



## **Operational Guidance for Negotiated Cash Cattle Delivery Periods**

Issue: Negotiated cash cattle that are purchased with a delivery period beyond 14 days.

LPGMN Position: The definition contained in the law and the regulations for “negotiated purchase” is a general definition that was applied to all commodities under LMR and contains specific language for less than 14 day delivery. However, by 2008 when the regulations were revised, there were becoming more transactions of cattle being purchased at a firm cash price for delivery within 15-30 days. The regulations were amended under *Terms of Trade* to require packers to report whether negotiated cash cattle were intended for delivery within 1-14 days or within 15-30 days from the date of purchase. The Live Cattle Daily Report (Current Established Prices) was also amended to collect the specific delivery period of negotiated cash cattle for either 1-14 days or 15-30 days in field 24d.

In 2008, Negotiated Cash cattle market reports were also changed to include 15-30 day delivery negotiated cattle in published reports.

LPGMN Guidance: Cattle purchased at a flat negotiated price for delivery within 1-30 days will be reported with the purchase type of Negotiated Cash. Packers will then supply the specific delivery period on the LS113 as either 1-14 day, or 15-30 day for the expected delivery period from the time of initial purchase. For guidance on cattle that are purchased at a firm cash price for delivery beyond 30 days, refer to Operational Guidance GU4244TTB.