

**McBryde, Gary L**

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**From:** (b)(7)c  
**Sent:** Tuesday, June 30, 2009 2:51 PM  
**To:** McBryde, Gary L; (b)(7)c  
**Cc:** Johnson, Jay A; Christian, Alan R; (b)(7)c  
**Subject:** Percent of Packer to Packer Sales in the Negotiated Market  
**Attachments:** packerpercentages2.xlsx

Gary

Below is the average percent of packer to packer hog sales being reported in the AMS negotiated market over the past several years in Western Cornbelt (WCB). Prior to 2006, AMS reported (b)(4) (b)(4) hogs being sold to (b)(4) as being sold on the negotiated market, as producer owned. After 2006 complaint, AMS began reporting such transactions as packer-owned hogs. The other factor that caused a rapid increase of one packer selling to another packer in 2006 of over 10% was (b)(4) the Western Cornbelt. (b)(4) (b)(4) (b)(4) sold several loads a day to (b)(4) in the open market which increased the number of packer-owned negotiated transactions. The highest percent of packer to packer sales reported on the Western Corbelt occurred March 1, 2007, with 56% of the negotiated market consisted of one packer selling to another packer. Remember that packer negotiated hogs are part of the 8% hogs being reported in the negotiated market.

Packer to Packer  
Sales on the  
negotiated Market

WCB Annual  
Averages

2001	0.03%
2002	0.44%
2003	0.11%
2004	0.03%
2005	0.00%
2006	10.30%
2007	15.36%
2008	10.09%
2009	4.15%

Attached is the spreadsheet to support our analysis.

If you have questions, please advise

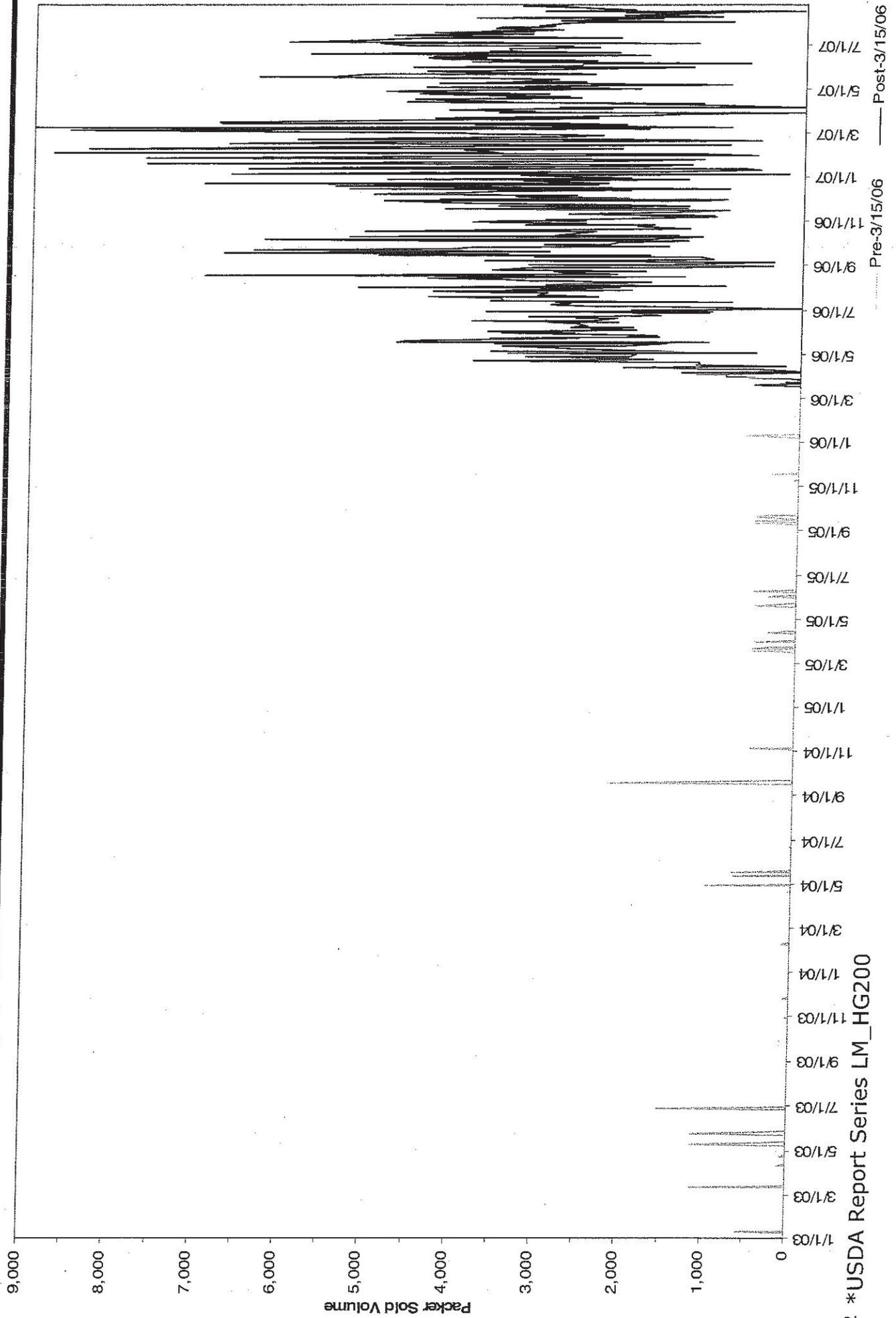
(b)(7)c

Gary -

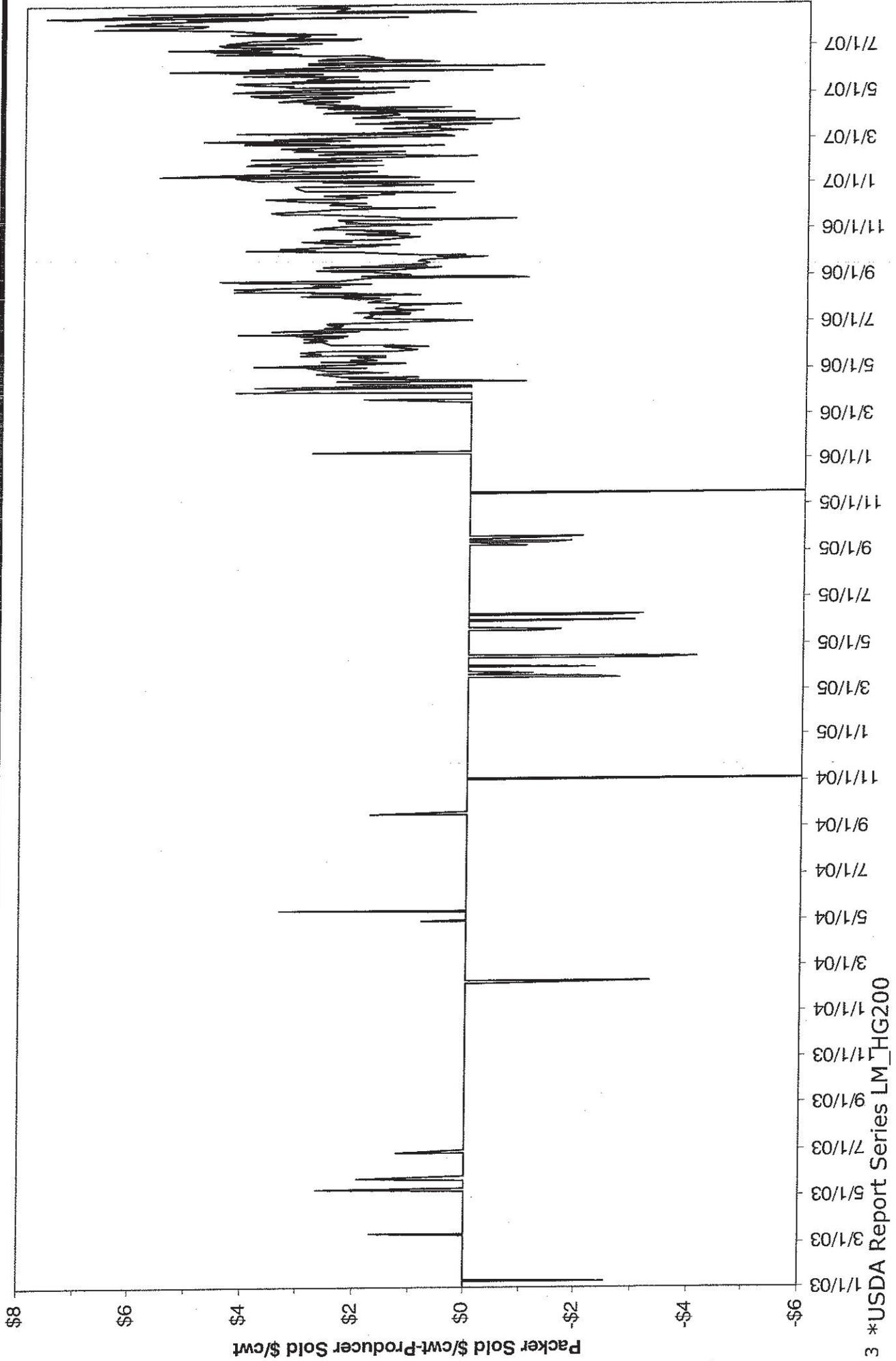
# Hog Market Analysis

8/30/2007

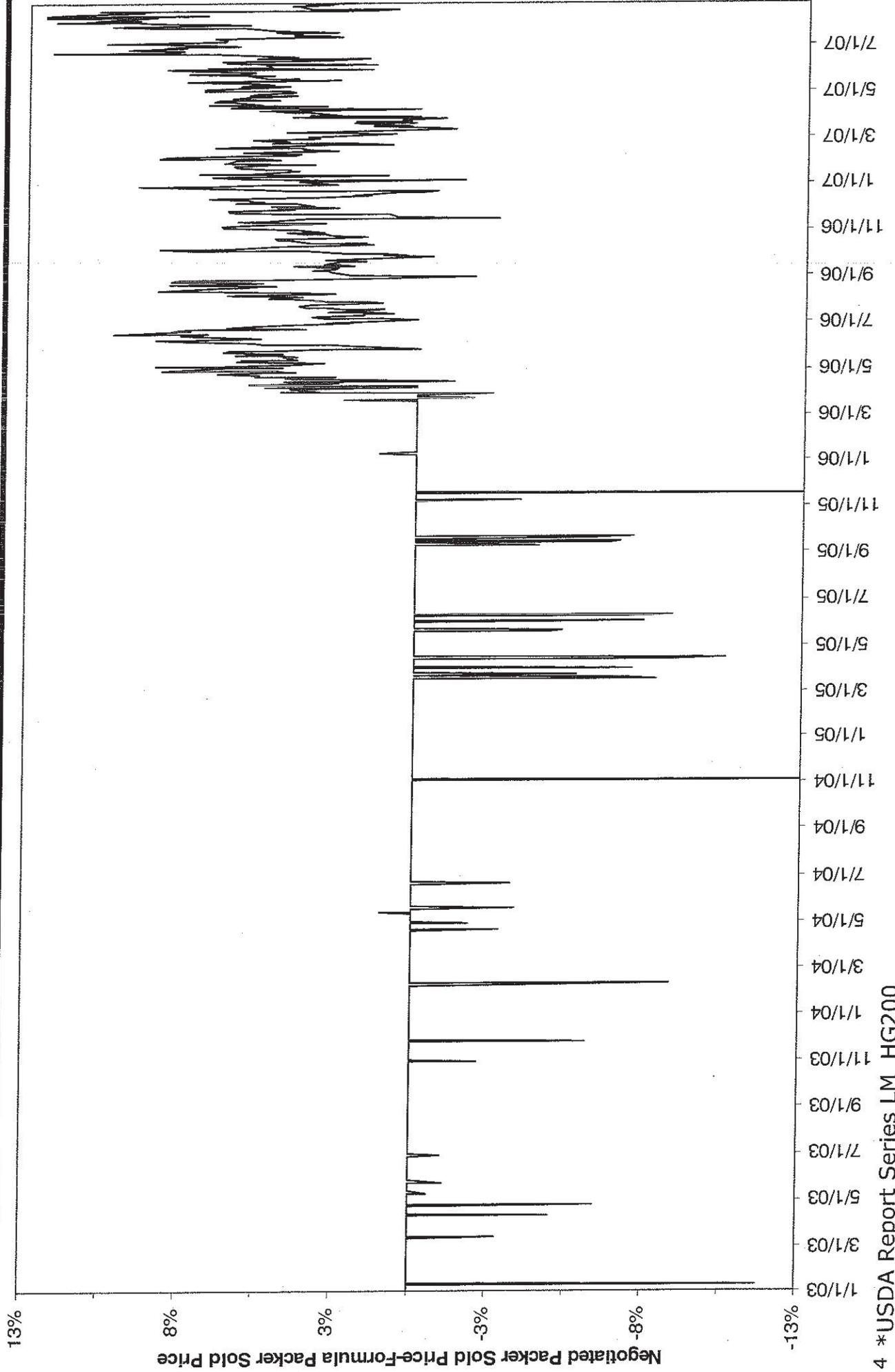
# Packer Sold Hogs volume increased dramatically after USDA Packer Sold classification change on 3/15/2006



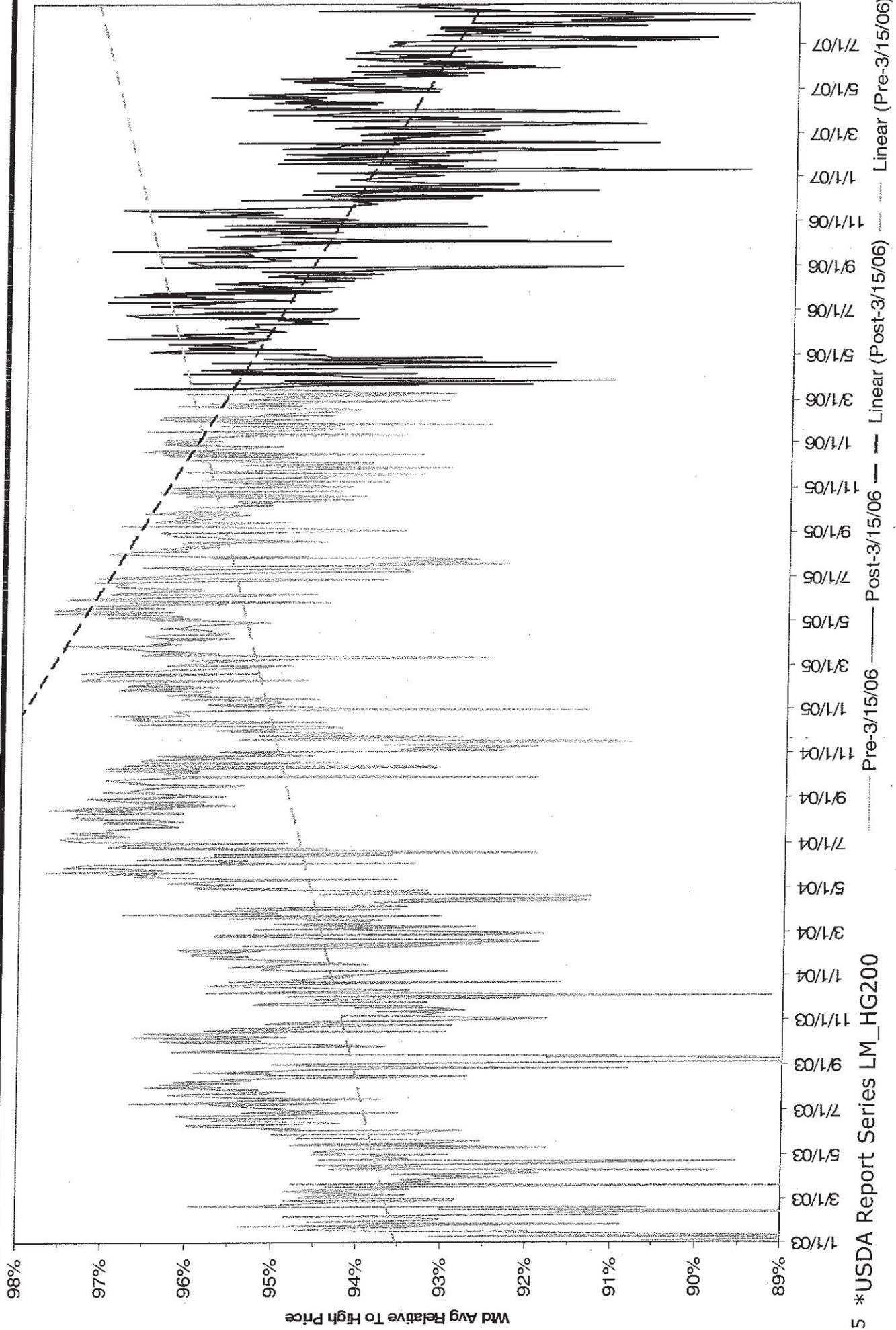
# Packer Sold hogs were immediately more valuable as demonstrated by the producer achieved price vs the packer achieved price



# Relationship between Packer Negotiated Hogs and Packer Formula Hogs has reversed



# Trend relationship between daily High Price and Wtd Avg has shifted; Daily Wtd Avg pulling away from High Price

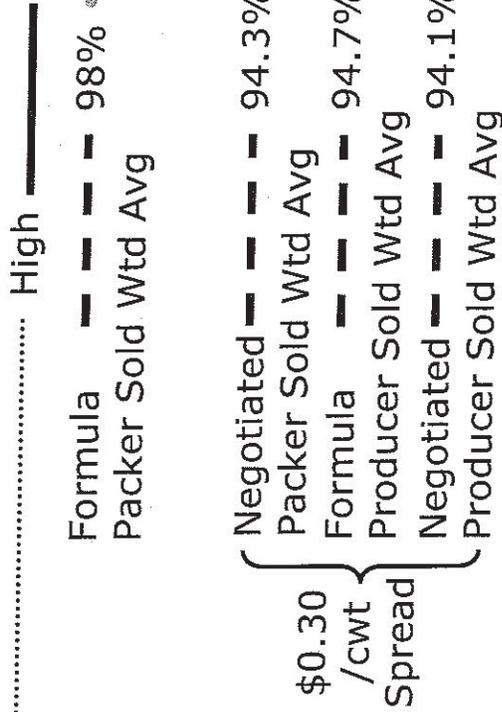


# Live Hog Market Analysis Methodology

$$\frac{\text{Wtd Avg Price}}{\text{High Price}} = \text{Wtd Average Relative Position To High Price}$$

