

Appendix B—Contract Clauses Related to Input Requirements and Monitoring

Contract ¹	Safety and veterinary services	Diet	Genetics	Labor, management, and facilities	Monitoring
Farmland 1998	Farmland will instruct vets to properly administer only USDA-approved medication, vaccines, and other health care products subject to label instructions. Use of these products will be kept to minimum, consistent with good animal husbandry and herd management.	Feed and manage hogs according to Farmland's recommended feeding programs, which may be modified at times.	Genetic strains for breeding stock shall be composed of ____ (number) ____ (type) gilts/sows and appropriate number of ____ (type) boars.	Producer shall supply all necessary management, labor, and utilities to properly operate facilities.	Farmland may inspect facilities and records of producers to assure management of genetic, breeding, health, and feeding programs according to Farmland standards.
Hormel 1996-a	Must adhere to proper drug use and withdrawal procedures. Must be at Level III of PQA program or comply within 6 months. Supervision by a licensed vet.	Company-approved feeding program	Genetic program capable of producing lean, uniform sorted hogs that consistently meet company requirements	Company-approved facilities.	Company can inspect producer's hogs and facilities. Producer can inspect records regarding receipt, weighing, and payment of hogs (scale tickets, P&L's, and checks)
Hormel 1996-b	Same as 1996-a contract	Same as 1996-a contract	Same as 1996-a contract	Same as 1996-a contract.	Same as 1996-a contract.
Hormel 1997-a	Same as 1996-a contract.	Same as 1996-a contract.	Same as 1996-a contract.	Same as 1996-a contract.	Same as 1996-a contract.
Hormel 1997-b	Same as 1996-a contract.	Same as 1996-a contract.	Same as 1996-a contract.	Same as 1996-a contract.	Same as 1996-a contract.
Hormel 1997-c	Quality Assurance Program to assure hogs are drug and residue free, and meet consumer expectations for safe and wholesome pork. Medications and vaccines to properly and competently operate facility.	Feed to properly and competently operate facility.	Select best genotype that is capable of minimizing drug use and providing the type and quality of hog consistent with the companies processing objectives. The company will share carcass cutout and meat quality data and both parties will collaborate to assure that genetics are providing the production and carcass quality requirements. Parties will meet biannually to review long-term projections for carcass weight and quality.	Labor, supervision, and management to properly and competently operate facility.	None specified.
Hormel 1999	Same as 1996-a contract. In addition, must maintain level III PQA certification or the highest level if changed in the future, and comply with any company HACCP program and any future changes within 6 months of establishment or change.	Same as 1996-a contract.	Same as 1996-a contract.	Producer responsible for handling, including that by transporters, to optimize meat quality. Company-approved facilities and/or company-approved sources of weanling and feeder pigs.	Same as 1996-a contract.

