

Feedyard: Example Feedlot  
 NBP Lot #: 247      USPB Lot #: 195001  
 Method: **USPB NatureSource Grid**  
 Harvest: 8/4/20      Plant: Dodge City or Liberal  
 FY Lot #: 223      Pen # 106

**Cattle Settlement  
 Worksheet**  
 <<Example>>



**Lot Statistics**

Live Wt: 48,499    Hot Yield: 62.91%    Avg Wt: 1,212    Net Live Price: \$125.74    Net Prem/Disc: \$242.69 /Hd  
 Hot Wt: 30,511    Avg Wt: 763    Net Hot Price: \$199.87    Gross Prem/Disc: **\$248.71 /Hd**

Base Price	
USDA Kansas Weekly Average	105.72
Formula Allowance	0.25
Grid Allowance	0.00
Base Live Price	105.97
Hot Yield Threshold	63.25%
Base Hot Price	167.54

Prem Summary	
Choice	\$9.22
Prime	\$0.00
CAB	\$0.00
BCPR	\$0.00

Steers	Head	Live Wt	Hot Wt	Base Price	Amount	\$/cwt hot	\$/Hd
Base Lot Amount	40	48,499	30,511	167.54	51,118.13	167.54	1277.95
Quality Grade Adjustments					703.30	2.31	
Yield Grade Adjustments					0.00	0.00	
Weight Adjustments					0.00	0.00	
Other Adjustments					9,400.00	30.81	
<b>Gross Cattle Proceeds</b>	40	48,499	30,511		61,221.43	200.65	1530.54
Excess Freight					-240.49	-0.79	-6.01
<b>Net Cattle Proceeds</b>					60,980.94	199.87	1524.52

Quality Grade Adjustments	Head	Hot Wt	Actual	TH	Price	Wt Diff	Extension	\$/Hd
Prime	6	4,485	14.70%		0.00	4,485	0.00	
Choice or Higher	40	30,511	100.00%	75.00%	9.22	7,628	703.30	
Select	0	0	0.00%		0	0	0.00	
Ungraded	0	0	0.00%		-10.00	0	0.00	
Hard Bone	0	0	0.00%		-25.00	0	0.00	

Total Quality Grade Adjustments      703.30    17.58

Carcass Adjustments	Head	Hot Wt	Actual	TH	Price	Wt Diff	Extension	\$/Hd
Over 30 Months	0	0	0.00%		-10.00	0	0.00	

Total Carcass Adjustments      0.00    0.00

Yield Grade Adjustments	Head	Hot Wt	Actual	TH	Price	Wt Diff	Extension	\$/Hd
YG1	0	0	0.00%	5.00%	3.00	-1,526	0.00	
YG2	7	5,165	16.93%	30.00%	1.50	-3,988	0.00	
YG3	25	19,026	62.36%	40.00%	0.00	6,822	0.00	
YG4	7	5,578	18.28%	20.00%	-10.00	-524	0.00	
YG5	1	742	2.43%	5.00%	-15.00	-784	0.00	

Total Yield Grade Adjustments      0.00    0.00

Weight Adjustments	Head	Hot Wt	Actual	TH	Price	Wt Diff	Extension	\$/Hd
575 and down	1	0	0.00%		-15.00	0	0.00	
1050 and up	1	0	0.00%		-20.00	0	0.00	

Total Weight Adjustments      0.00    0.00

Lot Adjustments	Head	Hot Wt	Actual	TH	Price	Wt Diff	Extension	\$/Hd
NatureSource \$/HD <sup>b</sup>	40		100.00%		235.00	0	9,400.00	

Total Lot Adjustments      9,400.00    235.00

**Total Adjustments to Net**      10,103.30    252.58

USDA Grading Service applies USDA Prime, Choice, and Select Grades and USDA certified programs. All other grades are determined in-house. National Beef Packing Co. LLC maintains detailed descriptions and procedures for all Quality and Yield Grade calculations at each processing facility that are available to producers marketing cattle to NBP via Grid, Formula or Grade & Yield. This hypothetical example is for promotional and educational purposes and may differ slightly from actual worksheets used for payment. Actual grid inputs change weekly. Please call **866-877-2525** for current information.

<sup>b</sup> Premiums are subject to change based on market conditions when cattle reservations are placed. Premiums for specific groups of cattle will not change after reservations are approved. Reservations are approved by National Beef based on feedyard approval and expected cattle needed for the program.