## Before Rule Change

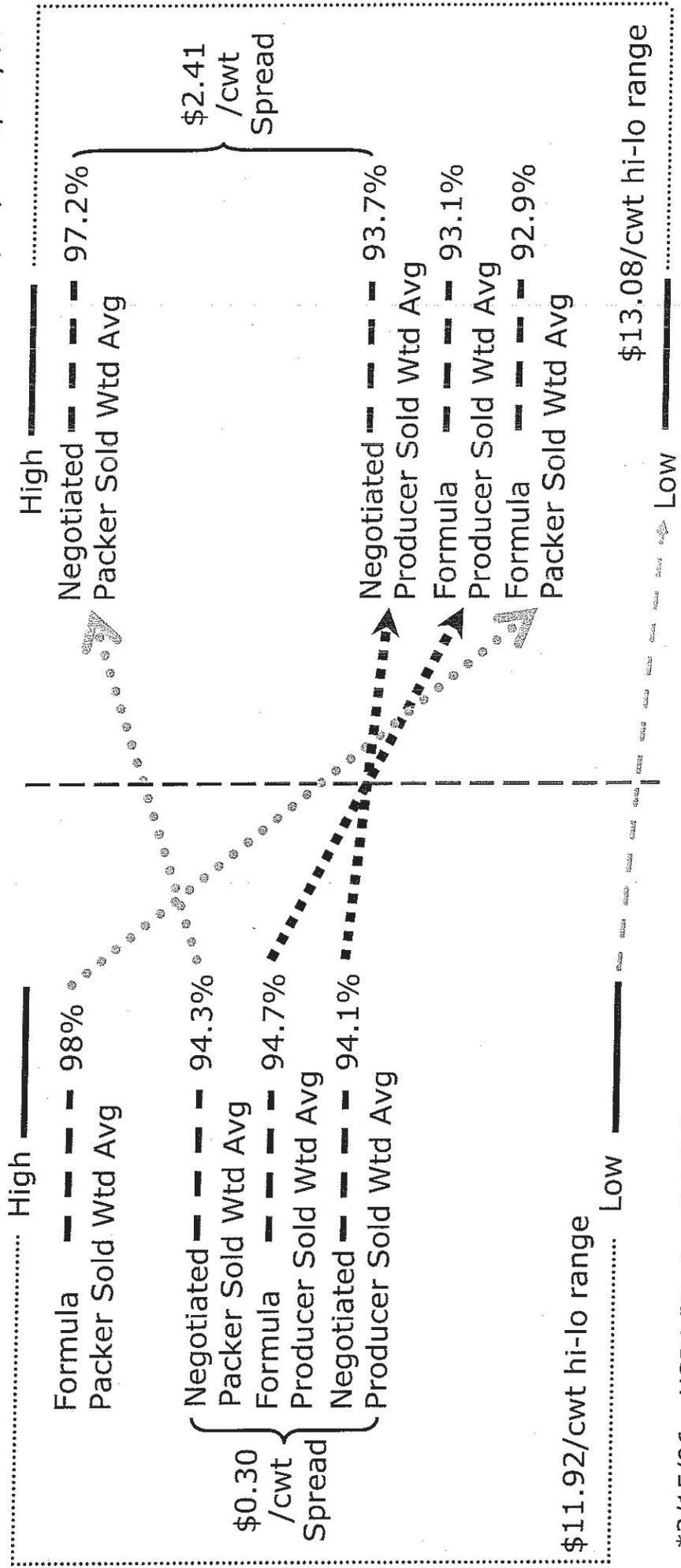
5/2/01-3/15/06\*



## Negotiated & Formula Hog Prices

After Rule Change

3/16/06-8/24/07

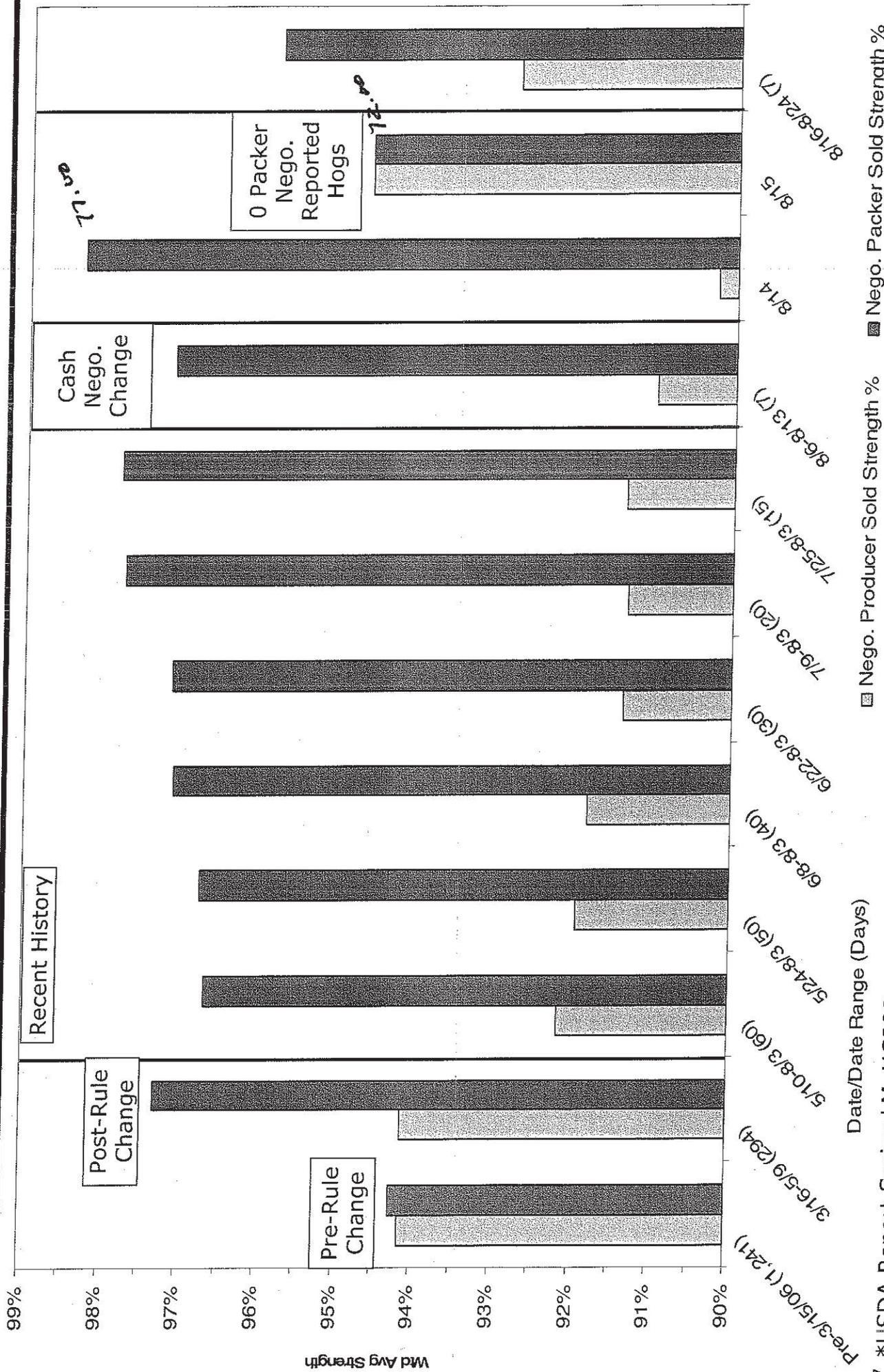


\*3/15/06 – USDA "Packer Sold" Classification Change

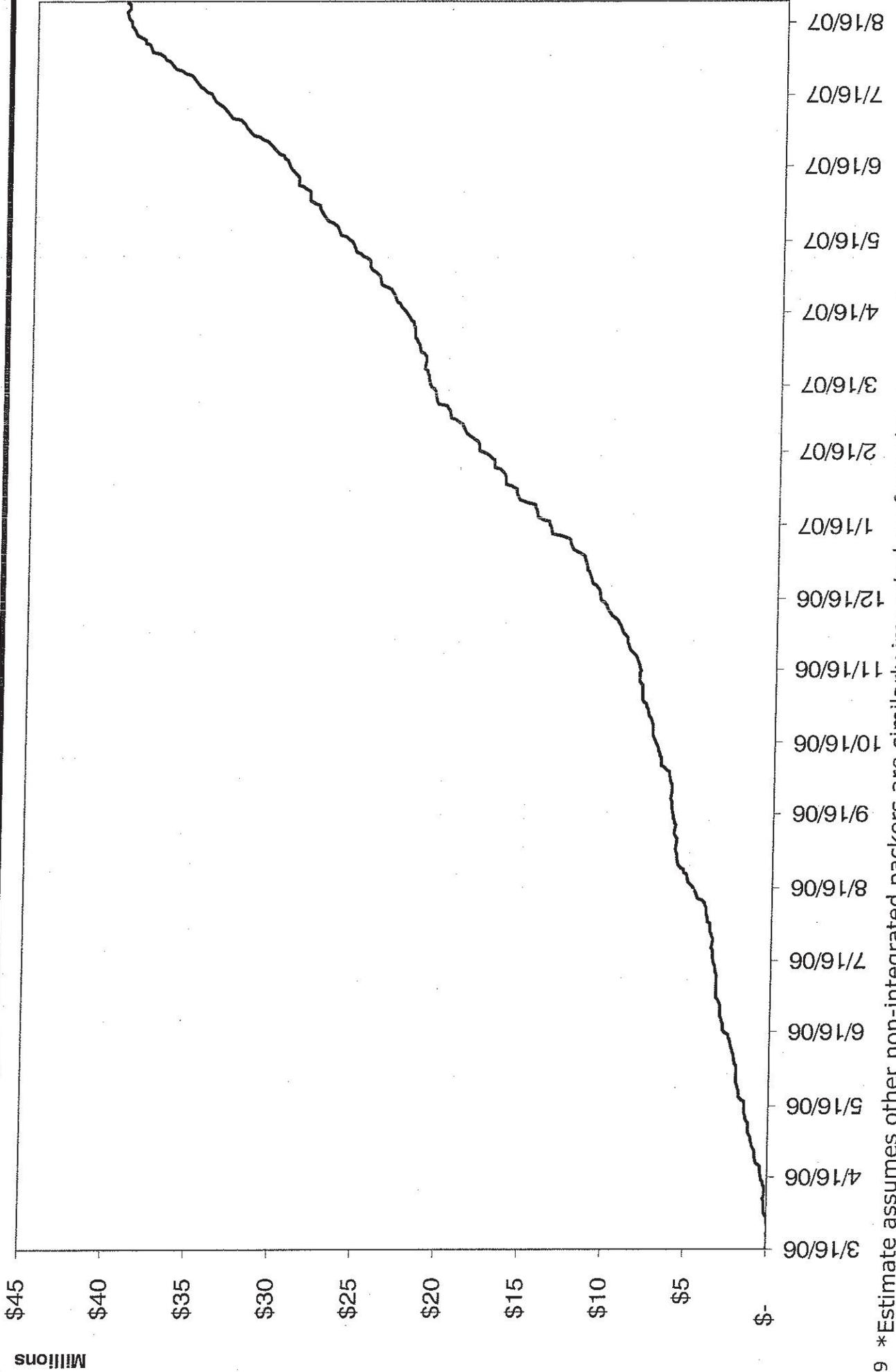
\*\*USDA Report Series LM\_HG200 Through 8/24/07

6 \*\*\*Formula Wtd Avgs include "Other Market Formula", "Swing Or Pork Market Formula" & "Other Purchase Agreement"

# Packer sold hogs consistently achieve higher averages than Producer sold hogs. Differential price gap is growing.



# Loss is estimated between \$30-\$50M dollars to non-integrated packers who depend on market based formula contracts



9 \* Estimate assumes other non-integrated packers are similarly impacted on formula agreements



(b)(4)

COMPETITION INVESTIGATION C8I4 WORKPLAN

*g*  
Lead Investigator:

Investigator:

Lead Supervisor:

Legal Specialist:

IAD Contact:

SMRP Meeting:



(b)(7)c

Pages 2 through 6 redacted for the following reasons:

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(b)(5) predecisional and deliberative

UNITED STATES DEPARTMENT OF AGRICULTURE  
GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION  
210 WALNUT STREET, SUITE 317  
DES MOINES, IOWA 50309

INVESTIGATIVE REPORT

Date:	File No.	Report Made By:
April 15, 2010	42996	(b)(7)c Legal Specialist

(b)(4)

**Unlawful Practices**

**SYNOPSIS OF FACTS:**

(b)(4) Non-responsive

Non-responsive

The major findings of the document review were as follows:

- The subpoena response did not yield documents that addressed (b)(4) rationale behind the premium/discount schedule used in the open market transactions. (b)(4)  
(b)(4)
- (b)(4) were aware of the impact of their transactions on the weighted average price reported by AMS.
- There were no documents supporting the allegation that (b)(4) and (b)(4) were participating in an agreement to buy hogs at an inflated price.
- A relatively small minority of the hogs sold by (b)(4) to (b)(4) packers were priced using formulas that reference the reported prices artificially inflated by (b)(4) actions (Western Cornbelt or Iowa-Minnesota).
- November 1, 2004 handwritten notes from a three hour meeting between (b)(7)c (b)(7)c (b)(4) discussing open market pigs. One notable entry in these notes shows (b)(7)c as advising that it is important for (b)(4) to purchase hogs on the open market to keep live hog prices high.
- (b)(7)c tries to convince the (b)(4) and cause more competition in the market place.

- Internal email correspondence showed (b)(7)c expressing concern to the procurement staff regarding the price levels paid to open market producers during the summer of 2007. (b)(7)c repeatedly urged the procurement staff to work procurement costs lower.
- In September 2007, (b)(4) & (b)(7)(C) (b)(4)
- In a handwritten letter to (b)(7)c dated October 30, 2007, (b)(7)c attributed the following statement to (b)(7)c (b)(4) (b)(4) (b)(7)c noted on the same document that (b)(7)c confronted (b)(7)c regarding this issue and (b)(7)c suggested the statement did not accurately reflect (b)(4) philosophy.
- During the depositions it was discovered that (b)(4) submits (b)(4) procurement data to AMS. (b)(4) denied small producers access to their plant so that they could purchase from (b)(4)

## Background:

On January 8, 2007 the MRO received a complaint from (b)(7)d (b)(7)d concerning the pricing and price reporting of hogs on January 5, 2007 in the Western Cornbelt. (b)(7)d stated that AMS initially reported an afternoon weighted average price for the Western Cornbelt at \$54.89, based on 7,202 head but published a correction to the afternoon report by adding an additional 5,933 head, which increased the weighted average price to \$57.20; an increase of \$2.31. In consultation with AMS, MRO identified (b)(4) as the packer that caused the price correction.

## (b)(4) Depositions:

After reviewing the documents supplied by (b)(4) (b)(5) attorney-client privilege jointly determined to depose three (b)(4). The individuals selected to be deposed were

- July 22 and 23, 2008, (b)(7)c
- August 11, 2008, (b)(7)c
- September 25-26, 2008, (b)(7)c (b)(7)c

(b)(4) all testified that the (b)(4) played a passive role in any day to day operations of the plant. Neither (b)(7)c could recall addressing open market procurement in (b)(4), or played any role in the development of (b)(4) open market purchase program. Documents received from (b)(4) suggested that (b)(4) (b)(5) Predecisional and Deliberative (b)(7)c testified that this interest was prompted by Iowa's corporate farming law requiring packers to purchase 25 percent of its slaughter on the open market.

(b)(4)

(b)(4) **Depositions:**

The next stage of the investigation was deposing the officers and procurement staff of (b)(4) (b)(4) The individuals selected were (b)(7)c (b)(7)c

The (b)(7)c deposition took place on May 29, 2009. (b)(7)c testified that market conditions forced (b)(4) to pay the high prices observed during the Summer of 2007. (b)(7)c said the primary factor forcing (b)(4) to pay high base prices relative to other packers was the (b)(4) High prices were necessary to induce producers to sever a relationship with a closer packer and ship the hogs (b)(4)

(b)(7)c stated (b)(7)c could not recall the specific details surrounding the conversation between (b)(7)c and (b)(7)c regarding the statement that (b)(4) wanted to carry a high price in the market. (b)(7)c explicitly denied any role in purchasing hogs at a price higher than necessary for any reason. (b)(7)c also denied the possibility of any type of arrangement with (b)(4) or intentionally paying inflated prices for the benefit of (b)(4)

The (b)(7)c testimony occurred on June 3-4, 2009. (b)(7)c testified, in general, that (b)(4) purpose in (b)(4)

(b)(7)c testified that in (b)(7)c dealings with (b)(4) (b)(7)c has seen nothing that raises suspicion that they were colluding in any way. However, (b)(7)c related one incident which caused (b)(7)c to be suspicious that (b)(7)c was attempting to time the transaction for maximum impact on the reported AMS price.

The (b)(7)c deposition occurred on June 10-11, 2009. (b)(7)c testified that (b)(4) never intended to pay higher prices than necessary for hogs. (b)(7)c also testified that (b)(7)c was the primarily responsible (b)(7)c (b)(7)c

The (b)(7)c deposition occurred on June 17-18, 2009. (b)(7)c explained the (b)(4) (b)(4) (b)(7)c testified that (b)(7)c management objective (b)(4) b 4 (b)(4) (b)(7)c explanation of the email notifying (b)(7)c (b)(7)c price impact following the January 2007 reporting error is contained in the following excerpt from the deposition transcript.

After examining the transcripts further it was discovered that (b)(4) misrepresented matrixes to farmers and have (b)(4) submit their procurement data to AMS. Plus (b)(4) denied small producers access to their plant so that they could purchase from (b)(4)

Non-responsive

(b)(4) Case Description  
August 24, 2007

**The Players:**

Non-responsive

Non-responsive

Non-responsive

Non-responsive

In January, 2007 the Packers and Stockyards Program's Midwestern office began receiving complaints from other large hog packers including (b)(4) that (b)(4) purchases from the (b)(4) producers was significantly increasing their costs of hog procurement by artificially inflating hog prices published daily by the Agricultural Marketing Service.

**Agricultural Marketing Service:** The Agricultural Marketing Service (AMS) publishes a morning and afternoon hog price report as part of the Livestock Mandatory Price Reporting Act (LMPR Act). Under the LMPR Act packers are required to report twice daily information on hogs they purchase. Relevant to this case, packers report a definition of their base hog, a base price for the base hog (the prices are on a carcass basis), and a schedule of premiums and discounts applied to hogs that fail to meet the specifications (say percent lean and loin depth) of the base hog. The definition of a particular packer's base hog and the schedule of premiums and discounts tend to be constant over time and are based on business strategies related to procurement and the retail niche the packer is filling. Alternately, the base price is negotiated daily on supply-demand conditions.

The reporting process is each packer provides to AMS the number of hogs purchased and the base price offer for the hogs. AMS then applies the packer's schedule of premiums and discounts to calculate an industry net price for a matrix (or grid) of carcass quality characteristics. AMS then publishes twice daily the base price range (attachment 1.A), and the weighted (by all packers volumes) base price (attachment 1.B), and a grid of net prices by different carcass characteristics (attachment 1.C).

**Industry Reporting Practices:** Historically, packers tended to provide definitions of their base market hogs so that some hogs earned a premium value and some were discounted off the base price. The idea being that the base price (or target) of the grid was the carcass characteristics the packer was seeking for processing or marketing reasons.

(b)(4) & (b)(5)

(b)(4) & (b)(5)

(b)(4) Practices: (b)(4)

(b)(4)

The definition allows for a significantly higher base price offer (compared to other packers) but after the grid discounts are applied to the carcass the net price is close to the market's net price. (b)(4)

(b)(4)

(b)(4) Both grids result in similar net prices, with the net effect being the packing facility does not bear significantly different costs of hogs procured from the negotiated

(b)(4) The procurement of negotiated (b)(4) hogs with the high base price offer, does however, significantly push the AMS base price up (\$1-5 per cwt) when

(b)(4) enters the market.

(b)(4) stand to benefit from the inflated AMS base price when they sale hogs to competing packers independent of (b)(4) (b)(4) benefit because

Competing packers had existing contracts with (b)(4) that referenced the AMS base price for purposes of establishing a transaction price. The net

effect of the inflated AMS base price and the existing contracts referencing the AMS base price is that (b)(4) receive a higher price than they would have otherwise.

As a consequence of (b)(4) definition of a base market hog and the subsequent purchases from (b)(4) competing packers are paying significantly

higher prices for hogs, either bought from (b)(4) or other hog producers.

(b)(4)

Figure 1. Relevant entities and transactions in (b)(4) case.

In summary, (b)(4) actions involve a buying and selling component. The buying component is:

(b)(4)

(b)(4) The

selling component, which provides (b)(4)

(b)(4)

(b)(4) These three key characteristics are identified by a lower case letter in the reference below for establishing existing data on the case (Table 1).

Table 1. Summary of existing evidence, significance, and value to case.

(b)(5) Predecisional and Deliberative
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Table 1. Continues

Table 1. Continued.

(b)(5) Predecisional and Deliberative

**Data Relevance:** Assessing the relevance of existing case data by each of the three key actions (b)(4) is engaged in, the first action is related to does (b)(5) Predecisional and Deliberative (b)(5) Predecisional and Deliberative This is well documented (Exhibits E-F2).

Documentation for whether (b)(4) (b)(4) is also well documented (Exhibits G-K).

The selling action by (b)(4) and the benefit amount (or increase cost to (b)(4) is much less documented than the first two buying components. Exhibits L and N document (b)(4) (b)(4)

**Evidence Limitations:** A limitation on the buying side is that (b)(7)c indicated in (b)(7)c affidavit that the (b)(4) b 4

(b)(4)

(b)(4) & (b)(7)(C) This suggests (b)(4) & (b)(5)

(b)(4) & (b)(5)

(b)(4) & (b)(5) Considerations such as these suggest (b)(4) & (b)(5) b 4 & b 5

(b)(4) & (b)(5) Although somewhat terminological, these observations relate to the legality, or if a lack thereof to the question of (b)(5) Predecisional and Deliberative The chart in Exhibit G also suggests (b)(5) Predecisional and Deliberative (b)(5) Predecisional and Deliberative

<sup>1</sup> Specifically, (b)(7)c stated: (b)(4)

(b)(4)

<sup>2</sup> "Price discovery" and "price determination" are economic terms of art. Price discovery is how buyers and sellers learn what each will agree on as a particular price to effect a given transaction. Price determination refers to how the broad forces of supply and demand interact to establish a market price that buyers and sellers agree is acceptable for trade. In cases of monopoly, the single seller has sufficient market power that they can restrict output (alter supply) to raise prices or "determine" prices.

Currently, the limitation in evidence on the selling side of (b)(4) actions is whether

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative, it would seem either

(b)(5) Predecisional and Deliberative

Currently we have evidence suggesting (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

**Summary:** (b)(4) is using two distinct pricing grids, (b)(4)

(b)(4)

(b)(4) that appears (b)(5) Predecisional and Deliberative That is,

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative Evidence

shows the effect of (b)(4) base hog definition causes base

prices paid for (b)(4) hogs to be significantly higher, which in turn causes the

reported AMS negotiated base hog price to be significantly higher when (b)(4)

purchases hogs from (b)(4) (b)(4)

(b)(4)

(b)(4) The high

negotiated base price, however, is reported in the AMS price reports and is then

referenced in contracts existing between (b)(4) and packers

competing with (b)(4) These contracts were in existence prior to (b)(4)

(b)(4) program.

The effect is that (b)(4) can artificially (through a non-value added method) inflate benefits to (b)(4) The single largest evidence limitation

is a lack of information connecting (b)(4) together in designing

the (b)(4) with the intention of benefiting (b)(4)

(b)(4) who sell to competing packers. There is sufficient evidence of the

buying effect on AMS prices, but limited evidence that (b)(4) are benefiting

(although it seems (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

Another issue is whether (b)(5) Predecisional and Deliberative That is, why should

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

While the market may in the longer term discipline (b)(4) there are several short and intermediate term concerns. The actions by (b)(4) are distorting indirectly market prices. This is not just the cash market but appears also to extend into the futures markets. The distorted prices are sending false signals on the cash market to producers, which could lead to greater price volatility through over production and a sudden price deflation.

Another interesting question is the relation between (b)(4) and the (b)(4) (b)(4) it is purchasing from (b)(4) b 4 (b)(4) (b)(4). Is this (b)(5) Predecisional and Deliberative (b)(5) Predecisional and Deliberative

A final concern with (b)(4) actions is if (b)(4) can define a base hog outside the AMS definition, and have AMS accept the artificially high base prices reported by (b)(4) from these transactions, why can't any other (b)(4) do the same? Leaving this path open seems to led to increased confusion in livestock prices.

LM\_HG212  
Des Moines, Iowa

Thu, Aug 09, 2007

USDA Market News

This report is based on information provided by companies that agreed to continue to participate in Livestock Mandatory Reporting on a voluntary basis.

WESTERN CORNBELT DAILY DIRECT AFTERNOON HOG REPORT BASED ON STATE OF ORIGIN  
PLANT DELIVERED PURCHASE DATA FOR Thursday, August 9, 2007 (As of 1:30 PM)

CURRENT VOLUME BY PURCHASE TYPE  
LIVE AND CARCASS BASIS

	Estimated Today	Actual Today	Actual Week Ago	Actual Year Ago
Producer Sold:				
Negotiated	12,591	11,787	9,194	9,678
Other Market Formula	30,815	7,963	24,407	25,319
Swine or Pork Market Formula	77,671	45,939	40,687	32,534
Other Purchase Arrangement	18,077	13,434	12,647	14,776
Packer Sold (All Purchase Types):	8,918	4,086	5,521	5,097

NEGOTIATED PURCHASE (Including Packer Sold)

Barrows & Gilts (carcass basis): 11,033

Compared to Prior Day's closing weighted average (LM\_HG208), 1.78 lower.

