



## Operational Guidance for Packers Reporting Non-carcass Merit Premiums as Part of the Base Price

Issue: Reporting of non-carcass merit premiums as part of the base price and distinguishing them from premiums for carcass characteristics.

Livestock and Grain Market News Position: The term “non-carcass merit premium” is defined as an increase in the base price of the swine offered by an individual packer or packing plant, based on any factor other than the characteristics of the carcass. The term “premium” is defined as the adjustment expressed in dollars per one hundred pounds and added to the base price due to weight, quality characteristics, yield characteristics, livestock class, breed, or production practices.

Livestock and Grain Market News Guidance: All non-carcass merit premiums should be included in the base price reported to the Agricultural Marketing Service.