

DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Part 57****[No. LS-99-18]****RIN 0581-AB64****Livestock and Grain Market News
Branch: Livestock Mandatory
Reporting****AGENCY:** Agricultural Marketing Service, USDA.**ACTION:** Proposed rule and invitation for comment.

SUMMARY: This proposed rule would establish a mandatory program of reporting information regarding the marketing of cattle, swine, lambs, and products of such livestock under the "Livestock Mandatory Reporting Act of 1999." This proposed rule requires the reporting of market information by certain livestock packers, and livestock product processors and importers who annually slaughter an average of 125,000 cattle or 100,000 swine, or slaughter or process an average of 75,000 lambs. Importers who annually import an average of 5,000 metric tons of lamb are also required to report. These entities would be required to report the details of all transactions involving purchases of livestock and of domestic and imported lamb carcasses and imported lamb cuts, and the details of all transactions involving domestic and export sales of boxed beef cuts including branded product, sales of domestic and imported boxed lamb cuts including branded product, purchases of imported boxed lamb cuts including branded product, and lamb carcasses to the Agricultural Marketing Service (AMS). This program is intended to provide information on pricing, contracting for purchase, and supply and demand conditions for livestock, livestock production, and livestock products, that can be readily understood by producers, packers, and other market participants.

DATES: Written comments on this proposed rule must be received on or before April 17, 2000, and will be considered before the rule is made final. The AMS has requested and received approval from the Office of Management and Budget for a 30-day comment period on the information collection and recordkeeping requirements of this proposed rule. Accordingly, comments on the information collection and recordkeeping requirements (see Paperwork Reduction Act section of this

action) must be received on or before April 17, 2000.

ADDRESSES: Send two copies of comments to John E. Van Dyke, Chief, Livestock and Grain Market News Branch, Docket No. LS-99-18, Room 2619-S; 1400 Independence Avenue; SW., Washington, D.C. 20250-0252. Comments may also be sent by fax to (202) 690-3732, by electronic mail to: john.vandyke@usda.gov, or filed via an on-line form through the AMS website at: <http://www.ams.usda.gov/lsg/mprcomment.htm>. State that your comments refer to Docket No. LS-99-18. Comments received may be inspected at the above location between 8:00 a.m. and 4:30 p.m., Monday through Friday, except holidays, or over the AMS website at: <http://www.ams.usda.gov/lsg/price.htm>.

Comments sent to the above location that specifically pertain to the information collection and recordkeeping requirements of this action should also be sent to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

FOR FURTHER INFORMATION CONTACT: John E. Van Dyke, Chief, Livestock and Grain Market News Branch at (202) 720-6231, fax (202) 690-3732, or e-mail john.vandyke@usda.gov.

SUPPLEMENTARY INFORMATION:**Background****Market News**

The current voluntary market news program for livestock is authorized under the provisions of the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 *et seq.*). In the Agricultural Marketing Act of 1946, Congress declared that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential. Furthermore, it is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation. Agricultural products, capable of being produced in great abundance, must be marketed in an orderly manner and efficiently distributed. Some of the objectives of the Agricultural Marketing Act of 1946 are to improve marketing methods, reduce distribution costs, and narrow the price spread between the producer and consumer. Under the 1946 Act, the Market News Program provides for the collection and dissemination of information to facilitate the orderly and efficient marketing of agricultural products while aiding in the maintenance of farm income. Market News provides all market participants

with the information necessary to make intelligent and informed marketing decisions.

Market News relies upon voluntary cooperation from the livestock, red meat, grain, and wool industry. In addition, Market News maintains voluntary working agreements with many States to cooperatively collect and disseminate market information. Market News reporters collect information daily by telephone, including talking directly with producers, packers, feedlot operators, retailers, distributors, brokers, and other industry participants.

Reporters are on site at major auctions and terminal markets, gathering market information first hand. Regular trips are made to observe livestock in feedlots, on farms, ranches, and in packer holding pens. Meat packing and processing facilities are visited to observe current industry practices and conditions. Reporters attend industry meetings, seminars, and trade shows to keep abreast of the latest information. The information collected by reporters is included in reports that are available to all interested parties. These reports provide data on cattle, hog, sheep, and lamb sales, carlot meat sales of boxed beef, lamb, veal, and pork cuts, weekly wool and mohair sales, and grain and feed sales. Currently, there are a total of 800 individual reports which are released by Market News. Each day, the livestock and red meat industry uses these reports in conducting their business. Further, a wide range of users outside of and peripheral to the livestock and red meat industry depend on the information provided in these reports, including Federal and State governmental agencies, foreign governmental agencies, academia, analysts, and news media.

The Livestock Mandatory Reporting Act of 1999 (Act) was enacted into law on October 22, 1999 (Pub. L. 106-78; 113 Stat. 1188; 7 U.S.C. 1635-1636h) as an amendment to the Agriculture Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*). The Act provides for the mandatory reporting of market information by Federally inspected livestock processing plants which have slaughtered an average number of livestock during the immediately preceding 5 calendar years (125,000 for cattle and 100,000 for swine), including any processing plant that did not slaughter during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the plant's capacity. For entities that did not slaughter during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins

operations the AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine which entities meet the definition of a packer as defined in these regulations.

The Act gives the Secretary the latitude to provide for the reporting of lamb information. The Agricultural Marketing Service (AMS) is proposing in these regulations to require reporting of market information by Federally inspected lamb processing plants who have slaughtered an average of 75,000 head of lambs or processed an average of 75,000 lamb carcasses during the immediately preceding 5 calendar years. Additionally, a lamb processing plant that did not slaughter an average of 75,000 lambs or process an average of 75,000 lamb carcasses during the immediately preceding 5 calendar years will be required to report information if the Secretary determines the processing plant should be considered a packer based on its capacity. It is proposed that an importer of lamb that, for any calendar year, imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years report such lamb information as specified in these proposed regulations. Additionally, an importer that did not import an average of 5,000 metric tons of lamb meat products during the immediately preceding 5 calendar years will be required to report information if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

These packers and importers would be required to report the details of all transactions involving purchases of livestock (cattle, swine, and lambs), lamb carcasses and lamb cuts, and the details of all transactions involving domestic and export sales of boxed beef cuts including branded product, sales of boxed lamb cuts, including branded product, and lamb carcasses to AMS. This information would be reported to AMS according to the schedule established by the Act and these regulations with purchases of swine reported three times each day, purchases of cattle and lambs reported twice each day, domestic and export sales of boxed beef cuts including branded boxed beef cuts reported twice each day, sales and purchases of lamb carcasses and boxed lamb cuts, including branded boxed lamb cuts, to be reported once daily, purchases of imported lamb carcasses, and sales and purchases of imported lamb cuts once weekly.

In some instances, mandatory reporting will provide new information

which has never been reported under the existing voluntary reporting program. AMS anticipates that this information will provide the basis for newly published market news reports not previously provided for under voluntary reporting, including reports covering the prior day swine market, forward contract and formula marketing arrangement cattle purchases, packer-owned cattle and sheep information, sales and purchases of imported boxed lamb cuts, including branded product; purchases of imported lamb carcasses; and live lamb premiums and discounts. In other instances, mandatory reporting will provide information which is already being provided under voluntary reporting. This would include packer direct purchases of slaughter cattle, packer sales of boxed beef and lamb cuts including branded boxed cuts, packer sales of lamb carcasses, and packer negotiated purchases of swine. AMS anticipates that, in such cases, the market reports reflecting this information will continue to be published but the basis of the market reports will become mandatory information. Lastly, many voluntary-based market news reports will not be affected by mandatory reporting, including reports covering livestock auction sales, packer sales of pork cuts and byproducts, and grain trading.

Initially, AMS expects that mandatory information will be reflected in market news reports on a national level. AMS will start with the issuance of national reports to ensure the confidentiality is preserved regarding the identity of persons, including parties to a contract, and proprietary business information. In time, when and where possible, these reports may be further refined and subdivided to reflect regional and, possibly, statewide markets. AMS anticipates that it would provide notice in the **Federal Register** and opportunity for public comment in such an instance. Again, refinement and subdivision of reports will be made only where the confidentiality can be preserved regarding the identity of persons, including parties to a contract, and proprietary business information. In order to effectively address the statistical disclosure issues surrounding reporting of data elements below the national level, AMS will consult with appropriate experts in the field of statistical disclosure limitation during program development. During program development, AMS will also include industry participants in discussions regarding confidentiality issues surrounding data aggregation and reporting.

The program developed to collect and manage data received from those entities required to report will ensure security of data transmission and storage, and confidentiality of information that is maintained by AMS. During program development, AMS will include industry participants, as well as technical experts, in discussions regarding issues surrounding data security and confidentiality.

In all cases, AMS intends to continue to publish a mix of existing voluntary market reports along with the proposed mandatory market reports where duplication and inferential disclosure (disclosing information in such a way that the identity of a respondent can be inferred) is not an issue. Any duplication will be resolved with the discontinuation of the voluntary report version.

The Livestock Mandatory Reporting Act of 1999 (Act)

The Act establishes a program of information regarding the marketing of cattle, swine, lambs and products of such livestock. AMS is responsible for implementing the mandatory reporting of market information on livestock and livestock products, which is contained in Sections 211 through 256 of the Act. The Sections on mandatory reporting of livestock are divided into five Chapters. Chapter 1 and Chapter 2, Definitions and Administration, respectively, apply to all species of livestock and livestock products required to be reported. Chapters 3, 4, and 5 apply to beef, swine, and lamb, respectively, and except for lamb, establish the requirements for mandatory reporting. AMS is proposing regulations in this rulemaking to implement these sections of the Act.

The Act also directs the Secretary to encourage continued voluntary reporting by packers to which these mandatory reporting requirements do not apply. Other Agencies in the Department are responsible for implementing the remaining sections of the Act. These sections include the following provisions. Section 257 of the Act provides for the compilation and monthly publication of retail prices of beef, pork, lamb, chicken, turkey and veal and the initiation of a meat price spreads report. The Act also contains Related Beef Reporting Provisions, Sections 921 through 924 which provides for export certificates for meat and meat food products, and obtain information on imports of beef, beef variety meats, and cattle. Related Swine Reporting Provisions, Sections 931 through 934 calls for improving the hogs and pigs inventory report, the collection

of information on barrow and gilt slaughter, and the conduct of an average trim loss correlation study and preparation of report. Swine Packer Marketing Contracts, Sections 221 and 222 require the establishment and maintenance of a library or catalogue of swine packer marketing contracts offered to producers and a monthly report of contracted swine numbers.

Cattle

The Act requires that a cattle packer whose Federally inspected plant slaughtered an average of at least 125,000 cattle per year for the preceding 5 calendar years or did not slaughter cattle during the preceding 5 calendar years but is considered a packer based on plant capacity as determined by the Secretary, report market information to the Secretary. They are required to report the prices for each type of cattle purchase, categorized to clearly delineate imported from domestic market purchases, negotiated purchase, formula marketing arrangement, and forward contract, the quantity of cattle, categorized to clearly delineate imported from domestic market purchases, purchased on a live weight basis and a carcass basis, the weight, the quality grade, and premiums and discounts. This information would be reported twice a day not later than 10:00 a.m. and 2:00 p.m. Central Time. The Secretary will issue reports to the public of this information at least three times each day.

The Act further requires that a packer report marketing information not later than 9 a.m. Central Time on the first reporting day of each week for cattle bought by the type of purchase for the prior week. In addition, packers must report weekly information on the first reporting day not later than 9 a.m. Central Time for cattle purchased on a formula or contract marketing arrangement and slaughtered the prior week. The Secretary will issue a public report not later than 10 a.m. Central Time on the first reporting day of the current slaughter week.

The Act also mandates that the packer report information on boxed beef cut sales to the Secretary at least twice each reporting day not less frequently than once before and once after 12:00 noon Central Time. This information includes the price per hundredweight, the quantity in each lot of boxed beef cuts sold, information regarding the characteristics of each lot (i.e., domestic vs. export sale, USDA Quality Grade, etc.), the type of beef cut and the trim specification. The Secretary will report this information to the public twice each reporting day.

Swine

The Act requires that a swine packer whose Federally inspected plant slaughtered an average of at least 100,000 swine per year for the preceding 5 calendar years or did not slaughter swine during the preceding 5 calendar years but is considered a packer based on plant capacity as determined by the Secretary, report market information to the Secretary.

The packer must report to the Secretary not later than 7:00 a.m. Central Time information on all swine purchased, priced, or slaughtered on the prior business day. The packer must report all purchasing data including the number of swine purchased, swine scheduled for delivery and the base price and purchase data for slaughtered swine for which a price has been established. The information also includes all slaughter data by class for the total number of swine slaughtered including information concerning the net price, average net price, lowest net price, highest net price, average carcass weight, average sort loss, average backfat, average lean percentage, and total slaughter quantity. When a packer reports the average lean percentage and whenever the packer changes the manner in which the average lean percentage is calculated, the packer shall make available to the Secretary the underlying data, applicable methodology and formulae, and supporting materials used to determine the average lean percentage, which the Secretary will convert to the carcass measurements or lean percentage of the swine of the individual packer to correlate to a common percent lean measurement. Additionally, the information to be reported includes packer purchase commitments, which shall be equal to the number of swine scheduled for delivery to a packer for slaughter each of the next 14 calendar days.

The Secretary will publish the information in a prior day report not later than 8:00 a.m. Central Time on the reporting day on which the information is received from the packer.

