

Ag. Hearing - Dec. 17, 1998

9:00 - 12 Noon - Industry Speakers
 1:00 - close - Public Testimony

① Bob Battaglia
 P.O. Box 8934 / 2811 Agriculture Drive
 Madison 53708 53718

② Rick Tanger
 Dept. of Agric.
 P.O. Box 8911
 Madison 53708-8911

③ Vern Liebrandt (Inter-D.)
 UW-Madison, Animal Sciences Dept.
 1675 Observatory Dr.
 Madison, WI 53706

④ Dan Short
 (127 E. Oak St.
 Dodge Co. UW Extension
 Juneau 53039-1379

William
 ⑤ Bill Dobson
 Dept. of Agricultural & Applied Economics
 427 Lorch St.
 UW-Madison
 Madison 53706

(6.) Neal Dierks
P.O. Box 10383
National Pork Producers
Des Moines, IA 50306

(7.) Dr. Art Mueller
Clinton - Darien Veterinary Service
301 Scott Drive
P.O. Box 266
Clinton, WI 53525

(8.) Bob Uphoff
4581 Meadowlaw Rd
Madison 53711

(9.) Keri Retallick
Wis. Pork Producers Assn.
P.O. 327
Lancaster 53813

(10.) Dan Sutherland
Director of Procurement
Johnsonville Sausage
104 Division St.
Watertown 53094

(11)

Larry Clark
Lodi Sausage Company
150 S. Main Street
Lodi 53555

608-348-7777

(12)

Brandon Scholz
Wis. Grocers Assoc.
2601 Crossroads Dr.
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Madison 53711

MIKE MYERS
PO BOX 264
Platteville 53818-
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(13)

Eric Drachenberg
Professional Products
7187 Loy Rd
Arena, WI 53503

(14)

Greg Beck
Equity Livestock
E 10890 Penny Lane
Baraboo, WI 53913

(15)

JENS KNUTSON
JKNUTSON



PO Box 327 • Lancaster WI 53813 • 608-723-7551 FAX: 608-723-7553 • E-mail: wispork@pcii.net

January 4, 1998

Representative Al Ott
Room 318 North
State Capitol
Madison, WI 53708

Dear Representative Ott,

Enclosed are the letters addressed to Ag Assembly Committee regarding the Pork Crisis Hearing on December 17th. We have entered all the letters in an Excel spreadsheet. The file is on the disk included and is the only file on that disk. If you have any problems getting the file up, please let us know. Thank you for all your help.

Sincerely,

A handwritten signature in cursive script that reads "Val Gaffney".

Val Gaffney
Wisconsin Pork Producers Association

Chairman:
Agriculture Committee



Member:
Consumer Affairs
Government Operations
Natural Resources

Al Ott

State Representative • 3rd Assembly District

January 11, 1999

Assembly Speaker Scott Jensen
Room 211 West, State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Speaker Jensen:

This letter is to request approval for an overnight Assembly Agriculture Committee meeting on January 19-20, 1999 in Green Bay, WI. The Committee will tour Packerland and Maple Wood Meats on the morning of January 20 followed by an afternoon hearing.

If you have any questions, please feel free to contact me or my staff members, Linda or Gus. Thank you for your consideration of my request.

Sincerely,

Al Ott, Chair
Assembly Agriculture Committee
State Representative
3rd Assembly District

AO:ln

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1	
To	Mary Ellis	From	Linda Nanson
Co.		Co.	Rep. Al Ott
Dept.		Phone #	(608) 266-5831
Fax #	(608) 266-5617	Fax #	(608) 282-3603

Gustafson, Andrew

From: Tierney, Jodie
Sent: Friday, January 15, 1999 5:32 PM
To: Gustafson, Andrew
Subject: screen & projector - ok'd

Narveson, Linda

From: Hanson, Linda
Sent: Friday, January 15, 1999 1:52 PM
To: Narveson, Linda
Subject: RE: Travel Vouchers

Hi! Yes, Charlie talked about this pretty well during orientation. But, if you'd like to have extra travel expense forms to take along for them, you can get them from Mary Ellis. It probably wouldn't hurt, too, if you filled out a sample one for them to follow. Also, you already know that you need permission from the speaker for out-state committees?

Linda

-----Original Message-----

From: Narveson, Linda
Sent: Friday, January 15, 1999 10:03 AM
To: Hanson, Linda
Subject: Travel Vouchers

I spoke with Mary and Ken. Ken is not sure if any information re filing expenses for committee travel, meals, etc. was given to new members of the Assembly. We have several freshmen on our Committee and I wanted to know if they had been informed about the process. Ken thought maybe you had done that during their orientation. We are having an Agriculture hearing on Jan. 20 in Green Bay and I want to be sure that all our members understand per diem vs committee expenses for the day, etc. and that they will file expenses correctly after the event.

Just let me know if I could get something to hand out to our freshmen or if I need to type something for them prior to our meeting. Thanks, Linda.

Linda Narveson
Rep. Ott
266-5831

Chairman:
Agriculture Committee




Member:
Consumer Affairs
Government Operations
Natural Resources

Al Ott

State Representative • 3rd Assembly District

MEMO

TO: Sen. Alan Lasee
Rep. David Hutchison
Rep. Frank Lasee
Sen. Robert Cowles
Rep. Phil Montgomery
Rep. Lee Meyerhofer
Sen. Gary Drzewiecki
Rep. Carol Kelso
Rep. John Gard
Rep. John Ryba
Rep. Luther Olsen

FROM: Rep. Al Ott, Chair 
Assembly Agriculture Committee

DATE: January 15, 1999

RE: Agriculture Tour and Hearing
Wednesday, January 20, 1999
Green Bay, WI

The Assembly Agriculture Committee will hold a tour and hearing in Green Bay on Wednesday, January 20. The day's schedule is attached. We would like to invite you to join us for all or any part of the day that would be possible.

Please advise Linda or Andy on my staff if you plan to attend so we can include you on the tour.

ARO:ln
Enc.



Al Ott

State Representative • 3rd Assembly District

Agriculture Committee Hearing and Tour

**Wednesday, January 20, 1999
Green Bay, Wisconsin**

Agenda: Important!! Please plan on meeting at Comfort Suites before the day's events begin. Legislators and others will leave together in State vans for Packerland Packing from Comfort Suites no later than 7:40 on Wednesday.

8:00-10:45 Tour and Discussion at Packerland Packing

11:15-12:15 Tour of Maplewood Meats

12:30-1:30 Lunch at Rock Gardens Supper Club

**1:30-3:30 Hearing at Comfort Suites Inn
-Guest speakers**

- **Overnight accommodations will be provided for Agriculture Committee members on the 19th and dinner will be available. Lunch will also be provided on the 20th.**
- **We will be staying at the Comfort Suites in Green Bay on the 19th. A block of rooms has been reserved under the name of Agriculture Committee.**

**Comfort Suites – Green Bay
1951 Bond Street
Green Bay, WI 54303
1-920-499-7449**

Informational Hearing with limited public input – Local, State, and Federal Perspectives on Agricultural Issues:

- 1. Upcoming legislative changes in agriculture**
- 2. Intra-state shipment of meat**
- 3. HAACP – Federal Food Safety**
- 4. Hog kill floor capacity**
- 5. Other issues**

items not purchased from stores. Put requests in writing to the Assembly Chief Clerk, One East Main. If granted, the Clerk's Office will issue a Purchase Order. "Reimbursements" cannot be made for items purchased outside UW stores.