Base Price Range \$62.50 - \$78.75, Weighted Average \$72.59

Base Market Hog 185 lb Carcass Basis  
(0.9-1.1 inch back-fat, 6 square inch loin/2.0 depth)

WESTERN CORNBELT DAILY DIRECT NEGOTIATED HOG PURCHASES MATRIX  
185 lb Carcass Basis  
(Defined by Muscle and Fat)

LOIN AREA/DEPTH (INCHES)

BACK-FAT	4.0/1.4		5.0/1.7		6.0/2.0		7.0/2.3		8.0/2.7	
0.4	65.00	80.03	66.44	80.75	66.44	82.25	66.44	83.75	66.44	84.75
0.5	62.50	81.03	65.00	81.03	66.44	81.50	66.44	83.00	66.44	84.25
0.6	62.50	79.78	65.00	81.03	66.50	81.03	68.00	82.25	69.00	83.75
0.7	62.50	78.53	62.50	79.78	65.00	79.78	68.00	81.50	69.00	83.00
0.8	60.50	78.53	62.50	78.53	65.00	79.78	66.50	80.75	69.00	82.25
0.9	60.50	77.03	62.50	77.03	62.50	78.53	65.00	79.75	66.44	81.50
1.0	59.50	74.53	60.50	77.03	62.50	77.03	65.00	78.75	66.44	80.75
1.1	58.50	72.75	60.50	74.53	62.50	75.75	62.50	77.75	62.57	79.75
1.2	58.50	72.75	59.50	72.75	60.50	74.75	62.50	76.75	62.57	78.75
1.4	53.54	72.75	53.54	72.75	53.54	72.75	53.54	74.75	53.54	76.75

CARCASS WEIGHT DIFFERENTIALS

145#	-27.20	-8.16	175#	-3.75	0.00	205#	0.00	0.00
155#	-27.20	-5.00	185#	-1.50	0.00	215#	-3.00	0.00
165#	-10.20	-0.67	195#	0.00	0.00	225#	-5.26	0.00

MEASUREMENTS BASED ON SLAUGHTER DATA SUBMITTED

5 Day Rolling Average Market Hog: 194.94 lb carcass, 0.75 inch back-fat,  
7.05 square inch loin/2.35 inch loin depth, FFLI: 51.38%

Price Range \$66.50 - \$80.75

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 SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

Barrows & Gilts (carcass basis): 44,574

Base Price Range \$62.72 - \$77.72, Weighted Average \$69.93

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 NEGOTIATED PURCHASE (Including Packer Sold)

Barrows & Gilts (live basis, 240-300 lbs): 1,780

Compared to Prior Day's closing weighted average (LM\_HG208), 1.46 lower.

Price Range \$50.99 - \$58.00, Weighted Average \$54.58

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 SOWS

NEGOTIATED PURCHASE (Including Packer Sold)

Sows Purchased (live and carcass basis): 792

	Weight Range	Head Count	Avg Weight	Price Range	Wtd Avg
(Live Basis)	300-449 lbs.	264	401	38.19-42.76	41.26
	450-499 lbs.	96	461	40.19-42.78	42.00
	500/up lbs.	432	562	41.00-44.60	42.68

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 ALL SWINE PURCHASES BY STATE OF ORIGIN

Iowa	45,050	Kansas	836
Minnesota	22,230	Missouri	1,290
Nebraska	11,041	South Dakota	3,863

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 Source: USDA Market News, Des Moines, IA  
 515-284-4460 email: [desm.lgmn@usda.gov](mailto:desm.lgmn@usda.gov)  
<http://www.ams.usda.gov/LSMarketNews>

1500C

Assessment of (b)(4) Case File  
August 8, 2007

**Allegation:** (b)(4) is using an unfair carcass merit buying program with the intent and effect of manipulating prices.

**Mechanism:** To capitalize on a potential price manipulating system, (b)(4) uses a mechanism with coordinated buying and selling components. The buying component consists of (b)(4) (b)(4)

(b)(4) The definition allows for a significantly higher base price offer (compared to other packers) but after the grid discounts are applied to the carcass the net price is close to the market net price. (b)(4)

(b)(4) Both grids result in similar net prices, with the net effect being the packing facility does not bear significantly different costs of hogs procured from the negotiated (b)(4) The procurement of negotiated (b)(4) (b)(4) hogs with the high base price offer, does however, significantly affect the AMS price reports when (b)(4) enters the market.

The selling component of (b)(4) pricing manipulation involves (b)(4) (b)(4) The selling component of the mechanism provides the monetary incentive to (b)(4) The selling component depends on two features. First, it depends on the action taken in the (b)(4) (b)(4) The second feature is that the hogs (b)(4) (b)(4) The net effect of the two features is that (b)(4) receive a higher price than they would have otherwise. That is, the actions significantly increase the price competing packers pay for (b)(4) hogs.

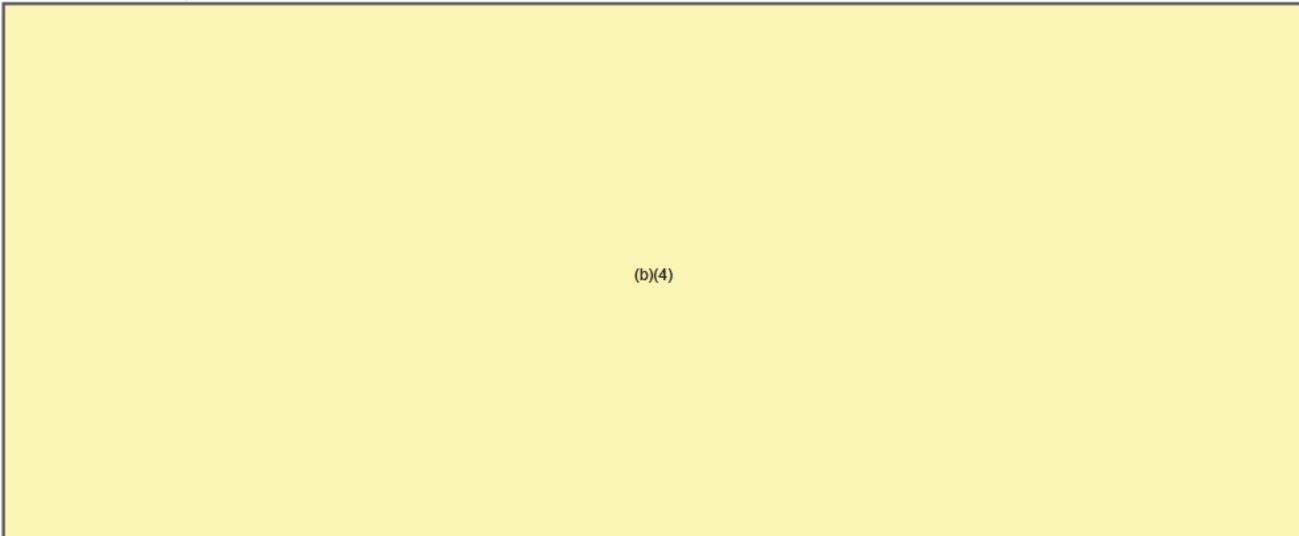


Figure 1. Relevant entities and transactions in (b)(4) price manipulation case.

In summary, the mechanism for (b)(4) to manipulate prices involves a buying and selling component. The buying component relies on: (b)(4)

(b)(4)  
(b)(4) the selling component, which provides the

(b)(4)  
(b)(4) The three key characteristics are identified by a

lower case letter in the reference for establishing evidentiary value (Table 1).

Table 1. Summary of evidence, significance, and value to key price manipulation mechanisms components.

Exhibit	Significance	Evidentiary value to manipulation component
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(b)(5) Predecisional and Deliberative		
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Table 1. Continues

Table 1. Continued.

Exhibit	Significance	Evidentiary Value
(b)(5) Predecisional and Deliberative		

The key mechanisms alleged for (b)(4) to manipulate prices involve both buying and selling activities.

**Evidence Strength:** Assessing the strength of evidence for each key component as listed in the investigative report shows the following points. The key buying component (b)(4)

(b)(4) is well documented (Exhibits E-F2).

The key buying component (b)(4) is also well documented (Exhibits G-K).

The key selling component, which provides (b)(4) This key component is much less documented than the first two buying components. Exhibits L and N document such (b)(4) producers.

**Evidence Limitations:** A limitation on the two buying components is that (b)(7)c indicated in (b)(7)c affidavit that the (b)(4)

(b)(4)

<sup>1</sup> Specifically (b)(7)c stated: (b)(4)

(b)(4)

<sup>2</sup> "Price discovery" and "price determination" are economic terms of art. Price discovery is how buyers and sellers learn what each will agree on as a particular price to effect a given transaction. Price determination refers to how the broad forces of supply and demand interact to establish a market price that buyers and sellers agree is acceptable for trade. In cases of monopoly, the single seller has sufficient market power that they can restrict output (alter supply) to raise prices or "determine" prices.

method (b)(7)c describes to (b)(4) This suggests (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative Considerations such as these suggest (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative Although somewhat terminological, these observations relate to the legality, or if a lack thereof to the question of (b)(5) Predecisional and Deliberative The chart in Exhibit G also

suggests (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

Currently, the limitation in evidence on the selling side of (b)(4) actions is whether

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative Given that (b)(4) are on the (b)(4) it would seem either

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

Currently we have evidence suggesting the (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

There is an additional factor that is a concern, even though (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

**Conclusions:** (b)(4) is using two distinct pricing grids, (b)(4)

(b)(4) (b)(4)

(b)(4) which is published on

AMS's daily hog price reports. Evidence shows the effect of (b)(4)

(b)(4) base hog definition causes base prices paid for (b)(4) hogs to be

significantly higher, which in turn causes the reported AMS negotiated base hog price to

be significantly higher when (b)(4) purchases hogs from (b)(4) b 4

(b)(4)

(b)(4) The high negotiated base price, however, is reported in the AMS price

reports and is then referenced in contracts existing between (b)(4)

and packers competing (b)(4) These contracts were in existence prior to

(b)(4) initiating (b)(4) program.

The effect is that (b)(4) can artificially (through a non-value added method) inflate benefits to its (b)(4) The single largest evidence limitation

is a lack of information connecting (b)(4) together in designing

the (b)(4) pricing grid with the intention of benefiting (b)(4)

(b)(4) who sell to competing packers. There is sufficient evidence of the

buying effect on AMS prices, but limited evidence that (b)(4) are benefiting

(although it seems (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

Another issue is whether (b)(5) Predecisional and Deliberative That is, why should

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

While the market may in the longer term discipline (b)(4) there are several short and intermediate term concerns. The actions by (b)(4) are distorting indirectly market prices. This is not just the cash market but appears also to extend into the futures markets. The distorted prices are sending false signals on the cash market to producers, which could lead to greater price volatility through over production and a sudden price deflation.

On the futures market, there appears (b)(5) Predecisional and Deliberative

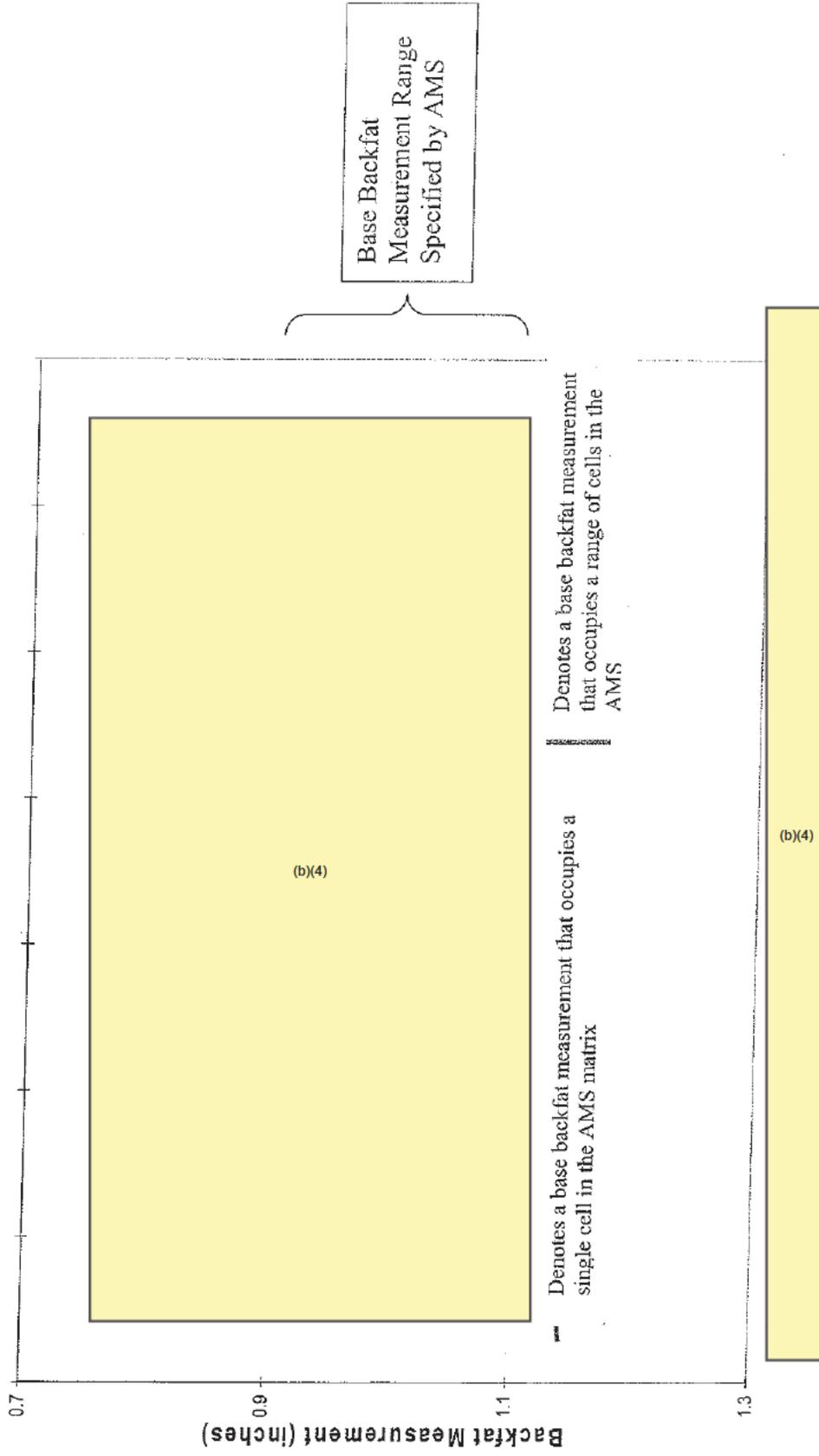
(b)(5) Predecisional and Deliberative . Whether this is (b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative

(b)(5) Predecisional and Deliberative The (b)(4) selling to (b)(4) are, however, (b)(4) (b)(4) or a producer that held a governance position on the (b)(4)

A final concern with (b)(4) actions is if (b)(4) can define a base hog outside the AMS definition, and have AMS accept the artificially high base prices reported by (b)(4) from these transactions, why can't any other (b)(4) do the same? Down this path leads massive confusion in livestock prices.

**Comparison of Packer Base Price Ranges as Defined in the Matrix appearing on the AMS Daily Price Reports (Backfat at 2.0 in loin eye)**



LM\_HG203

Des Moines, Iowa

Wed, May 23, 2007

USDA Market News

This report is based on information provided by companies that agreed to continue to participate in Livestock Mandatory Reporting on a voluntary basis.

NATIONAL DAILY DIRECT AFTERNOON HOG REPORT

PLANT DELIVERED PURCHASE DATA FOR Wednesday, May 23, 2007 (As of 1:30 PM)

CURRENT VOLUME BY PURCHASE TYPE  
LIVE AND CARCASS BASIS

	Estimated Today	Actual Today	Actual Week Ago	Actual Year Ago
Producer Sold:				
Negotiated	29,220	25,818	27,465	19,442
Other Market Formula	24,285	28,710	8,682	12,126
Swine or Pork Market Formula	126,397	78,705	75,147	64,815
Other Purchase Arrangement	32,779	29,493	24,563	27,482
Packer Sold (All Purchase Types):	21,657	10,361	13,637	5,935

-----  
NEGOTIATED PURCHASE (Including Packer Sold)

Barrows & Gilts (carcass basis): 18,547

Compared to Prior Day's closing weighted average (LM\_HG200), .09 lower.

Base Price Range \$63.75 - \$79.50, Weighted Average \$73.60

Base Market Hog 185 lb Carcass Basis  
(0.9-1.1 inch back-fat, 6 square inch loin/2.0 depth)

-----  
NATIONAL DAILY DIRECT NEGOTIATED HOG PURCHASE MATRIX  
185 lb Carcass Basis  
(Defined by Muscle and Fat)

LOIN AREA/DEPTH (INCHES)

BACK-FAT	4.0/1.4	5.0/1.7	6.0/2.0	7.0/2.3	8.0/2.7
0.4	66.25 80.50	67.75 81.50	69.25 83.00	70.25 84.50	70.25 85.50
0.5	63.75 79.68	66.25 80.50	69.25 82.25	70.25 83.75	70.25 85.00
0.6	63.75 81.00	66.25 81.00	67.75 81.50	69.25 83.00	70.25 84.50
0.7	63.75 81.00	63.75 81.00	66.25 81.00	69.25 82.25	70.25 83.75
0.8	61.75 81.00	63.75 81.00	66.25 81.00	67.75 81.50	70.25 83.00
0.9	61.75 77.25	63.75 77.25	<u>63.75 78.50</u>	66.25 80.50	69.25 82.25
1.0	60.75 77.25	61.75 77.25	<u>63.75 77.50</u>	66.25 79.50	67.75 81.50
1.1	59.75 73.51	61.75 74.50	<u>63.75 76.50</u>	63.75 78.50	67.75 80.50
1.2	59.75 73.50	60.75 73.51	61.75 75.50	63.75 77.50	66.25 79.50
1.4	56.25 73.50	59.14 73.50	59.14 73.51	59.14 75.50	59.14 77.50

*AMS  
left  
of base  
hog*

-----  
CARCASS WEIGHT DIFFERENTIALS

145#	-30.00	-7.05	175#	-3.79	0.00	205#	-5.64	0.00
155#	-30.00	0.00	185#	-1.50	0.00	215#	-5.64	0.00
165#	-11.25	0.00	195#	-1.41	0.00	225#	-5.64	0.00

-----  
MEASUREMENTS BASED ON SLAUGHTER DATA SUBMITTED

5-Day Rolling Average Market Hog: 199.17 lb carcass, 0.74 inch back-fat, 7.05 square inch loin/2.35 inch loin depth, FFLI: 51.53%

**Market Comments**

Friday was another very strong day for US hog futures, with October, December and February contracts closing at new contract highs. Even the nearby August contract registered strong gains, despite continuing news of heavy pork supplies coming to market. Indeed, a combination of weekly hog slaughter near 2 million head (+5.6% vs. 06) and also 1% heavier hog carcasses, caused overall weekly pork production for the week to jump by more than 7% compared to last year. Despite estimates of negative margins, packers appear willing to process as many hogs as they can find and pay a premium for doing so. For the week, the lean hog carcass price was an average \$70.99 /cwt, 3.44% higher than a year ago. The pork cutout, on the other hand, was for the week at \$72.09 /cwt, now slightly down compared to last year. Furthermore, the lean hog carcass price on Friday closed at \$72.70 and above the cutout value of \$70.95. It is not often that the cutout trades below the price of hogs, the last time it did was at the end of June and early July following the surge in pork supplies.

At near \$2 per cwt, the spread between carcass and cutout values is very significant and indicates that a) packers are somehow getting ahead of the market and may soon need to adjust their processing plans and avoid further cutout declines; or b) packers are ramping up production in order to fill orders (China orders speculation continues rampant). It is our understanding that USDA pricing reports reflect only prices paid in the US market by US market participants. In the short term, it is possible that packers are receiving revenue streams that are not immediately apparent. However, it is true that US packers are increasing slaughter to fill export orders and those orders start flowing out, we should see an eventual impact on US prices as domestic supplies tighten. As the DLR on August 1 pointed out, it is important to keep an eye on ham cutout values in the second half of the year, an item that normally has a seasonal up and generally carries overall pork prices into the high demand Q4 period. Ham prices closed at around \$66 /cwt this week while the Q4 implied futures price is well over \$90. Ham prices need to gain some traction to justify the very lofty futures prices for October and December. One casualty of the surge in pork supplies this week—pork belly futures for August declined the permissible daily limit of 450 points on Friday.



**CME Commodity Products**

**Daily Livestock Report**

Livestock market information provided by Steve Meyer and Len Steiner.