The Act also requires packers to report to the Secretary in the morning not later than 10:00 a.m. Central Time and in the afternoon not later than 2:00 p.m. Central Time each reporting day. The information to be reported is the same for the morning and afternoon reports and includes an estimate of (1) the total number of swine purchased by each method of pricing, (2) the total number of swine purchased up until the time of reporting, and (3) the base price paid for all negotiated purchases of

market hogs and the base price paid for each type of purchase of market hogs other than through a negotiated purchase. The Secretary will make the morning report available to the public not later than 11:00 a.m. Central Time and the afternoon report at 3:00 p.m. Central Time on each reporting day.

The Secretary will compile and issue a weekly noncarcass merit premium report on the first reporting day of the week not later than 5:00 p.m. Central Time. This report is prepared from information furnished to the Secretary by packers who must report not later than 4:00 p.m. Central Time on the first reporting day of the week. The information required includes each category of standard noncarcass merit premiums and the amount in dollars per hundred pounds of carcass weight paid to producers by the packer.

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

Lamb

The Act gives the Secretary the authority to establish a mandatory lamb price reporting program that will provide timely, accurate, and reliable market information. The Secretary proposes to establish a mandatory lamb price reporting program.

The Act does not specify the requirements for establishing a mandatory lamb price reporting program as it does for cattle and swine. Accordingly, AMS proposes to establish a mandatory lamb price reporting program based upon its extensive knowledge of the lamb industry and market news reporting of lamb. The Agency proposes the following requirements for a mandatory lamb price reporting program.

A lamb packer whose Federally inspected plant slaughtered or processed an average of at least the equivalent of 75,000 lambs each year for the preceding 5 calendar years would report to the Secretary twice daily the price of each type of lamb purchase, negotiated purchase, formula marketing arrangements, forward contract, quantity of lamb purchased on live

weight or carcass weight, a range and average estimated live weights, quality grade, premiums and discounts, state of origin, and estimated dressing percentage. The Secretary would issue a report to the public on this information not less than twice each day.

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

The Secretary would make available to the public the information on the first reporting day of the current slaughter week.

Packers would report information on daily transactions of carcass lamb each reporting day and sales of boxed lamb cuts each reporting day. For transactions of carcass lamb, the information would include prices for sales, the type of sale, the branded product characteristics, the quantity of each sale, the USDA grade, trim specification, weight range, and delivery date. For sales of boxed lamb cuts, the packer would report the same information plus the quantity of boxes of each cut and the weight range of each cut. The Secretary will issue to the public a report on carcass lamb sales and boxed lamb cut sales once each reporting day.

For any calendar year, a lamb importer who imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years would report to the Secretary weekly the prices paid for imported lamb carcasses and boxed lamb cuts, and the prices received for imported lamb cuts sold on the domestic market. Additionally, an importer that did not import an average of 5,000 metric tons of lamb meat products during the immediately preceding 5 calendar years would also be required to report the above information, if the Secretary determines that the person should be considered an

importer based on their volume of lamb imports.

Lamb importers would be required to report weekly, prices paid for imported lamb carcasses during the prior week including the type of purchase, the quantity of each transaction, the estimated weight range of the carcasses, the product delivery date, and the product nation of origin. Lamb importers would be required to report weekly, prices paid for boxed lamb cuts during the prior week including the quantity of each transaction, the type of purchase, the cut of lamb, the trim specification, branded product characteristics, the cut weight range, the product delivery date, and the product nation of origin. Finally, lamb importers would be required to report weekly, prices received for sales of imported boxed lamb cuts sold on the domestic market during the prior week including the quantity of each transaction, the type of sale, the branded product characteristics, the cut of lamb, the trim specification, the cut weight range, the product delivery date, and the product nation of origin.

Other Provisions of the Act Involving Administration

The administrative provisions of the Act set forth the requirements for maintaining confidentiality regarding the packer reporting of proprietary information and lists the conditions under which Federal employees can release such information. These administrative provisions also establish that the Secretary can make necessary adjustments in the information reported by packers and take action to verify the information reported, and directs the Secretary to report and publish reports by electronic means to the maximum extent practical. The Act provides for what constitutes violations of the Act, such as failure to report the required information on time or failure to report accurate information.

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

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

The section on recordkeeping requires each packer to make available to the

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

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

Proposed Rule, New Part 57 of Title 7

This proposed rule would establish and add a new Part 57 to Title 7 of the Code of Federal Regulations, implementing the mandatory livestock reporting provisions of the Act. Accordingly, these regulations include appropriate definitions; a description of which entities would be required to report market information; a description of what information they would report, when they would report, and how they would report; a description of what information the Secretary would make available to the public and when this information would be made available; an explanation of what records would be required to be maintained and made available to the Secretary.

General Provisions

Part 57 would implement the provisions of the Act. Subpart A of Part 57, General Provisions, covers those requirements pertinent to all aspects of mandatory reporting. Section 57.10 details how packers and importers would be required to report information and how reporting will be handled over weekends and holidays. Electronic reporting would be required for all information collection. Electronic reporting would involve the transfer of data from a packer's or importer's existing electronic recordkeeping system to a centrally located AMS electronic database. The packer or importer would be required to organize the information in an AMS-approved format before electronically transmitting the information to AMS.

Once the required information has been entered into the AMS database, it would be aggregated and processed into various market reports which would be released according to the daily and

weekly time schedule set forth in these proposed regulations.

Section 57.11 identifies the recordkeeping requirements imposed by the Act and these regulations on packers and importers. Reporting packers and importers would be required to maintain and to make available the original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock. In addition, they would be required to maintain such records or other information as is necessary or appropriate to verify the accuracy of the information required to be reported under these regulations. All of the above mentioned paperwork must be maintained by packers and importers for at least 2 years. Further, packers would be required to maintain a record of the time of day a lot of cattle, swine, or lambs was purchased, either before 10:00 a.m. Central Time, between 10:00 a.m. and 2:00 p.m. Central Time, and after 2:00 p.m. Central Time. However, to allow packers and importers time to collect, assemble and submit the information to AMS by the prescribed deadlines, all covered transactions up to within one half hour of the specified reporting times would be reported.

Lastly, under Subpart A, Section 57.20 establishes general definitions of terms used throughout the regulations which would be applicable to all subparts.

Cattle

Subpart B of Part 57 states what is required to be reported in the cattle and boxed beef sectors. Section 57.100 establishes definitions of cattle terms used in Subpart B including the definition of packer which identifies which entities would be required to report under this proposed rule. In any calendar year, the term cattle packer includes any Federally inspected cattle plant which slaughtered an average of 125,000 head of cattle a year for the immediately preceding 5 calendar years. Additionally, the term includes any processing plant that did not slaughter cattle during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on its capacity.

For entities that did not slaughter cattle during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins operations the AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter

capacity to determine which entities meet the definition of a packer as defined in these regulations.

Section 57.101 discusses the daily reporting requirement for live cattle transactions including what information would be reported, when it would be reported, and when it would be published. Cattle plants covered under the rule would report the details of their cattle purchases twice each day to AMS (once by 10:00 a.m. Central Time, and once by 2:00 p.m. Central Time) and would include all covered transactions made up to within one half hour of the specified reporting time. Packers completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. The Secretary would publish the information not less than three times each day. Section 57.102 discusses the same types of requirements for weekly live cattle reporting. Packers would be required to report information regarding the prior slaughter week on the first reporting day of each week by 8:00 a.m. Central Time. This information would be published by the Secretary on the same day by 10:00 a.m. Central Time. Finally under Subpart B, Section 57.103 details the information required to be reported concerning sales of boxed beef cuts including what would be reported, when it would be reported, and when it would be published. Cattle plants producing boxed beef cuts would be required to report their domestic and export sales of boxed beef cuts including branded boxed beef cuts to AMS twice each reporting day, once by 10:00 a.m. Central Time and once by 2:00 p.m. Central Time, including all covered transactions made up to within one half hour of the specified reporting time. Cattle plants completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. This information would be published twice each day by the Secretary. These plants would be required to reference the USDA's Livestock and Seed Program Institutional Meat Purchase Specifications (IMPS), Fresh Beef Series 100.

Swine

Subpart C of Part 57 lists the requirements of swine reporting beginning with Section 57.200 which establishes definitions for terms used throughout the subpart including the definition of packer which identifies which entities would be covered under the regulations. In any calendar year, the term swine packer includes any

Federally inspected swine plant which slaughtered an average of 100,000 head of swine a year for the immediately preceding 5 calendar years. Additionally, the term includes any processing plant that did not slaughter swine during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on its capacity.

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

Section 57.201 discusses the daily reporting requirement for live hog transactions including what information would be reported, when it would be reported, and when it would be published.

Swine packers required to report under this rule would report the details of their swine purchases three times each day including a prior day report not later than 7:00 a.m. Central Time, a morning report not later than 10:00 a.m. Central Time, and an afternoon report not later than 2:00 p.m. Central Time, including all covered transactions made up to within one half hour of each specified reporting time. Packers completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. This information would be published by the Secretary each reporting day not later than 8:00 a.m. Central Time, 11:00 a.m. Central Time, and 3:00 p.m. Central Time, respectively. Section 57.202 details the requirements for reporting weekly swine information to AMS including what would be reported, when it would be reported, and when it would be published. On the first reporting day of each week, not later than 4:00 p.m. Central Time, packers would be required to report information on noncarcass merit premiums used and paid to producers during the prior slaughter week by category. This information would be published on the first reporting day of each week not later than 5:00 p.m. Central Time.

Lamb

Subpart D of Part 57 covers the mandatory reporting of lambs. The Act gives the Secretary the authority to establish a mandatory lamb price reporting program but does not set forth the requirements. AMS proposes to

establish a mandatory lamb price reporting program.

Section 57.300 provides definitions for terms used throughout Subpart D including definitions for packer and for importer which identifies which entities would be required to report under this proposed rule. For any calendar year, the term lamb packers includes any Federally inspected lamb plant which slaughtered or processed the equivalent of an average of 75,000 head of lambs a year for the immediately preceding 5 calendar years. Additionally, the term includes any processing plant that did not slaughter or process an average of 75,000 lambs during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the capacity of the processing plant.

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

For any calendar year, the term lamb importer includes any importer that imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years. Additionally, for any calendar year, the term importer includes any lamb importer that did not import an average of 5,000 metric tons of lamb meat products during the immediately preceding 5 calendar years if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

For importers of lamb carcasses and cuts, AMS will annually review import lamb volume data obtained from the United States Customs Service to determine which importers are required to report imported lamb carcasses and boxed lamb cut purchase information and boxed lamb cut sales information under these regulations.

Entities covered under the 75,000 per year provision represent nearly all lamb packers and processors which currently contribute to voluntary reporting. The lamb packer definition varies from that of the cattle and swine definitions in that it includes entities that process as well as slaughter. The trading of lamb carcasses continues to be a mainstay of the industry and many of the major processors of lamb carcasses into boxed lamb cuts do not slaughter but, rather, purchase carcasses from slaughterers. The 75,000 head per year provision for

both slaughterers and processors was included to ensure more comprehensive coverage of the lamb carcass and boxed lamb cut markets, similar to what is currently being reported under voluntary reporting.

Because imported products comprise 31% of the U.S. market, lamb importers were included for more complete information on lamb meat products being imported into the U.S., including the types, quantities, and prices of these products.

Section 57.301 covers the daily reporting requirements for live lamb transactions including what would be reported, when it would be reported, and when it would be published. Lamb plants covered under the rule would report the details of their live lamb purchases twice each day to AMS, to include all covered transactions made up to within one half hour of the specified reporting time. Lamb plants completing transactions during the one half hour prior to the previous reporting time would report those transactions at the next prescribed reporting time. The Secretary would publish this information not less than twice each day. Section 57.302 covers the same type of information for weekly reporting of live lamb transactions. Packers would be required to report information regarding the prior slaughter week on the first reporting day of each week to be published by the Secretary on the same day. Finally, Section 57.303 covers the reporting requirements for transactions of domestic and imported lamb carcasses and boxed lamb cuts including what would be reported, when it would be reported, and when it would be published. Packers would be required to report details of their domestic transactions of carcass lambs once each day and the Secretary would publish the information once each day. Packers would be required to report details of their domestic sales of boxed lamb cuts, including branded product. This information would be published once each day. These plants would be required to reference the USDA's Livestock and Seed Program Institutional Meat Purchase Specifications (IMPS), Fresh Lamb and Mutton Series 200.

Importers of lamb carcasses would be required to report the required information of their prior week imported lamb carcass purchases on the first reporting day of each week to be published by the Secretary on the same day. Importers of boxed lamb cuts would be required to report the required information of their prior week imported boxed lamb cut purchases including branded product on the first

reporting day of each week to be published by the Secretary on the same day. Additionally, importers of boxed lamb cuts would be required to report details of their prior week sales of imported boxed lamb cuts on the domestic market including branded product on the first reporting day of each week to be published by the Secretary on the same day.

OMB Control Numbers

Lastly, Subpart E of Part 57 covers the OMB control numbers for the information collection requirements listed in Subparts B through D of Part 57. All required information must be reported to AMS in a standardized format. The standardized format is embodied in 16 OMB-approved data collection forms. Copies of these 16 forms are included in Appendices at the end of this rule. Cattle packers would utilize six of these forms (Appendix A) when reporting information to AMS including two for daily cattle reporting, three for weekly cattle reporting, and one for daily boxed beef cuts reporting. Swine packers would utilize three forms (Appendix B), two for daily reporting of swine purchases and one for weekly reporting of non-carcass merit premium information. Lamb packers would utilize seven of these forms (Appendix C) when reporting information to AMS including two for daily lamb reporting, three for weekly lamb reporting, one for daily and weekly boxed lamb cuts reporting and one for daily and weekly lamb carcass reporting. Lamb importers would utilize two of these forms when reporting information to AMS including one for reporting weekly imported lamb carcass and one for reporting weekly imported boxed lamb cut purchases and sales.