Hornel 2000	Same as 1999 contract.	Approval of current and future changes in a genetic program capable of delivering lean, uniform sorted hogs that consistently meet Company requirements.	Approval of current and future changes in feeding program.	Approval of current and future changes in a genetic program capable of delivering lean, uniform sorted hogs that consistently meet Company requirements.	Same as 1999 contract. In addition, must approve future changes in facilities and/or sources of weanling and feeder pigs.	Same as 1996-a contract.
IBP 1997-a.	Certified at Level III PQA. Producer shall properly administer drugs and follow appropriate withdrawal procedures. Supervision by a licensed vet.	Nutritional program that produces carcasses that exceed the average carcass characteristics of all hogs that IBP buys.	Same as 1997-a contract.	Parties will agree on genetics to be used and producer must notify Company of changes in genetics and genetic lines, which must be approved by Company.	Producer agrees to provide Company with information related to production management practices upon request.	Company can observe and monitor production and quality. Producer may visit company plants to observe handling and processing of hogs. Producer may inspect receipt, weighing, and payment records of the company.
IBP 1997-b ²	Same as 1997-a contract. In addition, if a Level PQA is created that exceeds Level III, producer must attain this level within a reasonable period of time.	Same as 1997-a contract.	Same as 1997-a contract.	Producer will use genetics that produces hogs, on average, with meat quality (including firmness, water holding capacity, marbling, and color determined by Minolta reading 49.4 or less) that equals or exceeds the average carcass characteristics of all other hogs delivered to IBP.	Same as 1997-a contract.	Same as 1997-a contract, except that provision allowing producer to observe handling and processing of hogs is omitted.
John Morrell 1997-a	Certified at Level III PQA or working to get there. Producer shall properly administer drugs and follow appropriate withdrawal procedures. Supervision by a licensed vet.	Company-approved feeding program.	Company-approved feeding program.	Genetic program capable of delivering lean, uniform sorted hogs that consistently meet Morrell quality standards in existence.	Company-approved facilities.	Producer may inspect receipt, weighing, and payment records of the Company. Producer may visit Morrell's plants to observe handling and processing of hogs. Company can visit producers to observe and monitor production and quality.
John Morrell 1997-b	Same as 1997-a contract. In addition, licensed vet must be Company-approved.	None specified.	None specified.	None specified.	None specified.	None specified.
John Morrell 2000	Same as 1997-a contract. In addition, must be on Morrell's HACCP program.	Same as 1997-a contract.	Same as 1997-a contract.	Same as 1997-a contract.	Same as 1997-a contract.	Same as 1997-a contract.
John Morrell ND-a	Same as 1997-b contract.	None specified.	None specified.	None specified.	None specified.	None specified.
John Morrell ND-b	Certified at Level III PQA.	None specified.	None specified.	Producer must consult with company to determine type of genetics.	None specified.	None specified.
Swift 1998 ²	Notify company if hogs treated with Beta Agonist, PST, Ractopamin, or similar substance. Hogs must be within USDA limits on all residues (e.g., sulfa) and be certified at Level III PQA	None specified.	None specified.	Any change in genetics must be agreed to by both parties.	None specified.	Seller can visit company plant(s) to facilitate and observe the handling and processing of hogs.

Swift 2000 ²	Same as 1998 contract. In addition, if requested by company, seller will implement programs to improve quality and/or company's ability to sell pork products (e.g., farm hazard analytical control point program, ISO 9000).	Producers must follow nutrition plan provided in contract (not attached), with modifications if requested by company (e.g., non-genetically modified feed)	Genetics shall be of a _____ for sires and _____ for females, and changes must be approved by the company	Sellers must follow humane handling procedures during production and delivery of hogs.	Same as 1998 contract. In addition, seller will allow company in Designated Production Facilities to observe production of hogs and seller adherence to performance obligations.
Swift 2001 ²	Same as 2000 contract.	Same as 2000 contract.	Genetics shall be Cotswold 801 for female lines and Shamrock (HxD) & Cotswold 925 MQ for sire lines, and changes must be approved by the company	Same as 2000 contract.	Same as 2000 contract.
Excel 2000 ²	Maintain the highest Level PQA in effect. Maintain drug withdrawals at levels that allow Excel to export pork products in all current and future export markets. Withdraw all oral tetracycline products a minimum of 2 weeks before slaughter. Maintain highest health standards through proper ventilation prior to delivery, good vermin control, limited access for visitors, and documented immunizations.	Company approved feeding programs.	Hogs must be purchased from farrowers in the Pig.Net Alliance.	Handle market hogs to minimize damage from bruising, improper injections, and other invasive procedures. Facilities that meet current accepted standards for raising improved genetic animals. Company approved management programs.	None specified.
ND=Year Not Disclosed.	ND=Year Not Disclosed. ¹Contract year is our best assessment of the year that the contract was initially available based on dates contained in the contract. ²These contracts have explicit quality requirements regarding PSE attributes (See appendix A). Source: Iowa Attorney General's Office (http://www.IowaAttorneyGeneral.org/working_for_farmers/contracts.html).				