

the 33 packers³ that we estimate would be required to report under the swine contract library. We do not anticipate that requiring small packers, such as these 11 packers, to report would add enough value to the information we report from the swine contract library to justify the anticipated burden on such small packers. We determined that it would be reasonable to exempt such small packers from the requirements of the swine contract library regulations.

We revised the definition of packers in section 206.1 to apply to a packer purchasing at least 100,000 swine per year. We used 100,000 as the minimum for consistency with the legislative requirement for the average number of hogs that each plant slaughters. In comparing the purchases of these 11 small packers, in 2000, the maximum annual purchase was 69,262 hogs; as this packer increases its annual slaughter to 100,000, it will be required

to report as required by the swine contract library regulations. Other changes to the definition included deleting the phrase "or firm" from the definition of packer, because the definition of person in the P&S Act includes individuals, partnerships, corporations, and associations making the use of the phrase "or firm" unnecessary, and deleting the word "would" from the definition of packer.

Text of the regulation as proposed	Text of the regulation as revised
<p><i>Packer.</i> Any person or firm engaged in the business of buying swine in commerce for purposes of slaughter, of manufacturing or preparing meats or meat food products from swine for sale or shipment in commerce, or of marketing meats or meat food products from swine in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. The regulations in this part would only apply to a packer slaughtering swine at a federally inspected swine processing plant that meets either of the following conditions: * * *</p>	<p><i>Packer.</i> Any person engaged in the business of buying swine in commerce for purposes of slaughter, of manufacturing or preparing meats or meat food products from swine for sale or shipment in commerce, or of marketing meats or meat food products from swine in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. The regulations in this part only apply to a packer purchasing at least 100,000 swine per year and slaughtering swine at a federally inspected swine processing plant that meets either of the following conditions: * * *</p>

Submission of Example Contracts

During the development of the swine contract library regulations, we identified the packers and the specific plants that currently meet the requirements of the regulations. The proposed rule did not specify how we will provide information about the swine contract library to those packers; when this rule is published, we will notify each of those packers, in writing, about the information that each packer will be required to provide, and provide a packer identification number, which we will assign. In addition to providing a copy of guidelines, forms, and instructions, the notification will provide information about the option of submitting information electronically.

Each of these packers will be required to submit example contracts for each plant at which it slaughters or has hogs slaughtered that meets the definition in this rule. Each packer will use the criteria established in this rule to determine which existing and available contracts can be represented by one example contract. The packer will submit as many example contracts as are necessary to represent all of its existing and available contracts at the time the initial submission is due.

As a new option, we developed guidelines that the packer may follow to submit example contracts and developed an option for the electronic submission of example contracts. The guidelines include an optional cover sheet for the identification of example contract submissions. The guidelines

are intended to eliminate the confusion expressed by commenters about what needs to be submitted.

In the proposed rule, we proposed to have each packer sort its contracts into six contract type categories, identify the example contracts within each contract type category, and then submit the example contracts. Since the publication of the proposed rule, we realized that each packer could identify its example contracts without having to sort the contracts into the six contract type categories. We further realized that there would be greater consistency in the contracts placed into each category if we identified into which contract type category each example contract will be placed, which will relieve packers of the additional burden of sorting its contracts into the six categories. Therefore, packers do not need to sort contracts by category.

After we receive the example contracts, we will categorize the example contracts, using the six contract type categories established in this rule. We will notify the packer of the contract type category for each example contract submitted. The packer will need to know the contract type category to which each example contract is assigned to prepare the information required for the monthly reports. We will provide the packer with this information at least 2 weeks prior to the required submission of monthly reports. In the monthly reports that each packer will submit, the packer will report the estimated deliveries of hogs

for all contracts; in the report, the packer will group the estimates by the contract type categories. We will use the contract type categories to summarize information from the example contracts and the monthly reports and to provide public reports. The public reports will be provided by contract type and geographic region. Information will only be released to the public if confidentiality requirements can be met.

In addition to the initial submission of existing and available contracts, as contracts are made available, revised, or expire, each packer should use the following guidelines to determine when another submission or notification of a change is required.

- Required submission of contract made available: When a contract that represents an example contract is made available to swine sellers, the packer will submit it to GIPSA as an example contract (for discussion purposes, we will call this Example contract A).
- Potential subsequent submission due to contract changes: When a contract changes, for example, the contract is made available and negotiations result in a new example contract, the packer will submit the new example contract to GIPSA and specify if it replaces the previously submitted example contract or if it is an additional new example contract (for discussion purposes, we will call this Example contract B). Example contracts would not be continuously submitted to GIPSA during negotiations; one would be submitted when it is made available to sellers and, when necessary, another

³ Based on the 5 year average using the most recent data, which included 2002 slaughter data for

federally inspected plants compiled by the National

Agricultural Statistics Service, there are 33 packers that will be submitting contracts for 53 plants.