Executive Order 12866

Although not economically significant, this rule has been determined to be significant for the purposes of Executive Order 12866, and therefore, has been reviewed by the Office of Management and Budget (OMB). Regulations must be designed in the most cost-effective manner possible to obtain the regulatory objective while imposing the least burden on society. AMS has prepared a Regulatory Impact Assessment (RIA) consisting of a statement of the need for the proposed action, an examination of alternative approaches, and an analysis of the benefits and costs. A complete analysis of the number of affected entities and the required volume of reporting is discussed under the Paperwork Reduction Act section following this section.

Need for Proposed Action

As stated in the background section, currently, packers are not required to report prices or the terms of sale for the animals they buy from producers. Rather, AMS collects information on daily sales and price information from packers and others on a voluntary basis. However, in recent years more animals are now being transacted under marketing arrangements where neither the arrangements nor the final purchase prices are publicly disclosed. While some of these marketing arrangements are using publicly reported prices as a base, many use the base price plus a premium and a premium/discount schedule depending upon the quality of the carcass. Current market price reports do not capture these pricing mechanisms.

Likewise, importers of lamb carcasses and cuts are not required to report purchases and sales of such imported products.

In recent years, the livestock industry has undergone fundamental changes due to economies of size at both the producer and packer level. These changes are reflected in the structure and marketing practices used today. Today, four firms slaughter about 80 percent of all fed cattle, about 55 percent of all hogs, and about 80 percent of all lambs. On the producer side, about 105 feedlots account for about 39 percent of feedlot cattle marketings, the remaining 104,000 feedlots account for 61 percent of the marketings. About 2,005 hog operations control about 47 percent of the hog inventory and the remaining 90,000 farms hold 53 percent. To assure the packers consistent quantities and quality of animals, many of the larger producers, often at a premium price, will enter into private marketing agreements with the packers. The packer is assured of larger lots, scheduled delivery, and consistent quality animals yielding meat with characteristics desired by consumers. The producer gets a higher price than in the traditional open markets and reduced transaction costs.

Rather than buy and sell on the open market, many large slaughtering firms increasingly feed their own animals or utilize private marketing arrangements, such as forward contracts, formula pricing, and exclusive purchase agreements—for which prices and terms of sale are not publicly disclosed. The procurement methods make it difficult for producers, particularly smaller ones, who utilize open cash markets or wish to consider alternative marketing arrangements, to determine the actual purchase prices of livestock.

Most major packers provide information daily to Market News on cash prices and total numbers of livestock involved in transactions. This does not provide full coverage of animals purchased. Market News estimates that 60–65 percent of all slaughter steer and heifer transactions, 25 percent of slaughter hog transactions, and 60 percent of all slaughter lamb transactions are reported daily through the voluntary process. The remaining 35–40 percent of cattle transactions, 75 percent of the hog transactions, and 40 percent of the lamb transactions, which are not reported voluntarily, represent private marketing arrangements. As private marketing agreements become more prevalent, the number of reported transactions will further shrink and the accuracy and completeness of the information for U.S. marketings will erode.

Various groups have asked for mandatory price reporting of livestock products, arguing that fewer publicly reported marketing arrangements make it difficult for producers to determine the actual prevailing purchase prices of livestock. The pressure for mandatory reporting has steadily increased in recent years, though prior attempts to pass mandatory reporting legislation have been unsuccessful, largely due to a lack of broad, unified support from the industry. Over the past couple of years, reported price levels for cattle, hogs, and lambs have run below the 5-year average leading some to argue that it was due to market forces of supply and demand or lower quality animals in the cash market. In the fall of 1998, slaughter plants operated at full capacity and reported cash hog prices reached a 30 year low. During this period, producers and policy officials were looking for accurate and timely market information to guide their decisions. A true hog price picture eluded them as a large amount of unreported transactions kept market news from being able to report the actual purchase price of hogs.

Private marketing arrangements or otherwise coordinated agreements between hog producers and slaughter plants are increasingly the norm. As a result, spot-market demand for slaughter hogs is greatly influenced by slaughter capacity utilization. When the available supply of slaughter hogs exceeds the designed plant capacity, slaughter costs rise as packers turn to overtime labor. To compensate for sharply higher labor costs, slaughter plants lower their bids for slaughter hogs on the public cash markets. This reduces demand for the uncontracted supply of slaughter hogs and is reflected in sharply lower spot

market cash prices. This was the situation in late 1998.

Many market participants were no longer able to obtain the actual purchase prices of hogs on which to base their marketing decisions. Even the large farm producers were unable to evaluate contracts because of the unknown premium/discount schedules, which may be different in each marketing agreement. These circumstances helped to galvanize industry support for mandatory reporting and industry groups worked throughout the latter half of 1999 to fashion a mandatory reporting proposal.

During the same time period, the General Accounting Office (GAO) was requested by members of Congress to conduct a study on USDA's pork price reporting system. The study found that USDA's current methods for reporting farm and retail prices did not accurately reflect actual prices for all methods of purchase. During periods of plentiful hog supplies, packers frequently pay a lower price for hogs procured through the spot market than those procured by contract. However, the study did point out spot market hogs are of generally lower quality and more variable in weight and availability which may explain why packers are willing to pay a premium for a stable flow of hogs with consistent quality and weights.

Ultimately, Congress passed the Livestock Mandatory Reporting Act of 1999 (Act) which seeks to provide more transparency in the price discovery process and, thereby, to encourage competition in the marketplace for livestock and livestock products. By mandating reporting, the Act seeks to provide more market information to all market participants. These proposed regulations would implement the Act. It would require packers to provide to Market News the terms of all their livestock purchases, including those obtained through private marketing arrangements. Moreover, it would require processors of boxed beef and lamb cuts, breakers of lamb carcasses, and importers of lamb carcasses and boxed lamb cuts to report all transactions.

In some instances, mandatory reporting will provide new information which has never been reported under the existing voluntary reporting program. AMS anticipates that this information will provide the basis for newly published market news reports not previously provided for under voluntary reporting, including reports covering the prior day swine market, forward contract and formula marketing arrangement cattle purchases, packer-owned cattle and sheep information,

sales and purchases of imported boxed lamb cuts, including branded product; purchases of imported lamb carcasses; and live lamb premiums and discounts. In other instances, mandatory reporting will provide information which is already being provided under voluntary reporting. This would include packer direct purchases of slaughter cattle, packer sales of boxed beef and lamb cuts including branded boxed cuts, packer sales of lamb carcasses, and packer negotiated purchases of swine. AMS anticipates that, in such cases, the market reports reflecting this information will continue to be published but the basis of the market reports will become mandatory information. Lastly, many voluntary-based market news reports will not be affected by mandatory reporting, including reports covering livestock auction sales, packer sales of pork cuts and byproducts, and grain trading. Collectively, the new mandatory information and the current voluntary information will provide more transparency in the price discovery process and, thereby, encourage competition in the marketplace for livestock and livestock products.

Alternatives

As required by E.O. 12866, various methods were considered by which the objectives of the rule could be accomplished. Most private marketing reporting services rely on basic AMS livestock prices and organize the data in a particular way for a client. Further, the Act directs the Secretary to, to the maximum extent practicable, provide for the reporting and publishing of information by electronic means. However, in developing these proposed regulations AMS did consider other means by which the objectives of this proposed rule could be accomplished, including reporting the required information by telephone, facsimile, and regular mail. AMS believes these alternatives are not capable of meeting the program objectives, especially timely reporting. The Act prescribes specific times that reporting entities must report to AMS. Similarly, the Act prescribes specific times for publication of a report by AMS. AMS believes electronic submission to be the only method capable of allowing for AMS to collect, aggregate and publish reports while complying with the specific time-frames set forth in the Act. AMS believes it would not be possible for the Agency to receive information over the telephone, facsimile or regular mail and then transcribe the information into electronic format before aggregating and publishing the information while still

complying with the publication time-frames set forth in the Act. However, AMS may provide for an exception to electronic reporting in emergencies or in cases when an alternative is agreeable to AMS and the reporting entity. The major cost of complying with this proposed rule involves the information collection and reporting process. The information collection and reporting process is explained in the Summary of Costs Section and is referenced in Section 57.10(f) Reporting Methods. We are inviting comments concerning both the potential cost burden and methods for expediting information collection. In particular, we are interested in any costs not discussed in the analysis and any additional electronic reporting methods that may provide greater cost efficiencies to the industry as a whole. A complete discussion of the cost analysis can be found in the summary of costs section.

Summary of Benefits

Many producers contend that they cannot obtain the market information needed to easily and quickly compare marketing possibilities available from different packers. This information is needed for producers to devise a marketing strategy that obtains the best possible prices for their livestock. Private advisory services would be able to provide a more in depth analysis to clients about alternative marketing strategies. In addition, producers selling under a private marketing agreement need benchmark prices and terms to evaluate their particular agreement to assure an equitable price for their livestock. Furthermore, the growth of private marketing arrangements in the red meat industry and declining participation in the public markets make it difficult for producers to determine prevailing market prices. Mandatory reporting would require packers to provide USDA all terms of their marketing contracts.

The implementation of this proposed rule would improve the price and supply reporting services of the USDA. In addition, participants in the marketplace for livestock and livestock products would be able to easily monitor price and market conditions. The price discovery process would become more transparent ensuring equal market information access for all participants. The increased transparency would more clearly transmit market signals about qualities first buyers demand thereby rewarding producers who produce animals that yield the meat consumers desire with a higher price. The increase in the quantity and quality of available market

information would encourage competition in the marketplace while providing participants with the ability to make more informed marketing decisions.

Although quantities and prices of production inputs are obtained by surveys and production costs are derived, the question remains as to how to value the output in a complex marketing environment. Producers would benefit from the increase in information brought about by mandatory reporting by being able to consider more detailed market reports and previously unavailable data on non-cash market livestock procurements. These reports would better reflect the overall supply and demand situation of the marketplace and would allow producers to better determine prevailing market prices, conditions, and arrangements pertinent to the marketing process.

Summary of Costs

The proposed regulations have been designed to achieve the regulatory objectives in as cost-effective manner as possible. To the extent practicable, they draw upon current industry practices in order to minimize the burden to the industry. The regulatory objective is to increase the amount of information available to participants in the marketplace for livestock and livestock products by mandating reporting of market information by certain members of the industry. Methods of accomplishing the required information collection in the most timely manner while minimizing the opportunity for errors and maximizing existing systems and processes were contemplated. Electronic transfer of data from the reporting entity to the Agency was chosen as the least cost reporting method to accomplish all of the objectives of mandatory information collection.

AMS considered other alternatives for firms lacking electronic data transfer capabilities, such as faxing the required information to a Market News office for hand data entry. This was rejected because of the costs to both the respondent and to AMS, the amount of time required with this alternative is unworkable given the short time-frames required for public dissemination. However, there would be an exception in emergencies or in cases when an alternative method is agreeable to AMS and the reporting entity.

Electronic data transmission of information is accomplished using an interface with an existing electronic record keeping system. In most cases, the information packers and importers

are required to report already exists in internal computerized record keeping systems. Packers and importers would provide for the translation of the information from their existing electronic recordkeeping system into the required AMS standardized format. Once accomplished, the information would be electronically transmitted to AMS where it would be automatically loaded into an AMS database. We estimate that the cost in terms of time and money for this alternative is in the initial creation of the interface. We estimate that the creation of this interface by in-house computer personnel would require an industry average of 15 hours per respondent. Further, we estimate the cost per hour

to average \$50.00 for a total cost, on average, of \$750.00. Those companies not having in-house computer personnel would incur such costs as are necessary to bring in outside computer programmers to accomplish the task. The Agency would estimate this cost to be from \$750.00 to \$1,000.00.

The respondent reporting costs vary widely by species and the size of lots purchased. Section 251 (c) General Provisions Reporting by Packers requires packers to report all information required under this subtitle on an individual lot basis. Therefore, larger lots bought by the larger packers would result in a lower reporting cost per head slaughtered. Respondent reporting costs of cattle packers are

estimated to be \$7,420 per plant, \$5,308 for hog packers, \$6,042 for sheep slaughtering plants, and \$2,404 for lamb importers. Using 1998 federally inspected slaughter data; the cost per animal slaughtered would decline as slaughter volume increased. The smaller cattle packers would have the highest reporting cost per head slaughter, while the largest hog slaughtering firms would have the lowest. Based on a preliminary analysis by specie, cost for cattle would be 0.012 dollars per head, swine 0.002 dollars per head, sheep 0.013 dollars per head, and lamb importers 0.097 dollars per metric ton. Comments on costs are requested, particularly as they relate to size of operation are being sought. See Table 1 Respondent Cost.

