

Feedyard: Example Feedyard

NBP Lot #: 301

USPB Lot #: 218177

Method: **USPB Base Grid**

Harvest: 11/2/22

Plant: Liberal or Dodge City

FY Lot #: 208

Pen # 160

## Cattle Settlement Worksheet Example



### Lot Statistics

Live Wt: 138,515	Hot Yield: 63.82%	Avg Live Wt: 1,385	Net Live Price: \$144.99	Net Prem/Disc: \$73.69 /Hd
Hot Wt: 88,400		Avg Hot Wt: 884	Net Hot Price: \$227.19	Net Live Difference: \$5.32 /cwt

Base Price	
USDA Kansas Weekly Average	139.67
Formula Allowance	0.25
Grid Allowance	0.00
Base Live Price	139.92
Hot Yield Threshold	63.50%
Base Hot Price	220.35

Prem Summary	
Choice	\$16.70
Prime	\$33.87
CAB	\$6.30
BCPR	\$0.50
CHB	\$2.00

Steers	Head	Live Wt	Hot Wt	Base Price	Amount	\$/cwt hot
Base Lot Amount	100	138,515	88,400	220.35	194,789.40	220.35
Quality Grade Adjustments					3,670.84	4.15
Yield Grade Adjustments					-153.20	-0.17
Weight Adjustments					-338.25	-0.38
Other Adjustments					2,866.34	3.24
<b>Gross Cattle Proceeds</b>	100	138,515	88,400		200,835.13	227.19

Quality Grade Adjustments	Head	Hot Wt	Actual	Threshold	Price	Wt Diff	Extension
Prime	6	5,428	6.14%		33.87	5,428	1,838.63
Choice or Higher*	86	75,246	85.12%	70.86%	16.70	12,604	2,105.16
					0	62,642	0.00
Select	12	11,614	13.14%		0	11,614	0.00
Ungraded	1	747	0.85%		-10.00	747	-74.70
Hard Bone	1	793	0.90%		-25.00	793	-198.25
<b>Total Quality Grade Adjustments</b>							3,670.84

Carcass Adjustments							
CAB	26	23,161	26.20%		6.30	23,161	1,458.48
BCPR	19	17,371	19.65%		0.50	17,371	86.85
CHB Upper 2/3 Choice	2	1,772	2.00%		2.00	1,772	35.44
Over 30 Months	1	888	1.00%		-12.00	888	-106.56
<b>Total Carcass Adjustments</b>							1,474.21

Yield Grade Adjustments							
YG1	10	8,133	9.20%	12.23%	7.00	-2,681	0.00
YG2	34	29,791	33.70%	38.08%	4.00	-3,871	0.00
YG3	41	37,723	42.67%	37.26%	0.00	4,784	0.00
YG4	14	11,854	13.41%	11.14%	-10.00	2,004	-200.40
YG5	1	899	1.02%	1.28%	-20.00	-236	47.20
<b>Total Yield Grade Adjustments</b>							-153.20

Weight Adjustments							
575 and down	1	575	0.65%		-30.00	575	-172.50
1101 and up	1	1,105	1.25%		-15.00	1,105	-165.75
<b>Total Weight Adjustments</b>							-338.25

Lot Adjustments							
Steer premium	100	88,400	100.00%		1.57	88,400	1,392.13
Total Condemn Liver	19		19.00%		0.00		0.00
Open Abscess Liver	2		2.00%		0.00		0.00
<b>Total Lot Adjustments</b>							1,392.13
<b>Total Adjustments to Net</b>							6,045.73

\* 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.

Effective 10/31/22 harvest date

Revised 11/14/22

## 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 including beef x dairy crosses, intact bulls, late-cut bulls, Corrientes, cattle with horns extending past the tip of the ear, cattle taller than 58 inches 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\_CT157) for the week (Monday-Friday) prior to delivery plus \$0.25 per cwt. Report LM\_CT157 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	- \$30/cwt.
1,101 lb. carcass and over***	none	- \$15/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.*

Complete National Beef dressing procedures and live cattle purchasing specifications are available from your NBP cattle procurement representative. Beef carcass grading at National Beef utilizes USDA approved instrument grading to augment USDA quality grade. All other grades are determined in-house.

**Mexican origin:** Groups/lots of Mexican origin will be discounted -\$2.36/cwt. total carcass weight. There will be a limit of no more than 500 head per week allowed on the showlist.

**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 \$1.09 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.