**PRODUCTION & PRICE SUMMARY**

Item	Units	Week Ending			8/4/2007		
		Last Week 4-Aug-07	Prior Week 28-Jul-07	Last Year 5-Aug-06	2007 YTD	Change	YTD % Change
C FI Slaughter	Thou. Head	671	668	623	20,001.0	6.92%	2.3%
A Avg. Live Weight	Lbs.	1,283	1,282	1,273	1,261.2	0.79%	-0.5%
T Avg. Dressed Weight	Lbs.	781	778	780	766.0	0.13%	-1.1%
T Beef Production	Million Lbs.	522.3	517.9	488.9	15,274.7	6.83%	0.6%
L Live Fed Steer Price	\$ per cwt	90.75	90.63	80.52		12.70%	
E Georgia Feeder Steer Price	600-700 Lbs.	106.91	103.63	104.43		2.37%	
E Beef Cutout Value	600-900 Ch.	143.75	140.77	140.62		2.23%	
H Hide/Offal	\$/cwt	9.74	9.80	8.35		16.85%	
H FI Slaughter	Thou. Head	1,992	1,977	1,887	61,242.0	5.58%	2.3%
O Avg. Dressed Weight	Lbs.	198.0	199.0	196.0	201.6	1.02%	-0.1%
G Pork Production	Million Lbs.	394.7	392	368.4	12,330.5	7.14%	2.2%
S Iowa-S. Minn. Direct	Wtd. Avg.	70.99	70.55	68.63		3.44%	
Natl. Base Carcass Price	Wtd. Avg.	70.34	69.86	65.60		7.23%	
Natl. Net Carcass Price	Wtd. Avg.	72.89	72.36	67.94		7.29%	
Pork Cutout	185 Lbs.	72.09	75.11	72.27		-4.02%	
H Young Chicken Slaughter	Million Head	164.4	165.8	161.3	4,791.4	1.95%	-0.7%
C Avg. Weight	Lbs.	5.48	5.46	5.22	5.4	4.98%	1.1%
T Chicken Production	Million Lbs.	918.5	922.2	857.3	25,967.9	7.14%	0.4%
C Eggs Set	Million	218.3	217.8	214.5	6,487.3	1.75%	0.4%
C Chicks Placed	Million Head	177.3	173.2	173.1	5,298.6	2.42%	0.8%
E 12-City Broiler Price	Composite	76.62	80.51	67.4		16.65%	
N Georgia Dock Broiler Price	2.5-3 Lbs.	80.26	80.64	69.29		15.83%	
T Young Turkey Slaughter	Million Head	5.015	4.832	4.845	136.0	3.51%	1.5%
U Avg. Weight	Lbs.	28.23	28.19	27.49	28.9	2.69%	-0.5%
K Turkey Production	Million Lbs.	141.6	136.2	133.2	3,931.0	6.30%	1.1%
K Eastern Region Hen Price	8-16 Lbs.	88.00	87.70	76.20		15.49%	
G Corn, Omaha	\$ per Bushel	3.14	3.06	2.17	44.70%		
R Wheat, Portland	\$ per Bushel	6.54	6.58	3.95	65.57%		
A Wheat, Kansas City	\$ per Bushel	6.30	6.34	4.71	33.76%		
I Soybeans, S. Iowa	\$ per Bushel	7.90	7.48	5.43	45.45%		
N Soybean Meal, 48% Decatur	\$ per Ton	207.10	207.30	162.40	27.52%		

\* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

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(b)(4)

Analysis

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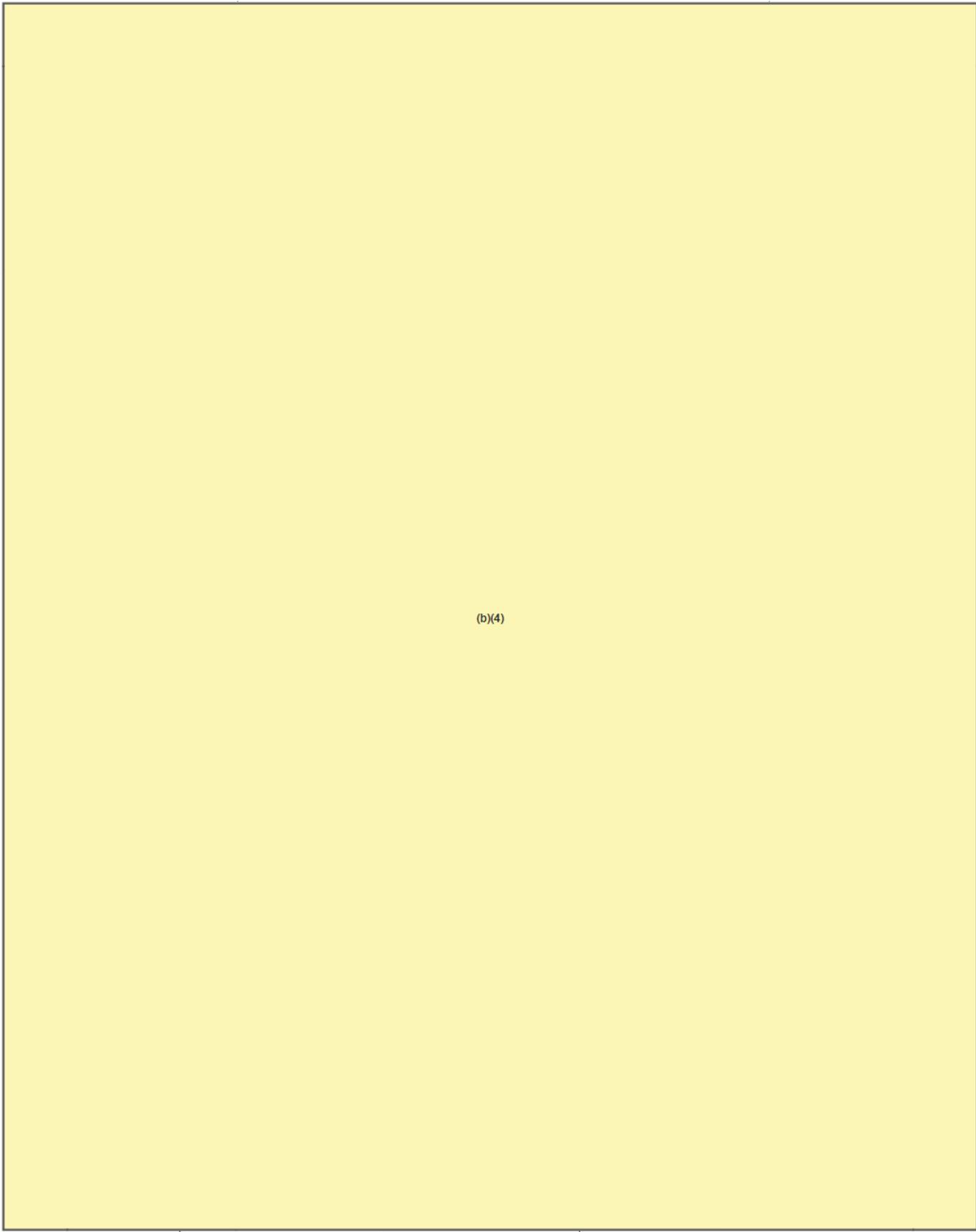
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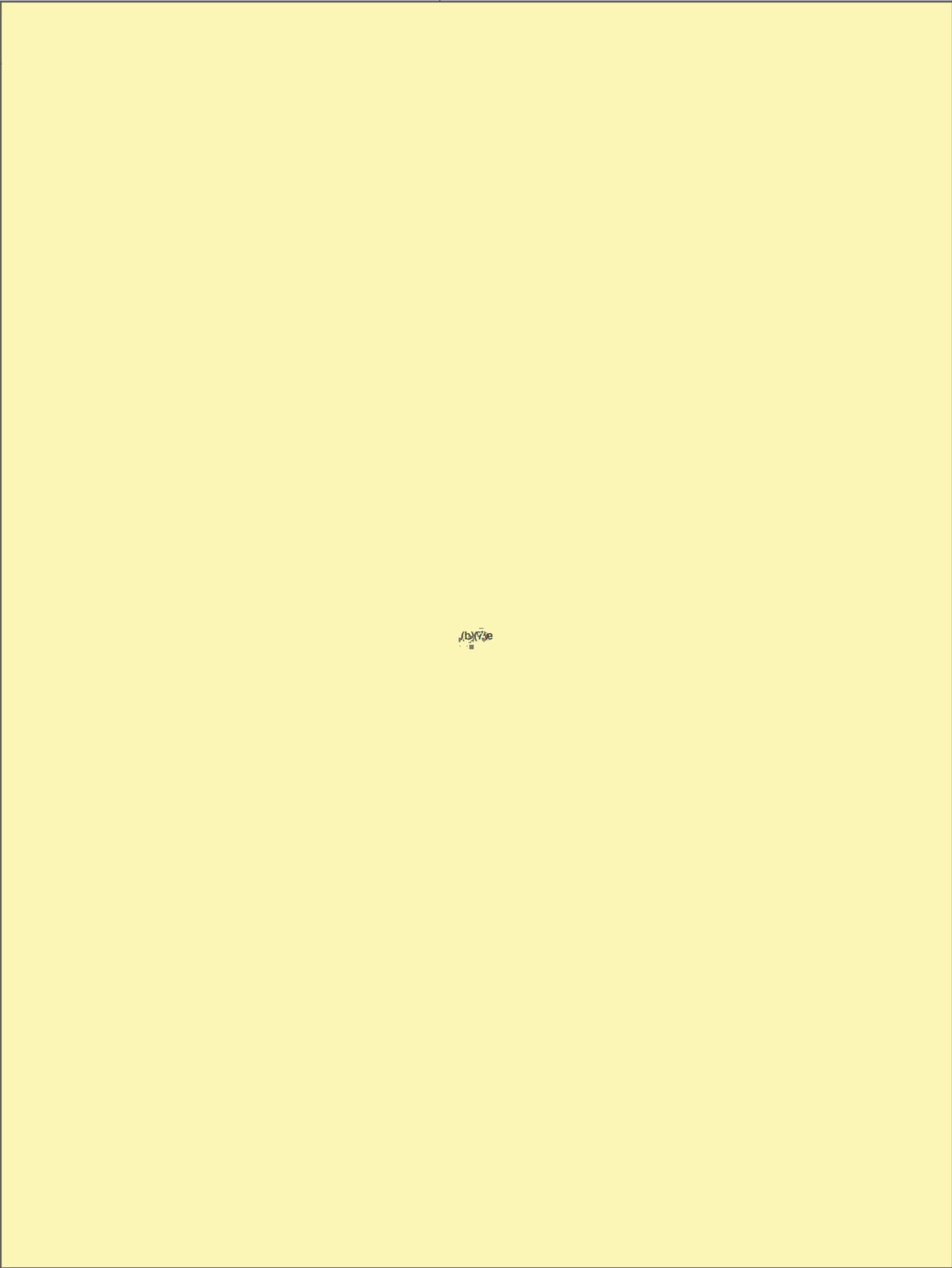


