

Feedyard: Example Feedyard  
 NBP Lot #: 123      USPB Lot #: 183301  
 Method: **USPB Base Grid**  
 Harvest: 3/18/19   Plant: Liberal or Dodge City  
 FY Lot #: 111      Pen # 58

## Cattle Settlement Worksheet Example



### Lot Statistics

Live Wt: 139,506   Hot Yield: 63.94%   Avg Wt: 1,395   Net Live Price: \$122.66   Net Prem/Disc: \$47.83 /Hd  
 Hot Wt: 89,200   Avg Wt: 892   Net Hot Price: \$191.84   Net Live Difference: \$3.43 /cwt

Base Price	
USDA Kansas Weekly Average	119.23
Formula Allowance	0.25
Grid Allowance	0.00
Base Live Price	119.48
Hot Yield Threshold	63.50%
Base Hot Price	188.16

Prem Summary	
Choice	\$11.47
Prime	\$14.12
CAB	\$3.41
BCPR	\$0.50
CHB	\$2.00

Steers	Head	Live Wt	Hot Wt	Base Price	Amount	\$/cwt hot
Base Lot Amount	100	139,506	89,200	188.16	167,838.72	188.16
Quality Grade Adjustments					1,394.82	1.56
Yield Grade Adjustments					29.04	0.03
Weight Adjustments					-416.55	-0.47
Other Adjustments					2,270.80	2.55
<b>Gross Cattle Proceeds</b>	100	139,506	89,200		171,116.83	191.84

Quality Grade Adjustments	Head	Hot Wt	Actual	Threshold	Price	Wt Diff	Extension
Prime	4	3,684	4.13%		14.12	3,684	520.16
Choice or Higher*	84	71,565	80.23%	69.05%	11.47	9,971	1,144.16
					0	61,594	0.00
Select	14	16,137	18.09%		0	16,137	0.00
Ungraded	1	700	0.78%		-10.00	700	-70.00
Hard Bone	1	798	0.89%		-25.00	798	-199.50
<b>Total Quality Grade Adjustments</b>							1,394.82

Carcass Adjustments							
CAB	27	24,673	27.66%		3.41	24,673	841.25
BCPR	19	17,019	19.08%		0.50	17,019	85.19
CHB	2	1,770	1.98%		2.00	1,770	35.40
Over 30 Months	1	798	0.89%		-12.00	798	-95.76
<b>Total Carcass Adjustments</b>							866.08

Yield Grade Adjustments							
YG1	10	9,000	10.09%	14.58%	7.00	-4,009	0.00
YG2	38	34,824	39.04%	38.53%	4.00	451	18.04
YG3	41	35,257	39.53%	35.78%	0.00	3,342	0.00
YG4	10	9,277	10.40%	9.79%	-10.00	542	-54.20
YG5	1	842	0.94%	1.31%	-20.00	-326	65.20
<b>Total Yield Grade Adjustments</b>							29.04

Weight Adjustments							
575 and down	1	575	0.64%		-15.00	575	-86.25
1050 to 1099	3	3,186	3.57%	7.00%	-20.00	-3,058	0.00
1100 and up	1	1,101	1.23%		-30.00	1,101	-330.30
<b>Total Weight Adjustments</b>							-416.55

Lot Adjustments							
Steer premium	100	89,200	100.00%		1.57	89,200	1,404.72
Total Condemn Liver	20		20.00%		0.00		0.00
Open Abscess Liver	3		3.00%		0.00		0.00
<b>Total Lot Adjustments</b>							1,404.72

<b>Total Adjustments to Net</b>							3,278.11
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\* The threshold for Choice or better will be 10% less than a four week rolling average of the actual Choice or better percentage for the non-grid cattle purchased by National Beef Packing Co. LLC. Therefore, this value will be changing with each delivery week. Please call 866-877-2525 for current information.

## U.S. Premium Beef “Base” Grid

**Cattle Type:** The program is non-breed specific; however, the USPB Base grid does not allow heiferettes, Holsteins and other dairy breeds, intact bulls, late-cut bulls, Corrientes, cattle with horns extending past the tip of the ear, cattle taller than 58 inches high or high percentage Brahman influence cattle (over 50% Brahman as measured by visual appraisal). USPB reserves the right to refuse delivery of individual cattle or entire pens based on visual appraisal.

**Base Price:** The base live price will be the Kansas weighted average price from USDA Price Reporting data (report LM\_CT164) for the week (Monday-Friday) prior to delivery plus \$0.25 per cwt. Report LM\_CT164 may include cattle scheduled for delivery in 0-30 days. The base carcass price is determined by dividing the base live price by the hot yield threshold. The hot yield threshold will be fixed at 63.50%.