TABLE 1.—RESPONDENT COST

Size Group	Plants	Head (1,000)	Respondent cost dollars	Cost per head dollars
Respondent cost per head slaughtered, Cattle 1998				
1–124,999 (Exempted)	746	3480.4	0	0
125,000–199,999	7	1,365.5	50,449	0.036945
200,000–299,999	11	2,695.8	79,277	0.029408
300,000–499,999	8	3,335.6	57,656	0.017285
500,000–999,999	9	5,856.6	64,863	0.011075
1,000,000–1,499,999	11	13,245.7	79,277	0.005985
1,500,000+	3	4,673.6	21,621	0.004626
Total (Subject to regulation)	49	31,172.8	353,143	0.011329
Respondent cost per head slaughtered, Hogs 1998				
1–99,999 (Exempted)	704	3,526.9	0	0
100,000–249,999	12	2,006.1	39,936	0.019907
250,000–499,999	4	1,367.7	13,312	0.009733
500,000–999,999	5	3,304.7	16,640	0.005035
1,000,000–1,499,999	3	4,396.5	9,984	0.002271
1,500,000–1,999,999	7	12,469.3	23,296	0.001868
2,000,000–2,999,999	11	24,333.3	36,608	0.001504
3,000,000–3,999,999	4	14,403.2	13,312	0.000924
4,000,000+	7	33,074.6	23,296	0.000704
Total (Subject to regulation)	53	95,355.4	176,384	0.001850
Respondent cost per head slaughtered, Sheep, 1998				
1–74,999 (Exempted)	548	594.2	0	0
75,000–499,999	6	1,614.3	29,232	0.018108
500,000+	2	1,448.8	9,744	0.006726
Total (Subject to regulation)	8	3063.1	38,976	0.012724
Respondent cost per metric ton (MT) imported, Lamb and mutton, 1998				
Size Group	Importers	Metric tons imported	Respondent cost dollars	Cost per ton dollars
Under 5,000 MT (Exempted)	371	6,684.3	0	0
5,000 MT and over	5	26,738.4	2,600	0.097238429
Total (Subject to regulation)	5	26,738.4	2,600	0.097238429

In addition to these costs to packers for submitting information, the mandatory price reporting program will

cost approximately \$4.7 million in FY 2000 and \$5.9 million in FY 2001. In order to implement the program in FY

2000, AMS is hiring additional staff, issuing regulations, and setting up an electronic database to capture data and

develop reports to begin in July. The 56 staff years required to administer and produce high quality mandatory price reports include reporters, auditors, clerical personnel, and computer specialists. These employees will be located in three AMS offices located across the country. Salary-related costs in FY 2001 are estimated at \$3.5 million. Other costs include approximately \$600 thousand for travel and transportation; \$600 thousand for miscellaneous costs such as office space, utilities, communications costs, printing, reimbursements to cooperating States, training, and office supplies; \$200 thousand for equipment, including computers, software, and licenses; and \$1 million for a computer systems contract to develop the database required to manage the data.

Executive Order 12988

This proposal has been reviewed under Executive Order 12988, Civil Justice Reform, and is not intended to have retroactive effect. States and political divisions of States are specifically preempted by section 259 of the Act from imposing requirements in addition to, or inconsistent with, any requirements of the Act with respect to the submission or publication of information on the prices and quantities of livestock or livestock products. Further, the Act does not restrict or modify the authority of the Secretary to administer or enforce the Packers and Stockyards Act, 1921 (7 U.S.C. 181 *et seq.*); administer, enforce, or collect voluntary reports under the Act or any other laws; or access documentary evidence as provided under sections 9 and 10 of the Federal Trade Commission Act (15 U.S.C. 49, 50). There are no administrative procedures that must be exhausted prior to any judicial challenge to the provisions of this rule.

Civil Rights Review

AMS has considered the potential civil rights implications of this rule on minorities, women, or persons with disabilities to ensure that no person or group shall be discriminated against on the basis of race, color, sex, national origin, religion, age, disability, or marital or family status. This included those persons who are employees of those entities required to participate and those individuals who wish to use information collected by this proposed mandatory program of information regarding the marketing of cattle, swine, lambs, and products of such livestock. This proposed rule does not require affected entities to relocate or alter their operations in ways that could adversely affect such persons or groups. Further,

this proposed program would not exclude from participation any persons or groups, deny any persons or groups the benefits of the program, or subject any persons or groups to discrimination.

Executive Order 13132

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

For a number of years, States have operated programs of voluntary market reporting of livestock and livestock products. Many of these programs have been operated in conjunction with the USDA through Federal-State agreements. Under these agreements, the USDA and the States work cooperatively to gather and disseminate information on the livestock markets within the State. Until now, all of these programs have been based on voluntary reporting of market information. The Act and these proposed regulations are not intended to have an effect on any voluntary market reporting programs currently being operated by the States.

However, recently, several States have enacted legislation mandating, to various degrees, the reporting of market information on transactions of cattle, swine, and lambs conducted within that particular State. Currently, this includes the States of Iowa, Minnesota, Missouri, Nebraska, and South Dakota. Of these, only Minnesota and South Dakota are collecting mandated market information.

Section 259 of the Act, preempts States from imposing mandatory reporting requirements that are in addition to or inconsistent with any requirement of this proposed rule with respect to the collection and publication of information on the prices and quantities of livestock and livestock products. This preemption clause would

affect all mandatory reporting programs currently in effect by the States and the implementation of any mandatory reporting programs currently developed, in the process of being developed, or that may be developed at a later date.

With regard to consultation with States, AMS has made sure that the States are aware of the Act and AMS has engaged in formal and informal discussions regarding the implications of Federal livestock mandatory reporting with those States which either currently have mandatory reporting programs or are in the process of developing mandatory reporting programs. Further, States and local jurisdictions are expressly invited to comment on this proposal as it relates to the operation of State livestock and livestock products reporting programs.

Regulatory Flexibility Act

In General

This proposed rule has been reviewed under the requirements of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*). The purpose of the RFA is to consider the economic impact of a proposed rule on small business entities. Alternatives, which would accomplish the objectives of the rule without unduly burdening small entities or erecting barriers that would restrict their ability to compete in the marketplace, have been evaluated. Regulatory action should be appropriate to the scale of the businesses subject to the action. The proposed collection of information is necessary for the proper performance of the functions of AMS concerning the mandatory reporting of livestock information. The Livestock Mandatory Reporting Act of 1999 requires AMS to collect and publish livestock market information. The required information is only available directly from those entities required to report under the Act and by these proposed regulations and exists nowhere else. Therefore, this proposed rule does not duplicate market information reasonably accessible to the Agency.

In formulating this proposed rule, particular consideration was given to reducing the burden on entities while still achieving the objectives of the proposed regulation. Accordingly, thresholds were set which defined those entities which would be required to report information on purchases of live cattle, swine, lambs, lamb carcasses, and boxed lamb cuts including branded product, as well as information on domestic and export sales of boxed beef cuts including branded product, and sales of lamb carcasses, boxed lamb cuts

including branded product, and imported boxed lamb cuts including branded product.

In any calendar year, only Federally inspected cattle plants which slaughtered an average of 125,000 head of cattle a year for the immediately preceding 5 calendar years are required to report. Additionally, any cattle plant that did not slaughter cattle during the immediately preceding 5 calendar years would be required to report if the Secretary determines that the plant should be considered a packer based on its capacity. For entities that did not slaughter cattle during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins operations the AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine which entities meet the definition of a packer as defined in these regulations. This accounts for approximately 49 out of 795 cattle plants or 6.2% of all Federally inspected cattle plants.

For any calendar year, any Federally inspected swine plant which slaughtered an average of 100,000 head of swine a year for the immediately preceding 5 calendar years would be required to report information. Additionally, any swine plant that did not slaughter swine during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the capacity of the processing plant would be required to report. This accounts for approximately 50 out of 757 swine plants or 6.6% of all Federally inspected swine plants.

In any calendar year, Federally inspected lamb plants which slaughtered the equivalent of an average of 75,000 head of lambs a year for the immediately preceding 5 calendar years would be considered a packer and required to report. A packer includes a processing plant that purchases and processes an average of 75,000 lamb carcasses annually rather than slaughter live lambs. Additionally, any processing plant that did not slaughter an average of 75,000 lambs during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the capacity of the processing plant would be required to report.

For any calendar year, lamb importers that imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years would be required to report. Additionally, lamb importers that did not import an average of 5,000 metric tons of lamb meat products

during the immediately preceding 5 calendar years if the Secretary determines that the person should be considered an importer based on the volume of lamb imports would be required to report. Some lamb plants may also be importers. This accounts for approximately 16 out of 556 lamb plants and importers or 2.9% of all Federally inspected lamb plants and importers.

Fully 93.8% of all cattle, 93.4% of all swine, and 97.1% of all lamb plants in the U.S. would be exempted by this proposed rule from reporting information.

Accordingly, we also have prepared an initial regulatory flexibility analysis. The RFA compares the size of meat packing plants to the Standard Industrial Code (SIC) to determine the percentage of small businesses within the meat packing industry. Under these size standards, meat packing companies with 500 or less employees are considered small business entities.

Objectives and Legal Basis

The objective of this proposed rule is to improve the price and supply reporting services of the Department of Agriculture in order to encourage competition in the marketplace for livestock and livestock products by increasing the amount of information available to participants. This is accomplished through the establishment of a program of information regarding the marketing of cattle, swine, lambs, and products of such livestock as specifically directed by the Act and these proposed regulations, as described in detail in the background section.

Estimated Number of Small Businesses

This proposed rule provides for the mandatory reporting of market information by livestock packers who for any calendar year have slaughtered a certain number of livestock during the immediately preceding 5 calendar years. This number is 125,000 head per year for cattle and 100,000 head per year for swine. Lamb plants required to report include those that for any calendar year slaughter or process the equivalent of 75,000 head per year during the immediately preceding 5 calendar years. Additionally, for any calendar year lamb importers that imported an average of 5,000 metric tons of lamb meat products per calendar year during the immediately preceding 5 calendar years are also required to report details of their purchases. For cattle and swine processing plants that have not slaughtered livestock during the immediately preceding 5 calendar years are also required to report if the Secretary determines that the plants

should be considered packers based on their capacity. Additionally, lamb packers and lamb meat processors and importers that did not slaughter or process the equivalent of 75,000 head per year or import 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years would be required to report if the Secretary determines that they should be considered an importer based on their volume of lamb imports.

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

The SIC size standard classifies a small business in the meat packing industry as a company with less than 500 employees. Although it is common in the red meat industry for larger companies to own several plants, some of which may employ less than 500 people, those companies and lamb importers with a total slaughter plant employment at all locations of less than 500 are considered to be small businesses for the purposes of this proposed rule even though individual plants are mandated to report as provided by the Act and these proposed regulations.

For any calendar year, Federally inspected beef plants required to report

include those that slaughtered an average of 125,000 head per year during the immediately preceding 5 calendar years. Also included are processing plants that did not slaughter cattle during the immediately preceding 5 calendar years but are determined to be a packer by the Secretary based on the capacity of the processing plant. By this definition, approximately 30 individual beef packing companies representing 49 individual plants would be required to report information to AMS. Based on the SBA size standard, 10 of these 30 beef packing companies would be considered small businesses, representing 10 plants that would be required to report. The figure of 49 plants required to report represents 6.2% of the cattle plants in the U.S. The remaining 93.8% of cattle plants, nearly all estimated to qualify as small business, are exempt from mandatory reporting.

For any calendar year, Federally inspected pork plants required to report include those that slaughtered an average of 100,000 head per year during the immediately preceding 5 calendar years. Also included are processing plants that did not slaughter swine during the immediately preceding 5 calendar years but are determined to be a packer by the Secretary based on the capacity of the processing plant. By this definition, approximately 29 individual pork packing companies representing a total of 50 individual plants, would be required to report information to AMS. Based on the SBA size standard, 15 of these 29 pork packing companies would be considered small businesses, representing 15 individual plants that would be required to report. The figure of 50 plants required to report represents 6.6% of the swine plants in the U.S. The remaining 93.4% of swine plants, nearly all estimated to qualify as small business, are exempt from mandatory reporting.

For any calendar year, lamb packers required to report include those that slaughtered or processed the equivalent of 75,000 head per year during each of the immediately preceding 5 calendar years. Also included are processing plants that did not slaughter or process an average of 75,000 lambs during the immediately preceding 5 calendar years but are determined to be a packer by the Secretary based on the capacity of the processing plant. For any calendar year, an importer that imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years would be required to report. Additionally, a lamb importer that did not import an average of 5,000 metric tons of lamb meat

products during the immediately preceding 5 calendar years if the Secretary determines that the person should be considered an importer based on the volume of lamb imports, would also be required to report. By this definition, 16 individual companies including importers representing a total of 14 plants, would be required to report information. Based on the SBA size standard, all 14 of these lamb plants would be considered small businesses with none employing more than 500 people. The figure of 14 plants required to report represents 2.9% of the lamb plants in the U.S. Nearly all of the remaining 97.1% of lamb plants are estimated to qualify as small businesses and are exempt from mandatory reporting.

Projected Reporting

This proposed rule requires the reporting of specific market information regarding the buying and selling of livestock and livestock products. The information would be reported to AMS by electronic means. Electronic reporting would involve the transfer of data from a packer's or importer's electronic recordkeeping system to a centrally located AMS electronic database. The packer or importer would be required to organize the information in an AMS-approved format before electronically transmitting the information to AMS.

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

Information regarding the specific characteristics of each reported sale must be supplied by lot without aggregation. In order to adequately describe and categorize each transaction, as many as fifteen separate pieces of information are required to be reported. This information includes price, head count, weight, quality grade, and yield grade. The frequency respondents are required to report is 1 to 3 times each reporting day depending on the species and type of information required.

