

Table 20. Contract Provisions for Variation in Quantity and Quality for Feeder Pigs

(Based on 132 contracts reported)

	Farms		Farms
Lesser quantity:		Lower quality:	
Contractor would have accepted pigs delivered.....	56	Contractor would have accepted pigs delivered.....	9
Producer would have purchased the deficit amount to fulfill contract.....	2	Producer would have made cash payment to fulfill contract.....	-
Producer would have made a cash payment to fulfill contract.....	2	No payment would have been received for inferior pigs.....	14
Contract would have been invalidated.....	2	Contract would have been invalidated.....	-
Contract included a natural disaster clause.....	3	Contract included a natural disaster clause.....	-
No provision to cover lesser quantity.....	58	Producer would have received payment based on quality actually delivered.....	60
Other.....	16	Pigs would have been sold on open market.....	15
		Pigs would have been destroyed.....	-
Greater quantity:		Pigs would have been offered to contractor; then sold on open market.....	26
No payment would have been received for excess produced.....	2	No provision to cover lower quality.....	11
Excess would have been sold on open market.....	15	Other.....	4
Producer would have received a reduced payment for excess.....	1	Higher quality:	
Excess would have been offered to contractor; then sold on open market.....	20	No additional payment would have been received.....	43
Producer would have received an incentive or premium payment.....	23	Producer would have received an incentive or premium payment.....	31
No provision to cover greater quantity.....	63	Pigs would have been sold on open market.....	5
Other.....	16	Pigs would have been offered to contractor; then sold on open market.....	3
		No provision to cover higher quality.....	31
		Other.....	6

Table 21. Other Contract Characteristics for Feeder Pigs

(Based on 132 contracts reported)

	Total	Feeder pigs produced under contract in 1977					
		1 to 49 pigs	50 to 99 pigs	100 to 199 pigs	200 to 499 pigs	500 to 999 pigs	1,000 pigs and over
Other contractors were available for negotiation.....	53	-	2	3	22	8	18
Producer had knowledge of key provisions of other contracts.....	39	-	2	3	15	8	11
Negotiations were undertaken with more than one contractor.....	18	-	1	-	7	2	8
Contract was specified in writing.....	117	5	3	12	49	25	23
Contract covered more than one production period.....	111	5	2	10	45	20	29
Contract specified a specific number of feeder pigs.....	20	-	-	2	10	5	3
Product was pooled with others prior to final payment determination.....	81	3	1	8	40	20	9
Product was under a State or Federal market order.....	10	1	-	-	5	3	1
Contractor was a cooperative.....	100	5	3	12	42	24	14
Producer was a member of this cooperative.....	90	3	2	11	39	23	12
Contract was associated with a joint venture between two or more cooperatives or a cooperative and another firm.....	6	1	-	2	-	1	2
Producer's operation was a part of this joint venture.....	4	-	-	2	-	1	1
A bargaining association was involved in negotiating the contract.....	10	-	-	-	4	5	1
Producer was a member of this bargaining association.....	9	-	-	-	3	5	1
Contractor provided supply, demand and/or price outlook information.....	67	2	1	7	25	17	15
Producer considered this as main source of market information..	31	-	-	3	12	10	6
Producer was generally satisfied with production terms of contract.....	124	5	4	12	7	25	31
Producer was generally satisfied with marketing terms of contract.....	120	4	4	11	46	25	30
Producer plans to continue utilization of contracts.....	92	3	4	7	32	21	25
Pigs would have been produced without a contract.....	87	4	4	6	36	15	22
Total reporting size of operation.....	129	5	4	12	50	26	32

Table 22. Extent of Contract Usage for Feeder Pigs

(Based on 132 contracts reported. Producer's opinion of pigs produced under contract)

	1977				1972				1967			
	Farms	Region I	Region II	Region III	Farms	Region I	Region II	Region III	Farms	Region I	Region II	Region III
Total reporting.....	102	59	31	12	87	51	28	8	76	46	23	7
Percent of pigs in area contracted:												
None.....	-	-	-	-	3	-	1	2	9	4	2	3
Under 25 percent.....	22	11	5	6	24	13	8	3	35	17	14	4
25 to 49 percent.....	16	7	6	3	26	11	12	3	21	15	6	-
50 to 74 percent.....	31	18	12	1	29	22	7	-	11	10	1	-
75 percent and over..	33	23	8	2	5	5	-	-	-	-	-	-