- * Package express service is run from the Document Room for Assembly members. Packages that must go to Assembly districts may be sent by Greyhound Bus, Badger Bus, or Federal Express.
- * Facsimile (FAX) machines are located in the Sgts. office, ground floor north, first floor north, third floor north, fourth floor west and in both caucuses. Fax charges are ten cents per page. To reduce unsolicited FAX transmissions, **please do not give out the Legislature's FAX receiving number**. Each office has a fax number associated with their office computer.
- * The Chief Clerk's office keeps a supply of legislative pens. The cost is \$5.50 each and they can be taken out of your office account.

* **P. Committee Expenditures**

Committee Chairs, from time to time, have a need for printing, photocopying, postage, stationary, rental of audio-visual equipment and meeting halls, as well as use of fleet autos or vans. These expenditures are for direct services to the committee as a whole, by the Chair, to facilitate the hearing process. Also, postage and duplicating services may be utilized to reply to unsolicited correspondence regarding proposals and issues before the committee. These expenditures are recorded in a monthly account and sent to each Committee Chair. These expenditures are not charged against the Committee Chair's district account, they are recorded as an committee expenditure and paid out of Assembly operations.

Q. Travel and Lodging - Travel Request/Approval Forms

All out-of-state and in-state travel **MUST** first be approved by the Speaker. Travel request forms can be obtained from the Speaker's office. The Speaker's approval of the committee chairperson's travel request will cover the committee members, committee staff person and a messenger. Include the name of the committee or the official title of the conference under the column entitled "Official Business" on the green travel voucher

Out-Of-State-Travel

1. Reimbursement for out-of-state travel from the Assembly's operations budget will be capped at \$2,000 per member for the biennium without exception.
2. All approved out-of-state travel will be reimbursed half from the Assembly operations budget and half from member's office account or other personal means of the member's choice. However, the option is open for the members to have the entire amount reimbursed through their office account, if so desired.

Agriculture Committee Members 1999-2000:

X — Al Ott 318 North
X — Petrowski 4 West
— Hahn 15 West NO
— Kestell 17 West
X — Spillner 10 West
— Suder 21 North
— Ainsworth 302 North NO
X — Sykora 8 North NO

X — Gronemus 112 North
X — Plouff 306 West
X — Hebl 304 West
X — Lassa 122 North
X — Steinbrink 307 West
X — Reynolds 126 North

Posted Notices

Assembly -

Senate -

Document Room

Jon Mielke - Assembly Dem Caucus - 501 - S. Fairchild

Nicole Anderson - Assembly Repub. Caucus - 601 - S. Fairchild

Mark Patrowsky - 401 - 1 E. Main - Legis. Council

Steve Krieser - Sgts. office

Press Room

KNIGHTRO, INC.

MEAT AND LIVESTOCK MARKET MANAGEMENT AND CONSULTING



W11911 Cty Road FF
River Falls, WI 54022
715-425-7470 Office
715-425-6064 Fax
612-839-6426 Mobile

December 21, 1998

Full Hogs

Representative Al Ott
P.O. Box 8953
Madison, WI 53708

Dear Mr. Ott:

The plight of the PORK PRODUCER was recently brought to my attention by one of the 1998 WPPA Board of Directors. Unfortunately, not in time for the December 17 meeting in Madison.

Knightro is a livestock market management and consulting company that has focused on niche marketing concepts for the past several years. Our track record of success is one we point to with pride, and if you have been a follower of the KNIGHTRO REPORT you will be fully apprised of our approach to this profitable type of market planning. Enclosed is a copy of the most recent edition published in the Midwest Farm and Livestock Directory. You can contact that publication at 1-800-622-8836.

If you have an interest in meeting to discuss marketing options, please feel free to get in touch with me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Knight", written over a large, stylized graphic element that resembles a star or a large letter 'K'.

Ken Knight
KNIGHTRO REPORT

THE KNIGHTRO REPORT

BY: KEN KNIGHT

PREPARED FOR: Midwest Farm and Livestock Directory

ATTENTION: Matt Ewing

RELEASE DATE: Month Ending - December

The Knightro Report is a livestock marketing information column, producer oriented, and totally unbiased in terms of physical market entities. The report will be featured on a regular basis in this publication; and your feedback, questions, and concerns will be addressed as an integral part of the information being presented.



It's pretty hard to make the statement HAPPY NEW YEAR, in view of the livestock economic status in the arena of agriculture. Just a year ago this column made the prediction that 1998 would be the most revolutionary year in the history of livestock marketing. For the most part that prediction came true but, unfortunately, for most it has been the most devastating in recent history.

In comparison to recorded historic lows, current livestock prices are causing more economic devastation than ever before recorded. What does this say about all the hype, smoke and mirrors that have inundated the farm scene for the past many years. How can the existence of any cause be justified in the face of \$10.00/cwt. hogs and \$50.00/cwt. cattle?

Compulsory livestock checkoff fees have come under sharp scrutiny, and face the possibility of demise! Producer based farm organizations, involved in livestock marketing, have come under sharp criticism, and all but cease to exist!

The following article taken from a Des Moines, Iowa newspaper drives this point home. It reads as follows:

FARM GROUP PROTESTS LOW CATTLE PRICES

A farmer advocacy group Monday called for farmers to stop shipping cows that no longer produce milk or calves to slaughter to protest a declining share of profits.

"These are completely unprofitable and unjust prices," said Gene Paul, president of the National Farmers Organization, based in Ames, Iowa. "Our members are simply going to shut the farm gate, and we're hoping other producers will follow suit."

Non-milk or non-calf producing cows, called cull cows, account for about 15 to 20 percent of the 120,000 to 130,000 head of cattle slaughtered for meat each day, said Dan Graf, livestock manager for the organization.

Prices on cull cows have dropped from about \$50.00 per hundred pounds on the live market five years ago to about \$25.00 now, Graf said.

Organization members send to market about 5,000 such cows per week across the nation.

"The numbers aren't large enough to have much impact," said Jim Mintert, agriculture economist at Kansas State University. "In terms of total slaughter, that's less than 1 percent."

The organization calls the move a protest of an unfair pricing relationship between meat packers and cattle farmers.

Well WHOOPIE! What else can you say to such a willfully whimpy response to such a monumental problem. I would not like to be the paying member that read this article and had his eyes opened up to the realization he had bought into a concept of COMPLETE MARKETING FAILURE! To admit to one's inadequacies in terms of market influence, and to come up with a suggested remedy that is as inadequate and antiquated as forty years ago, seems to sum up the problems of such organizations.

Not only does this fly in the face of intelligence, it is insincere and dishonest. The reported number of cattle are inadequate, and I have personally witnessed some of these identifiable cattle on various kill floors since the writing of this article. By the way the market has also dropped another \$15.00/cwt. since this bold ineffective attempt to raise prices.

The only identity that has the power to control and raise prices is the one that steps up to the box and takes ownership! Trying to influence someone else to take the responsibility of doing your job is a total waste of time and money.

Niche marketing groups that take the position of retained ownership from the farm to the consumer are showing a profit. They are not standing on the sidelines screaming for help, but are taking responsibility for their own destiny. Sure, it's specialized, hard work, and you can't turn it over to someone else to do. But it works! And it pays big dividends!

In contrast, to those of you who are proponents of compulsory checkoffs or dues paying members of farm organizations, please tell me what they have accomplished. If you tell me that standing on the sidelines acting like a cheerleader is enough bang for your buck, then I apologize. But, I've never thought that cheerleaders contributed much to the WINNING OF THE GAME! It all looks and sounds nice, but the real winning takes place down on the FIELD with hard working, talented players carrying out a game plan.

