



Operational Guidance for Auction and Terminal Livestock Transactions

Issue: Determining whether auction or terminal market transaction are required to be reported.

Livestock, Poultry and Grain Market News (LPGMN) Position: Livestock purchased by a packer directly from a seller/owner (including a dealer) through private price negotiation are reportable under the Livestock Mandatory Reporting (LMR) program. This is true in all cases, even in a public terminal market setting. For example, if a packer purchases livestock from a dealer or order buyer that had purchased the livestock from the sellers at the terminal market or auction market and the dealer is re-selling the livestock to the plant at an average or aggregated price, the packer is required to report such purchases. The dealer is acting as a producer at that point and a new price has been established.

Livestock purchased in a public terminal market setting by the packer from a person representing the seller/owner are not reportable under the LMR program. For example, livestock that are purchased from a commission firm representing the seller/owner of the livestock are not reportable. An additional example would be a packer that purchases swine at a terminal market or auction market through an order buyer who is a salaried employee of the plant or through an order buyer on commission. These transactions are not required to be reported under LMR even though there may be commission and freight charges to the packer before finally arriving at the plant for slaughter.

LPGMN Guidance: Transactions in which the packer purchases livestock at a public market through an order buyer that is a salaried employee of the plant or through an order buyer on commission are not required to be reported under LMR.

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Approved by _____

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