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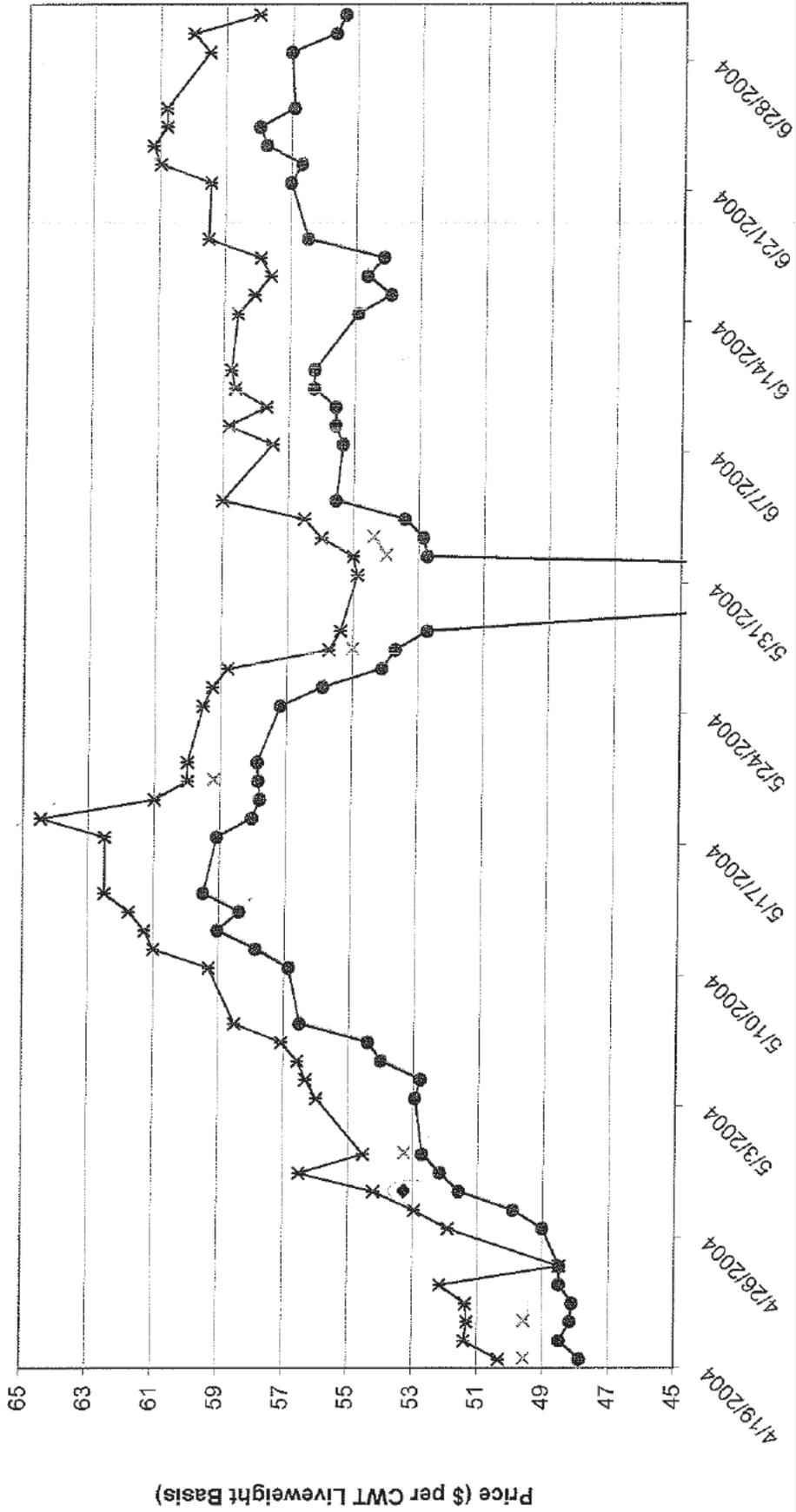
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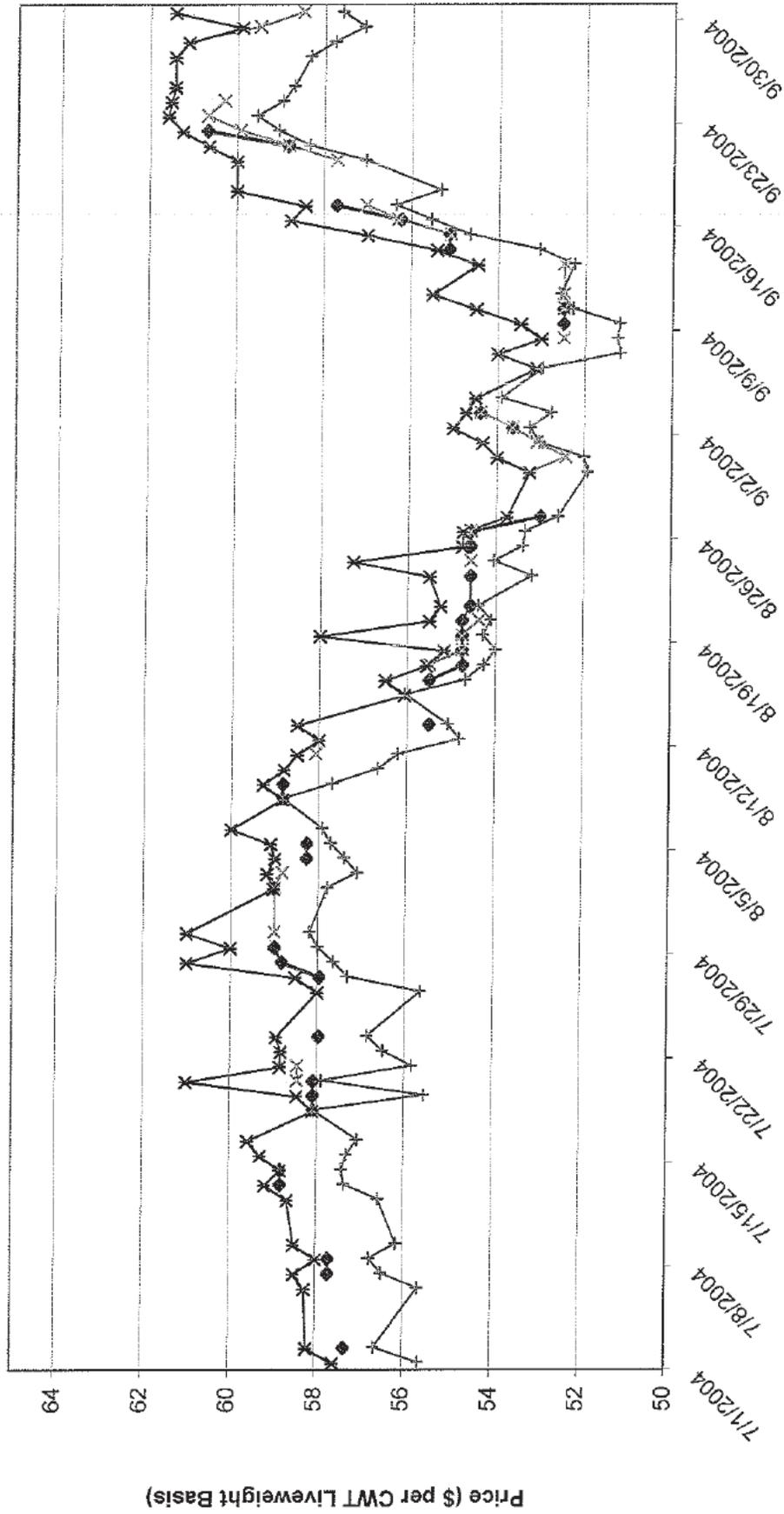
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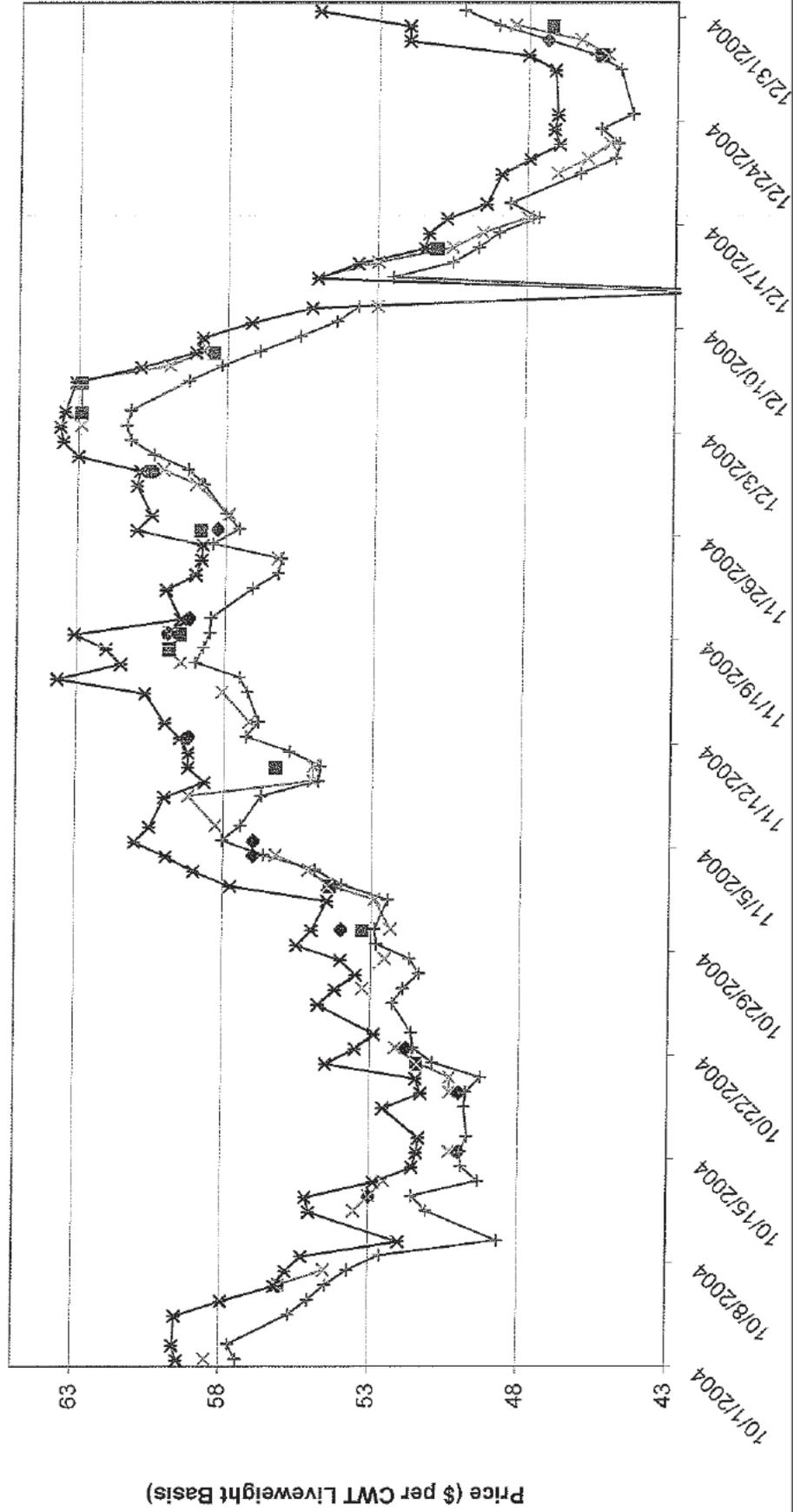
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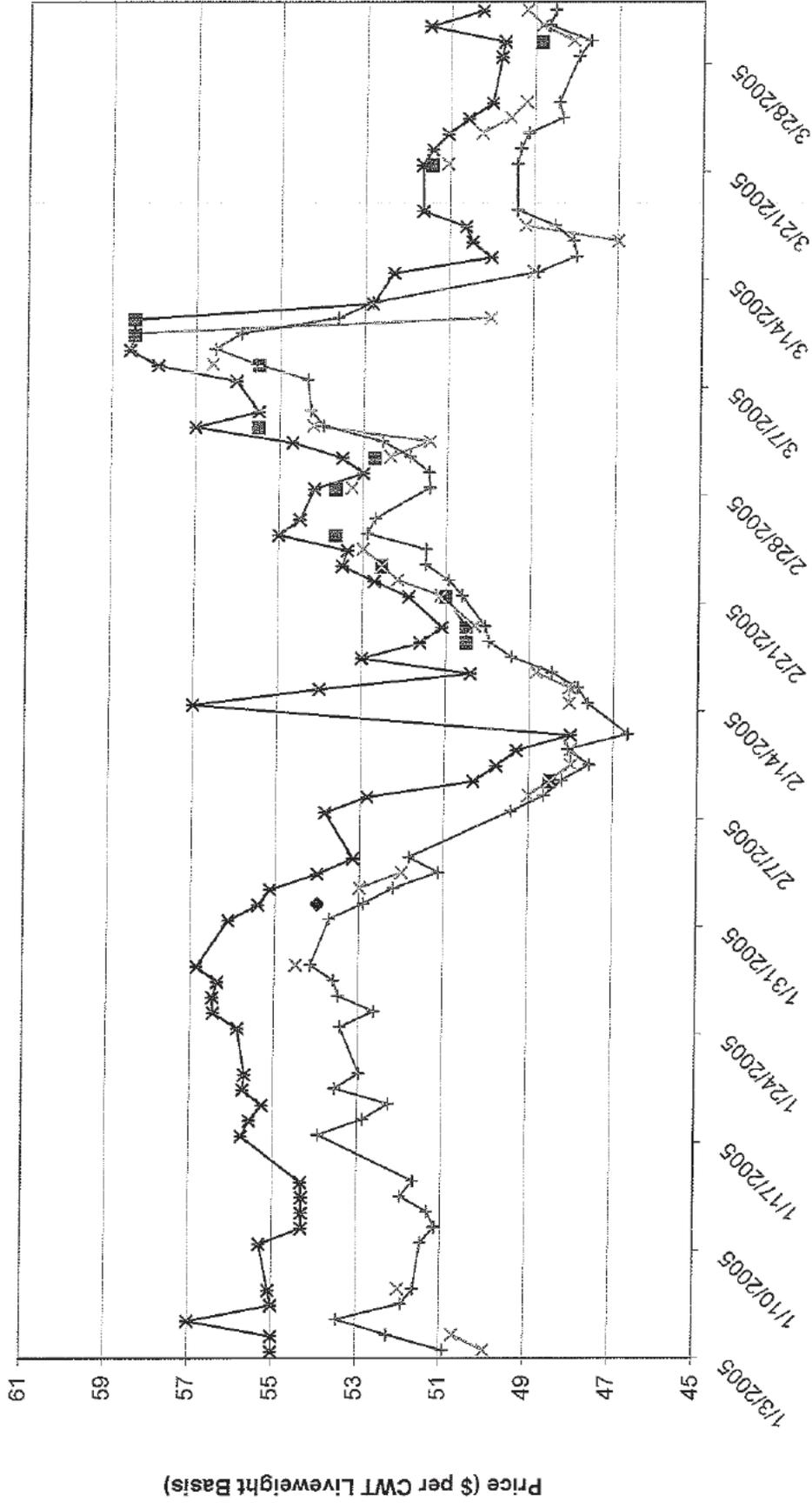
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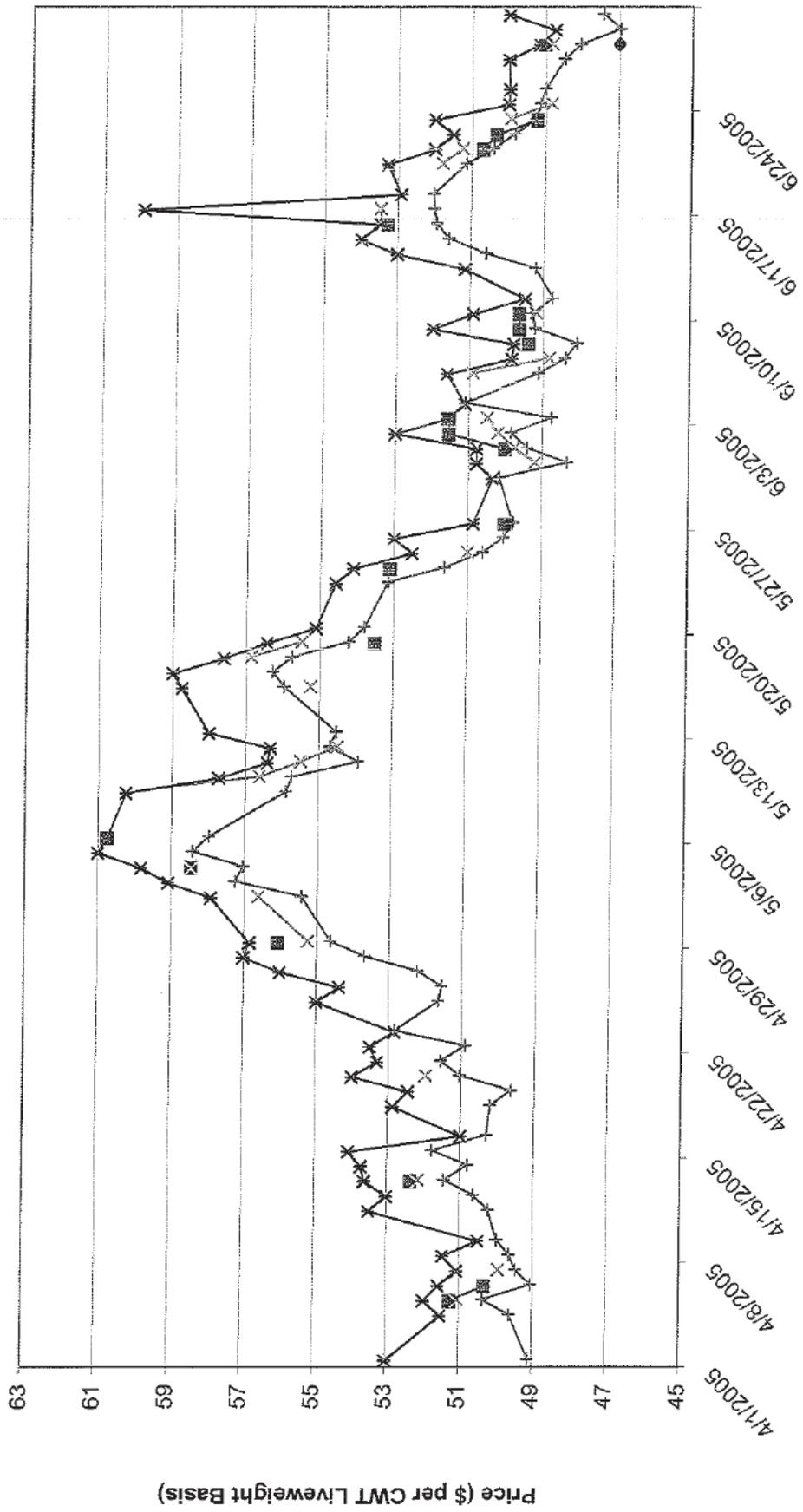
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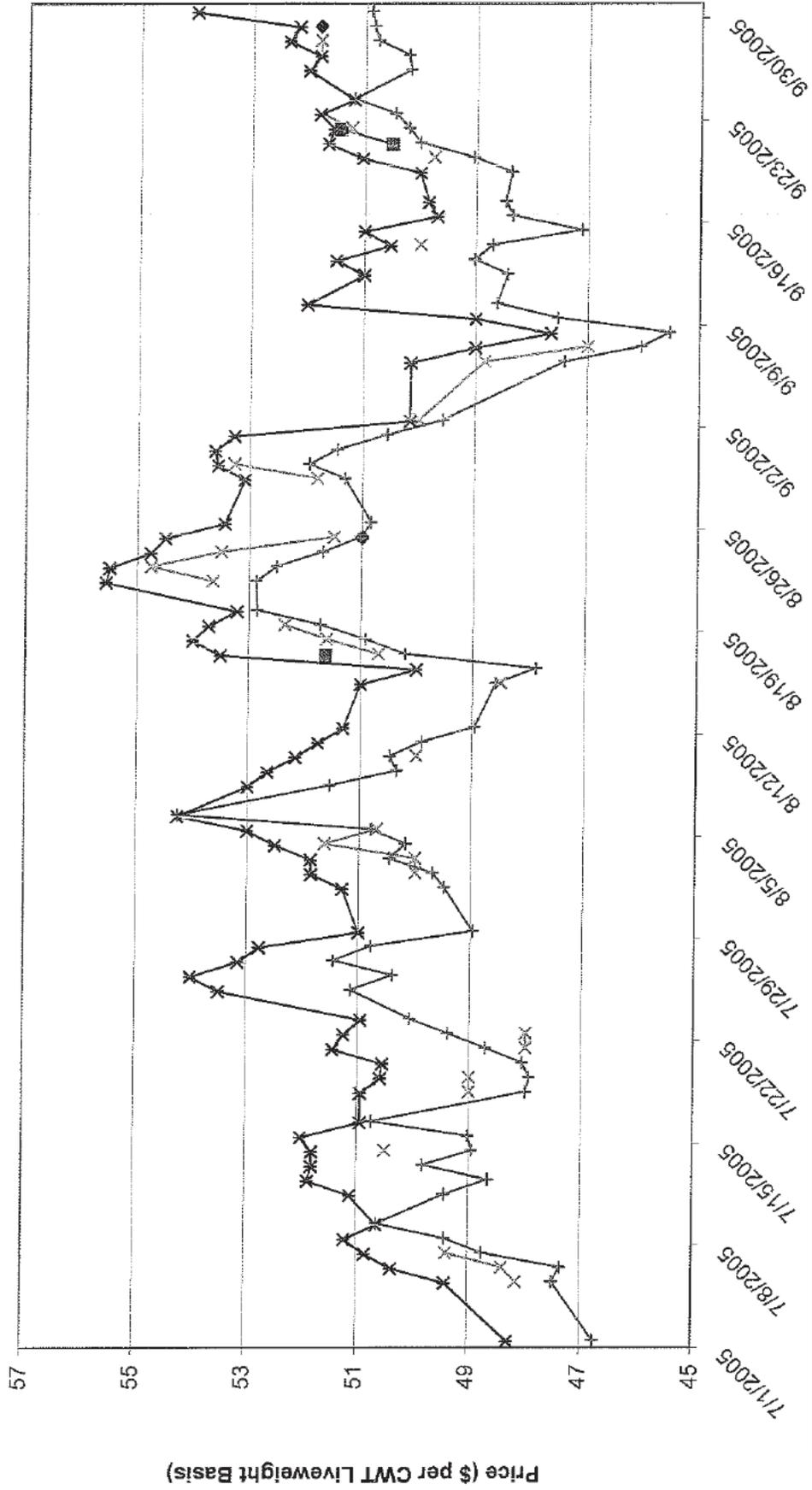
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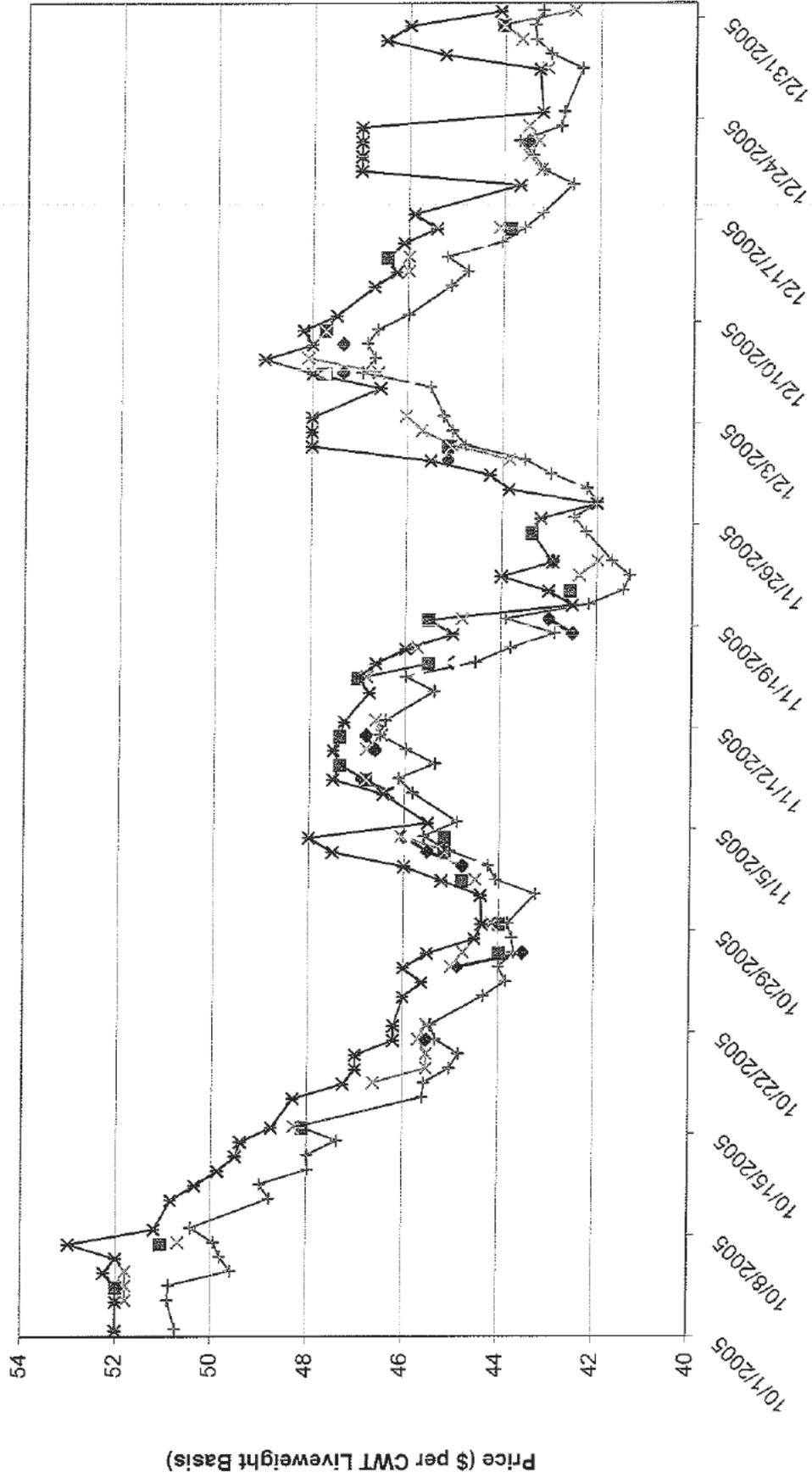
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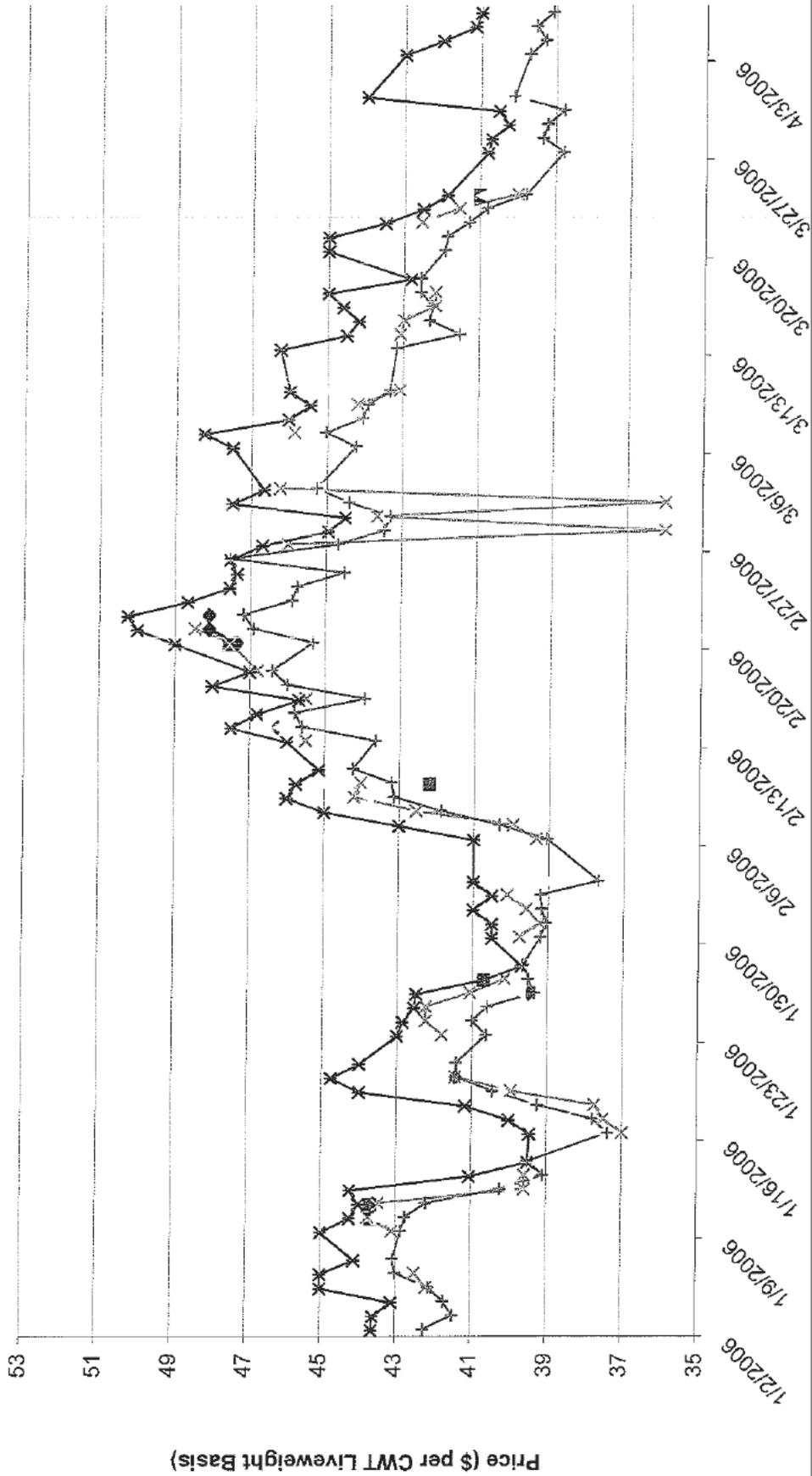
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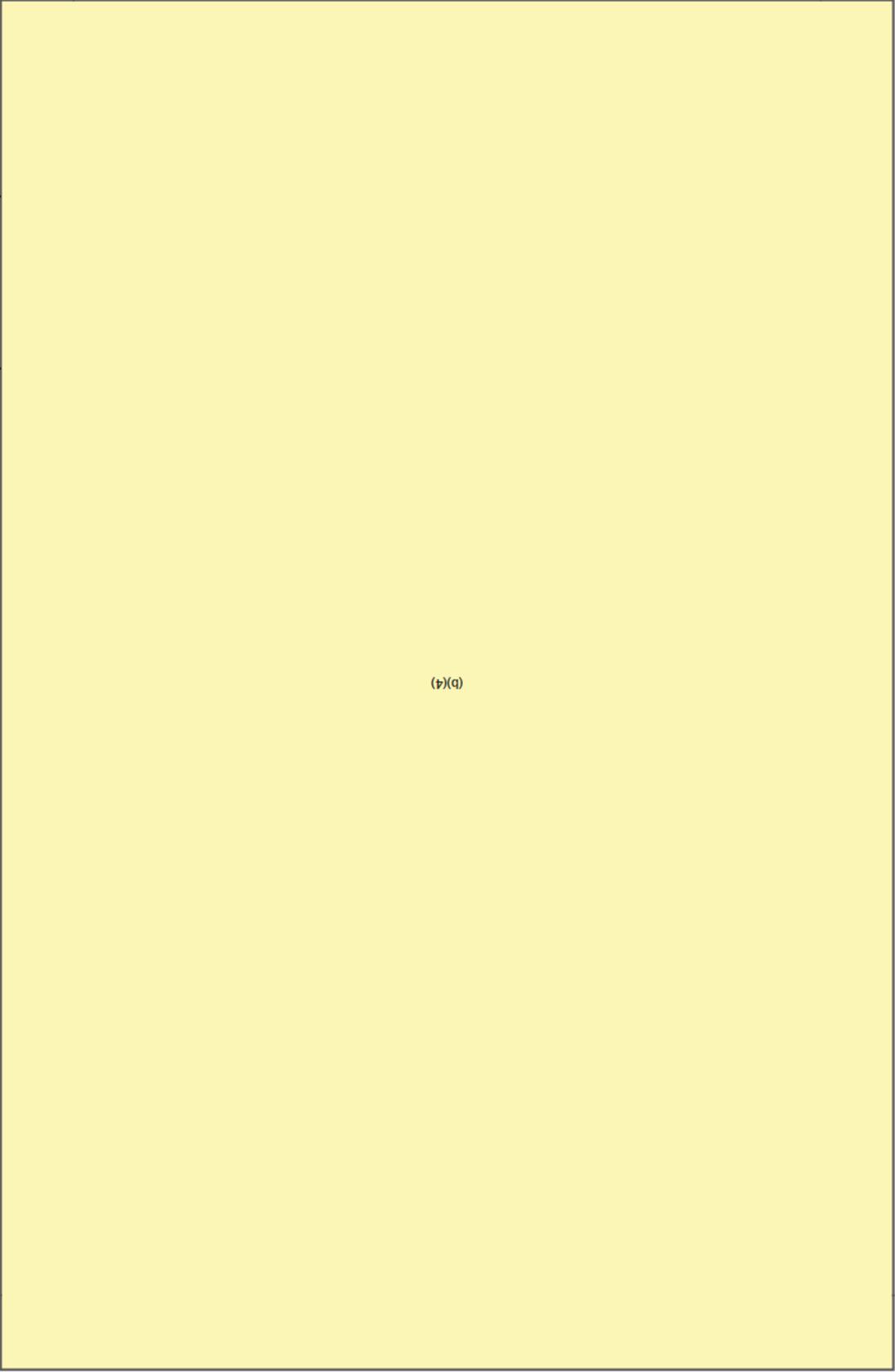
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Base Prices Paid to

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(b)(4)



(b)(7)



United States  
Department of  
Agriculture

Grain Inspection,  
Packers and Stockyards  
Administration

Stop 3601  
1400 Independence Ave., SW  
Washington, DC 20250-3601

**FILE COPY**

MAR 14 2006

**TO:** Lloyd C. Day  
Administrator  
Agricultural Marketing Service

**FROM:** James Link  
Administrator  
Grain Inspection, Packers and Stockyards Administration

**SUBJECT:** Agricultural Marketing Service (AMS) Classification of Hog Transactions  
Between [redacted] (b)(4)

The Packers and Stockyards Program (P&SP) recently requested and received from [redacted] (b)(4)

[redacted] (b)(4) information regarding [redacted] (b)(4)

[redacted] (b)(4)  
e  
on

[redacted] (b)(4)

It is P&SP's understanding that AMS is currently reporting the [redacted] (b)(4) purchases of [redacted] (b)(4) [redacted] (b)(4) hogs as negotiated purchases rather than as packer-owned purchases.

[redacted] (b)(5)

[redacted] (b)(5) P&SP respectfully recommends that [redacted] (b)(4) purchases of [redacted] (b)(4) hogs be classified as packer-owned transactions for AMS reporting purposes. If you have any questions or concerns about this request, or any question or comments, please contact Gary McBryde, Director of P&SP's Industry Analysis Division, at (202) 720-5552.