"PUT A PROFITABLE LIVESTOCK MARKETING PLAN IN PLACE BEFORE INVESTING YOUR FIRST DOLLAR". This is nothing but common sense for developing a winning game plan. And, until these organizations get off the sidelines and down on the playing field, deep in the trenches as a MARKETING PARTNER they too will fail.

The purpose of these organizations is as AMERICAN as apple pie and ice cream. The founding fathers were focused on the best of intent for the industry. There's was a vision of an industry that was built on trust within the frameworks of profitability for all; not some, but ALL!

This is where it all seems to start to breakdown; some get rich while others go broke! The self-serving interest of a few rose to the top at the expense of the many that filled the coffers. You who have diligently paid the price of buying into the incompetence of these GREAT AMERICAN SCAMS have been deeply hurt. You are victims of unfulfilled promises and personal losses that go far beyond that of money. If ever there was a case to go before the Supreme Court to redeem that which is rightfully yours, it would be you the producer against these organizations that held out FALSE HOPE. For those of you that have suffered at the hands of these benefactors, the magnitude of your pain and suffering can never be measured or justified. In contrast,, the tobacco industry was taken to task and found guilty as charged. Likewise, a case could be made against segments of the livestock industry but, unfortunately, there is no one accountable and no funds available to pay damages.

You are TRULY VICTIMS OF EMPTY PROMISES AND EMPTY POCKETS ---ONLY BROKEN DREAMS!

Could all of this been prevented? I think so! Can it still be fixed? I think so!

If the best interest of the producer had been served rather than that of the organization, things would have turned out different. Unfortunately, the producers voice was seldom heard; it was usually a dictatorial message sent down from up on high. The message was usually that of more members, more product, more income! And, for that there was always the promise of someday being MORE for the producer. But, the someday turned into doomsday. For many that day is here NOW, and they have nowhere to turn for help.

The HELP will come in the form of INDIVIDUAL DILIGENCE; you will have to take responsibility for your own BOTTOM LINE. It will save a lot of farms and a lot of heartache!

Taking responsibility not only means the designing of your own marketing plan, but you will need to join others in coming up with innovative marketing ideas.

When was the last time your check off money or membership dues were used to purchase a single pound of meat for resale, or develop a new product to be introduced to the meat industry? The answer is obvious, but herein also lies the solution. Get involved in a marketing program that will allow you to retain ownership right up to the point of consumption, and be a part of the new product revolution that is taking over the industry. You have a right to share in these profits and be a part of this exciting marketing revolution.

The slaves were set free by Lincoln; IT'S TIME FOR THE FARMER TO BE SET FREE to produce and profit to the height of his capabilities! You have been enslaved by the American Consumer and by the HIGH AND MIGHTY of the meat of industry to provide at their beckoning call. STAND UP AND FIGHT ---ENOUGH IS ENOUGH!!

ENROLL NOW - - - KNIGHTRO LIVESTOCK MARKETING SCHOOLS - - - LEARN MORE

YOUR VOICE IN THE MARKETING PLACE OF YOUR CHOICE

The KNIGHTRO REPORT is now available via RADIO Communication on a daily or weekly basis. Contact your local radio station for availability status.

For more in-depth market information regarding the topics that have been touched upon in this report, Knightro conducts livestock seminars on a regular basis. To schedule a seminar, auction or a speaking engagement, please contact Ken Knight, Knightro, Inc., W11911 Cty Rd FF, River Falls, WI 54022, phone 715-425-7470; or the Midwest Farm & Livestock Directory, 3225 5th Ave. South, Fort Dodge, Iowa 50501, phone 800-622-8836, fax 515-955-6252. If you have comments, questions, or issues that you would like addressed in this column contact Knightro or Midwest Farm & Livestock Directory.



the *-by Ken Knight* Knightro Report

*Serving the nation's
livestock industry*

The Knightro Report is a livestock marketing information column that is producer oriented and totally unbiased in terms of physical market entities. The report will be featured on a regular basis in this publication; and your feedback, questions, and concerns will be addressed as an integral part of the information being presented.

Our company just recently developed a livestock marketing program that is focussed on small marketing groups or specialized entities that have a common marketing interest. I would like to share with you some of the particulars of this marketing plan, as it has caught on with a great deal of interest by several organized groups, and it is something that you might like to organize or be a part of in your area. The idea has been identified as a MICRO livestock marketing plan. As a word micro implies, it is a small concept with potentially big results. It is a marketing idea that has recently sprung-up throughout the country in many facets of business. A prime example is the beverage business where micro breweries are coming on stream at a fast pace. And, it would seem that the concept has a great deal of application within the meat industry, where there is such a broad base of issues being addressed. There is so much confusion, speculation and uncertainty by the consumer, that everything from lean to organic to fat is being represented. This has left the door open for a lot of niche marketing concepts to be pursued by a wide range of meat animals, as far reaching as ostrich, emus and buffalo. But, most importantly, it is a concept that fits well with the EVERYDAY-CONVENTIONAL livestock producer.

As a conventional livestock producer, you have left the door wide open for these exotic markets to erode the market of those of you who consider yourselves a part of the age-old, traditional livestock industry. You have not done a very good job of selling the product for which you have done a GREAT job of producing. Oh, you think you are a pretty good salesman when you top the market on any given day, but all you have really done is play into the hands of those who CONTROL you and everything you produce.

The "Tail now wags the dog" for you are part of an industry who's raw material is produced by millions of producers, just like yourself, but who's destiny is controlled by no more than a hand full of money-driven profit machines. Do you think that the major "meat packers" care about anything but the bottom line? They simply sell whatever you produce and shove it down the consumers' throat, whether they like it or not. Is it any wonder why the per capita consumption of conventional red meat continues to erode faster than a "slippery" livestock buyer?

I am not suggesting that the major meat

packers have not been successful business entities, or that being profit driven is a sin. Quite the contrary, as I applaud success, in any form, and promote livestock market planning as a means of making a better businessman out of most livestock producers. The point being, is that it is you the PRODUCER not the meat packer or the processor that needs to take control of the outcome of YOUR product. Do not leave this job up to somebody else, or it will fail as miserably as it is now failing. You have left everything from quality to profitability slip right through the cracks. Take back control, and stand up and be accountable for the product you produce.

This won't happen if you continue to mainstream down the same road you are traveling. But, if you are willing to break away from the trap that you are in and join a focussed micro marketing group, you may be able to make a difference and bring about change within an industry that is so desperately in need of PRODUCER DRIVEN LEADERSHIP.

To accomplish this goal you may want to join a livestock marketing pool, made up of producers of similar interests. The common bond, may be that of breed, quality, cutability, ethnic orientation, nutrition, health, philosophy, or some combination thereof. This list may not be inclusive of your motive for getting involved, as there are many good reasons for forming such a focus group, but none more compelling than that of profit.

The following information outlines the particulars of how our company has assisted various groups in developing such a marketing plan.

KNIGHTRO LIVESTOCK MARKETING POOL

- The purpose of the Knightro livestock pool, is to assist producers in the development of more profitable MICRO marketing concepts.
- The term "micro," as used in this context, describes a relatively small, specialized niche market that allows the producer an opportunity to make additional profits.
- The additional profit opportunity comes from the results of selling on a value-based, actual cut-out price determination.
- The term "value-based cut-out" means that the total value of all the product derived from the carcass will be passed on to the producer via retained ownership.

