

estimates on monthly reports.<sup>9</sup> In addition, we revised the second and third sentences to combine text to more directly and correctly state the requirement. As proposed, the second sentence could have been misleading; the requirement is not to report the types of contracts, but rather to report the number of estimated swine to be delivered. The revised sentence focuses on the estimates to be reported, it does not change the requirement to report those estimates. Other changes included in paragraph 206.3(c)(2) included

changing the phrase “for purchase” to “for the purchase” and in paragraphs 206.3(c)(1) and (c)(2) changing “the types of contracts” to “contracts.”

In the proposed rule, we used the terms “expansion provisions” and “expansion clauses” to mean the same thing. In a contract, the expansion clause specifies the possibilities for increase of a quantity. For consistency, in the title of paragraph 206.3(c)(4) and the text of paragraphs 206.3(c)(4), (4)(iii), (5), (g)(3)(iv), and (v), we revised “provisions” to “clauses.” For

consistency, in paragraphs 206.3(c)(4)(i) and (ii), we revised “contract terms” to “clauses.” A specific example of this change in paragraph 2.6.3(c)(4) is shown in the following table. Other changes in section 206.3 included correcting the sentence in paragraph (c)(5) by inserting the word “of” in front of the phrase “the types of expansion clauses” and added “for all existing contracts” to the second sentence for clarity and in paragraph 206.3(g)(3)(iv) changing the word “ensuing” to “following” for consistency and plain language.<sup>10</sup>

Text of the regulation as proposed	Text of the regulation as revised
<p>206.3(c)(4) <i>Expansion provisions.</i> Any conditions or circumstances specified by provisions in any existing contracts that could result in expansion in the estimates specified in paragraph (c)(3) of this section. Each packer will identify the expansion provisions in the monthly report by listing a code for the following conditions:</p> <ul style="list-style-type: none"> <li>(iii) Contract terms that allow for a range of the number of swine to be delivered;</li> <li>(iii) Contract terms that require a greater number of swine to be delivered as the contract continues;</li> <li>(iii) Other provisions that provide for expansion in the numbers of swine to be delivered.</li> </ul>	<p>206.3(c)(4) <i>Expansion clauses.</i> Any conditions or circumstances specified by clauses in any existing contracts that could result in an increase in the estimates specified in paragraph (c)(3) of this section. Each packer will identify the expansion clauses in the monthly report by listing a code for the following conditions:</p> <ul style="list-style-type: none"> <li>(iii) Clauses that allow for a range of the number of swine to be delivered;</li> <li>(iii) Clauses that require a greater number of swine to be delivered as the contract continues;</li> <li>(iii) Other clauses that provide for expansion in the numbers of swine to be delivered.</li> </ul>

To specify that estimates reported in the monthly reports come from contracts and not from contract types, in the title of paragraph 206.3(d), we changed “type of contract” to “contract.” In addition, for clarity with the wording used throughout the regulations, we changed the word “head” to “swine.”

Text of the regulation as proposed	Text of the regulation as revised
<p>206.3(d) <i>What if a type of contract does not specify the number of head committed?</i></p>	<p>206.3(d) <i>What if a contract does not specify the number of swine committed?</i></p>

In the proposed rule, the authority citation included 7 U.S.C. 198, 198a, and 198b, which are the sections of the U.S. Code in which the sections of the P&S Act that require the establishment of the swine contract library are codified. We corrected the authority citation by replacing those citations with Section 941 of Public Law 106–78, 113 Statute 1135, which is the section of the Livestock Mandatory Price Reporting Act that requires regulations to implement the swine contract library.

We added the OMB control number at the end of sections 206.2 and 206.3 to show the OMB approval for the collection of information required by the swine contract library regulations, which OMB has approved concurrently with the approval of the final rule.

#### Summary of Swine Contract Library Final Rule

*Who must provide contract information?* The regulations 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:

(1) A swine processing plant that slaughtered an average of at least 100,000 swine per year during the immediately preceding 5 calendar years, with the average based on those periods in which the plant slaughtered swine; or

(2) Any swine processing plant that did not slaughter swine during the immediately preceding 5 calendar years that has the capacity to slaughter at least 100,000 swine per year, based on plant capacity information.

Throughout this document, references to “packers” refer to the packers that are required to report under the swine contract library regulations. Throughout this document, references to “plants” refer to the plants at which the swine are slaughtered for which the packers are required to report. Currently, most of the packers required to report slaughter swine at a plant that the packer owns. In a few cases, the packer required to

report has the swine slaughtered at a plant it does not own.

*What contracts will packers need to provide?* Each packer must send GIPSA example contracts for available and existing contracts with a producer (or producers) for the procurement of swine for slaughter. For a packer using more than one plant, the packer must submit a separate package of example contracts for each plant that has the slaughtering capacity specified in the definition of “packer.”

For verbal contracts, packers must provide written descriptions of the terms of all agreements for the purchase of swine for slaughter for which the parties did not execute a document to signify the existence of the agreement.

As specified in section 206.2(a), (b), and (c) of the regulations, each packer must file an initial submission of example contracts currently in effect or available and subsequent submissions with example contracts made available at each plant at which the packer slaughters swine.

<sup>9</sup> The table showing the changes from the proposed rule in paragraphs 206.3(c)(1) and (c)(2)

is in the Discussion of Comments section of this document.

<sup>10</sup> The table showing the changes from the proposed rule in paragraphs 206.3(c)(5) is in the Discussion of Comments section of this document.