## U.S. Premium Beef, LLC “NatureSource®” Grid

- **Cattle Type:** NatureSource® Natural Angus Beef is limited to Black or Red Angus and Angus cross steers and heifers of US origin. Angus qualification can be based on either phenotype (visual appearance) or genotype (proof of genetics). For Black Angus phenotype, individual animals must be 51% or more black hided. For Red Angus phenotype, an animal must be 70% or more red hided with no predominantly Hereford characteristics or horns that are more than 2 inches past the hairline. No predominant Brahman ears or humps or dairy breed influence is allowed. Cattle must be traceable back to the ranch of origin and the ranch has adequate records to ensure the requirements of the program. Phenotype approval will be checked by National Beef employees during receiving at the plant. For optional genotype confirmation, cattle can be enrolled in the Angus Source® or Red Angus Feeder Calf Certification Program. Enrollment in these programs is not mandatory if using the phenotype option. Cattle may also qualify as Angus if the approved feedlot has completed the Genotype Certification Affidavit to verify eligible cattle are at minimum 50% Angus or Red Angus genetics. USPB reserves the right to refuse delivery of individual cattle or entire pens based on visual appraisal.
- **Natural:** All NatureSource® cattle are *never* given any **antibiotics, ionophores, beta agonists or hormone implants** for the entire life of the animal. They must be fed a **100% vegetarian diet** which means no animal byproducts from all species (including tallow, fish meal, feather meal) during their entire life and they must be fed a corn-based diet for a minimum of the final 120 days in the feedlot. In addition, NatureSource® cattle must be traceable to the ranch of origin (by affidavit) and humanely raised and handled as defined by National Beef, LLC. Feedlots must become an approved supplier before they participate. Contact U.S. Premium Beef for more details on production requirements.
- **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. An additional premium will be added for groups that meet the requirements for NatureSource®. Please call USPB at 866.877.2525 for current premiums as they are subject to change based on market conditions when cattle reservations are placed. Premiums for specific groups of cattle will not change after reservations are approved. Reservations are approved by NBP based on feedyard approval and expected cattle needed for the program. The base carcass price is determined by dividing the base live price by the hot yield threshold. The hot yield threshold will be the weekly plant average hot carcass yield for non-grid live weight purchased cattle in Kansas by National Beef Packing Company, LLC (NBP) or 63.25% whichever is lower. No USPB cattle are included in the hot yield threshold.
- **Premiums & Discounts:** Actual performance of cattle will be compared to a base of 75% Choice or higher for Choice premiums. 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** premium is not offered on the NatureSource grid. **Yield Grade** premium/discount calculations will be based on the fixed thresholds listed below. Yield Grade 1 and 2 will receive a premium for the total carcass weight above the threshold, but will not be discounted if below. Yield Grade 4 and 5 will each be discounted for the total carcass weight above the threshold, but will receive no premium for being below.

<u>Category</u>	<u>Threshold</u>	<u>Premium/Discount (+/-)</u>
Prime	none	no premium/discount
Certified Angus Beef®		No additional premium offered
Black Canyon® Prem. Reserve		No additional premium offered
Choice or higher	75% CH or higher	USDA Cutout spread <sup>a</sup> × weight difference above 75% Choice (premium)
Select	75% CH or higher	USDA Cutout spread <sup>a</sup> × weight difference below 75% Choice (discount)
Ungraded	none	- \$10/cwt. (includes all grades below Select, but not Hardbone)
Hardbone	none	- \$25/cwt.
Over 30 months	none	- \$10/cwt. (determined by dentition; do not get Prime premium)
YG 1	5%	+ \$3/cwt. (Premium only for greater than threshold, no discount for below)
YG 2	30%	+ \$1.50/cwt. (Premium only for greater than threshold, no discount for below)
YG 3	40%	none
YG 4	20%	- \$10/cwt. (Discount only for greater than threshold, no premium for below)
YG 5	5%	- \$15/cwt. (Discount only for greater than threshold, no premium for below)
575 lb carcass and under <sup>b</sup>	none	- \$15/cwt.
1,050 lb carcass and over <sup>b</sup>	none	- \$20/cwt.

<sup>a</sup> Four-week rolling average

<sup>b</sup> Out weight carcasses are included in determining the averages for Quality and Yield grades.

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

- **Settlement:** A final check will be issued when the final grading, 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 grid cattle with a basis bid contract. Call 866-877-2525 for bids.