- The term "retained ownership" means that the producer retains an ownership interest in his product from the time it leaves his farm until it reaches the point of consumption.
- The time period required to complete such a transaction will delay payment of livestock for about 30 days, as the cooperating meat packer will never take ownership of livestock or product thereof.
- The meat packer will not have a self-serving interest in this project (to buy low and sell high) as the sole role of the packer will be to slaughter and process (on a custom basis) for the account of Knightro, Inc.
- The Knightro company will act as an agent, on behalf of its' pool members, to perform in their best interest. Knightro will be responsible for the payment of livestock, selling of the product and contracting for the services of a meat packer to do the processing in accordance to specific terms and conditions.
- The more specific role of Knightro will be to develop specialized marketing plans that will return a premium to the producer.
- Knightro is an independent livestock marketing entity that is in the business of meat and livestock market management and consulting.
- Knightro is licensed and bonded in accordance to the rules and regulations of the Packers and Stockyards administrative division of the USDA, and maintains a meat and livestock custodial account in compliance with banking regulations.

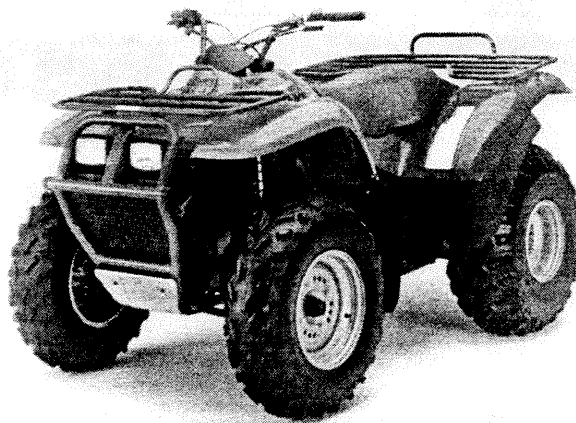
Participants in the Knightro Livestock Marketing Pool will be required to comply with the following terms and conditions:

- Must sign a Knightro waver of payment agreement which will be filed with the P & S. (Exhibit A)
- Must agree to sell on a value-based, cut-out pricing system. (Exhibit B) and (Exhibit C)
- Must purchase a Knightro Livestock Marketing Certificate Book. (Exhibit D) and (Exhibit E)
- Must agree to pay Knightro 20 percent of premium incentive payment. (The amount of premium paid above the base carcass price.)

This information is presented as a source of ideas that may be helpful in assisting your group in the development of a livestock marketing pool. Please feel free to contact us for further information or assistance in developing a MICRO LIVESTOCK MARKETING PLAN.

For more in-depth market information regarding the topics that have been touched upon in this report, Knightro conducts livestock marketing seminars on a regular basis. To schedule a seminar, please contact Ken Knight, Knightro, Inc., W11911 County Road FF, River Falls, WI 54022 or phone (715) 425-7470; or The Midwest Farm & Livestock Directory, 3225 5th Avenue South, Fort Dodge, IA 50501, (800) 622-8836, Fax (515) 955-6252. If you have comments, questions or issues that you would like addressed in this column contact Knightro or Midwest Farm & Livestock Directory.

1997 Kawasaki Prairie® 400 4x4



Firecracker Red - Forest Blush Green - Dual Front Disc Brakes
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3211 - 32nd St S.E., St. Cloud, MN 56304
320-253-7878

Delano Sport Center

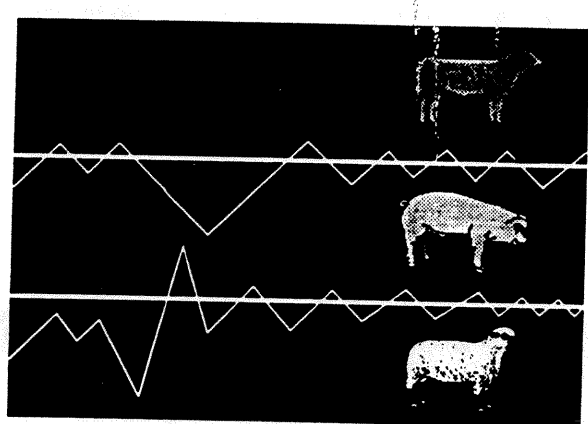
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800-827-2530 • 612-479-2530 (metro)

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\$27.50

KNIGHTRO'S
LIVESTOCK
MARKETING
SEMINARS
INTO THE 21ST CENTURY



**The Authoritative Guide to
More Profitable Livestock Marketing**



A KNIGHTRO LIVESTOCK MARKETING PLAN
KNIGHTRO POWERED MARKETING

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KNIGHTRO

LIVESTOCK MARKETING SEMINARS

TOPICS

- Livestock Market Planning
- Packer Supply Contracts
- Price Protection
- Profit Enhancement
- Value Based Marketing
- Selling Meat Vs. Livestock

These topics can be condensed to about a two hour session or expanded upon for six one hour sessions.

COSTS

The cost for conducting seminars is assessed at the rate of \$27.50 per individual. There is a minimum charge of \$500.00 for the first session and \$300.00 for each additional session. There will be an additional charge for travel expenses.

Special rates are available for youth groups such as 4-H, FFA, and Junior Livestock Associations.

Livestock evaluation classes can be provided in conjunction with the seminars

Experience the Knightro Difference



W11911 Cty Rd FF • River Falls, WI 54027
(715) 425-7470 Office • (715) 425-6064 Fax
(414) 755-2847 Office • (414) 755-2069 Fax

Conducted By: Ken E. Knight

Knight Specializes in Livestock Marketing...



Ken Knight

Knighthro Powered Marketing, specializing in livestock marketing is a locally based company that was established nearly twenty years ago, according to Ken Knight, the principal founder of the business.

Knight went on to say that he started his own business as the result of turmoil in the meat packing industry that caused the company he was working for to temporarily close its doors back in the mid to late 1970s. The meat packer was Iowa Pork Industries, located in South St. Paul, MN. This company has since gone out of business, and has been closed for about ten years... representing nearly the last of a declining South St. Paul based meat and livestock marketing industry. What was once a livestock marketing dynasty, including the original public stockyards and such major packers as Swift and Armour now represents a ghost town of livestock marketing changes.

It was these changes that Mr. Knight set out to address when he started his own livestock

and meat market management and consulting business. The company didn't really take shape on a full-time bases until about ten years ago, when the Iowa Pork plant closed its doors for good. During the early days of Knighthro, the Iowa Pre plant closed and reopened it's operations several times...each time bringing Mr. Knight back into it's corporate management structure.

After such a long period of an on-again off-again packer relationship, Mr. Knight said it was time, after thirty years of working within the meat packing industry to break away and do his own thing. Those years were spent with such major companies as Oscar Meyer Co., Dubuque Packing Co., and the Stark & Weitzel Meat Company of Indiana. And, the decision came fairly easy, as Ken was, by then, well established in his new founded business and a proud grandparent living in the beautiful St. Croix Valley. Ken's wife, Loretta works for the Mycogen Company in Prescott, WI where she has been employed for about fifteen years. His two daughters, Debbie and Pam are married to Ron and Randy Kinneman and has four grandchildren (Kurtis, Joshua, Breanna, and Nathan). Ken's hobby is horses, and he hires to make a jockey out of each and everyone of his grandchildren. Another influencing factor in his decision to stay in the area has been his involvement in the Joy Lutheran Church of Prescott and his association with other churches in the area as a lay-minister.