[redacted] (b)(4)

Estimated Daily U.S. Slaughter Capacity

Company	Plant	Fall 2001		Spring 2002		Fall 2002		Spring 2003		Fall 2003		Fall 2004		
		Plant	Co. Total	Plant	Co. Total	Plant	Co. Total	Plant	Co. Total	Plant	Co. Total	Plant	Co. Total	
Smithfield Smithfield, VA	Tar Heel, NC	32,000		32,000		32,000		32,000		32,000		32,000		
		9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,000				
	Morrell Farmland	Gwaltney, VA	8,800		8,800		8,800		8,800		8,800		10,000	
		Sioux Falls, SD	15,000		15,000		15,000		15,000		15,000		17,000	
		Sioux City, IA	15,000	80,300	15,000	80,300	15,000	80,300	15,000	80,300	15,000	80,300	14,500	
		Crete, NE	10,000		10,000		10,000		10,000		10,200		10,400	
	Denison, IA	7,500		7,500		7,500		7,500		9,200		9,200		
	Monmouth, IL	8,000	25,500	8,000	25,500	8,000	25,500	8,000	25,500	10,200	29,800	10,200	112,300	
Tyson Foods (BP)	Waterloo, IA	19,000		19,000		19,000		19,000		19,000		19,200		
	Logansport, IN	14,000		14,000		14,000		14,000		14,000		14,500		
	Storm Lake, IA	14,000		14,000		14,000		14,000		14,000		14,500		
	Col. Junction, IA	9,800		9,800		9,800		9,800		9,800		9,800		
	Madison, NE	7,500		7,500		7,500		7,500		7,500		7,500		
	Perry, IA	6,700	71,000	6,700	71,000	6,700	71,000	6,700	71,000	6,700	71,000	6,800	72,300	
Swift	Worthington, MN	17,000		17,000		17,000		17,000		17,000		17,500		
	Marshalltown, IA	17,500		17,500		17,500		17,500		17,500		18,500		
	Louisville, KY	8,500	43,000	8,500	43,000	8,500	43,000	8,500	43,000	10,000	44,500	10,000	46,000	
Excel	Beardstown, IL	16,000		16,000		16,000		16,000		16,000		16,000		
	Ottumwa, IA	16,000		16,000		16,000		16,000		16,000		18,000		
Hormel	Austin, MN	17,000		17,000		17,000		17,000		17,000		18,000	36,000	
	Fre蒙特, NE	9,000		9,000		9,000		9,000		9,000	26,000	8,800	26,800	
Prem. Std	Milan, MO	7,100		7,100		7,100		7,100		7,100		7,300		
	Clinton, NC	6,500	13,600	10,000	17,100	10,000	17,100	10,000	17,100	10,000	17,100	10,000	17,300	
Seaboard	Gaymon, OK	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	
Indiana Pack	Delphi, IN	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,500	12,500	
Harfield	Hatfield, PA	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	10,200	10,200	
Sara Lee	West Point, MS	6,500		6,500		6,500		6,500		6,500		6,200		
	Newburn, TN	2,500	9,000	2,500	9,000	2,500	9,000	2,500	9,000	2,500	9,000	2,600	8,800	
Clougherty	Vernon, CA	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	7,300	7,300	
PH South	Sandusky, OH	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	
Meadowbrook Farms	Rantoul, IL											4,000	4,000	
Sioux Prime	Sioux Center, IA	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	3,500	3,500	
Greenwood	Greenwood, SC	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Johnsonville	Watertown, WI	550		550		550		550		550		600		
	Momence, IL	1,250	1,800	1,250	1,800	1,250	1,800	1,250	1,800	1,250	1,800	1,350	370,200	
Olanham's Sausage	Holton, KS											600	2,950	
Pine Ridge Farms	Des Moines, IA	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	2,500	2,500	
Pork King Packing	Marengo, IL											2,000	2,000	
Fisher Ham and Meats	Spring, TX											1,500		
	Navasota, TX											500	2,000	
USA Pork Products	Hazleton, PA											2,000	2,000	
Abbvland Foods	Curtiss, WI	700	700	700	700	700	700	700	700	700	700	1,700	1,700	
Spectrum Meats	Mount Morris, IL											1,600	1,600	
Yosemite Meats	Modesto, CA	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,500	1,500	
Leidy's	Souderton, PA	800	800	800	800	800	800	800	800	800	800	1,400	1,400	
Vin Lee Ron	Mentone, IN											1,100	1,100	
Bob Evans Farms	Bidwell, OH	150		150		150		150		150		200		
	Xenia, OH	300		300		300		300		300		300		
	Hillsdale, MI	500		500		500		500		500		300		
	Galva, IL	500	1,450	500	1,450	500	1,450	500	1,450	500	1,450	300	1,100	
Odor's	Little Rock, AR	750	750	750	750	750	750	750	750	750	750	1,000	1,000	
Martin's Pork Products	Falcon, NC	600		600		600		600		600		1,000	1,000	
Cloverdale Foods	Minot, ND	920	920	920	920	920	920	920	920	920	920	920	920	
Verschoor Meats	Sioux City, IA											800	800	
Peoria Packing	Chicago, IL											750	750	
The Pork Company	Warsaw, NC											750	750	
Independent Meat	Twin Falls, ID											650	650	
Masam Meat Co.	Klamath Falls, OR	300	300	300	300	300	300	300	300	300	300	650	650	
Owens Sausage	Richardson, TX	800	800	800	800	800	800	800	800	800	800	600	600	
DeKalb Co Packing	De Kalb, IL											500	500	
Callahan	Peoria, IL											425	425	
FB Purnell Sausage	Simonsville, KY											400	400	
J.C. Potter														
Atlantic Premium Brands	Durant, OK													
Williams Sausage Co.	Union City, KY											400	400	
Carleton Packing	Carleton, OR	250	250	250	250	250	250	250	250	250	250	375	375	
Lowell Packing	Fitzgerald, GA	350	350	350	350	350	350	350	350	350	350	350	350	
Parks Family Meats	Warsaw, NC											300		
Dean Sausage	Atalla, AL											225	225	
Morris Meat Packing	Morris, IL											200	200	
Wampler's Sausage	Lenoir City, TN											200	200	
Southern Quality Meats	Pontotoc, MS											130	130	
Gunhoe Sausage	Goode, VA											100	100	
<b>TOTAL CAPACITY</b>		<b>381,120</b>		<b>381,020</b>		<b>381,020</b>		<b>377,420</b>		<b>383,020</b>		<b>410,775</b>		

SOURCE: Pork Checkoff

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_price Base\_price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	16	65102	4068.84725	374.50	<.0001
Error	2874	31225	10.86478		
Corrected Total	2890	96327			

Root MSE	3.29618	R-Square	0.6758
Dependent Mean	51.27481	Adj R-Sq	0.6740
Coeff Var	6.42845		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	54.04297	1.09610	49.30
Head_Received	Head received per lot	1	0.00086423	0.00176	0.49
Avg_backfat	Average backfat per lot	1	-0.18009	0.73704	-0.24
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	-0.12500	0.30058	-0.42
Tot_live_wgt_PH	Total live weight per head	1	0.00771	0.00416	1.85
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	-1.30948	0.31032	-4.22
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	-0.87574	0.30557	-2.87
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.17939	0.32856	0.55
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	-2.94716	0.26685	-11.04
IV_S5	Dummy Var; 1 if May 0 otherwise	1	4.54458	0.32508	13.98
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	2.19720	0.30017	7.32
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	3.35454	0.29792	11.26
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	3.46494	0.32405	10.69
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	3.40946	0.30081	11.33
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	1.14779	0.30338	3.78

The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_price Base\_price

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	1.06667	0.31161	3.42
Trend	Trend Var from 0 to 24 in order of month	1	-0.50162	0.00980	-51.16

## Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	0.6235
Avg_backfat	Average backfat per lot	1	0.8070
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.6775
Tot_live_wgt_PH	Total live weight per head	1	0.0644
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.0042
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.5851
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	<.0001
IV_S5	Dummy Var; 1 if May 0 otherwise	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	0.0002
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	0.0006
Trend	Trend Var from 0 to 24 in order of month	1	<.0001

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	16	1031463	64466	5638.21	<.0001
Error	50777	580576	11.43385		
Corrected Total	50793	1612039			

Root MSE	3.38140	R-Square	0.6398
Dependent Mean	50.18543	Adj R-Sq	0.6397
Coeff Var	6.73781		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	55.72387	0.29828	186.81
Head_Received	Head received per lot	1	0.00261	0.00025002	10.44
Avg_backfat	Average backfat per lot	1	-0.16022	0.14907	-1.07
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	-0.35764	0.03108	-11.51
Tot_live_wgt_PH	Total live weight per head	1	-0.00108	0.00114	-0.95
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	-0.40020	0.07317	-5.47
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.14024	0.07445	1.88
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.53446	0.07238	7.38
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	-2.34229	0.06892	-33.99
IV_S5	Dummy Var; 1 if May 0 otherwise	1	4.68409	0.07690	60.91
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	2.04994	0.07563	27.11
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	3.10513	0.07795	39.84
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	3.16994	0.07413	42.76
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	2.58867	0.07185	36.03
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	0.69558	0.07188	9.68

The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_price Base\_price

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	1.26656	0.07153	17.71
Trend	Trend Var from 0 to 24 in order of month	1	-0.52233	0.00236	-221.69

## Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	<.0001
Avg_backfat	Average backfat per lot	1	0.2825
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	<.0001
Tot_live_wgt_PH	Total live weight per head	1	0.3446
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.0596
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	<.0001
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	<.0001
IV_S5	Dummy Var; 1 if May 0 otherwise	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	<.0001
Trend	Trend Var from 0 to 24 in order of month	1	<.0001

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	16	497155	31072	2058.28	<.0001
Error	27797	419629	15.09620		
Corrected Total	27813	916784			

Root MSE	3.88538	R-Square	0.5423
Dependent Mean	50.00061	Adj R-Sq	0.5420
Coeff Var	7.77067		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	56.89775	0.43317	131.35
Head_Received	Head received per lot	1	0.00158	0.00035107	4.49
Avg_backfat	Average backfat per lot	1	-2.61887	0.25992	-10.08
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.59968	0.04979	12.04
Tot_live_wgt_PH	Total live weight per head	1	-0.00346	0.00172	-2.01
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	-0.71230	0.11426	-6.23
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	-0.28998	0.11428	-2.54
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.03415	0.11500	0.30
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	-2.26258	0.10723	-21.10
IV_S5	Dummy Var; 1 if May 0 otherwise	1	4.67242	0.12167	38.40
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	2.03088	0.11893	17.08
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	2.70459	0.11719	23.08
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	2.98712	0.11654	25.63
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	2.48921	0.11386	21.86
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	0.77910	0.11178	6.97
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	1.52166	0.11293	13.47

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Trend	Trend Var from 0 to 24 in order of month	1	-0.46754	0.00366	-127.60

Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	<.0001
Avg_backfat	Average backfat per lot	1	<.0001
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	<.0001
Tot_live_wgt_PH	Total live weight per head	1	0.0440
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.0112
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.7665
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	<.0001
IV_S5	Dummy Var; 1 if May 0 otherwise	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	<.0001
Trend	Trend Var from 0 to 24 in order of month	1	<.0001

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	16	282528	17658	1732.36	<.0001
Error	12880	131287	10.19305		
Corrected Total	12896	413815			

Root MSE	3.19266	R-Square	0.6827
Dependent Mean	51.80522	Adj R-Sq	0.6823
Coeff Var	6.16281		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	59.82606	0.47195	126.76
Head_Received	Head received per lot	1	0.00093230	0.00073403	1.27
Avg_backfat	Average backfat per lot	1	-2.97717	0.43547	-6.84
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	-0.76038	0.08169	-9.31
Tot_live_wgt_PH	Total live weight per head	1	-0.00063706	0.00195	-0.33
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	-0.08070	0.14039	-0.57
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.06014	0.14433	0.42
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.37445	0.13782	2.72
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	-2.10698	0.13198	-15.96
IV_S5	Dummy Var; 1 if May 0 otherwise	1	4.35581	0.14008	31.10
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	1.69490	0.13882	12.21
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	2.71289	0.14270	19.01
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	3.05733	0.14055	21.75
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	2.76952	0.13673	20.26
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	0.47436	0.13575	3.49
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	1.86533	0.13348	13.97

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Trend	Trend Var from 0 to 24 in order of month	1	-0.57868	0.00475	-121.72

Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	0.2041
Avg_backfat	Average backfat per lot	1	<.0001
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	<.0001
Tot_live_wgt_PH	Total live weight per head	1	0.7445
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	0.5654
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.6769
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.0066
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	<.0001
IV_S5	Dummy Var; 1 if May 0 otherwise	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	0.0005
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	<.0001
Trend	Trend Var from 0 to 24 in order of month	1	<.0001

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	16	97639	6102.45716	622.43	<.0001
Error	5201	50992	9.80422		
Corrected Total	5217	148631			

Root MSE	3.13117	R-Square	0.6569
Dependent Mean	51.86454	Adj R-Sq	0.6559
Coeff Var	6.03721		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	55.16591	0.73964	74.59
Head_Received	Head received per lot	1	0.00118	0.00099889	1.18
Avg_backfat	Average backfat per lot	1	-1.55631	0.53933	-2.89
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.13404	0.10830	1.24
Tot_live_wgt_PH	Total live weight per head	1	0.00626	0.00279	2.25
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	0.71478	0.23494	3.04
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.68246	0.24539	2.78
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.96379	0.22978	4.19
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	-2.60426	0.21932	-11.87
IV_S5	Dummy Var; 1 if May 0 otherwise	1	4.82595	0.22793	21.17
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	2.59829	0.21775	11.93
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	3.64168	0.22657	16.07
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	3.73016	0.21754	17.15
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	3.65657	0.22929	15.95
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	1.58321	0.23805	6.65
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	1.58656	0.24559	6.46

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Trend	Trend Var from 0 to 24 in order of month	1	-0.51607	0.00756	-68.24

Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	0.2370
Avg_backfat	Average backfat per lot	1	0.0039
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.2159
Tot_live_wgt_PH	Total live weight per head	1	0.0246
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	0.0024
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.0054
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	<.0001
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	<.0001
IV_S5	Dummy Var; 1 if May 0 otherwise	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	<.0001
Trend	Trend Var from 0 to 24 in order of month	1	<.0001

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	16	808685	50543	3882.75	<.0001
Error	42899	558428	13.01728		
Corrected Total	42915	1367113			

Root MSE	3.60795	R-Square	0.5915
Dependent Mean	50.57811	Adj R-Sq	0.5914
Coeff Var	7.13342		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	59.85254	0.33909	176.51
Head_Received	Head received per lot	1	-0.00068656	0.00016536	-4.15
Avg_backfat	Average backfat per lot	1	-1.26202	0.17456	-7.23
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	-1.32496	0.04023	-32.93
Tot_live_wgt_PH	Total live weight per head	1	-0.01123	0.00127	-8.81
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	-0.54781	0.08672	-6.32
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	-0.28809	0.08750	-3.29
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.25918	0.08650	3.00
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	-2.98875	0.08073	-37.02
IV_S5	Dummy Var; 1 if May 0 otherwise	1	3.88130	0.09060	42.84
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	1.77651	0.08758	20.28
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	2.59457	0.08933	29.05
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	2.36412	0.08694	27.19
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	1.95452	0.08464	23.09
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	0.69164	0.08354	8.28
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	1.49260	0.08428	17.71

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Trend	Trend Var from 0 to 24 in order of month	1	-0.49615	0.00277	-179.35

Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	<.0001
Avg_backfat	Average backfat per lot	1	<.0001
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	<.0001
Tot_live_wgt_PH	Total live weight per head	1	<.0001
IV_S1	Dummy Var; 1 if Jan 0 otherwise	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 otherwise	1	0.0010
IV_S3	Dummy Var; 1 if Mar 0 otherwise	1	0.0027
IV_S4	Dummy Var; 1 if Apr 0 otherwise	1	<.0001
IV_S5	Dummy Var; 1 if May 0 otherwise	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 otherwise	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 otherwise	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 otherwise	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 otherwise	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 otherwise	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 otherwise	1	<.0001
Trend	Trend Var from 0 to 24 in order of month	1	<.0001

The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	23	1123180	48834	3835.57	<.0001
Error	62247	792521	12.73187		
Corrected Total	62270	1915701			

Root MSE	3.56818	R-Square	0.5863
Dependent Mean	50.03562	Adj R-Sq	0.5861
Coeff Var	7.13127		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	42.81784	0.20608	207.77
Head_Received	Head received per lot	1	0.00306	0.00022082	13.87
Avg_Backfat	Average backfat per lot	1	0.14233	0.00444	32.03
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.04028	0.03309	1.22
Shrink	1 minus head Killed divided by head recieved	1	-0.83871	0.31793	-2.64
PLG	Price length, purchase date minus kill date	1	-0.25056	0.01504	-16.66
Tot_live_wgt_PH	Total live weight per head	1	-0.03043	0.00056687	-53.67
Truck_D	Trucking deduction	1	-0.02921	0.00566	-5.16
NPB_D	NPB deduction	1	0.36255	0.01220	29.73
Ins_D	Insurance deduction	1	-0.05024	0.01651	-3.04
Other_D	Other deduction	1	0.00202	0.00589	0.34
Yr_2004		1	12.77160	0.06402	199.51
Yr_2005		1	7.69116	0.05456	140.96
IV_S1	Dummy Var; 1 if Jan 0 else	1	4.93275	0.07846	62.87
IV_S2	Dummy Var; 1 if Feb 0 else	1	5.49376	0.07626	72.04
IV_S3	Dummy Var; 1 if Mar 0 else	1	5.15059	0.07576	67.99
IV_S4	Dummy Var; 1 if Apr 0 else	1	3.31485	0.07288	45.48
IV_S5	Dummy Var; 1 if May 0 else	1	7.17156	0.07255	98.85
IV_S6	Dummy Var; 1 if Jun 0 else	1	4.01234	0.07027	57.10
IV_S7	Dummy Var; 1 if Jul 0 else	1	4.46274	0.07043	63.37
IV_S8	Dummy Var; 1 if Aug 0 else	1	4.39326	0.06857	64.07
IV_S9	Dummy Var; 1 if Sep 0 else	1	3.69241	0.06726	54.90
IV_S10	Dummy Var; 1 if Oct 0 else	1	1.09378	0.06779	16.13
IV_S11	Dummy Var; 1 if Nov 0 else	1	1.78476	0.06833	26.12

2007

The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	<.0001
Avg_Backfat	Average backfat per lot	1	<.0001
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.2234
Shrink	1 minus head Killed divided by head recieved	1	0.0083
PLG	Price length, purchase date minus kill date	1	<.0001
Tot_live_wgt_PH	Total live weight per head	1	<.0001
Truck_D	Trucking deduction	1	<.0001
NPB_D	NPB deduction	1	<.0001
Ins_D	Insurance deduction	1	0.0023
Other_D	Other deduction	1	0.7311
Yr_2004		1	<.0001
Yr_2005		1	<.0001
IV_S1	Dummy Var; 1 if Jan 0 else	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 else	1	<.0001
IV_S3	Dummy Var; 1 if Mar 0 else	1	<.0001
IV_S4	Dummy Var; 1 if Apr 0 else	1	<.0001
IV_S5	Dummy Var; 1 if May 0 else	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 else	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 else	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 else	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 else	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 else	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 else	1	<.0001

2007

The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	23	260590	11330	1479.54	<.0001
Error	10363	79358	7.65780		
Corrected Total	10386	339948			

Root MSE	2.76727	R-Square	0.7666
Dependent Mean	52.24120	Adj R-Sq	0.7660
Coeff Var	5.29711		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	36.49049	0.48049	75.94
Head_Received	Head received per lot	1	0.00138	0.00083094	1.66
Avg_Backfat	Average backfat per lot	1	0.04598	0.01464	3.14
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	-0.64700	0.09087	-7.12
Shrink	1 minus head Killed divided by head recieved	1	-0.53851	0.61453	-0.88
PLG	Price length, purchase date minus kill date	1	-0.08945	0.04388	-2.04
Tot_live_wgt_PH	Total live weight per head	1	-0.01041	0.00166	-6.25
Truck_D	Trucking deduction	1	-0.47502	1.32025	-0.36
NPB_D	NPB deduction	1	0.22490	0.04027	5.58
Ins_D	Insurance deduction	1	-2.56129	2.21924	-1.15
Other_D	Other deduction	1	-1.83761	0.92203	-1.99
Yr_2004		1	17.27740	0.13884	124.45
Yr_2005		1	10.81995	0.12381	87.39
IV_S1	Dummy Var; 1 if Jan 0 else	1	7.99821	0.15465	51.72
IV_S2	Dummy Var; 1 if Feb 0 else	1	6.67003	0.15262	43.70
IV_S3	Dummy Var; 1 if Mar 0 else	1	6.24552	0.15310	40.80
IV_S4	Dummy Var; 1 if Apr 0 else	1	4.60112	0.13943	33.00
IV_S5	Dummy Var; 1 if May 0 else	1	8.35991	0.12910	64.76
IV_S6	Dummy Var; 1 if Jun 0 else	1	5.86766	0.12228	47.98
IV_S7	Dummy Var; 1 if Jul 0 else	1	5.68446	0.13239	42.94
IV_S8	Dummy Var; 1 if Aug 0 else	1	5.05516	0.13202	38.29
IV_S9	Dummy Var; 1 if Sep 0 else	1	4.58971	0.13163	34.87
IV_S10	Dummy Var; 1 if Oct 0 else	1	1.79608	0.12871	13.95
IV_S11	Dummy Var; 1 if Nov 0 else	1	2.33361	0.12620	18.49

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	0.0974
Avg_Backfat	Average backfat per lot	1	0.0017
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	<.0001
Shrink	1 minus head Killed divided by head recieved	1	0.3809
PLG	Price length, purchase date minus kill date	1	0.0415
Tot_live_wgt_PH	Total live weight per head	1	<.0001
Truck_D	Trucking deduction	1	0.7190
NPB_D	NPB deduction	1	<.0001
Ins_D	Insurance deduction	1	0.2485
Other_D	Other deduction	1	0.0463
Yr_2004		1	<.0001
Yr_2005		1	<.0001
IV_S1	Dummy Var; 1 if Jan 0 else	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 else	1	<.0001
IV_S3	Dummy Var; 1 if Mar 0 else	1	<.0001
IV_S4	Dummy Var; 1 if Apr 0 else	1	<.0001
IV_S5	Dummy Var; 1 if May 0 else	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 else	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 else	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 else	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 else	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 else	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 else	1	<.0001

2007

The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	23	229876	9994.61739	1172.99	<.0001
Error	7956	67790	8.52064		
Corrected Total	7979	297666			