**Premiums & Discounts:** Actual performance of cattle will be compared to a Choice or higher threshold of 10% below the actual Choice or higher average of non-grid (plant average) cattle purchased by NBP from KS feedlots and harvested during the previous four weeks (four-week rolling average) for Choice premiums. Plant averages do NOT include any USPB cattle. Premiums will be paid for lots that perform better than the threshold and discounts for lots poorer than the threshold. The Choice premium/discount will be calculated using a four-week prior to slaughter rolling average of the USDA-reported Choice/Select cutout spread (LM\_XB403). **Prime and Certified Angus Beef® (CAB)** premiums are calculated using Weekly USDA Prime (LM\_XB456) and CAB (LM\_XB452) beef cut prices minus \$0.0075/lb. Respective weekly Prime and CAB cutout values are calculated as a premium over USDA Choice for that particular week using adjusted Prime and CAB beef cut prices, 2004 USDA primal/carcass standards and NBP average carcass weight. Prime and CAB premiums will be determined by blending the four-week rolling average spread of USDA-reported boxed beef cutout values for Prime and CAB versus Choice together with a floor value of \$8/cwt. for Prime or \$3/cwt. for CAB. Prime and CAB premiums will not drop below the floor values. **Black Canyon® Premium Reserve (BCPR)** premium is fixed at \$0.50/cwt. **Certified Hereford Beef (CHB)** premium is fixed at \$2.00/cwt. **Yield Grade** premium/discount calculations will be based on the four-week rolling plant average performance of non-grid live weight purchased cattle within Kansas by NBP during the preceding four weeks. Yield Grade 1 and 2 will receive a premium for the total carcass weight above plant average, but will not be discounted if below plant average. Yield Grade 4 and 5 will be discounted for the total carcass weight above plant average, or eligible to receive a premium for being below plant average. Steer premium: Lots that are greater than 95% steer, by head count, will receive an additional premium of \$1.57/cwt, carcass weight for the entire lot. Lots that are less than 95% steers will not receive the steer premium.

<u>Category</u>	<u>Threshold</u>	<u>Premium/Discount (+/-)</u>
Prime	none	+ Blend of Prime/Choice spread** and \$8/cwt. floor
Certified Angus Beef®	none	+ Blend of CAB/Choice spread** and \$3/cwt. floor
Black Canyon® Prem. Reserve <sup>a</sup>	none	+ Fixed at \$0.50/cwt.
Certified Hereford Beef <sup>b</sup>	none	+ Fixed at \$2.00/cwt.
Choice or higher	plant avg** – 10%	USDA Cutout spread** × weight difference above threshold (premium)
Select	plant avg** – 10%	USDA Cutout spread** × weight difference below threshold (discount)
Ungraded	none	- \$10/cwt. (includes all grades below Select, but not Hardbone)
Hardbone	none	- \$25/cwt.
Over 30 months	none	- \$12/cwt. (determined by dentition; do not get Prime or CAB premiums)
YG 1	4-week plant avg**	+ \$7/cwt. (Premium only for greater than plant average**, no discount)
YG 2	4-week plant avg**	+ \$4/cwt. (Premium only for greater than plant average**, no discount)
YG 3	4-week plant avg**	none
YG 4	4-week plant avg**	-/+ \$10/cwt. × weight diff. above (disc.) or below (prem.) plant avg**
YG 5	4-week plant avg**	-/+ \$20/cwt. × weight diff. above (disc.) or below (prem.) plant avg**
575 lb. carcass and under***	none	- \$15/cwt.
1,050 to 1,099 lb. carcass***	7%	- \$20/cwt. × weight difference above a fixed threshold of 7%; discount only; no premium for being under 7% threshold
1100 lb. carcass and over***	none	- \$30/cwt.

<sup>a</sup> Black Canyon® Premium Reserve requires the animal be at least 51% solid black hair coat, Small 50 marbling or higher, and “A” maturity.

<sup>b</sup> CHB requires the animal have a white face, body can be either solid red or black or roan, English breeding, marbling in upper 2/3 Choice, no dairy, under 30 months/A maturity, medium/fine marbling, ribeye area 10-16 in<sup>2</sup>, HCW of 1050 or less, fat thickness under 1 in., moderate muscling, under 2 in. hump muscle, no dark cutting characteristic, practically free of capillary rupture. Black white-face animals that qualify for more than one branded program will be paid for the brand with the higher premium.

\*\* Four-week rolling average

\*\*\* Out weight carcasses are included in determining the averages for Quality and Yield grades.

*It is understood that the overall premium/discount structure will be modified as warranted. Condemned cattle have \$0 value.*

**Settlement:** Payment will be issued when the final grade, plant averages and settlement grid values are determined.

**Freight:** USPB offers a transportation credit of up to \$0.60 per cwt. of live weight.

**Carcass Data:** Individual carcass data will be provided at **no charge** but must be requested when scheduling cattle with USPB.

**Forward Contracting:** USPB offers an option to forward contract with a basis bid contract. Call **866-877-2525** for current bids.