Ken's main vocational love in life is auctioneering. As a youngster he traveled with his father, in western North Dakota, to livestock auction sales and he always wanted to emulate the man on the auction block. He would come home and practice the auctioneers chant behind the barn, milking the cows, or while driving the tractor doing fieldwork. At the age of eleven, he got his first opportunity to cry an auction for real. He was asked to "cry" the baby beef auction at his county fair, a high in his life that he'll never forget. Mr. Knight has since

been "crying" livestock auctions throughout the entire midwest, from North Dakota to Illinois. And, he has served as an instructor at Bartels' Universal School of auctioneering.

Mr. Knight is a graduate of North Dakota State University, where he majored in meat & animal science and minored in communications. He then went on to South Dakota State University where he did graduate work and taught as a full-time instructor of meat and animal science before joining the ranks of the meat packing industry. In the course of his teaching, he coached the meat and livestock judging teams, which has since kept him active as a livestock judge at many of the county fairs and major livestock shows. Counted amongst them are the National Barron Show in Austin, MN in Wisconsin, Spring Market Hog Show in Madison, WI, the Tennessee Regional Meat Animal Livestock Show, Minnesota State Fair and coming up in a couple of weeks, here in Wisconsin, are the Oneida and Iron County Fairs.

Education and teaching have always been an important part of Ken's life and has become a focal point of Knighthro's activities. Much of his time is spent in putting on livestock marketing seminars for marketing groups, 4H, FFA, companies within the meat packing industry, educational institutions, financial institutions and others associated with the meat and livestock marketing industry. To further this cause he also writes the *Knighthro Report*, a livestock marketing newsletter which can be subscribed to or you will find it as a featured column in major livestock marketing publications.

The Knighthro Company works with feed-lot operations throughout the midwest, developing livestock marketing plans. As a consulting firm, Mr. Knight says that the company is currently being retained by the Murco Packing Co. of Plainwell, Michigan, the M&W Meat Company of New Richmond, WI. The Organic Beef Growers Association (working in conjunction with a grant from the state of Wisconsin, the

CROPP cooperative of LaFarge, WI and the Wisconsin Farmland Conservancy of Menomonee, WI. In addition, Mr. Knight serves on the board of directors of the Wisconsin Holstein Beef Growers Association, which functions under the leadership of the University of Wisconsin and the Wisconsin Beef Growers Association.

Just this past week Mr. Knight was contacted by the Governor's Office of Economic Development from the state of South Dakota. He has been asked to work with them in the development of a beef processing plant and expansion on cattle feeding in South Dakota. In responding to this request, he is also reminded of the excellent working relationship he has enjoyed with Bill Wernor, Director of the Pierce County Economic Development office. Bill was very instrumental in helping to get Knighthro established in this area. His encouragement, association with the University and the opening of his classroom facilities for conduction seminars was a vital part of Knighthro's growth.

Though the Knighthro name has stuck since it's original beginning, there have been a lot of changes in organizational structure and distribution of ownership. The TRO part of Knighthro belonged to Mike Tatro, a commodity broker from Mankato. Mike has since branched off into his own business, but stays in close association with Ken for a lot of obvious business and friendship reasons. Gerald Siseal of Green Bay, WI took over Mike's position in the organization and is now President of Knighthro Powered Marketing, Inc. The company is owned by investment stockholders and is directed in it's management efforts by an advisory board made up of meat packers, feed-lot operators, financial lenders, dairy & beef cow operations and ag-related vocational personnel.

Ken says that he and his family, and business associates are pleased to be a part of this very important community and looks forward to a credible lasting relationship with livestock producers and business associates.

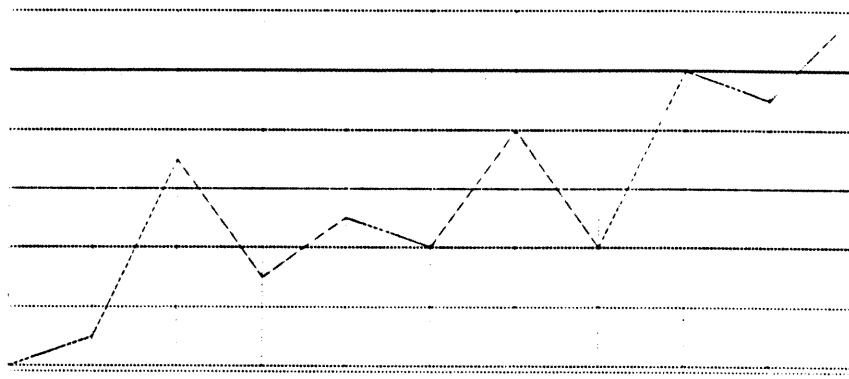
PERSPECTIVE

The contents of this livestock marketing manual are intended for the private and exclusive use of those livestock producers and business affiliates that have retained the services of Knightro Powered Marketing.

It is the intent of this manual to inform and demonstrate the use of those marketing tools available that will maximize profitability and insure price protection.

Profitable livestock marketing is attained through an awareness of the various marketing programs and tools available . . . with a thorough knowledge of each.

MINIMIZED RISK/MAXIMIZED PROFIT



“The Livestock Producer is entitled to full value for every dollars worth of commodity he produces to sell.”

----- THE KNIGHTRO CONNECTION -----

Market Advisory Board

Mike Tatro.....Commodity Advisor
Delbert Hulstein.....Feeder Cattle
Ken E. Knight.....Packer Relations
G.E. Sisel.....Slaughter Livestock
Roger Wagner.....Livestock Producer
Roger Hedin.....Meat Broker
Dr. Harold Tuma.....Meat and Animal Science
Terry Hillis.....Canadian Markets
Gunter Hess.....Program Marketing Consultant

Kevin and Allison Bottke...Editorial Consultants
Dan Wiley.....Packer Negotiations
Marty Ellis.....Financial Services
Pam Saunders.....Organic Meat Production
Lavern Williams.....Packer Owner/Operator
Dr. Jim Cossetta.....Meat Inspection
Rick Title.....Livestock Nutritionist
Pam Kinneman.....The Knightro Report Editor
Greg Sprick.....Producer Relations

Knightro Powered Marketing

President
Gerald E. Sisel

Author/Publisher
Ken E. Knight

Marketing

For individualized livestock
marketing assistance call

414-755-2847 or 715-425-7470
Fax 414-755-2069 or 715-425-6064

Licensed and Bonded in compliance with the USDA Packers and Stockyards Administration.

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ANNUAL MARKETING RETAINER PROGRAM CLIENT AGREEMENT

This agreement dated this _____ of _____ 19___, is by and between
Knightro Powered Marketing, Inc. hereafter known as "Knightro" and

_____ Print Name of Individual

_____ Print Name of Partnership or Corporation

_____ Address

_____ City/ State/ Zip

_____ County _____ Telephone

hereafter known as "Client".

It is agreed and understood by Knightro and Client in exchange for payment of
\$ _____ per animal unit. Knightro will assist in the development of a livestock
marketing plan for a period of twelve months that offers the following:

- Negotiate the sale of livestock (Cash-Price Protected-Contracts).
- Analysis of all production costs to determine "break-even" cost of production.
- Price Protection" at a market level equal to that of "cost of production".
- Analytically research market conditions to establish "target" prices that will insure profitability.
- "Forward price" all contracted livestock direct to value selected packers.
- Incorporate the principals of "value-added" marketing into all sales transactions.
- A supply of feeder livestock selectively "backgrounded for quality, health, and nutrition.
- Develop and manage individualized market plans in the best interest of the client.
- The annual marketing retainer program entitles client to a reduced marking charge of
\$ _____/cwt. (carcass weight) for the selling of all slaughter livestock.

All individualized marketing programs are subject to additional marketing charges.

The Client will provide all pertinent information to Knightro representative regarding any changes
affecting the Client's marketing plan. All information is confidential whether received by Knightro
or provided by Knightro.

