



# Swine Contract Library (SCL) Overview

[Swine Contract Library Information | Agricultural Marketing Service \(usda.gov\)](https://www.usda.gov/ams/swine-contract-library)

# Background

- ▶ Enabling Legislation: Livestock Mandatory Price Reporting Act of 1999, subsequent renewal legislation.
  - ▶ Congress intended for the SCL to aid in price discovery
- ▶ SCL First published in August 2003

# Who provides swine contract information?

- ▶ Approximately 83 packers and 61 plants
- ▶ Packers purchasing at least 200,000 and also slaughtered at least 200,000
  
- ▶ Swine Contracts
  
- ▶ Purchase at least 100,000 head of swine per year and slaughter the swine at a federally inspected swine processing plant at which you:
  - ▶ Slaughtered an average of at least 100,000 head of swine per year; or
  - ▶ Have the capacity to slaughter at least 100,000 swine per year, based on plant capacity information.

# What information from the SCL is available to the public?

- ▶ Published on the SCL Web Site
  - ▶ <https://www.ams.usda.gov/rules-regulations/packers-and-stockyards-act/regulated-entities/swine-contract-library>
  
- ▶ Contract Summary reports
  
- ▶ Monthly reports

# The SCL has five reporting regions

- ▶ Iowa/Minnesota
- ▶ Eastern Cornbelt
- ▶ Western Cornbelt
- ▶ Western United States
- ▶ National

# Release of Information / Confidentiality

- ▶ Section 222(C) of the Act (7 U.S.C 198 a(c)) addresses confidentiality.
  - ▶ “The reporting requirements under subsections (a) and (b) shall be subject to the confidentiality protections provided under section 251 of the Agricultural Marketing Act of 1946 [7 U.S.C. 1636]”
    - ▶ (a) CONFIDENTIALITY The Secretary shall make available to the public information, statistics, and documents obtained from, or submitted by, packers, retail entities, and other persons under this subchapter in a manner that ensures that confidentiality is preserved regarding—
      - ▶ (1) the identity of persons, including parties to a contract; and
      - ▶ (2) proprietary business information.

# Monthly Report Submission

- ▶ Monthly Reports provide packers' estimated swine purchases under marketing contracts for the next 6 and 12 months.
- ▶ The SCL reports are organized and released by contract type and region. There are three contract types
  - ▶ Swine or pork market formula
  - ▶ Other Market formula
  - ▶ Other purchase arrangement

# What existing or available contracts are provided?

- ▶ Subject Packers must provide an example of each contract
  - ▶ available at each plant that you operate, or
  - ▶ available at each plant where you have swine slaughtered.
  
- ▶ Criteria for distinguishing example contracts
  - ▶ Base price determination
  - ▶ Application of ledger or accrual account
  - ▶ Carcass merit premium or discount schedule
  - ▶ Use of non-carcass merit premiums or discounts.



# How does information from the SCL help producers?

- ▶ Producers use the library to investigate what contract terms packers offer.
- ▶ A producer could identify contract provisions of interest.
- ▶ A producer could use that knowledge to negotiate what may result in a more favorable contract with a packer.

# What the SCL Doesn't Do

- ▶ Publish full verbatim contracts, whether redacted or unredacted.
- ▶ “Other Provisions” are not necessarily verbatim. Rather, any terms or wording that potentially identifies a party to the contract are replaced with more generic terms.
- ▶ Publish volume information associated with each contract, price formula, or contract terms.



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## Thank you!