In 1999, an average of 700,000 cattle were slaughtered each week. Beef plants identified as small businesses contributed an estimated 7,000 head per day, on average, to this weekly slaughter with each business contributing an estimated 700 head per day on average based upon publicly available information. At a maximum, if each of these 700 cattle were purchased in lots of one head each and 15 pieces of

information were required for each purchase, as many as 10,500 individual pieces of information would have to be reported by each small beef packing plant each reporting day. In addition, each of the small beef packing plants is required to report all domestic and export sales of boxed beef cuts including branded product. On average, each of these small entities slaughters an estimated 700 head per day. Since most beef carcasses are usually fabricated at the point of slaughter, each of these small beef packers would be processing about 700 beef cattle into boxed beef cuts each day. Normally, boxed beef cut sales average about 200 boxes per transaction and each head of cattle equals 7 boxes. This would represent 25 separate transactions which, if 15 pieces of information were required per transaction, would translate into 375 pieces of information reported by each small beef packing business producing boxed beef each business day. AMS estimates the total annual burden on each small cattle packer and boxed beef processing entity to be \$7,420, including \$5,590 for annual costs associated with electronically submitting data and \$1,830 for the storage and maintenance of electronic files that were submitted to AMS.

This figure was calculated by estimating the time required to complete the necessary data submission and factoring by the number of times reporting is required per day for an estimated total of 260 reporting days in a year (see Paperwork Reduction Act section for a complete, detailed discussion).

On average each week in 1999, 1.9 million swine were slaughtered. Pork plants identified as small businesses contributed an estimated 17,000 head per day to this weekly slaughter with each business contributing on average an estimated 1,125 head per day, based on publicly available figures. If each of these head were purchased in lots of one head each and 15 pieces of information were required for each purchase, 16,875 pieces of information would have to be reported by each small pork packing plant per day.

Using the same methodology as described above for cattle, AMS estimates the total annual burden on each small swine packing entities to be \$5,308, including \$3,478 for annual costs associated with electronically submitting data and \$1,830 for the storage and maintenance of electronic files that were submitted to AMS. This estimate does not include costs associated with reporting sales of pork

products which would not be required to be reported.

Sheep slaughter in 1999 averaged 70,000 head per week. All lamb plants contributing to this weekly slaughter are identified as small businesses. On average, these lamb plants each slaughtered an estimated 2,200 head per day, based on publicly available information. If each of these lambs were purchased one at a time and 15 pieces of information were required for each transaction, 33,000 pieces of information would have to be reported by each small lamb packing plant. In addition, all lamb plants processing the equivalent of 75,000 lambs per year during each of the immediately preceding 5 calendar years, which are required to report, qualify as small businesses. These plants would be required by regulation to report information on their sales of boxed lamb cuts. It is estimated that negotiated sales comprise the majority of all boxed lamb cut sales. Based on publicly available information, lamb plants processing lamb into boxed lamb cuts, on average, process the equivalent of an estimated 1,200 head per day. It is normal business practice that these lamb cuts are sold in units averaging between 25–150 boxes per transaction, representing about 8–50 head of lambs (about 3 boxes per head). At 1,200 head per day, there could be as many as 150 transactions per day per reporting packer. Assuming that each of these 150 transactions required 15 pieces of information per transaction, 2,250 pieces of information would have to be reported by each small lamb packing plant.

In any calendar year, importers of lamb meat products that imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years would be required to report the details of their purchases and sales of boxed lamb cuts including branded product and their purchases of lamb carcasses to AMS on a weekly basis. Additionally, in any calendar year, lamb importers that did not import an average of 5,000 metric tons of lamb meat products during the immediately preceding 5 calendar years if the Secretary determines that the person should be considered an importer based on the volume of lamb imports would be required to report the above information. AMS estimates that each of the 5 importers required to report import, on average, 180 metric tons of lamb products per week. AMS estimates that the majority of these imports are contracted over a period of time, usually from 3–6 months, possibly as much as 12 months. Price would normally be

negotiated at the time the contract was entered into along with the particular cut of lamb and the volume. During the time the contract is in effect, prices would not be expected to change from week to week but quantities might. Assuming that an average importer would purchase an average of 10 different cut styles, each at a single price, from an average of 2 suppliers, AMS estimates that the weekly reporting burden for each importer would include information for up to 20 different transactions. Each transaction would require 7 pieces of information including, price, quantity, cut, trim, weight, delivery date, and nation of origin, for a total of 140 separate pieces of information.

AMS estimates the total annual burden on each small lamb packer would be \$6,042 including \$4,212 for annual costs associated with electronically submitting data and \$1,830 for the storage and maintenance of electronic files that were submitted to AMS.

AMS estimates the total annual burden on each small importer of lamb to be \$2,404 including \$574 for annual cost associated with electronically submitting data and \$1,830 for storage and maintenance of electronic files that were submitted to AMS.

Normally, few packers buy livestock or livestock products in one head or one head equivalent lots. Similarly, few importers buy imported carcasses or imported lamb cuts in less than carlot volumes. Therefore, the estimated reporting burden described here would reflect the maximum reporting burden on small businesses.

Projected Recordkeeping

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

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

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

Professional skills required for recordkeeping under this proposed rule would not be different than those already employed by the reporting entities. Reporting would be accomplished using computers or similar electronic means. AMS believes the skills needed to maintain such systems are already in place in those small businesses affected by this proposed rule. Comments are requested on the extent to which employees of these small businesses already possess the skills required to report and maintain recordkeeping systems.

Alternatives

This proposed rule as directed by the Act requires cattle and swine packing plants of a certain size to report information to the Secretary at prescribed times throughout the day and week. Further, lamb slaughter and processing plants and lamb importers of a certain size are required by these proposed regulations to report information to the Secretary at prescribed times throughout the day and week. These proposed regulations already exempt many small businesses by the establishment of daily slaughter, processing, and import capacity thresholds. Based on figures published by the National Agricultural Statistics Service (NASS), there were 795 cattle, 757 swine, and 556 lamb Federally inspected slaughter plants operating in the U.S. at the end of 1998. AMS estimates that approximately 49 cattle plants would be required to report information (6.2% of all Federally inspected cattle plants), 50 swine plants would be required to report information (6.6% of all Federally inspected swine plants), and 16 lamb packers and importers would be required to report

information (1.9% of all Federally inspected lamb plants and 1.3% of all lamb importers). Therefore, fully 93.8% of all cattle plants, 93.4% of all swine plants, and 98.1% of all lamb packers and 98.7% of lamb importers would not be required to report.

AMS recognizes that a major economic impact of this proposed rule on those small entities required to report involves the manner in which information must be reported to the Secretary. However, in developing these proposed regulations AMS did consider other means by which the objectives of this proposed rule could be accomplished, including reporting the required information by telephone, facsimile and regular mail. AMS believes these alternatives are not capable of meeting the program objectives, especially timely reporting. The Act prescribes specific times that reporting entities must report to AMS. Similarly, the Act prescribes specific times for publication of a report by AMS. AMS believes electronic submission to be the only method capable of allowing for AMS to collect, aggregate and publish reports while complying with the specific time-frames set forth in the Act. AMS believes it would not be possible for the Agency to receive information over the telephone, facsimile or regular mail and then transcribe the information into electronic format before aggregating and publishing the information while still complying with the publication time-frames set forth in the Act. However, AMS may provide for an exception to electronic reporting in emergencies or in cases when an alternative is agreeable to AMS and the reporting entity.

AMS cannot envision an alternative to the proposed method of data transmission that would be less burdensome to small businesses. Therefore, AMS is expressly seeking comment from those small businesses covered by this proposed rule regarding the burden imposed on them by this program. Specifically, AMS is seeking comments on the reporting format, including alternatives from small businesses that would be less burdensome. AMS will work actively with those small businesses required to report to minimize the burden on them to the maximum extent practicable.

Paperwork Reduction Act

This proposed rule contains recordkeeping and submission requirements that are subject to public comment and review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. Chapter 35). In

accordance with 5 CFR Part 1320, we include the description of the reporting and recordkeeping requirements and an estimate of the annual burden on packers required to report information under this proposed rule. Because there is insufficient time for a normal clearance procedure, AMS has requested emergency processing and received temporary approval from OMB for the use of the information collection and recordkeeping requirements that we propose to use to implement the mandatory livestock reporting program on an expedited basis.

Title: Livestock Mandatory Reporting Act of 1999.

OMB Number: 0581-0186.

Expiration Date of Assessment: July 31, 2000.

Type of Request: Extension.

Abstract: The information collection and recordkeeping requirements in this regulation would be essential to establishing and implementing a mandatory program of livestock and livestock products reporting. Based on the information available, AMS estimates that there would be 49 beef packer plants, 50 pork packer plants, 11 lamb packer plants and 5 lamb importers that would be required to report market information under this proposed rule. These companies have similar recordkeeping systems and conduct their operations in a similar manner. AMS believes that all of the information required under this proposed rule can be collected from existing materials and systems and that these materials and systems can be adapted to satisfy the proposed forms. The PRA also requires AMS to measure the recordkeeping burden. Under this proposed rule, each packer and importer required to report must maintain and make available upon request for 2 years, such records as would be necessary to verify the accuracy of the information required to be reported. These records include original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock. Under this proposed rule, the electronic data files which the packers would be required to utilize when submitting information to AMS would have to be maintained as these files provide the best record of compliance. The recordkeeping burden includes the amount of time needed to store and maintain records. AMS estimates that, since records of original contracts, agreements, receipts, and other records associated with any transaction relating

to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock are stored and maintained as a matter of normal business practice by these companies for a period in excess of 2 years, additional annual costs would be nominal. AMS estimates the annual cost per respondent for the storage of the electronic data files which were submitted to AMS in compliance with the reporting provisions of this proposed rule to be \$1,830.00. This estimate includes the cost of electronic data storage media, backup electronic data storage media, and backup software required to maintain an estimated annual electronic recordkeeping and backup burden of 42 megabytes, on average, per respondent. In addition, this estimate includes the cost per employee to maintain such records which is estimated to average 70 hours per year at \$20.00 per hour for a total salary component cost of \$1,400.00 per year. AMS welcomes any additional information from the industry regarding such costs.

In this proposed rule, information collection requirements include the submission of the required information on a daily and weekly basis in the standard format provided in the following forms: (1) Live Cattle Daily Report (Current Established Prices), (2) Live Cattle Daily Report (Committed and Delivered Cattle), (3) Live Cattle Weekly Report (Forward Contract and Packer-Owned), (4) Live Cattle Weekly Report (Formula Purchases), (5) Cattle Premiums and Discounts Weekly Report, (6) Boxed Beef Daily Report, (7) Swine Prior Day Report, (8) Swine Daily Report, (9) Swine Noncarcass Merit Premium Weekly Report, (10) Live Lamb Daily Report (Current Established Prices), (11) Live Lamb Daily Report (Committed and Delivered Lambs), (12) Live Lamb Weekly Report (Packer-Owned), (13) Live Lamb Weekly Report (Formula and Forward Contract Purchases), (14) Lamb Premiums and Discounts Weekly Report, (15) Boxed Lamb Report, and (16) Lamb Carcass Report. Copies of these 16 forms are included in Appendices at the end of this rule. Cattle packers would utilize six of these forms (Appendix A) when reporting information to AMS including two for daily cattle reporting, three for weekly cattle reporting, and one for daily boxed beef cuts reporting. Swine packers would utilize three forms (Appendix B), two for daily reporting of swine purchases and one for weekly reporting of non-carcass merit premium information. Lamb packers would utilize seven of these forms (Appendix

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

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

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

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

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

Estimated Number of Respondents: 49 plants.

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

Estimated Total Annual Burden on Respondents: 4,332 hours.

Total Cost: \$86,640.

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

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

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

Estimated Number of Respondents: 49 plants.

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

Estimated Total Annual Burden on Respondents: 4,332 hours.

Total Cost: \$86,640.

3. Live Cattle Weekly Report (Forward Contract and Packer-Owned): Form LS-115.

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

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

Estimated Number of Respondents: 49 plants.

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

Estimated Total Annual Burden on Respondents: 637 hours.

Total Cost: \$12,740.

4. Live Cattle Weekly Report (Formula Purchases): Form LS-116.

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

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

Estimated Number of Respondents: 49 plants.

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

Estimated Total Annual Burden on Respondents: 637 hours.

Total Cost: \$12,740.

5. Cattle Premiums and Discounts Weekly Report: Form LS-117.

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

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

Estimated Number of Respondents: 49 plants.

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

Estimated Total Annual Burden on Respondents: 204 hours.

Total Cost: \$4,080.

6. Boxed Beef Daily Report: Form LS-126.

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

Respondents: Packer processing plants required to report information on domestic and export boxed beef cut sales to the Secretary.

Estimated Number of Respondents: 49 plants.

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

Estimated Total Annual Burden on Respondents: 3,185 hours.

Total Cost: \$63,700.

7. Swine Prior Day Report: Form LS-118.

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

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

Estimated Number of Respondents: 50 plants.

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

Estimated Total Annual Burden on Respondents: 3,250 hours.

Total Cost: \$65,000.

8. Swine Daily Report: Form LS-119.

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

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

Estimated Number of Respondents: 50 plants.

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

Estimated Total Annual Burden on Respondents: 4,420 hours.

Total Cost: \$88,400.

9. Swine Noncarcass Merit Premium Weekly Report: Form LS-120.

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

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

Estimated Number of Respondents: 50 plants.

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

Estimated Total Annual Burden on Respondents: 650 hours.

Total Cost: \$13,000.

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

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

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

Estimated Number of Respondents: 8 plants.

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

Estimated Total Annual Burden on Respondents: 707 hours.

Total Cost: \$14,140.

11. Live Lamb Daily Report (Committed and Delivered Lambs): Form LS-122.

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

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

Estimated Number of Respondents: 8 plants.

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

Estimated Total Annual Burden on Respondents: 707 hours.

Total Cost: \$14,140.

12. Live Lamb Weekly Report (Packer-Owned): Form LS-123.

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

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

Estimated Number of Respondents: 8 plants.

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

Estimated Total Annual Burden on Respondents: 104 hours.

