USDASTUDY@RTI.ORG if you have questions about the survey. For additional information you may also contact Dr. Roger Schneider at GIPSA at 202-720-7455 or Roger.E.Schneider@usda.gov.

GIPSA appreciates your help in this important endeavor.

Sincerely,

A handwritten signature in cursive script that reads "James E. Link".

James E. Link
Administrator
Grain Inspection, Packers and Stockyards Administration

Enclosures

Survey of Marketing Practices in the Meat Industry

Q. Will the data be kept confidential?

A. Absolutely. The data are being collected exclusively for statistical purposes consistent with the provisions of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and will be kept completely confidential (see Public Law 107-347).

Analysis datasets created using the survey data will be stored in an encrypted format. Each company will be identified by a unique identification (ID) number within the analysis dataset. The link file (links the ID number to the company) will be stored in a locked file cabinet in a secure room.

The study findings will be reported to the public only in aggregated form so that individual companies cannot be identified. At the end of the study, the analysis datasets (with identifying information removed) will be given to GIPSA, and RTI will destroy the questionnaires.

Q. Who is GIPSA?

A. The Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) administers the Packers and Stockyards Act of 1921, as amended and supplemented (7 U.S.C. 181-229) (P&S Act). The P&S Act prohibits unfair, deceptive, and fraudulent practices by market agencies, dealers, stockyards, packers, swine contractors, and live poultry dealers in the livestock, meatpacking, and poultry industries.

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Q. How can I find out more about this study?

A. For information about the survey, please contact:

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RTI International
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For general information about the Livestock and Meat Marketing Study, please visit the "Marketing Study" link at www.usda.gov/gipsa or contact:

Roger Schneider
USDA, GIPSA
14th and Independence Ave, SW
Washington, DC 20250-3647
Telephone: (202) 720-7455
E-mail: Roger.E.Schneider@gipsa.usda.gov



*RTI International is a trade name of Research Triangle Institute

Q. What is this study about?

A. In fiscal year 2003, the Grain Inspection, Packers and Stockyards Administration (GIPSA) of the U.S. Department of Agriculture (USDA) received \$4.5 million in Congressional appropriations for a broad study of marketing practices in the entire livestock and meat industries. The study will address changes in the structure and business practices in the livestock and meat industries, including issues related to quality, consistency, and availability of beef, pork, and lamb products. More specifically, the study will

- (1) identify and classify spot market and alternative marketing arrangements;
- (2) describe the terms and availability of alternative marketing arrangements, reasons for the use of spot market and alternative marketing arrangements, and the prices associated with each;
- (3) determine extent of use, analyze price differences, and analyze short-run spot market price effects of alternative marketing arrangements;

- (4) measure and compare costs and benefits associated with the spot market and alternative marketing arrangements; and
- (5) analyze the implications of alternative marketing arrangements for the livestock and meat marketing system.

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Q. How will the study findings be used?

A. The Livestock and Meat Marketing Study will contribute to better public understanding of the role of alternative marketing arrangements, the extent of their use, reasons why companies enter into them, and the implications of such arrangements.

Also, it will help identify emerging marketing information needs of market participants. Furthermore, it will provide objective information for market participants, Congress, and USDA to consider while confronting the challenges facing the cattle, hog, and lamb industries.

Q. What types of data are being collected?

A. RTI is surveying livestock producers and feeders, meat packers, meat processors, food wholesalers, food retailers, food service operators, and meat exporters. The survey collects information on the use of, terms of, and reasons for using different methods of procuring and selling beef, pork, and/or lamb products at the company or headquarters level.

You may be contacted in a few months to provide data on purchase and sales transactions. To provide a complete picture of marketing practices, RTI plans to link the survey responses to the transactions data.

Q. How was my company selected to participate in the survey?

A. Your company was selected as part of a sample of all food wholesalers, food retailers, food service operators, and meat exporters using methods to ensure statistically valid results. Without your response, the sampling methods used to select your company could fail to produce information that accurately represents your industry. In particular, it's important that all sizes of companies, including those that are very small, complete the survey.

Q. How long will it take to complete the survey?

A. We estimate that it will take about 30 to 45 minutes to complete the questionnaire.

Q. When should I return the completed survey?

A. Please return your completed questionnaire(s) to RTI within 10 business days.

Thank You/Reminder Postcard



RTI International
Survey of Alternative Marketing Arrangements
P.O. Box 12194
Research Triangle Park, NC 27709-2194

ADDRESS SERVICE REQUESTED

«Contact_Fname» «Contact_Lname»
«Company»
«Address3»
«Address4»
«City3», «State3» «ZipCode3»

«CaseID» «Batch»



Date

Dear Survey Respondent:

Recently, you received a survey on marketing practices in the meat industry. RTI International (RTI) is conducting this survey for the U.S. Department of Agriculture. If you have already returned the survey, we would like to thank you. Your assistance is very much appreciated.

If you have not yet returned the survey, please complete the survey and mail it back to us using the return envelope that was included with your survey. USDA needs information on how small and large companies buy meat products to better understand issues related to quality; consistency; and availability of beef, pork, and lamb products.

If you have any questions, please contact me toll-free at 1-877-254-1949 or USDASTUDY@rti.org. Thank you again.

Sincerely,

A handwritten signature in black ink, appearing to read 'Justin Taylor'.

Justin Taylor