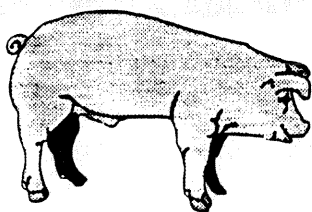
BINDING EFFECT. This agreement shall be governed by and construed in accordance with the laws of the
State of _____. This agreement shall be binding upon all of the parties hereto and their successors,
heirs, assigns and personal representatives forever. This agreement is not valid and binding until accepted
by Knightro. Once accepted, this agreement is binding on the parties and cannot be terminated except as
stated herein.

DISCLOSURE. Knightro is a livestock management and consulting company that assists livestock producers
to more profitably market livestock. Knightro cannot be held liable for the warranties of ownership or
conditions of livestock that affect final value. It is further understood that Knightro will be represented only
by professionally trained livestock marketing agents that are licensed in accordance with state and federal
compliance as regulated by the P&S administration.

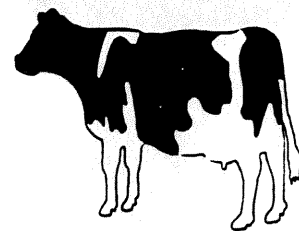
THE MARKET CERTIFICATE BOOK

PRODUCERS PERSONAL INVOICE FOR DOCUMENTING TERMS
AND CONDITIONS OF EVERY LIVESTOCK MARKETING
TRANSACTION

FOR PROFESSIONAL LIVESTOCK MARKET
MANAGEMENT ENHANCING PROFITS FOR:



AGRI-BUSINESS
LIVESTOCK PRODUCERS
MEAT PACKERS



*YOUR INDEPENDENT VOICE IN THE
MARKET PLACE OF YOUR CHOICE*



A KNIGHTRO POWERED LIVESTOCK MARKETING PLAN



Knightro Powered Marketing Livestock Marketing Certificate Book Order Form

Received of: _____ Livestock _____ # of head _____
 Producer _____
 Address _____
 Phone _____ Farm Size: _____ acres

\$ _____ for _____ book(s) Date _____ Registration # _____

Producer

Knightro Powered Marketing Agent

Terms: Knightro will assist producer in obtaining the highest possible market price for livestock to be marketed to a designated value selected packer. The producer will deliver livestock on an agreed date to the stated packer in accordance to the terms and conditions of the marketing certificate. The cwt./price of the livestock will be determined by carcass grade and weight values, which will be monitored in compliance with USDA standards and regulations. Payment procedures will be accountable to state and federal regulations as regulated by the P & S (Packers and Stockyards Administration.) The producer is limited to 12 marketing transactions per book purchased, which must be used within 12 months of issuance of the registered marketing certificate book. This marketing agreement between Knightro and producer is an exclusive marketing arrangement bound by the common goal and purpose of solely providing a marketing service for its clients, for which either party will be held harmless of all liabilities.

Knightro Powered Marketing

**CONTRACT MARKETING
CERTIFICATE BOOK**

**\$150.00
12 MARKETING CERTIFICATES**

YOUR NAME HERE

A Knightro Powered Livestock Marketing Plan

CLIENT BENEFITS

This is an opportunity for an agri-business with a livestock client base to show real concern for it's customers by offering the services of an independent professional livestock marketing consulting company to:

- ◆ Strengthen customers financial well being.
- ◆ Be involved without dictating market of choice.
- ◆ Offer assistance in making the most profitable marketing decisions.
- ◆ Assist in educating producers to make more informed decisions.
- ◆ Be involved without alienating any particular market.
- ◆ Be an unbiased source of professional market information.

PRODUCER BENEFITS

Producers need to be taught how to market, and made to realize that there is more to marketing than calling around to see who has the highest bid. The purpose of the market certificate is an entitlement of the Knightro service of market seminars, market planning, and reciprocal packer relations. Some of the benefits of this service are as follows:

- ◆ Assurance of the best available market.
- ◆ Specialized assistance in developing an individualized marketing plan.
- ◆ Learn how to receive full value for every pound of meat produced.
- ◆ Be represented by a packer liaison working on behalf of the producer.
- ◆ Develop a plan that reduces risk and maximizes profit.

COST OF MARKET CERTIFICATE BOOK PROGRAM

Market Certificate Books:

<u>Book Quantity</u>	<u>Cost/Book</u>
over 75	\$100.00
50 - 74	\$120.00
1 - 50	\$150.00

▶ In addition to the cost of the books, there will be a monthly consulting retainer fee to cover the cost of servicing account (*market seminars-packer relations-individualized market plans-group marketing plans*)

CONSULTING RETAINER FEES

<u>Number</u>	<u>Monthly Fees</u>
MARKET CERTIFICATE BOOKS	CONSULTING RETAINER
1 - 99	\$ 800.00
100 - 250	\$ 1,500.00
251 - 500	\$ 1,750.00
501 - 750	\$ 2,000.00
751 - 1000	\$ 2,250.00
over 1000	\$ 2,500.00

▶ Client may elect not to use the monthly consulting services, but rather pay for such services as rendered.

<u>Service</u>	<u>Cost</u>
Market Seminar	\$1,500.00 plus travel
Packer Relations	\$100.00/hr. plus travel
Individualized Market Plans	\$.50/head
Group Marketing Plan	\$.25/head

KNIGHTRO POWERED MARKETING

KNIGHTRO LIVESTOCK MARKETING POOL

The purpose of the Knightro livestock marketing pool, is to assist producers in the development of more profitable MICRO marketing concepts.

The term "micro", as used in this context, describes a relatively small, specialized niche market that allows the producer an opportunity to make additional profits.

The additional profit opportunity comes from the results of selling on a value based, actual cut-out price determination.

The term "value-based-cut-out" means that the total value of all the product derived from the carcass will be passed on to the producer via retained ownership.

The term "retained ownership" means that the producer retains and ownership interest in his product from the time it leaves his farm until it reaches the point of consumption.

The time period required to complete such a transaction will delay payment of livestock for about 30 days, as the cooperating meat packer will never take ownership of livestock or product thereof.

The meat packer will not have a self-serving interest in this project (to buy low and sell high) as the sole role of the packer will be to slaughter and process (on a custom basis) for the account of Knightro, Inc.

The Knightro company will act as an agent, on behalf of its pool members to perform in their best interest. Knightro will be responsible for the payment of livestock, selling of the product, and contracting for the services of a meat packer to so the processing in accordance to specific terms and conditions.

The more specific role of Knightro will be to develop specialized marketing plans that will return a premium to the producer.

Knightro is an independent livestock marketing entity that is in the business of meat and livestock market management and consulting.

Knightro is licensed and bonded in accordance to the rules and regulations of the Packers and Stockyards administrative division of the USDA, and maintains a meat and livestock custodial account in compliance with banking regulations.

Participants in the Knightro livestock marketing pool will be required to comply with the following terms and conditions:

- Must sign a Knightro waver of payment agreement which will be filed with the P & S. (exhibit A)
- Must agree to sell on a value based, cut-out pricing system.(exhibit B) and (exhibit C)
- Must purchase a Knightro livestock marketing certificate book.(exhibit D) and (exhibit E)
- Must agree to pay Knightro 20% of premium incentive payment. (The amount of premium paid above the base carcass price.)