Total Cost: \$2,080.

13. Live Lamb Weekly Report (Formula and Forward Contract Purchases): Form LS-124.

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

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

Estimated Number of Respondents: 8 plants.

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

Estimated Total Annual Burden on Respondents: 104 hours.

Total Cost: \$2,080.

14. Lamb Premiums and Discounts Weekly Report: Form LS-125.

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

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

Estimated Number of Respondents: 8 plants.

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

Estimated Total Annual Burden on Respondents: 33 hours.

Total Cost: \$660.

15. Boxed Lamb Report: Form LS-128.

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

Respondents: Packer processing plants and importers required to report

information on boxed lamb cut purchases and sales to the Secretary.

Estimated Number of Respondents: 14 entities (including 1 entity that both processes and imports).

Estimated Number of Responses per Respondent: 260 (1 per day for 260 days) for domestic packing plants; 52 (1 per week for 52 weeks) for importers.

Estimated Total Annual Burden on Respondents: 434 hours for domestic packing plants and 43 hours for importers.

Total Cost: \$8,680 for domestic packing plants and \$860.00 for importers for a total of \$9,540.00.

16. Lamb Carcass Report: Form LS-129.

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

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

Estimated Number of Respondents: 12 entities (including 1 entity that both slaughters and imports).

Estimated Number of Responses per Respondent: 260 (1 per day for 260 days) for domestic packing plants; 52 (1 per week for 52 weeks) for importers.

Estimated Total Annual Burden on Respondents: 347 hours for domestic packing plants and 43 hours for importers.

Total Cost: \$6,940 for domestic packing plants and \$860.00 for importers for a total of \$7,800.00.

Estimated Total Annual Burden on Respondents by Species:

Live Cattle and Boxed Beef: \$363,560 including \$273,890 for annual costs associated with electronically submitted responses (13,327 annual hours @ \$20.00 per hour plus initial electronic data transfer setup costs of \$7,350 consisting of 147 annual hours at \$50 per hour) and \$89,670 for the storage and maintenance of electronic files that were submitted to AMS.

Live Swine: \$265,400 including \$173,900 for annual costs associated with electronically submitted responses (8,320 annual hours @ \$20.00 per hour plus initial electronic data transfer setup costs of \$7,500 consisting of 150 annual hours at \$50 per hour) and \$91,500 for the storage and maintenance of electronic files that were submitted to AMS.

Live Lambs, Boxed Lamb, and Lamb Carcasses: \$82,120 including \$52,840 for annual costs associated with electronically submitted responses (2,522 annual hours @ \$20.00 per hour plus initial electronic data transfer setup

costs of \$2,400 consisting of 48 annual hours at \$50 per hour) and \$29,280 for the storage and maintenance of electronic files that were submitted to AMS.

AMS is soliciting comments from all interested parties concerning the information collection and recordkeeping requirements contained in this proposed rule. Comments are specifically invited on the following: (1) The accuracy of the agency's burden estimate of the proposed collection of information including the validity of the methodology and assumptions used; (2) ways to minimize the burden of the collection of information on those who would be required to respond, including through the use of appropriate electronic collection methods; (3) whether the proposed collection of information is sufficient or necessary for the proper performance of the functions of the agency as mandated by the Act; and (4) ways to enhance the quality, utility, and clarity of the information to be collected. Comments concerning the information collection and recordkeeping requirements contained in this action should reference OMB number 0581-0186 together with the date and page number of this issue of the **Federal Register** and should be sent in duplicate to John E. Van Dyke, Chief, Livestock and Grain Market News Branch, Docket No. LS-99-18, Room 2619-S; 1400 Independence Avenue; SW., Washington, D.C. 20250-0252. Comments may also be sent by fax to (202) 690-3732, by electronic mail to: john.vandyke@usda.gov, or filed via an on-line form through the AMS website at: <http://www.ams.usda.gov/lsg/mpacomment.htm>. State that your comments refer to Docket No. LS-99-18. Comments received may be inspected at the above location between 8:00 a.m. and 4:30 p.m., Monday through Friday, except holidays, or over the AMS website at: <http://www.ams.usda.gov/lsg/price.htm>.

Comments sent to the above location should also be sent to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503. All responses to this action will be summarized and included in the request for OMB approval. All comments will become a matter of public record.

A 30-day comment period is provided for interested persons to comment on this proposed rule. The 30-day period is deemed appropriate in order to provide a sufficient amount of time to comment while conforming, as closely as possible, to the time-frames contemplated by the Act.

List of Subjects in 7 CFR Part 57

Cattle, Hogs, Lamb, Livestock, Sheep.

For the reasons set forth in the preamble, it is proposed that Chapter I of Title 7 of the CFR be amended by adding Part 57 to read as follows:

PART 57—LIVESTOCK MANDATORY REPORTING**Subpart A—General Provisions**

Sec.

57.10 General administrative provisions.

57.11 Recordkeeping.

57.20 Definitions.

Subpart B—Cattle Reporting

57.100 Definitions.

57.101 Mandatory daily reporting for live cattle.

57.102 Mandatory weekly reporting for live cattle.

57.103 Mandatory reporting of boxed beef sales.

Subpart C—Swine Reporting.

57.200 Definitions.

57.201 General reporting provisions.

57.202 Mandatory daily reporting for swine.

57.203 Mandatory weekly reporting for swine.

Subpart D—Lamb Reporting

57.300 Definitions.

57.301 Mandatory daily reporting for lambs.

57.302 Mandatory weekly reporting for lambs.

57.303 Mandatory reporting of lamb carcasses and boxed lamb.

Subpart E—OMB Control Number

57.400 OMB control number assigned pursuant to the Paperwork Reduction Act.

Authority: 7 U.S.C. 1621 et seq.

Subpart A—General Provisions**§ 57.10 General administrative provisions.**

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

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

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

(1) Ensures that the information is published on a national and a regional

or statewide basis as the Secretary determines to be appropriate;

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

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

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

(e) *Reporting of activities on weekends and holidays.* Livestock and livestock products committed to a packer, or importer, or purchased, sold, or slaughtered by a packer or importer on a weekend day or holiday shall be reported to the Secretary in accordance with the provisions of this part and reported by the Secretary on the immediately following reporting day. A packer shall not be required to report such actions more than once on the immediately following reporting day.

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

§ 57.11 Recordkeeping.

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

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

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

(b) *Purchases of livestock and sales of boxed beef cuts.* A record of a purchase

of a lot of cattle, a unit of boxed beef cuts, a lot of swine, or a lot of lambs by a packer shall evidence whether the purchase occurred:

(1) Before 10:00 a.m. Central Time;

(2) Between 10:00 a.m. and 2:00 p.m. Central Time; or

(3) After 2:00 p.m. Central Time.

(c) *Purchases and sales of domestic and imported lamb carcasses and cuts.*

A record of a purchase or sale by a packer of lamb carcasses and cuts, or by an importer of lamb carcasses and cuts shall evidence time and date the purchase or sale occurred.

(d) *Reporting sales of boxed beef cuts and sales and purchases of lamb carcasses and cuts.*

(1) Beef packers must report all sales of boxed beef cuts by the applicable Institutional Meat Purchase Specification (IMPS), Fresh Beef Series 100 item number or by the packer's cut and trim specifications.

(2) Lamb packers and importers must report all sales and purchases of boxed lamb carcasses and cuts by the applicable IMPS, Fresh Lamb and Mutton Series 200 item number or by the packer's and importer's cut and trim specifications.

(3) You may obtain a copy of IMPS Fresh Beef Series 100 and Fresh Lamb and Mutton Series 200 from U.S. Department of Agriculture, Agricultural Marketing Service, Livestock and Seed Program, Livestock and Meat Standardization Branch, Room 2603 South Building STOP 0254, PO Box 96456 Washington, D.C. 20090-6456. You may inspect a copy of the above in Room 2603, South Building, 14th and Independence Ave., SW, Washington, D.C. 20250, or at the office of the Federal Register, 800 North Capitol Street, NW, Suite 700, Washington, D.C. 20488.

§ 57.20 Definitions.

The following definitions apply to this part:

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

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

Committed. The term 'committed' means the agreement between a buyer and seller to schedule livestock for delivery at some date.

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

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

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

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

Lot. The term 'lot' means a group of one or more livestock that is identified for the purpose of a single transaction between a buyer and a seller.

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

Negotiated purchase. The term 'negotiated purchase' means a cash or spot market purchase by a packer of livestock from a producer under which the base price for the livestock is determined by seller-buyer interaction and agreement on a delivery day, and the livestock are scheduled for delivery to the packer not more than 14 days after the date on which the livestock are committed to the packer.

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

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

Priced. The term 'priced' means the actual determination of a price either through buyer-seller interaction and agreement or as the result of a formula marketing arrangement or forward contract.

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

Producer. The term 'producer' means any person engaged in the business of selling livestock to a packer for

slaughter (including the sale of livestock from a packer to another packer).

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

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

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

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

Subpart B—Cattle Reporting

§ 57.100 Definitions.

The following definitions apply to this part:

Branded. The term 'branded' means boxed beef cuts which are marketed based on a distinctive characteristic or combination of characteristics. These characteristics are categorized by quality grade (including ungraded or no-roll), trim specification, weight, breed, and packaging.

Carcass characteristics. The term 'carcass characteristics' means those traits pertinent to the proper categorization of live cattle including the estimated average live weight in pounds, the estimated percentage of cattle of a quality grade of Choice or better, and an estimate of the cattle dressing percentage.

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

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

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

Formula marketing arrangement. The term 'formula marketing arrangement' means the advance commitment of cattle for slaughter by any means other than through a negotiated purchase or a forward contract, using a method for

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

Forward contract. The term 'forward contract' means an agreement for the purchase of cattle, executed in advance of slaughter, under which the base price is established by reference to prices quoted on the Chicago Mercantile Exchange, or other comparable publicly available prices. When used in reference to boxed beef, the term 'forward contract' means an agreement for the sale of boxed beef, executed in advance of manufacture, under which the base price is established by reference to publicly available quoted prices.

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

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

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

Terms of trade. The term 'terms of trade' means, with respect to the purchase of cattle for slaughter:

(1) Whether a packer provided any financing agreement or arrangement with regard to the cattle;

(2) Whether the delivery terms specified the location of the producer or the location of the packer's plant;

(3) Whether the producer is able to unilaterally specify the date and time during the business day of the packer that the cattle are to be delivered for slaughter; and

(4) The percentage of cattle purchased by a packer as a negotiated purchase that are delivered to the plant for slaughter more than 7 days, but fewer than 14 days, after the earlier of either the date on which the cattle were committed to the packer, the date on which the cattle were purchased by the packer, or the date on which the cattle were priced by the packer.

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

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

§ 57.101 Mandatory daily reporting for live cattle.

(a) *In general.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least two times each reporting day not later than 10:00 a.m. Central Time and not later than 2:00 p.m. Central Time the following information for each cattle type, inclusive since the last reporting, categorized to clearly delineate domestic from imported market purchases as described in (57.10(b)).

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

- (i) The type of purchase;
- (ii) The quantity of cattle purchased on a live weight basis;
- (iii) The quantity of cattle purchased on a dressed weight basis;
- (iv) A range and average of estimated live weights of cattle purchased;
- (v) An estimate of the percentage of the cattle purchased that were of a quality grade of Choice or better; and
- (vi) Any premiums or discounts associated with weight, quality grade, yield grade, or type of purchase.

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

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

(3) The quantity of cattle committed to the packer (quoted in numbers of

head) as of that day, categorized by the type of purchase, quantity of cattle to be delivered on a live basis, and the quantity of cattle to be delivered on a dressed basis.

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

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

§ 57.102 Mandatory weekly reporting for live cattle.

(a) *In general.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary, on the first reporting day of each week, not later than 9:00 a.m. Central Time, the following information applicable to the prior slaughter week, categorized to clearly delineate domestic from imported market purchases:

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

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

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

(4) The quantity, basis level, and delivery month for all cattle purchased through forward contracts.

(b) *Premiums and discounts.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary, on the first reporting day of each week, not later than 9:00 a.m. Central Time, the range and average of intended premiums and discounts (associated with weight, quality grade, yield grade, or type of cattle) that are expected to be in effect for the current slaughter week.

(c) *Formula purchases.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary, on the first reporting day of each week, by 8:00 a.m. Central Time, the following information for cattle purchased through a formula marketing arrangement and slaughtered during the prior slaughter week, categorized to clearly delineate domestic from imported market purchases:

(1) The quantity (quoted in both numbers of head and pounds) of cattle;

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

(3) The range of premiums and discounts paid;

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

(5) The range of prices paid;

(6) The aggregate weighted average price paid for a carcass; and

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

(d) *Publication.* The Secretary shall make available to the public the information obtained under paragraphs (a), (b), and (c) of this section on the first reporting day of the current slaughter by 10:00 a.m. Central Time.

§ 57.103 Mandatory reporting of boxed beef sales.

(a) *Daily reporting.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least twice each reporting day (once by 10:00 a.m. Central Time, and once by 2:00 p.m. Central Time) the following information on total boxed beef domestic and export sales established on that day inclusive since the last reporting as described in § 57.10(b):

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

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

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

- (i) The type of sale;
- (ii) The branded product characteristics, if applicable;
- (iii) The grade of beef (USDA Choice or better, Select, or ungraded no-roll product);
- (iv) The cut of beef, referencing the USDA's Livestock and Seed Program Institutional Meat Purchase Specifications (IMPS), Fresh Beef Series 100, when applicable;
- (v) The trim specification;
- (vi) The weight range of the cut;
- (vii) The number of boxes;
- (viii) The product weight;
- (ix) The product delivery period;
- (x) The product manufacture date;
- (xi) The product buyer and delivery location; and
- (xii) The beef type (steer/heifer, dairy steer/heifer, or cow).

