

Appendix C—An Example of Reduced Incentives For Leaner Hogs

In the carcass merit matrix presented in appendix table C, the leanest carcasses (i.e., between 59 and 60.9 lean percent, rows 1 and 2) for live weight ranging between 232 and 292 pounds (i.e., columns 4 and 5) receive a percentage price premium of 105% compared to 106% for the less lean carcasses (i.e., between 57 and 58.9 lean percent, rows 3 and 4).

Appendix table C—A swine carcass merit adjustment schedule submitted to the Swine Contract Library

Carcass Weight Range (lbs)	Live Weight Range (lbs)					
	180-196 133-145	197-216 146-160	217-231 161-171	232-263 172-195	264-292 196-216	293-311 217-230
	<i>Percent</i>					
60-60.9	88	93	101	105	105	100
59-59.9	88	93	101	105	105	100
58-58.9	88	94	101	106	106	97
57-57.9	88	94	101	106	106	97
56-56.9	88	93	101	105	105	97
55-55.9	88	93	101	105	105	96
54-54.9	88	92	101	103	103	96
53-53.9	88	92	101	103	103	96
52-52.9	88	91	101	102	102	94
Lean Percent Range						
51-51.9	88	91	100	102	102	94
50-50.9	88	90	99	100	100	94
49-49.9	88	90	99	100	100	94
48-48.9	88	90	98	98	98	92
47-47.9	88	90	97	97	97	92
46-46.9	88	90	96	96	96	92
45-45.9	88	90	95	95	95	90
44-44.9	88	90	94	94	94	90
43-43.9	88	90	93	93	93	90
42-42.9	88	90	92	92	92	90

Source: U.S. Department of Agriculture, GIPSA. 2003. Review Contract Summary Report - Premiums and Discounts Swine or Pork Market Formula, National. Accessed 30 December 2003.