"A KNIGHTRO LIVESTOCK MARKETING PLAN"

LIVESTOCK MARKETING AGREEMENT

Price Protection and Enhancement Plan

The following *Price Protected Profit Enhancement Strategy* is an individualized livestock marketing plan for the account of:

NAME: _____

DATE: _____

ADDRESS: _____

PHONE: _____

Market Strategy Options

Cost of Production _____

Cost of Price Protection _____

Break Even Cost _____

(Price Protection Options)

Option 1: Cost of Hedging/Futures Position (_____)

Option 2: Cost of Options Positioning -----

Put (_____)

Call (_____)

Fence (_____)

Option 3: Cost of Bases Contract (_____)

Option 4: Cost of Current Income Protection
if Target Price is Unattainable. (_____)

Established TARGET PRICE _____

Projected Margin of PROFIT _____

PRICE PROTECTED LIVESTOCK SUPPLY CONTRACT

Name _____
Address _____

Date _____
Contract No. _____
Phone No. _____

Terms and Conditions of Sale

Quantity Sold: _____ Weight: _____ lbs. No. Head: _____
Delivery Period (first 20 days of): _____ Month: _____ Year: _____
Delivery Point: _____

(Packer Buyer)

Address: _____

Options Protected
Base Price \$ _____/cwt.
Target Price \$ _____/cwt.
Contracted
Delivery Price \$ _____/cwt.

All livestock is contracted on a carcass grade and weight basis in accordance with packer specifications and in compliance with U.S.D.A. Standards and Regulations

Packer Specifications

Quality Grade: _____	Yield Grade: _____	Weight: _____
Grade Tolerance	Cutability	Carcass Weight Range
(Non-Compliance Discounts)		
Grade _____: \$ _____/cwt	Grade _____: \$ _____/cwt	Weight _____: \$ _____/cwt
_____: \$ _____/cwt	_____: \$ _____/cwt	_____: \$ _____/cwt
_____: \$ _____/cwt	_____: \$ _____/cwt	_____: \$ _____/cwt

Settlement of Sale

Gross Contracted Sale Price\$ _____/cwt

(Price adjustments)

Quality Grade Value	\$ _____/cwt
Yield Grade Value	\$ _____/cwt
Sort Value	\$ _____/cwt
(Total Price Adjustment).....	\$ _____/cwt
Net Contracted Sales Price.....	\$ _____/cwt

Price will be adjusted at settlement time to compensate for non-compliance of sort, grade, and cutability.

Indemnified Parties to Contract

Liens: Secured Party

Name: _____
Address: _____

Date: _____
Seller: _____
(Producer)

Buyer _____ (Packer)

Agent: _____

Corporate Seal

Company Name: _____
Address: _____

(This contractual marketing instrument is an addendum to actual Packer Contract)

Phone _____

PRICE PROTECTED FEEDER CATTLE SUPPLY CONTRACT

Name: _____ Date: _____
 Address: _____ Contract No. _____
 Phone _____

TERMS AND CONDITIONS OF CONTRACT

No. of Head _____ Total Weight: _____ lbs. Base Weight: _____ lbs.
 Delivery Period (first 20 days of) Month: _____ Year: _____
 Delivery Point: _____ Contracted Delivery Price: \$ _____/cwt.
 Address: _____ Options Protected Base Price \$ _____/cwt.

Feeder cattle are contracted direct from producer to feed-lot in accordance with feed-lot specifications as traded in compliance with the Chicago Mercantile Exchange and U.S.D.A. standards and regulations

DESCRIPTION OF CATTLE

Breed: _____ Grade: _____ Sex: _____ Class: _____ Age: _____

BACKGROUND MANAGEMENT

DATE	WEIGHT	TYPE	VETERINARY TREATMENT
_____	_____ lbs.	_____	_____
_____	_____ lbs.	_____	_____
_____	_____ lbs.	_____	_____

NUTRITION - Description of Feeding Program _____

PRICE DETERMINATION

Base Wt. _____ lbs. Slide \$ _____/lb. Base Mkt. \$ _____/cwt.

WEIGHT PRICE ADJUSTMENTS: \$ _____/lb. X (_____ lbs.) [+Light] [-Heavy] = \$ _____/cwt.
 (slide) (Weight Diff.)
 Net Purchase Price \$ _____/cwt.

NET CONTRACTED SETTLEMENT

AVERAGE WEIGHT	TOTAL WEIGHT	PRICE/CWT.	GROSS DOLLARS
_____ lbs.	_____ lbs.	\$ _____/lb	\$ _____/_____

INDEMNIFIED PARTIES TO CONTRACT

Liens: Secured Party	Date: _____
Name: _____	Seller: _____ (producer)
Address: _____	Buyer: _____ (feed-lot)
_____	Agent: _____

Company Name: _____

Address: _____

Phone: _____

CORPORATE SEAL

**GROUP MARKETING
PACKER SUPPLY CONTRACT**

Proposed Terms and Conditions

SIZE OF CONTRACT: _____

LENGTH OF CONTRACT: _____

BASE MARKET DETERMINATION: _____

RISK PERIMETER: _____

VOLUME INCENTIVE: _____

GRADE/LEAN PREMIUMS: _____

YIELD PREMIUMS: _____

SORT DIFFERENTIALS: _____

DELIVERY POINT: _____

COMMENTS: _____

ALL VALUES ARE TO BE EXPRESSED AS MEAT PRICES

VALUE BASED MARKETING

(Extracting from the market the total value of Grade, Sort, Weight and Yield)

When livestock is sold on a live basis, the value of these market determining factors is only a guesstimate at best. The guess of a professional livestock buyer will be considerable more accurate than that of farmer who sells only on an occasional basis. This, then becomes the margin of profit that most livestock buyers glean from you, the producer... as he in turn sells direct to the packer.

It is the intent of this segment to show how VALUE BASED PROFITS can be passed directly from the packer to the producer.

VALUE BASED TERMS and DEFINITIONS

GRADE: (HOGS) Grade value is determined by the carcass percentage of saleable red meat.

(CATTLE) Grade value is determined by the carcass quality and quantity of red meat.

SORT: The sort value is determined by the weight deviation of each carcass from that of the base weight.

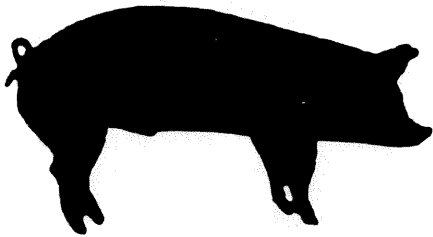
WEIGHT: Weight value is determined by the cutability yield of saleable red meat in accordance with product demand.

YIELD: Yield value is determined by the percentage of saleable carcass in relation the live weight.

CUT-OUT: The actual value of the product produced from any given carcass.

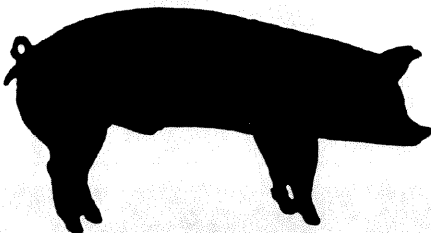
SELL CARCASS

\$ _____ /cwt.



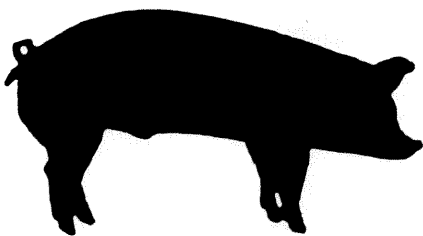
210 #
Live Weight

\$ _____ /cwt.



215 #
Live Weight

\$ _____ /cwt.