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

Subpart C—Swine Reporting

§ 57.200 Definitions.

The following definitions apply to this subpart:

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

(1) A person that directly or indirectly owns, controls, or holds with power to

vote, 5 percent or more of the outstanding voting securities of the packer;

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

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

Applicable reporting period. The term 'applicable reporting period' means the period of time prescribed by the prior day report, the morning report, and the afternoon report, as provided in § 57.202.

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

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

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

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

deducted from the price (per hundredweight) paid to a producer that reflects the repayment of a balance owed by the producer to the packer, or the accumulation of a balance to later be repaid by the packer to the producer, less all discounts.

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

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

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

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

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

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

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

Highest net price. The term 'highest net price' means the highest net price paid for a single lot or group of swine slaughtered at a packing plant during the applicable reporting period per hundred pounds of carcass weight of swine.

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

Lowest net price. The term 'lowest net price' means the lowest net price paid for a single lot or group of swine slaughtered at a packing plant during the applicable reporting period per hundred pounds of carcass weight of swine.

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

exclude any sum earlier paid to a producer that must be repaid to the packer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 57.201 General Reporting Provisions.

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

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

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

§ 57.202 Mandatory Daily Reporting for Swine.

(a) **Prior day report.** The corporate officers or officially designated

representatives of each packer shall report to the Secretary for each business day of the packer not later than 7:00 a.m. Central Time on each reporting day information regarding all swine purchased, priced, or slaughtered during the prior business day of the packer as specified in § 57.10(b):

(1) All purchase data including the total number of swine purchased and swine scheduled for delivery; and the base price and purchase data for slaughtered swine for which a price has been established.

(2) The following slaughter data for the total number of swine slaughtered:

- (i) Information concerning the net price;
- (ii) Information concerning the average net price;
- (iii) Information concerning the lowest net price;
- (iv) Information concerning the highest net price;
- (v) The average carcass weight;
- (vi) The average sort loss;
- (vii) The average backfat;
- (viii) The average lean percentage;

and

(ix) Total quantity slaughtered.

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

(4) **Publication.** The Secretary shall publish the information obtained under this paragraph in a prior day report not later than 8:00 a.m. Central Time on the reporting day on which the information is received from the packer.

(b) **Morning report.** The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary not later than 10:00 a.m. Central Time each reporting day as described in § 57.10(b):

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

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

(3) The base price paid for all base market hogs purchased up to that time of the reporting day through negotiated purchases; and

(4) The base price paid for all base market hogs purchased through each type of purchase other than negotiated purchase up to that time of the reporting day, unless such information is unavailable due to pricing that is

determined on a delayed basis. The packer shall report information on such purchases on the first reporting day or scheduled reporting time on a reporting day after the price has been determined.

(5) **Publication.** The Secretary shall publish the information obtained under this paragraph in the morning report as soon as practicable, but not later than 11:00 a.m. Central Time, on each reporting day.

(c) **Afternoon report.** The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary not later than 2:00 p.m. Central Time each reporting day as described in § 57.10(b):

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

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

(3) The base price paid for all base market hogs purchased up to that time of the reporting day through negotiated purchases; and

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

(5) **Publication.** The Secretary shall publish the information obtained under this paragraph in the afternoon report as soon as practicable, but not later than 3:00 p.m. Central Time, on each reporting day.

§ 57.203 Mandatory Weekly Reporting for Swine.

(a) **Weekly noncarcass merit premium report.** Not later than 4:00 p.m. Central Time in accordance with § 57.10(b) on the first reporting day of each week, the corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary a noncarcass merit premium report that lists:

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

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

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

(c) *Publication.* The Secretary shall publish the information obtained under this subsection as soon as practicable, but not later than 5:00 p.m. Central Time, on the first reporting day of each week.

Subpart D—Lamb Reporting

§ 57.300 Definitions.

The following definitions apply to this subpart:

Branded. The term 'branded' means boxed lamb cuts which are marketed based on a distinctive characteristic or combination of characteristics. These characteristics are categorized by quality grade (including ungraded or no-roll), trim specification, weight, breed, and packaging.

Formula marketing arrangement. The term 'formula marketing arrangement' means the advance commitment of lambs for slaughter by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date. When used in reference to boxed lamb, the term 'formula marketing arrangement' means the advance commitment of boxed lamb cuts for delivery by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

Forward contract. The term 'forward contract' means an agreement for the purchase of lambs, executed in advance of slaughter, under which the base price is established by reference to publicly available prices. When used in reference to boxed lamb, the term 'forward contract means' an agreement for the sale of boxed lamb cuts, executed in advance of manufacture, under which the base price is established by reference to publicly available quoted prices.

Importer. The term 'importer' means any person engaged in the business of importing meat products from lambs for sale or shipment in commerce. For any calendar year, the term includes only those that imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5 calendar years. Additionally, the term includes those that did not import an average of 5,000 metric tons of lamb meat products during the immediately

preceding 5 calendar years, if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

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

Packer. The term 'packer' means any person engaged in the business of buying lambs in commerce for purposes of slaughter, of manufacturing or preparing meat products from lambs for sale or shipment in commerce, or of marketing meats or meat products from lambs in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. For any calendar year, the term includes only a Federally inspected lamb processing plant which slaughtered or processed the equivalent of an average of 75,000 head of lambs per year during the immediately preceding 5 calendar years. Additionally, the term includes a lamb processing plant that did not slaughter or process an average of 75,000 lambs during the immediately preceding 5 calendar years if the Secretary determines that the processing plant should be considered a packer after considering its capacity.

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

Terms of trade. The term 'terms of trade' includes, with respect to the purchase of lambs for slaughter:

(1) Whether a packer provided any financing agreement or arrangement with regard to the lambs;

(2) Whether the delivery terms specified the location of the producer or the location of the packer's plant;

(3) Whether the producer is able to unilaterally specify the date and time during the business day of the packer that the lambs are to be delivered for slaughter; and

(4) The percentage of lambs purchased by a packer as a negotiated purchase that are delivered to the plant for slaughter more than 7 days, but fewer than 14 days, after the earlier of either the date on which the lambs were committed to the packer, the date on which the lambs were purchased by the packer, or the date on which the lambs were priced by the packer.

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

Type of sale. The term 'type of sale' with respect to boxed lamb, means a

negotiated sale, a formula market arrangement, and a forward contract.

§ 57.301 Mandatory daily reporting for lambs.

(a) In General. The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least twice each reporting day not later than 10:00 a.m. Central Time and not later than 2:00 p.m. Central Time the following information for lamb, categorized to clearly delineate domestic from imported market purchases as described in § 57.10(b):

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

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

(2) The quantity of lambs delivered to the packer (quoted in numbers of head) on that day, categorized by the quantity of lambs delivered on a live basis and the quantity of lambs delivered on a dressed basis.

(3) The quantity of lambs committed to the packer (quoted in numbers of head) as of that day, categorized by the quantity of lambs to be delivered on a live basis and the quantity of lambs to be delivered on a dressed basis.

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

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

§ 57.302 Mandatory Weekly Reporting for Lambs.

(a) In general. The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary on the first reporting day of each week, not later than 9:00 a.m. Central Time, the following information applicable to the prior slaughter week categorized to clearly delineate domestic from imported market purchases:

(1) The quantity of lambs purchased through forward contracts that were slaughtered.

(2) The quantity of lambs delivered under a formula marketing arrangement that were slaughtered.

(3) The quantity and carcass characteristics of packer-owned lambs that were slaughtered, including:

(i) The quantity of lambs purchased on a live weight basis;

(ii) The quantity of lambs purchased on a dressed weight basis;

(iii) A range and average of estimated live weights of lambs purchased;

(iv) An estimate of the percentage of the lambs purchased that were of a quality grade of Choice or better;

(v) Lamb State of origin;

(vi) Estimated lamb dressing percentage;

(vii) Price basis as F.O.B. or delivered; and

(viii) Shrink factor.

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

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

(b) *Premiums and discounts.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary on the first reporting day of each week, not later than 9:00 a.m. Central Time, the following information applicable to the current slaughter week. The range and average of intended premiums and discounts associated with weight, quality grade, or yield grade, categorized to clearly delineate domestic from imported purchases.

(c) *Formula purchases.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary on the first reporting day of each week, not later than 9 a.m. Central Time, the following information for lambs purchased through a formula marketing arrangement and slaughtered during the prior week:

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

(2) The weighted average price paid for a carcass, including applicable premiums and discounts, associated with weight, quality grade, or yield grade;

(3) The range of premiums and discounts, associated with weight, quality grade, or yield grade, paid;

(4) The weighted average of premiums and discounts, associated with weight, quality grade, or yield grade, paid;

(5) The actual premium and discount paid by carcass characteristic;

(6) The range of prices paid;

(7) The aggregate weighted average price paid for a carcass;

(8) The terms of trade regarding the lambs, as applicable; and

(9) The quantity, basis level, and delivery month for all lamb purchased.

(d) *Forward contract purchases.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary on the first reporting day of each week, not later than 9 a.m. Central Time, the following information for lambs purchased through a forward contract arrangement and slaughtered during the prior week:

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

(2) The weighted average price paid for a carcass, including applicable premiums and discounts, associated with weight, quality grade, or yield grade;

(3) The range of premiums and discounts, associated with weight, quality grade, or yield grade, paid;

(4) The weighted average of premiums and discounts, associated with weight, quality grade, or yield grade, paid;

(5) The actual premium and discount paid by carcass characteristic;

(6) The range of prices paid;

(7) The aggregate weighted average price paid for a carcass;

(8) The terms of trade regarding the lambs, as applicable; and

(9) The quantity, basis level, and delivery month for all lamb purchased.

(e) *Publication.* The Secretary shall make available to the public the information obtained under paragraphs (a), (b), (c), and (d) of this section on the first reporting day of the current slaughter week.

§ 57.303 Mandatory reporting of lamb carcasses and boxed lamb.

(a) *Daily reporting of domestic lamb carcass transactions.* The corporate officers or officially designated representatives of each packer shall report to the Secretary each reporting day the following information on total domestic lamb carcass transactions not later than 3:00 p.m. Central Time in accordance with § 57.10(b):

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

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

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

(i) The type of sale;

(ii) The U.S.D.A. quality grade of lamb;

(iii) The trim specification or U.S.D.A. yield grade;

(iv) The estimated weight range of the carcasses;

(v) The product delivery date;

(vi) The product manufacture date; and

(vii) The product buyer and delivery location.

(b) *Daily reporting of domestic boxed lamb sales.* The corporate officers or officially designated representatives of each packer shall report to the Secretary each reporting day the following information on domestic total boxed lamb cut sales not later than 2:30 p.m. Central Time as described in § 57.10(b):

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

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

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

(i) The type of sale;

(ii) The branded product characteristics, if applicable;

(iii) The U.S.D.A. quality grade of lamb;

(iv) The cut of lamb, referencing the USDA's Livestock and Seed Program Institutional Meat Purchase Specifications (IMPS), Fresh Lamb and Mutton Series 200;

(v) The cut or trim specification or U.S.D.A. yield grade;

(vi) The weight range of the cut;

(vii) The product delivery period;

(viii) The product manufacture date; and

(ix) The product buyer and delivery location.

(c) *Weekly reporting of imported lamb carcass purchases.* The corporate officers or officially designated representatives of each lamb importer shall report to the Secretary on the first reporting day of each week the following information applicable to the prior week for imported lamb carcass purchases not later than 10:00 a.m. Central Time:

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

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

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

(i) The type of purchase;

(ii) The estimated weight range of the carcasses;

(iii) The product delivery date; and

(iv) The product country of origin.

(d) *Weekly reporting of imported boxed lamb purchases.* The corporate officers or officially designated representatives of each lamb importer shall report to the Secretary on the first reporting day of each week the following information applicable to the prior week for imported boxed lamb cut purchases not later than 10:00 a.m. Central Time:

(1) The price for each lot of each boxed lamb cut purchase, quoted in dollars per hundredweight on an F.O.B. Ex-Dock basis;

(2) The quantity for each lot of each transaction, quoted by number of boxes or product weight bought; and

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

- (i) The type of purchase;
- (ii) The branded product characteristics, if applicable;
- (iii) The cut of lamb;
- (iv) The trim specification;
- (v) The weight range of the cut;
- (vi) The product delivery period; and
- (vii) The product country of origin.

(e) *Weekly reporting of imported boxed lamb sales.* The corporate officers or officially designated representatives of each lamb importer shall report to the Secretary on the first reporting day of each week the following information applicable to the prior week for imported boxed lamb cut sales not later than 10:00 a.m. Central Time:

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

(2) The quantity for each lot of each transaction, quoted by number of boxes or product weight bought; and

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

- (i) The type of sale;
- (ii) The branded product characteristics, if applicable;
- (iii) The cut of lamb;
- (iv) The trim specification;
- (v) The weight range of the cut;
- (vi) The product delivery period; and
- (vii) The product country of origin.

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

Subpart E—OMB Control Number

§ 57.400 OMB Control Number Assigned Pursuant to the Paperwork Reduction Act.

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

Dated: March 9, 2000.

Barry L. Carpenter,

Deputy Administrator, Livestock and Seed Program.

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

Appendix A.—Cattle Mandatory Reporting Forms

The following 6 forms referenced in Subpart B Part 57 would be used by persons required to report electronically transmitted mandatory market information on domestic and import sales and purchases of live cattle and boxed beef to the Agricultural Marketing Service.

