

# GeneNet™



*"A genetic network of high quality beef"*



## Carcass Merit Pricing Formula Grand Island, NE & Greeley, CO

12/15/2011

<b>Determine Base Price - 2 Options</b>	
<b>Option 1 Formula</b>	USDA Previous Weeks " Weekly Weighted Average Nebraska Dressed Beef Price"
Start Price* = USDA Wtd. Avg.	
<b>Option 2 Bid = Start Price*</b>	Call Corporate office 785-628-3004 to get on our bid list. We will then call you with a bid when cattle are trading.
*Amount to add to Start Price to determine <b>Choice YG 3 Base Price</b>	100% - Grade % in plant * Ch/Sel Spread + Start Price
<b>Ch/Select Spread (Minimum of \$4.00)</b>	USDA Previous Week's 5 day Average

### Premiums & Discounts to add or subtract from Base Price

<b>Prime/Ch Spread</b>	<b>\$8.00</b>	<b>Premium</b>
<b>CAB/Ch Spread</b>	<b>\$5.00</b>	<b>Premium</b>
<b>**Swift Premium Classic</b>	<b>\$4.00</b>	<b>Premium</b>
Standards	\$10.00	under Select
Commercial/Heiferette	\$30.00	under Select
Dark Cutters, Yellow, etc	Market	
Condemned cattle	No Value	
Yield Grade 1	\$5.00	Premium
Yield Grade 2	\$3.00	Premium
Yield Grade 3	Base	
Yield Grade 4	\$15.00	under YG 3
Yield Grade 5	\$25.00	under YG 3
535# / Down	\$15.00	Discount from base price (Ch YG 3)
1000# / Up	\$15.00	Discount from base price (Ch YG 3)

**Please call for current premium paid for Source & Age Japan eligible cattle.**

**\*\*Swift Premium Classic=Upper 2/3 Choice Non-black hided cattle (only at Grand Island Plant at this time)**

**\*Example to figure amount to add to Start Price to determine CH YG 3 Base Price:**

If the plant grade avg. was 60% Choice, the Ch/Sel spread was \$15.00, then amount added to the **Start Price (NE Wtd. Avg. or the bid Price)** would be \$6.00. If the Start Price was \$200.00, then  $100\% - 60\% = 40\% \times \$15.00 = \$6.00 + \$200.00 = \mathbf{\$206.00}$  would be the **Choice 3 Base Price**