

Table 28. Contract Provisions for Variation in Quantity and Quality for Slaughter Hogs

(Based on 56 contracts reported)

	Farms		Farms
Lesser quantity:		Lower quality:	
Contractor would have accepted hogs delivered.....	21	Contractor would have accepted hogs delivered.....	12
Producer would have purchased the deficit amount to fulfill contract.....	5	Producer would have made cash payment to fulfill contract.....	-
Producer would have made a cash payment to fulfill contract.....	3	No payment would have been received for inferior hogs.....	2
Contract would have been invalidated.....	-	Contract would have been invalidated.....	2
Contract included a natural disaster clause.....	14	Contract included a natural disaster clause.....	4
No provision to cover lesser quantity.....	10	Producer would have received payment based on quality actually delivered.....	8
Other.....	3	Hogs would have been sold on open market.....	4
		Hogs would have been offered to contractor; then sold on open market.....	2
Greater quantity:		No provision to cover lower quality.....	16
No payment would have been received for excess produced.....	5	Other.....	3
Excess would have been sold on open market.....	11	Higher quality:	
Producer would have received a reduced payment for excess.....	-	No additional payment would have been received.....	12
Excess would have been offered to contractor; then sold on open market.....	7	Producer would have received an incentive or premium payment.....	12
Producer would have received an incentive or premium payment.....	8	Hogs would have been sold on open market.....	1
No provision to cover greater quantity.....	16	Hogs would have been offered to contractor; then sold on open market.....	2
Other.....	-	No provision to cover higher quality.....	18
		Other.....	2

Table 29. Other Contract Characteristics for Slaughter Hogs

(Based on 56 contracts reported)

	Total	Slaughter hogs produced under contract in 1977					
		1 to 49 hogs	50 to 99 hogs	100 to 199 hogs	200 to 499 hogs	500 to 999 hogs	1,000 hogs and over
Other contractors were available for negotiation.....	33	-	-	2	5	12	14
Producer had knowledge of key provisions of other contracts.....	25	-	-	2	3	8	12
Negotiations were undertaken with more than one contractor.....	8	-	-	-	3	1	4
Contractor was specified in writing.....	43	-	1	4	12	9	17
Contract covered more than one production period.....	32	-	-	2	9	6	15
Contract specified a specific number of hogs.....	31	-	-	3	10	8	10
Product was pooled with others prior to final payment determination.....	5	-	-	-	1	3	1
Product was under a State or Federal market order.....	1	-	-	-	-	-	1
Contractor was a cooperative.....	25	-	-	1	8	7	9
Producer was a member of this cooperative.....	20	-	-	1	5	6	8
Contract was associated with a joint venture between two or more cooperatives or a cooperative and another firm.....	5	-	-	-	3	1	1
Producer's operation was a part of this joint venture.....	3	-	-	-	2	1	-
A bargaining association was involved in negotiating the contract.....	9	-	-	1	2	4	2
Producer was a member of this bargaining association.....	9	-	-	1	2	4	2
Contractor provided supply, demand and/or price outlook information.....	24	-	1	1	7	7	8
Producer considered this as main source of market information..	12	-	-	1	3	5	3
Producer was generally satisfied with production terms of contract.....	48	-	1	5	13	10	19
Producer was generally satisfied with marketing terms of contract.....	46	-	1	4	12	11	18
Producer plans to continue utilization of contracts.....	44	-	-	3	11	12	18
Hogs would have been produced without a contract.....	31	-	-	3	8	9	11
Total reporting size of operation.....	56	-	1	5	13	14	23

Table 30. Extent of Contract Usage for Slaughter Hogs

(Based on 56 contracts reported. Producer's opinion of hogs 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.....	42	23	12	7	39	20	12	7	37	20	11	6
Percent of hogs in area contracted:												
None.....	-	-	-	-	5	3	1	1	13	5	5	3
Under 25 percent.....	24	14	9	1	26	13	10	3	19	13	5	1
25 to 49 percent.....	9	5	3	1	3	1	1	1	3	1	1	1
50 to 74 percent.....	2	1	-	1	3	2	-	1	2	1	-	1
75 percent and over..	7	3	-	4	2	1	-	1	-	-	-	-