Root MSE	2.91901	R-Square	0.7723
Dependent Mean	51.75531	Adj R-Sq	0.7716
Coeff Var	5.64003		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	36.05072	0.56626	63.66
Head_Received	Head received per lot	1	0.00908	0.00076608	11.85
Avg_Backfat	Average backfat per lot	1	0.07288	0.01700	4.29
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	-0.14530	0.19487	-0.75
Shrink	1 minus head Killed divided by head recieved	1	-2.42136	1.14156	-2.12
PLG	Price length, purchase date minus kill date	1	-0.01152	0.05858	-0.20
Tot_live_wgt_PH	Total live weight per head	1	-0.00893	0.00200	-4.47
Truck_D	Trucking deduction	1	-0.03444	0.04880	-0.71
NPB_D	NPB deduction	1	0.03180	0.00782	4.07
Ins_D	Insurance deduction	1	-6.74971	0.93489	-7.22
Other_D	Other deduction	1	2.00818	1.78722	1.12
Yr_2004		1	15.35966	0.15556	98.74
Yr_2005		1	9.27884	0.13052	71.09
IV_S1	Dummy Var; 1 if Jan 0 else	1	7.20082	0.18568	38.78
IV_S2	Dummy Var; 1 if Feb 0 else	1	7.82506	0.18867	41.48
IV_S3	Dummy Var; 1 if Mar 0 else	1	6.46036	0.18736	34.48
IV_S4	Dummy Var; 1 if Apr 0 else	1	3.62540	0.18031	20.11
IV_S5	Dummy Var; 1 if May 0 else	1	8.71933	0.16331	53.39
IV_S6	Dummy Var; 1 if Jun 0 else	1	5.92995	0.16114	36.80
IV_S7	Dummy Var; 1 if Jul 0 else	1	6.09732	0.16331	37.33
IV_S8	Dummy Var; 1 if Aug 0 else	1	5.23851	0.16554	31.65
IV_S9	Dummy Var; 1 if Sep 0 else	1	4.99396	0.17224	28.99
IV_S10	Dummy Var; 1 if Oct 0 else	1	1.52410	0.17566	8.68
IV_S11	Dummy Var; 1 if Nov 0 else	1	2.85914	0.16838	16.98

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Parameter Estimates

Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	<.0001
Avg_Backfat	Average backfat per lot	1	<.0001
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.4559
Shrink	1 minus head Killed divided by head recieved	1	0.0339
PLG	Price length, purchase date minus kill date	1	0.8441
Tot_live_wgt_PH	Total live weight per head	1	<.0001
Truck_D	Trucking deduction	1	0.4803
NPB_D	NPB deduction	1	<.0001
Ins_D	Insurance deduction	1	<.0001
Other_D	Other deduction	1	0.2612
Yr_2004		1	<.0001
Yr_2005		1	<.0001
IV_S1	Dummy Var; 1 if Jan 0 else	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 else	1	<.0001
IV_S3	Dummy Var; 1 if Mar 0 else	1	<.0001
IV_S4	Dummy Var; 1 if Apr 0 else	1	<.0001
IV_S5	Dummy Var; 1 if May 0 else	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 else	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 else	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 else	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 else	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 else	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 else	1	<.0001

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	23	2161906	93996	6803.37	<.0001
Error	89668	1238860	13.81608		
Corrected Total	89691	3400766			

Root MSE	3.71700	R-Square	0.6357
Dependent Mean	49.50727	Adj R-Sq	0.6356
Coeff Var	7.50799		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value
Intercept	Intercept	1	43.53126	0.15903	273.73
Head_Received	Head received per lot	1	0.00569	0.00019202	29.63
Avg_Backfat	Average backfat per lot	1	0.12884	0.00340	37.87
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	-0.03937	0.02970	-1.33
Shrink	1 minus head Killed divided by head recieved	1	-1.18300	0.38227	-3.09
PLG	Price length, purchase date minus kill date	1	-0.21896	0.01313	-16.67
Tot_live_wgt_PH	Total live weight per head	1	-0.03712	0.00035685	-104.01
Truck_D	Trucking deduction	1	-0.00499	0.00249	-2.00
NPB_D	NPB deduction	1	0.13202	0.00701	18.84
Ins_D	Insurance deduction	1	0.00624	0.00869	0.72
Other_D	Other deduction	1	-0.03600	0.00411	-8.76
Yr_2004		1	13.82613	0.05520	250.45
Yr_2005		1	8.50971	0.04739	179.58
IV_S1	Dummy Var; 1 if Jan 0 else	1	5.78359	0.06599	87.65
IV_S2	Dummy Var; 1 if Feb 0 else	1	5.92614	0.06586	89.99
IV_S3	Dummy Var; 1 if Mar 0 else	1	5.73063	0.06458	88.74
IV_S4	Dummy Var; 1 if Apr 0 else	1	3.71208	0.06407	57.94
IV_S5	Dummy Var; 1 if May 0 else	1	7.50896	0.06160	121.90
IV_S6	Dummy Var; 1 if Jun 0 else	1	4.70098	0.05998	78.37
IV_S7	Dummy Var; 1 if Jul 0 else	1	4.96732	0.06031	82.37
IV_S8	Dummy Var; 1 if Aug 0 else	1	4.30731	0.05843	73.71
IV_S9	Dummy Var; 1 if Sep 0 else	1	3.87882	0.05773	67.19
IV_S10	Dummy Var; 1 if Oct 0 else	1	1.45607	0.05730	25.41
IV_S11	Dummy Var; 1 if Nov 0 else	1	1.89171	0.05783	32.71

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_Price Base price

## Parameter Estimates

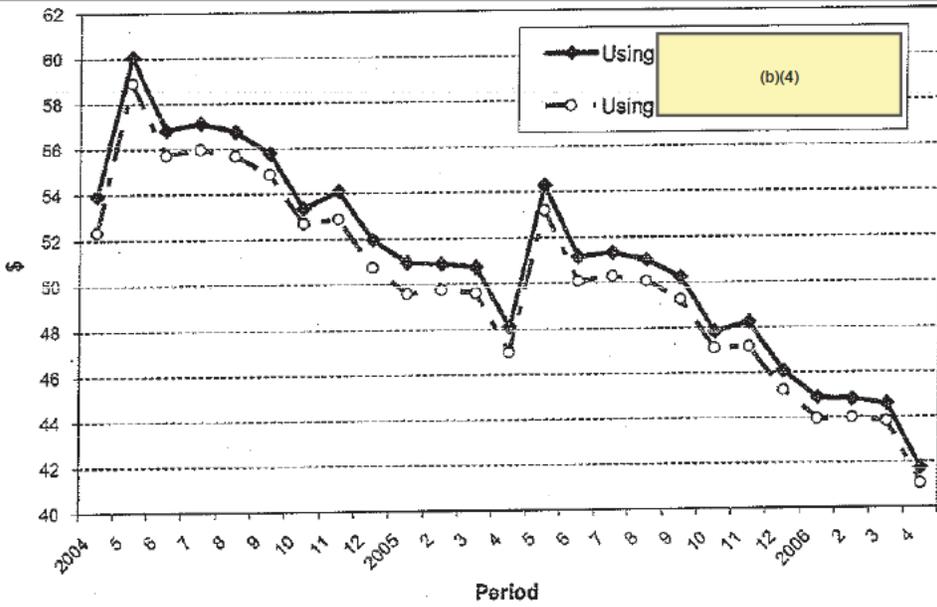
Variable	Label	DF	Pr >  t
Intercept	Intercept	1	<.0001
Head_Received	Head received per lot	1	<.0001
Avg_Backfat	Average backfat per lot	1	<.0001
Negotiated_price	Binary Var; 1 negotiated price 0 otherwise	1	0.1850
Shrink	1 minus head Killed divided by head recieved	1	0.0020
PLG	Price length, purchase date minus kill date	1	<.0001
Tot_live_wgt_PH	Total live weight per head	1	<.0001
Truck_D	Trucking deduction	1	0.0453
NPB_D	NPB deduction	1	<.0001
Ins_D	Insurance deduction	1	0.4725
Other_D	Other deduction	1	<.0001
Yr_2004		1	<.0001
Yr_2005		1	<.0001
IV_S1	Dummy Var; 1 if Jan 0 else	1	<.0001
IV_S2	Dummy Var; 1 if Feb 0 else	1	<.0001
IV_S3	Dummy Var; 1 if Mar 0 else	1	<.0001
IV_S4	Dummy Var; 1 if Apr 0 else	1	<.0001
IV_S5	Dummy Var; 1 if May 0 else	1	<.0001
IV_S6	Dummy Var; 1 if Jun 0 else	1	<.0001
IV_S7	Dummy Var; 1 if Jul 0 else	1	<.0001
IV_S8	Dummy Var; 1 if Aug 0 else	1	<.0001
IV_S9	Dummy Var; 1 if Sep 0 else	1	<.0001
IV_S10	Dummy Var; 1 if Oct 0 else	1	<.0001
IV_S11	Dummy Var; 1 if Nov 0 else	1	<.0001

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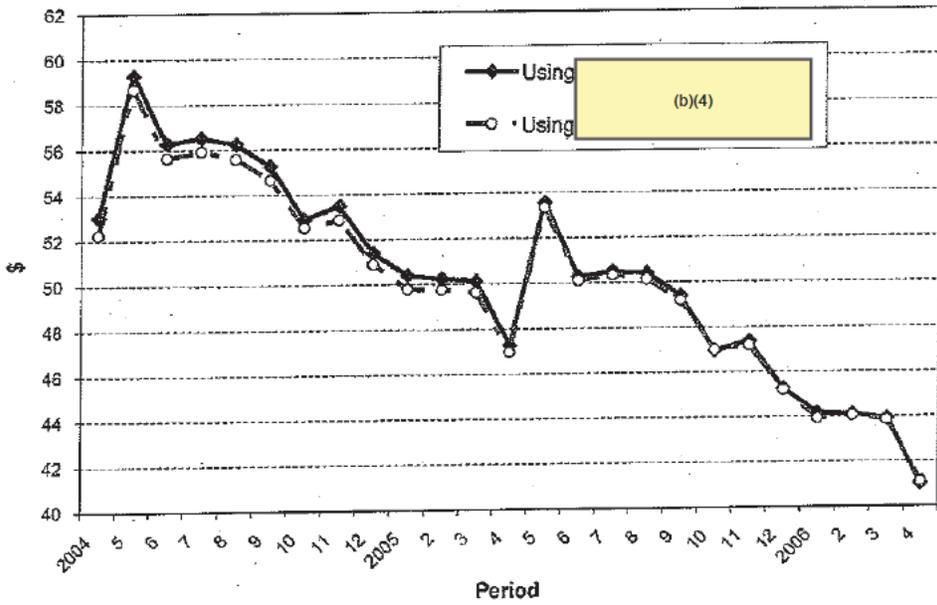
2/13/2007  
estimates

(b)(4)						
Apr-04	1.60	0.78	0.06	0.02	0.06	(0.02)
May-04	1.15	0.62	0.10	0.09	0.38	0.30
Jun-04	1.09	0.63	0.12	0.07	0.12	0.03
Jul-04	1.14	0.59	0.14	0.09	0.14	0.05
Aug-04	1.05	0.65	0.23	0.16	0.10	0.03
Sep-04	0.93	0.61	0.23	0.17	0.15	0.06
Oct-04	0.66	0.36	0.20	0.09	0.15	0.04
Nov-04	1.22	0.60	0.10	0.00	0.15	0.01
Dec-04	1.21	0.50	0.10	0.01	0.23	0.03
Jan-05	1.36	0.59	0.28	0.14	0.14	(0.01)
Feb-05	1.15	0.47	0.23	0.10	0.11	(0.03)
Mar-05	1.14	0.49	0.25	0.08	0.19	0.01
Apr-05	1.11	0.32	0.26	0.08	0.20	0.00
May-05	1.07	0.22	0.28	0.14	0.54	0.32
Jun-05	1.08	0.17	0.29	0.10	0.17	0.05
Jul-05	1.04	0.19	0.28	0.11	0.18	0.05
Aug-05	0.92	0.26	0.31	0.17	0.13	0.04
Sep-05	0.97	0.20	0.32	0.19	0.19	0.08
Oct-05	0.73	(0.03)	0.21	0.10	0.17	0.04
Nov-05	1.08	0.16	0.16	0.01	0.15	0.02
Dec-05	0.85	0.03	0.13	0.02	0.25	0.03
Jan-06	0.93	0.24	0.29	0.13	0.14	(0.01)
Feb-06	0.81	0.06	0.29	0.09	0.12	(0.03)
Mar-06	0.79	0.06	0.20	0.05	0.11	0.01
Apr-06	0.68	(0.09)	0.21	0.07	0.10	(0.00)
Average	1.03	0.35	0.21	0.09	0.17	0.04

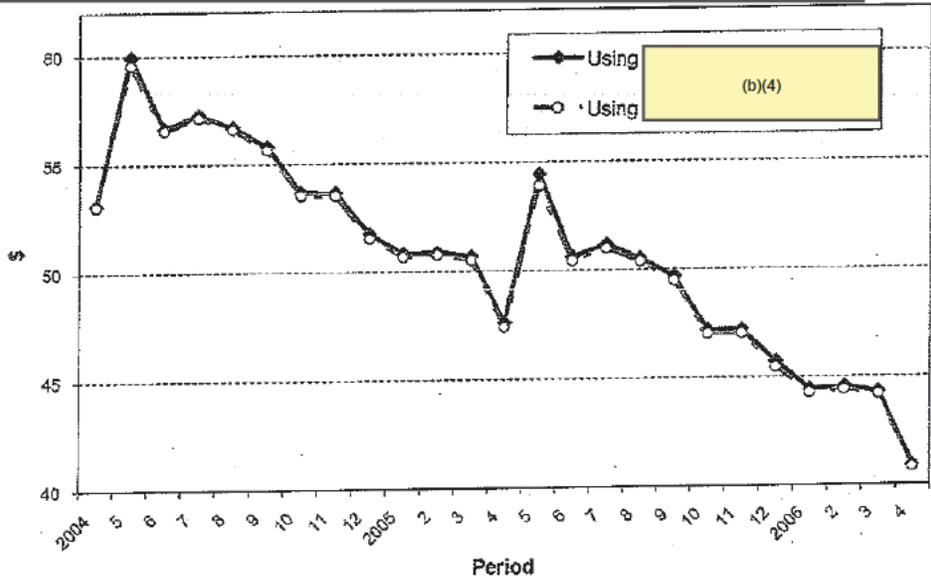
(b)(4)



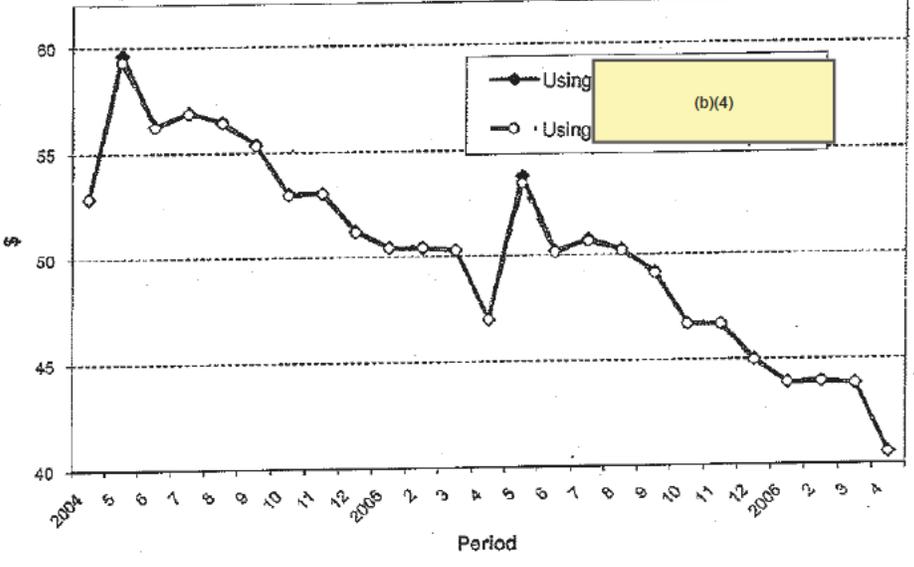
(b)(4)



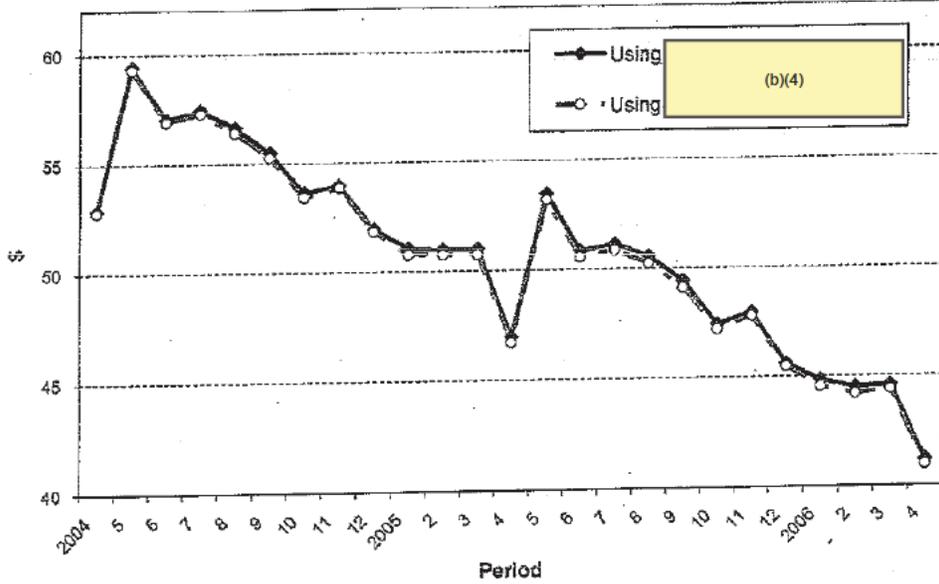
(b)(4)



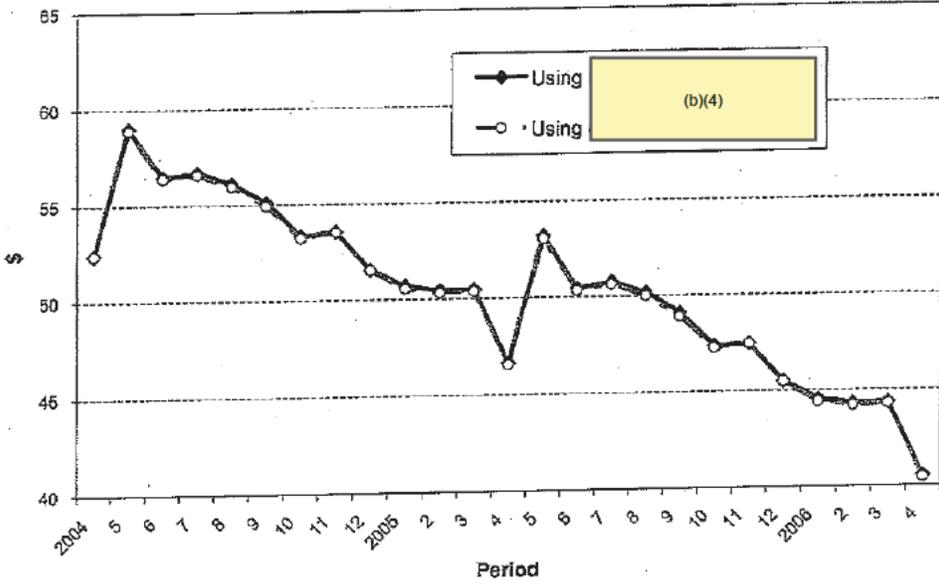
(b)(4)



(b)(4)



(b)(4)



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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_price Base\_price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	783813	46107	3277.32	<.0001
Error	40502	569799	14.06842		
Corrected Total	40519	1353613			

Root MSE	3.75079	R-Square	0.5791
Dependent Mean	50.57290	Adj R-Sq	0.5789
Coeff Var	7.41660		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	59.67977	0.34333	173.83	<.0001
Head_Received	Head_Received	1	0.00353	0.00030409	11.61	<.0001
Base_p_m	Base_p_m	1	0.37139	0.01638	22.67	<.0001
Negotiated_price	Negotiated_price	1	0.04298	0.04197	1.02	0.3059
Tot_carcass_Wgt_PH		1	-0.03166	0.00176	-18.03	<.0001
Sort_G_L	Sort_G_L	1	-0.71302	0.02477	-28.79	<.0001
IV_S1		1	-0.63233	0.09199	-6.87	<.0001
IV_S2		1	-0.23534	0.09252	-2.54	0.0110
IV_S3		1	0.07711	0.09172	0.84	0.4005
IV_S4		1	-2.25348	0.08606	-26.19	<.0001
IV_S5		1	4.50277	0.09582	46.99	<.0001
IV_S6		1	1.96171	0.09399	20.87	<.0001
IV_S7		1	2.76744	0.09384	29.49	<.0001
IV_S8		1	2.99230	0.09314	32.13	<.0001
IV_S9		1	2.57371	0.09084	28.33	<.0001
IV_S10		1	0.70029	0.08954	7.82	<.0001
IV_S11		1	1.65016	0.08973	18.39	<.0001
trend		1	-0.49117	0.00299	-164.07	<.0001

(b)(4)

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	497874	29287	1951.31	<.0001
Error	27658	415112	15.00876		
Corrected Total	27675	912986			

Root MSE	3.87411	R-Square	0.5453
Dependent Mean	50.00359	Adj R-Sq	0.5450
Coeff Var	7.74767		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	56.76655	0.44156	128.56	<.0001
Head_Received	Head_Received	1	0.00090704	0.00035519	2.55	0.0107
Base_p_m	Base_p_m	1	0.35018	0.01895	18.48	<.0001
Negotiated_price	Negotiated_price	1	0.59147	0.04969	11.90	<.0001
Tot_carcass_Wgt_PH		1	-0.01878	0.00226	-8.31	<.0001
Sort_G_L	Sort_G_L	1	-0.44802	0.03253	-13.77	<.0001
IV_S1		1	-0.79868	0.11452	-6.97	<.0001
IV_S2		1	-0.34796	0.11432	-3.04	0.0023
IV_S3		1	-0.04249	0.11517	-0.37	0.7121
IV_S4		1	-2.28932	0.10716	-21.36	<.0001
IV_S5		1	4.60285	0.12168	37.83	<.0001
IV_S6		1	2.03283	0.11899	17.08	<.0001
IV_S7		1	2.69586	0.11726	22.99	<.0001
IV_S8		1	2.94382	0.11650	25.27	<.0001
IV_S9		1	2.50773	0.11403	21.99	<.0001
IV_S10		1	0.81550	0.11196	7.28	<.0001
IV_S11		1	1.53085	0.11299	13.55	<.0001
trend		1	-0.45894	0.00369	-124.54	<.0001