Cattle

- LS-113 Live Cattle Daily Report (Current Established Prices)
- LS-114 Live Cattle Daily Report (Committed and Delivered Cattle)
- LS-115 Live Cattle Weekly Report (Forward Contract and Packer-Owned)
- LS-116 Live Cattle Weekly Report (Formula Purchases)
- LS-117 Cattle Premiums and Discounts Weekly Report
- LS-126 Boxed Beef Daily Report

Appendix B.—Swine Mandatory Reporting Forms

The following 3 forms referenced in Subpart C of Part 57 would be used by persons required to report electronically transmitted mandatory market information on domestic and import sales and purchases of live swine to the Agricultural Marketing Service.

Swine

- LS-118 Swine Prior Day Report
- LS-119 Swine Daily Report
- LS-120 Swine Noncarcass Merit Premium Weekly Report

Appendix C.—Lamb Mandatory Reporting Forms

The following 7 forms referenced in Subpart D of Part 57 would be used by persons required to report electronically transmitted mandatory market information on domestic and import sales and purchases of live lamb and boxed lamb to the Agricultural Marketing Service.

Lamb

- LS-121 Live Lamb Daily Report (Current Established Prices)
- LS-122 Live Lamb Daily Report (Committed and Delivered Lambs)
- LS-123 Live Lamb Weekly Report (Packer-Owned)
- LS-124 Live Lamb Weekly Report (Formula and Forward Contract Purchase)
- LS-125 Lamb Premiums and Discounts Report
- LS-128 Boxed Lamb Report
- LS-129 Lamb Carcass Report

BILLING CODE 3410-02-P

REPRODUCE LOCALLY. *Include form number and date on all reproductions.*

FORM APPROVED. - OMB NO. 0581-0186

[illegible]

FORM APPROVED. - OMB NO. 0581-0186

PRIOR WEEK ENDING:

LIVE CATTLE WEEKLY REPORT
(Formula Purchases)

PAGE _____ OF _____

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

6. TERMS OF TRADE

1 = PACKER PROVIDED FINANCING ARRANGEMENT OR AGREEMENT WITH REGARDS TO CATTLE
(Y = Yes; N = No)

2 = DELIVERY TERMS SPECIFY LOCATION OF PRODUCER (1) OR OF PLANT (2)

5. PHONE NO. (Include Area Code)

3 = PRODUCER SPECIFIED DATE AND TIME OF DELIVERY AND SLAUGHTER (Y = Yes, N = No)

FORMULA MARKETING ARRANGEMENT CATTLE SLAUGHTERED

LS-116 (02-00)

REPRODUCE LOCALLY. Include form number and date on all reproductions.

FORM APPROVED. - OMB No. 0581-0186

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

CATTLE PREMIUMS AND DISCOUNTS WEEKLY REPORT

INTENTIONS FOR WEEK BEGINNING: _____

NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

1. COMPANY NAME

2. PLANT LOCATION

3. PLANT ADDRESS

4. CONTACT NAME

5. TELEPHONE NO. (Include Area Code)

PREMIUM/DISCOUNT		RANGE	AVERAGE
QUALITY CHARACTERISTICS			
PRIME			
CHOICE			
SELECT			
STANDARD			
AVG. CHOICE OR BETTER			
DAIRY-TYPE			
BULLOCK/STAG			
HARDBONE			
DARK CUTTER			
OTHER (Describe)			
CUTABILITY CHARACTERISTICS			
GRADE	FAT COVER*		
1.0 - 2.0	< .1"		
2.0 - 2.5	< .2"		
2.5 - 3.0	< .4"		
3.0 - 3.5	< .6"		
3.5 - 4.0	< .8"		
4.0 - 5.0	< 1.2"		
5.0/UP	> 1.2"		
Other (Describe)			
WEIGHT CHARACTERISTICS			
400-500 LBS.			
500-550 LBS.			
550-600 LBS.			
600-900 LBS.			
900-950 LBS.			
950-1000 LBS.			
OVER 1000 LBS.			
OTHER (Describe)			
OTHER (Describe)			

*If yield grades are not available, yield differentials may be based on fat at 12th rib using a constant of average ribeye area and muscling for carcass weight and KPH. Superior or inferior muscling may adjust lean yield.

Appendix B

REPRODUCE LOCALLY. Include form number and date on all reproductions.

FORM APPROVED - OMB No. 0591-0186

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE		REPORTING DATE: _____ / _____ / _____		PAGE _____ OF _____										
<p>USDA</p> <p>SWINE PRIOR DAY REPORT</p> <p>NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0591-0186. Instructions: Search existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-M, Whitten Building, 1411 and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.</p>														
1. COMPANY NAME _____														
2. PLANT LOCATION _____														
3. PLANT ADDRESS _____														
4. CONTACT NAME _____ 5. TELEPHONE NO. (Include Area Code) _____														
6. PACKER PURCHASE COMMITMENTS (Swine scheduled for delivery each of next 14 days by head count)														
DAY 1: _____ DAY 5: _____ DAY 9: _____ DAY 13: _____ 1 = NEGOTIATED														
DAY 2: _____ DAY 6: _____ DAY 10: _____ DAY 14: _____ 2 = NEGOTIATED (auction/terminal)														
DAY 3: _____ DAY 7: _____ DAY 11: _____ 3 = FORMULA MARKETING ARRANGEMENT														
DAY 4: _____ DAY 8: _____ DAY 12: _____ 4 = FORWARD CONTRACT														
8. SLAUGHTERED SWINE DATA (Swine Slaughtered and Priced)														
BARROWS/GILTS BY PURCHASE TYPE	HEAD COUNT	NET PRICE	AVG. NET PRICE	LOWEST NET PRICE	HIGHEST NET PRICE	AVG. LIVE WEIGHT	AVG. CARCASS WEIGHT	AVG. SORT LOSS	AVG. BACKFAT	AVG. LEAN %	BARROWS/GILTS BY PURCHASE TYPE	BASE PRICE (\$/CWT.)	TOTAL HEAD OF SWINE PURCHASED	LIVE WEIGHT
NEGOTIATED											NEGOTIATED			
NEGOTIATED (AUCTION/TERMINAL)											NEGOTIATED (AUCTION/TERMINAL)			
FORMULA MARKETING ARRANGEMENT											FORMULA MARKETING ARRANGEMENT			
FORWARD CONTRACT											FORWARD CONTRACT			
PACKER-OWNED											PACKER-OWNED			
PACKER SOLD											PACKER SOLD			
SOWS BY PURCHASE TYPE	HEAD COUNT	NET PRICE	AVG. NET PRICE	LOWEST NET PRICE	HIGHEST NET PRICE	AVG. LIVE WEIGHT	AVG. CARCASS WEIGHT	AVG. SORT LOSS	AVG. BACKFAT		SOWS BY PURCHASE TYPE	BASE PRICE (\$/CWT.)	TOTAL HEAD OF SWINE PURCHASED	LIVE WEIGHT
NEGOTIATED											NEGOTIATED			
NEGOTIATED (AUCTION/TERMINAL)											NEGOTIATED (AUCTION/TERMINAL)			
FORMULA MARKETING ARRANGEMENT											FORMULA MARKETING ARRANGEMENT			
FORWARD CONTRACT											FORWARD CONTRACT			
PACKER-OWNED											PACKER-OWNED			
PACKER SOLD											PACKER SOLD			
BOARS/STAGS BY PURCHASE TYPE	HEAD COUNT	NET PRICE	AVG. NET PRICE	LOWEST NET PRICE	HIGHEST NET PRICE	AVG. LIVE WEIGHT	AVG. CARCASS WEIGHT	AVG. SORT LOSS	AVG. BACKFAT		BOARS/STAGS BY PURCHASE TYPE	BASE PRICE (\$/CWT.)	TOTAL HEAD OF SWINE PURCHASED	LIVE WEIGHT
NEGOTIATED											NEGOTIATED			
NEGOTIATED (AUCTION/TERMINAL)											NEGOTIATED (AUCTION/TERMINAL)			
FORMULA MARKETING ARRANGEMENT											FORMULA MARKETING ARRANGEMENT			
FORWARD CONTRACT											FORWARD CONTRACT			
PACKER-OWNED											PACKER-OWNED			
PACKER SOLD											PACKER SOLD			

LS-118 (02-00)

FORM APPROVED. - OMB No. 0581-0186



SWINE NONCARCASS MERIT PREMIUM WEEKLY REPORT

PRIOR SLAUGHTER WEEK ENDED:

NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's Target Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

[illegible]

Appendix C

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FORM APPROVED. - OMB NO. 0581-0186

[illegible]

LS-121 (02-00)

FORM APPROVED. - OMB No. 0581-0186



LIVE LAMB DAILY REPORT
(Committed and Delivered Lambs)

NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

1. COMPANY NAME	
2. PLANT LOCATION	
3. PLANT ADDRESS	
4. CONTACT NAME	
5. TELEPHONE NO. (Include Area Code)	

[illegible]

LS-122 (02-00)

FORM APPROVED. - OMB No. 0581-0186



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
LIVE LAMB WEEKLY REPORT
(Packer-Owned)

PRIOR WEEK ENDED:

PAGE _____ OF _____

NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

1. COMPANY NAME

2. PLANT LOCATION

3. PLANT ADDRESS

4. CONTACT NAME

5. TELEPHONE NO. (Include Area Code)

PACKER-OWNED LAMBS

[illegible]

LS-123 (02-00)

REPRODUCE LOCALLY. Include form number and date on all reproductions.

USDA

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

LIVE LAMB WEEKLY REPORT

(Formula and Forward Contract Purchases)

FORM APPROVED. - OMB NO. 0581-0186

PRIOR WEEK ENDING: / / PAGE OF

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. Do not send this collection of information to Washington, DC 20503. Send it to the agency that sponsors the collection of information, including any instructions for reviewing instructions, obtaining existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's ARDC Center at 202-720-2600. Voice and TDD users may call 800-443-3262. Send comments to USDA, Room 1027, 1400 Independence Avenue, SW, Washington, DC 20250-3410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

1. COMPANY NAME

2. PLANT LOCATION

3. PLANT ADDRESS

4. CONTACT NAME

5. PHONE NO. (Include Area Code)

6. TERMS OF TRADE

1 = PACKER PROVIDED FINANCING ARRANGEMENT OR AGREEMENT WITH REGARDS TO LAMBS (Y = Yes, N = No)

2 = DELIVERY TERMS SPECIFY LOCATION OF PRODUCER (1) OR OF PLANT (2)

3 = PRODUCER SPECIFIED DATE AND TIME OF DELIVERY AND SLAUGHTER (Y = Yes, N = No)

7. SLAUGHTERED LAMB QUANTITY
(Slaughtered during prior week)

HEAD COUNT

DOMESTIC

IMPORTED

FORWARD CONTRACT LAMBS:

FORMULA MARKETING ARRANGEMENT LAMBS:

8. FORMULA MARKETING ARRANGEMENT AND FORWARD CONTRACT LAMBS SLAUGHTERED

FORMULA = 1
FORWARD CONTRACT = 2

LOT ID

HEAD COUNT

TOTAL POUNDS

WEIGHTED AVERAGE CARCASS PRICE

RANGE OF PRICES PAID

WEIGHTED AVERAGE CARCASS PRICE

PREMIUMS AND DISCOUNTS PAID

RANGE

WEIGHTED AVERAGE

9. FORMULA LAMBS PURCHASED
(Purchased during prior week)

HEAD COUNT

BASIC LEVEL (S/CWT)

DELIVERY MONTH

10. FORWARD CONTRACT LAMBS PURCHASED
(Purchased during prior week)

HEAD COUNT

BASIC LEVEL (S/CWT)

DELIVERY MONTH

11. TERMS OF TRADE
(See above)

1

2

3

Y OR N

1 OR 2

Y OR N

IS-124 (02-00)

REPRODUCE LOCALLY. Include form number and date on all reproductions.

FORM APPROVED. - OMB No. 0581-0186

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

LAMB PREMIUMS AND DISCOUNTS WEEKLY REPORT

INTENTIONS FOR WEEK BEGINNING:

____/____/____

NOTE: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0186. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

1. COMPANY NAME			
2. PLANT LOCATION			
3. PLANT NAME			
4. CONTACT NAME		5. TELEPHONE NO. (Include Area Code)	
PREMIUM/DISCOUNT		RANGE	AVERAGE
QUALITY CHARACTERISTICS			
PRIME			
CHOICE			
GOOD			
STANDARD			
CHOICE YG 2 OR BETTER			
BUCKY			
YEARLING OR OLDER			
OTHER (Describe)			
CUTABILITY CHARACTERISTICS			
GRADE	FAT COVER*		
1.0 - 2.0	< .16"		
2.0 - 3.0	< .26"		
3.0 - 4.0	< .36"		
4.0 - 5.0	< .46"		
5.0/UP	> .46"		
Other (Describe)			
WEIGHT CHARACTERISTICS			
UNDER 45 LBS.			
45-50 LBS.			
55-65 LBS.			
65-75 LBS.			
75-85 LBS.			
OVER 85 LBS.			
OTHER (Describe)			
PELTS			
WOOLED			
#1 FALL SHORN			
#2			
#3-4			
OTHER (Describe)			
OTHER (Describe)			

* If yield grades are not available, yield differentials may be based on fat at 12th rib using a constant of average ribeye area and muscling for carcass weight and KPH. Superior or inferior muscling may adjust lean yield.

LS-125 (02-00)

FORM APPROVED. - OMB No. 0581-0186

[illegible]

LS-129 (02-00)