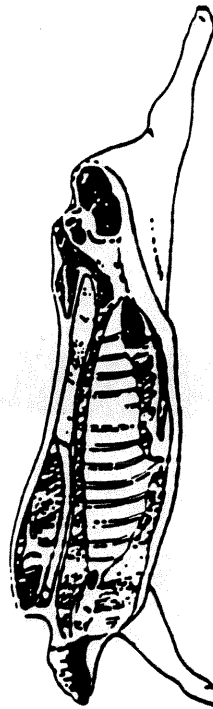


220 #
Live Weight

72.7%
Yield

74.4%
Yield

76.2%
Yield



160 #
Carcass Weight

Carcass Value

(Receive Total Value)

Markets aren't always what they seem.



"KNOW THE FACTS"

LIVESTOCK EVALUATION DETERMINATION

Hog Evaluation Values

Live Price	Equivalent Weight		Standard Yield	Carcass Wt. Range	Grade #1	Grade #2	Grade #3	Grade #4
	181 - 190		72.00	130 - 137				
	191 - 200		72.75	138 - 145				
	201 - 210		73.00	146 - 153				
	211 - 220		73.00	154 - 160				
	221 - 230		73.00	161 - 167				
	231 - 240		73.00	168 - 175				
	241 - 250		73.25	176 - 183				
	251 - 260		73.50	184 - 191				
	261 - 270		73.75	192 - 199				
	271 - 280		74.00	200 - 207				
	281 - 290		74.25	208 - 215				
	291 - 300		74.00	216 - 222				
	301 - Up		73.75	223 & Up				
Grade Premiums and Discounts					+\$2.00	+\$1.00	Base	-\$1.00

LIVESTOCK EVALUATION WORK SHEET (COMPUTATIONS)

$$\text{Net Value} = \frac{\text{Total Carcass Value}}{\text{Total Live Weight}} \quad (\text{Divide})$$

$$\text{Price Compliance} = \text{Purchase Price (minus) Base Market}$$

$$\text{Yield Value} = \text{Value of 1\% of Yield (Times) Yield Difference}$$

(The Yield Value of each 1% is determined by dividing the Base Market by the Standard Yield)

$$\text{Grade Value} = \frac{\text{Sum of Premiums and Discounts}}{\text{Total Live Weight}} \quad (\text{Divide})$$

$$\text{Sort Value} = \text{Sum of Grade - Yield-Price (Minus) Net Difference}$$

$$\text{Net Difference} = \text{Net Value (Minus) Purchase Price}$$

HOGS COST OF PRODUCTION

3.6# - 1 Feed Ratio

Date _____

1. Cost of 40 lb. feeder pig or credit to farrowing operation.

\$ Total Cost of Feeder Pig _____

2. Cost of gain from 40 lbs. to sale weight of 230 pounds.

_____ Bus. of corn @ _____ /bu. = _____

_____ Lbs. of supplement @ _____ lb. = _____

\$ Total Feed Costs _____

3. Other Direct Costs

Veterinary and Medicine _____

Marketing _____

Power and Fuel _____

Labor @ _____ /Hr. (_____ Hr. per Head) _____

\$ Total Other Direct Costs _____

4. Overhead Expenses

Building & Equipment Depreciation _____

Interest (%) _____

Maintenance _____

Taxes _____

Insurance _____

Death Loss (3%) _____

Management & Administration _____

\$ Total Overhead Expenses _____

5. Total Production Costs/Hog, 230 Lbs. _____

6. Total Production Costs/cwt. _____

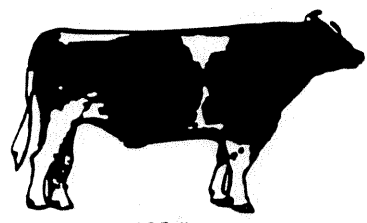
Markets aren't always what they seem.

"KNOW THE FACTS"



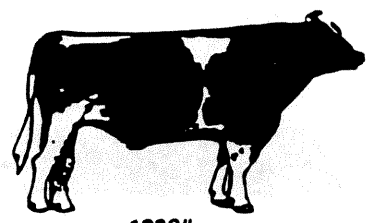
SELL CARCASS

\$ _____ /cwt.



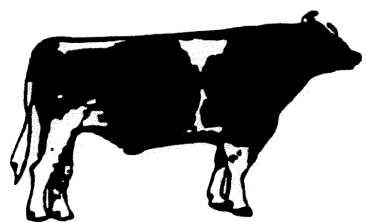
1190 #
Live Weight

\$ _____ /cwt.

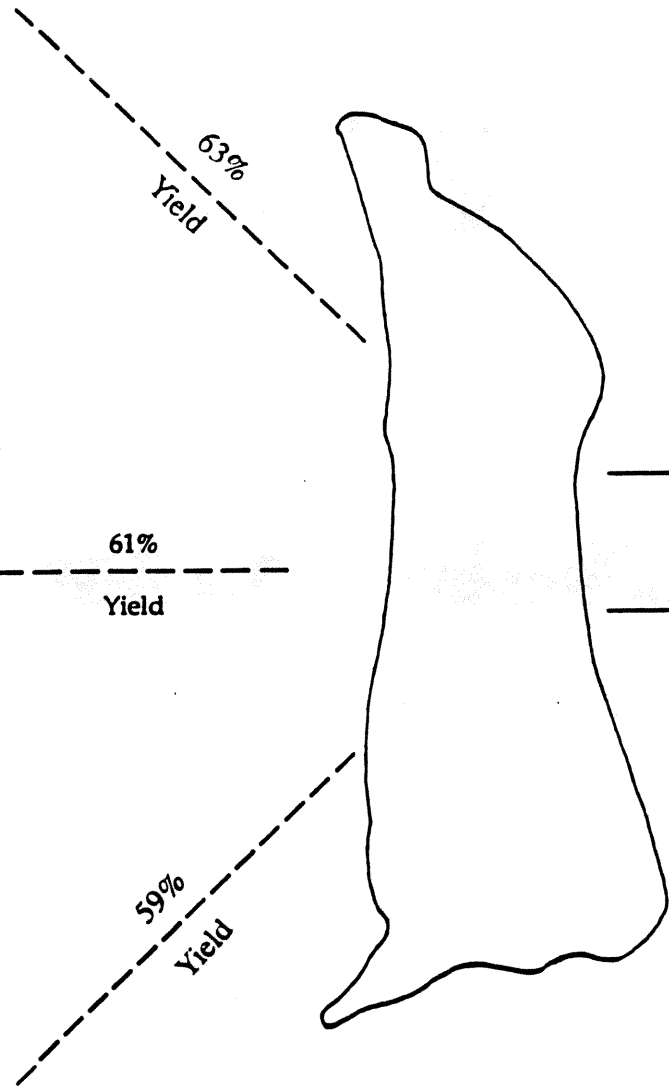


1230 #
Live Weight

\$ _____ /cwt.



1270 #
Live Weight



750 #
Carcass Weight

Carcass Value

(Receive Total Value)

LIVESTOCK EVALUATION DETERMINATION

(Cattle Evaluation Values)

Kind	Carcass Price				Weight Breaks				
	Quality Grade		Yield Grade		Under 300	300-600	600-900	900-1200	Over 1200
	Choice	Select	1 & 2	3 & 4					

(BUYER'S LIVE EVALUATION)

_____ % Choice (Base Value) \$ _____ / cwt.
 _____ % Select \$ _____ / cwt.
 _____ % Cutability Discount \$ _____ / cwt.
 _____ % Sort Discount \$ _____ / cwt.
 Carcass Price \$ _____ / cwt.
 Estimated Yield _____ %
 Live Value \$ _____ / cwt.