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The REG Procedure

Model: MODEL1

Dependent Variable: Base\_price Base\_price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	848529	49913	4133.11	<.0001
Error	44875	541932	12.07648		
Corrected Total	44892	1390461			

Root MSE	3.47512	R-Square	0.6103
Dependent Mean	50.73706	Adj R-Sq	0.6101
Coeff Var	6.84928		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	60.19197	0.32012	188.03	<.0001
Head_Received	Head_Received	1	-0.00053540	0.00016181	-3.31	0.0009
Base_p_m	Base_p_m	1	0.19813	0.01266	15.65	<.0001
Negotiated_price	Negotiated_price	1	-1.18718	0.03774	-31.46	<.0001
Tot_carcass_Wgt_PH		1	-0.02704	0.00164	-16.48	<.0001
Sort_G_L	Sort_G_L	1	-0.57026	0.02174	-26.23	<.0001
IV_S1		1	-0.41670	0.08228	-5.06	<.0001
IV_S2		1	-0.14578	0.08327	-1.75	0.0800
IV_S3		1	0.39514	0.08193	4.82	<.0001
IV_S4		1	-2.89404	0.07635	-37.90	<.0001
IV_S5		1	4.10180	0.08472	48.42	<.0001
IV_S6		1	2.04509	0.08158	25.07	<.0001
IV_S7		1	2.80272	0.08341	33.60	<.0001
IV_S8		1	2.69265	0.08113	33.19	<.0001
IV_S9		1	2.14510	0.08033	26.70	<.0001
IV_S10		1	0.92171	0.08010	11.51	<.0001
IV_S11		1	1.57114	0.08093	19.41	<.0001
trend		1	-0.48871	0.00263	-185.94	<.0001

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_price Base\_price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	748221	44013	3581.91	<.0001
Error	39727	488148	12.28756		
Corrected Total	39744	1236369			

Root MSE	3.50536	R-Square	0.6052
Dependent Mean	50.58801	Adj R-Sq	0.6050
Coeff Var	6.92923		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	59.98364	0.35454	169.19	<.0001
Head_Received	Head_Received	1	-0.00095788	0.00016750	-5.72	<.0001
Base_p_m	Base_p_m	1	0.17353	0.01334	13.01	<.0001
Negotiated_price	Negotiated_price	1	-1.33237	0.04031	-33.05	<.0001
Tot_carcass_Wgt_PH		1	-0.02459	0.00183	-13.44	<.0001
Sort_G_L	Sort_G_L	1	-0.45548	0.02453	-18.57	<.0001
IV_S1		1	-0.53589	0.08748	-6.13	<.0001
IV_S2		1	-0.23637	0.08821	-2.68	0.0074
IV_S3		1	0.33575	0.08738	3.84	0.0001
IV_S4		1	-2.94908	0.08119	-36.32	<.0001
IV_S5		1	3.97325	0.09094	43.69	<.0001
IV_S6		1	1.93455	0.08791	22.01	<.0001
IV_S7		1	2.68349	0.08953	29.97	<.0001
IV_S8		1	2.50285	0.08734	28.66	<.0001
IV_S9		1	1.94794	0.08543	22.80	<.0001
IV_S10		1	0.81155	0.08476	9.58	<.0001
IV_S11		1	1.57286	0.08547	18.40	<.0001
trend		1	-0.48939	0.00281	-174.16	<.0001

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_price Base\_price

## Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	1042503	61324	5429.65	<.0001
Error	51355	580015	11.29423		
Corrected Total	51372	1622518			

Root MSE	3.36069	R-Square	0.6425
Dependent Mean	50.18429	Adj R-Sq	0.6424
Coeff Var	6.69670		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	55.07453	0.30251	182.06	<.0001
Head_Received	Head_Received	1	0.00122	0.00024940	4.90	<.0001
Base_p_m	Base_p_m	1	0.38351	0.01183	32.43	<.0001
Negotiated_price	Negotiated_price	1	-0.46457	0.03107	-14.95	<.0001
Tot_carcass_Wgt_PH		1	-0.00472	0.00154	-3.06	0.0022
Sort_G_L	Sort_G_L	1	-0.53530	0.02115	-25.31	<.0001
IV_S1		1	-0.59045	0.07202	-8.20	<.0001
IV_S2		1	-0.04265	0.07303	-0.58	0.5592
IV_S3		1	0.38460	0.07165	5.37	<.0001
IV_S4		1	-2.35460	0.06776	-34.75	<.0001
IV_S5		1	4.62598	0.07616	60.74	<.0001
IV_S6		1	2.09234	0.07421	28.20	<.0001
IV_S7		1	3.14264	0.07631	41.18	<.0001
IV_S8		1	3.18604	0.07328	43.48	<.0001
IV_S9		1	2.67191	0.07103	37.62	<.0001
IV_S10		1	0.82483	0.07108	11.60	<.0001
IV_S11		1	1.33466	0.07065	18.89	<.0001
trend		1	-0.51269	0.00235	-218.59	<.0001

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The REG Procedure  
 Model: MODEL1  
 Dependent Variable: Base\_price Base\_price

## Analysis of Variance

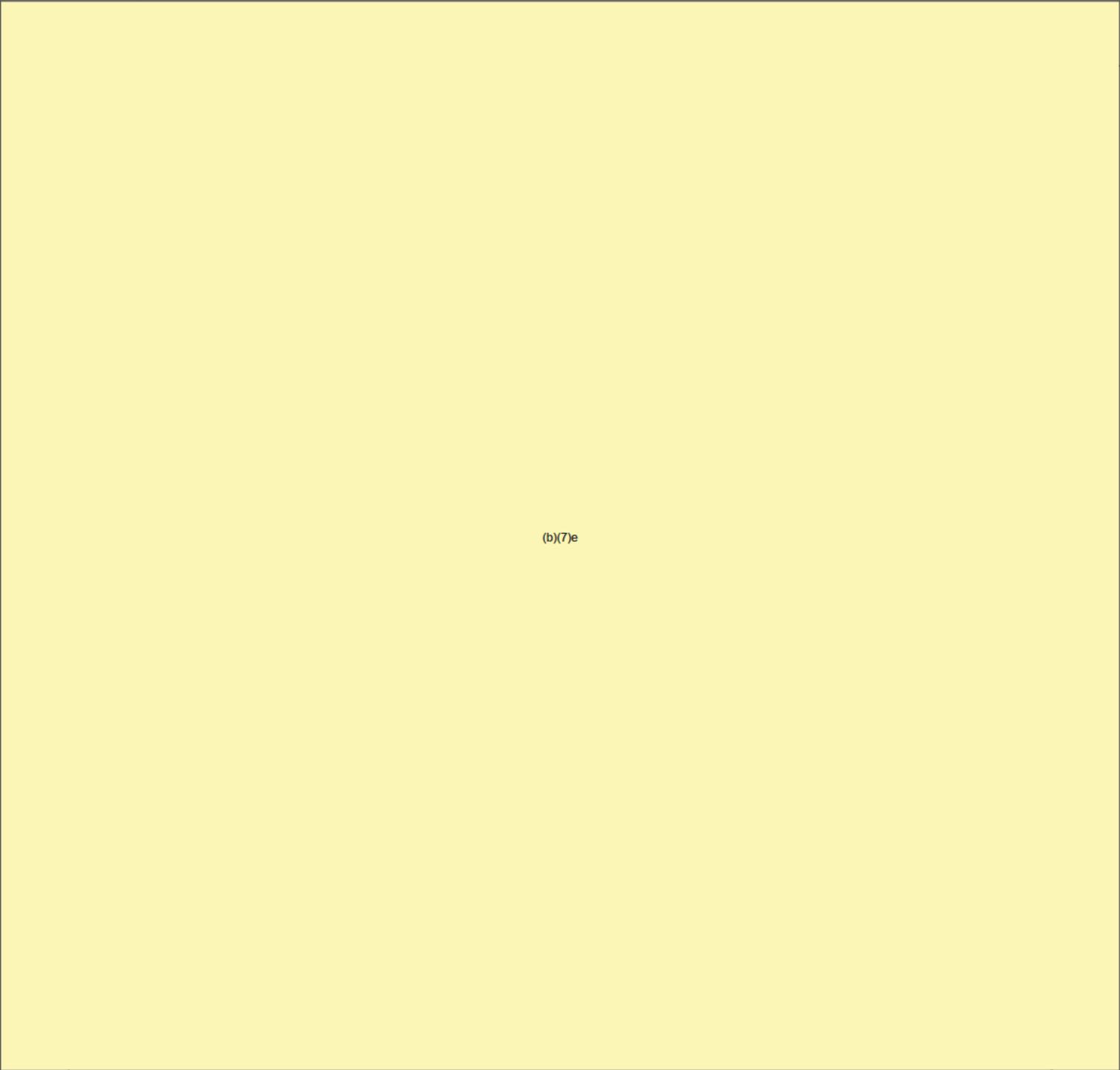
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	975064	57357	5069.21	<.0001
Error	48499	548752	11.31471		
Corrected Total	48516	1523816			

Root MSE	3.36373	R-Square	0.6399
Dependent Mean	50.12104	Adj R-Sq	0.6398
Coeff Var	6.71122		

## Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	54.98694	0.31358	175.35	<.0001
Head_Received	Head_Received	1	0.00079183	0.00026193	3.02	0.0025
Base_p_m	Base_p_m	1	0.37496	0.01213	30.90	<.0001
Negotiated_price	Negotiated_price	1	-0.43959	0.03157	-13.93	<.0001
Tot_carcass_Wgt_PH		1	-0.00381	0.00160	-2.38	0.0172
Sort_G_L	Sort_G_L	1	-0.46603	0.02274	-20.50	<.0001
IV_S1		1	-0.53557	0.07415	-7.22	<.0001
IV_S2		1	0.01955	0.07524	0.26	0.7950
IV_S3		1	0.40637	0.07351	5.53	<.0001
IV_S4		1	-2.32199	0.07010	-33.12	<.0001
IV_S5		1	4.63439	0.07834	59.16	<.0001
IV_S6		1	2.06601	0.07670	26.94	<.0001
IV_S7		1	3.10692	0.07916	39.25	<.0001
IV_S8		1	3.16582	0.07524	42.08	<.0001
IV_S9		1	2.61941	0.07313	35.82	<.0001
IV_S10		1	0.81243	0.07311	11.11	<.0001
IV_S11		1	1.35157	0.07260	18.62	<.0001
trend		1	-0.51361	0.00242	-212.40	<.0001

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(b)(4)

15:24 Thursday, December 7, 2006

The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	1151720	67748	2666.34	<.0001
Error	32489	825502	25.40867		
Corrected Total	32506	1977223			

Root MSE	5.04070	R-Square	0.5825
Dependent Mean	68.05387	Adj R-Sq	0.5823
Coeff Var	7.40693		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	54.02439	0.53587	100.82	<.0001
Head_Received	Head_Received	1	0.00341	0.00041826	8.15	<.0001
Avg_backfat	Avg_backfat	1	-2.67454	0.32213	-8.30	<.0001
Negotiated_Price	Negotiated_Price	1	0.53975	0.05995	9.00	<.0001
Tot_Live_Wgt_PH		1	-0.00673	0.00201	-3.35	0.0008
Yr_2004		1	17.20101	0.11645	147.71	<.0001
Yr_2005		1	10.84922	0.10161	106.77	<.0001
IV_S1		1	7.15584	0.15242	46.95	<.0001
IV_S2		1	6.93535	0.15261	45.44	<.0001
IV_S3		1	6.82529	0.15092	45.22	<.0001
IV_S4		1	2.34132	0.13022	17.98	<.0001
IV_S5		1	10.98311	0.13913	78.94	<.0001
IV_S6		1	6.77938	0.13928	48.67	<.0001
IV_S7		1	7.17794	0.13992	51.30	<.0001
IV_S8		1	6.66429	0.14102	47.26	<.0001
IV_S9		1	5.47230	0.13735	39.84	<.0001
IV_S10		1	2.39821	0.13522	17.74	<.0001
IV_S11		1	2.83094	0.13694	20.67	<.0001

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15:24 Thursday, December 7, 2006

The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_price Base\_price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	17	387762	22810	1795.62	<.0001
Error	8186	103986	12.70289		
Corrected Total	8203	491748			

Root MSE	3.56411	R-Square	0.7885
Dependent Mean	69.47861	Adj R-Sq	0.7881
Coeff Var	5.12980		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	45.91731	0.73328	62.62	<.0001
Head_Received	Head_Received	1	0.00239	0.00122	1.96	0.0497
Avg_backfat	Avg_backfat	1	-4.41113	0.62380	-7.07	<.0001
Negotiated_Price	Negotiated_Price	1	-1.18699	0.30146	-3.94	<.0001
Tot_Live_Wgt_PH		1	0.01494	0.00291	5.14	<.0001
Yr_2004		1	25.46335	0.18116	140.67	<.0001
Yr_2005		1	14.56859	0.13500	107.92	<.0001
IV_S1		1	11.79592	0.20332	58.02	<.0001
IV_S2		1	11.61762	0.20717	56.08	<.0001
IV_S3		1	11.08233	0.20483	54.11	<.0001
IV_S4		1	10.17820	0.20257	50.24	<.0001
IV_S5		1	14.44483	0.22736	63.53	<.0001
IV_S6		1	7.61538	0.19838	38.39	<.0001
IV_S7		1	8.22904	0.19903	41.35	<.0001
IV_S8		1	8.05191	0.18944	42.50	<.0001
IV_S9		1	6.50565	0.18577	35.02	<.0001
IV_S10		1	2.17467	0.18408	11.81	<.0001
IV_S11		1	3.16779	0.17761	17.84	<.0001

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16:51 Wednesday, December 20, 2006

The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_Price Base\_Price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	24	235162	9798.43613	1247.07	<.0001
Error	7955	62504	7.85719		
Corrected Total	7979	297666			

Root MSE	2.80307	R-Square	0.7900
Dependent Mean	51.75531	Adj R-Sq	0.7894
Coeff Var	5.41600		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	37.05865	0.54508	67.99	<.0001
Head_Received	Head_Received	1	0.00109	0.00079819	1.37	0.1711
Avg_Backfat	Avg_Backfat	1	0.01915	0.01647	1.16	0.2451
IV_Prm		1	0.17485	0.18290	0.96	0.3391
Cash		1	-7.92300	0.30895	-25.64	<.0001
Shrink	Shrink	1	-0.26231	1.09923	-0.24	0.8114
PLG	PLG	1	-0.14975	0.05630	-2.66	0.0078
Tot_Live_Wgt_PH		1	-0.00318	0.00193	-1.64	0.1001
Truck_D		1	-0.06073	0.04687	-1.30	0.1951
NPS_D		1	0.00474	0.00758	0.63	0.5316
Ins_D		1	-0.13543	0.93397	-0.15	0.8847
Other_D		1	0.92914	1.71679	0.54	0.5884
Yr_2004		1	15.15820	0.14995	101.09	<.0001
Yr_2005		1	8.98637	0.12619	71.21	<.0001
IV_S1		1	7.15032	0.17780	40.22	<.0001
IV_S2		1	7.95176	0.18173	43.21	<.0001
IV_S3		1	6.74685	0.18059	37.36	<.0001
IV_S4		1	3.67142	0.17353	21.16	<.0001
IV_S5		1	8.74486	0.15689	55.74	<.0001
IV_S6		1	5.98717	0.15424	38.82	<.0001
IV_S7		1	6.21089	0.15758	39.41	<.0001
IV_S8		1	5.35342	0.15874	33.72	<.0001
IV_S9		1	5.21347	0.16613	31.38	<.0001
IV_S10		1	1.63743	0.16852	9.72	<.0001
IV_S11		1	3.03227	0.16194	18.72	<.0001

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_Price Base\_Price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	24	2252161	93840	7316.02	<.0001
Error	89701	1150564	12.82665		
Corrected Total	89725	3402725			

Root MSE	3.58143	R-Square	0.6619
Dependent Mean	49.50990	Adj R-Sq	0.6618
Coeff Var	7.23377		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	41.99074	0.15436	272.04	<.0001
Head_Received	Head_Received	1	0.00430	0.00018578	23.16	<.0001
Avg_Backfat	Avg_Backfat	1	0.14703	0.00328	44.76	<.0001
IV_Prm		1	-0.06645	0.02862	-2.32	0.0202
Cash		1	-2.71010	0.03308	-81.92	<.0001
Shrink	Shrink	1	-1.12222	0.36831	-3.05	0.0023
PLG	PLG	1	-0.25533	0.01265	-20.19	<.0001
Tot_Live_Wgt_PH		1	-0.03010	0.00035405	-85.00	<.0001
Truck_D		1	-0.01231	0.00240	-5.12	<.0001
NPB_D		1	0.10053	0.00676	14.86	<.0001
Ins_D		1	-0.00768	0.00837	-0.92	0.3588
Other_D		1	0.00045994	0.00398	0.12	0.9081
Yr_2004		1	13.86440	0.05329	260.19	<.0001
Yr_2005		1	8.51321	0.04577	185.99	<.0001
IV_S1		1	5.83536	0.06354	91.83	<.0001
IV_S2		1	5.97624	0.06364	93.90	<.0001
IV_S3		1	5.74086	0.06242	91.98	<.0001
IV_S4		1	3.74622	0.06192	60.50	<.0001
IV_S5		1	7.47132	0.05940	125.77	<.0001
IV_S6		1	4.62510	0.05785	79.94	<.0001
IV_S7		1	4.97787	0.05841	85.23	<.0001
IV_S8		1	4.27602	0.05626	76.00	<.0001
IV_S9		1	3.84965	0.05552	69.34	<.0001
IV_S10		1	1.22371	0.05563	22.00	<.0001
IV_S11		1	1.84773	0.05580	33.12	<.0001

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2006

The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_Price Base\_Price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	24	186346	7764.40534	652.37	<.0001
Error	10336	123018	11.90186		
Corrected Total	10360	309363			

Root MSE	3.44991	R-Square	0.6024
Dependent Mean	51.14097	Adj R-Sq	0.6014
Coeff Var	6.74588		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	35.73285	0.54998	64.97	<.0001
Head_Received	Head_Received	1	0.00537	0.00067418	7.96	<.0001
Avg_Backfat	Avg_Backfat	1	0.22623	0.01344	16.83	<.0001
IV_Prm		1	-0.54837	0.11285	-4.86	<.0001
Cash		1	0.57990	0.26417	2.20	0.0282
Shrink	Shrink	1	-0.73827	0.74305	-0.99	0.3205
PLG	PLG	1	-0.04148	0.05400	-0.77	0.4423
Tot_Live_Wgt_PH		1	-0.02276	0.00160	-14.19	<.0001
Truck_D		1	-0.42930	0.02692	-15.95	<.0001
NPB_D		1	0.81643	0.04671	17.48	<.0001
Ins_D		1	-0.45677	0.07801	-5.86	<.0001
Other_D		1	-0.02153	0.01633	-1.32	0.1874
Yr_2004		1	15.48372	0.17567	88.14	<.0001
Yr_2005		1	10.69532	0.15376	69.56	<.0001
IV_S1		1	7.52382	0.19161	39.27	<.0001
IV_S2		1	6.27003	0.18985	33.03	<.0001
IV_S3		1	5.97224	0.19035	31.37	<.0001
IV_S4		1	4.36570	0.17334	25.19	<.0001
IV_S5		1	7.64260	0.16131	47.38	<.0001
IV_S6		1	4.84097	0.15185	31.88	<.0001
IV_S7		1	5.32295	0.16338	32.58	<.0001
IV_S8		1	4.92158	0.16190	30.40	<.0001
IV_S9		1	4.50610	0.16346	27.57	<.0001
IV_S10		1	1.63425	0.15967	10.24	<.0001
IV_S11		1	1.51128	0.15767	9.59	<.0001

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The REG Procedure  
Model: MODEL1  
Dependent Variable: Base\_Price Base\_Price

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	24	1228700	51196	4230.33	<.0001
Error	62276	753670	12.10209		
Corrected Total	62300	1982370			

Root MSE	3.47881	R-Square	0.6198
Dependent Mean	50.22008	Adj R-Sq	0.6197
Coeff Var	6.92712		

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	43.12765	0.20294	212.52	<.0001
Head_Received	Head_Received	1	0.00519	0.00020685	25.10	<.0001
Avg_Backfat	Avg_Backfat	1	0.13449	0.00436	30.87	<.0001
IV_Prm		1	-0.25588	0.03182	-8.04	<.0001
Cash		1	-0.28975	0.03250	-8.91	<.0001
Shrink	Shrink	1	-1.51230	0.30450	-4.97	<.0001
PLG	PLG	1	-0.20787	0.01389	-14.96	<.0001
Tot_Live_Wgt_PH		1	-0.03156	0.00054888	-57.49	<.0001
Truck_D		1	-0.02832	0.00562	-5.04	<.0001
NPE_D		1	0.33800	0.01184	28.55	<.0001
Ins_D		1	-0.05808	0.01629	-3.57	0.0004
Other_D		1	0.00282	0.00610	0.46	0.6436
Yr_2004		1	13.19721	0.06244	211.35	<.0001
Yr_2005		1	7.64072	0.05320	143.61	<.0001
IV_S1		1	4.99038	0.07643	65.29	<.0001
IV_S2		1	5.65404	0.07438	76.01	<.0001
IV_S3		1	5.30070	0.07386	71.77	<.0001
IV_S4		1	3.48556	0.07095	49.13	<.0001
IV_S5		1	7.45924	0.07077	105.40	<.0001
IV_S6		1	4.44942	0.06855	64.90	<.0001
IV_S7		1	4.62498	0.06874	67.28	<.0001
IV_S8		1	4.47188	0.06686	66.89	<.0001
IV_S9		1	3.81449	0.06554	58.20	<.0001
IV_S10		1	1.06407	0.06631	16.05	<.0001
IV_S11		1	2.01707	0.06659	30.29	<.0001