



Cattle & Carcass TRAINING

Fall 2020 Webinar – Part IV
December 15, 2020



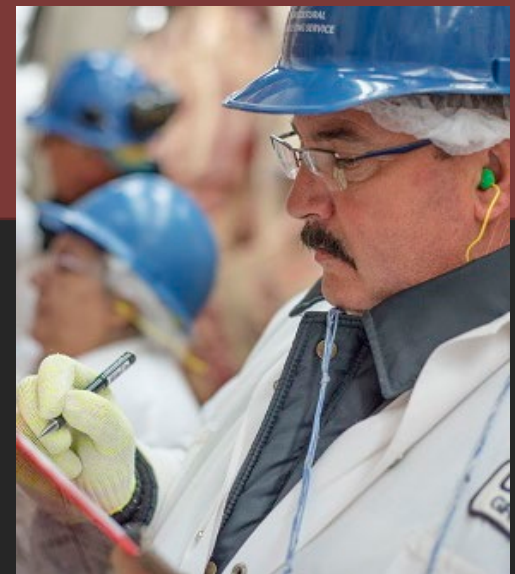
CME Carcass Deliveries

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Carcass Delivery

The Long elects to delivery on a carcass basis.

The Short will be notified for carcass grading on the third business day prior to the day of delivery.

The Short will indicate if the delivery will be a “Large Lot Delivery”.

The Long will provide:

The plant selected for delivery.

Slaughter date, selected by the Long and plant representative.

If the long consents to a “Large Lot Delivery”, if elected by the Short.





Carcass Delivery Requirements

- Lots must be either steers or heifers, they can not be mixed.
- Delivery points must be less than 225 road miles from the originating feed lot.
- Upon arrival at the plant, cattle must be allowed access to water.
- Seller can deliver in large lots (10 loads).

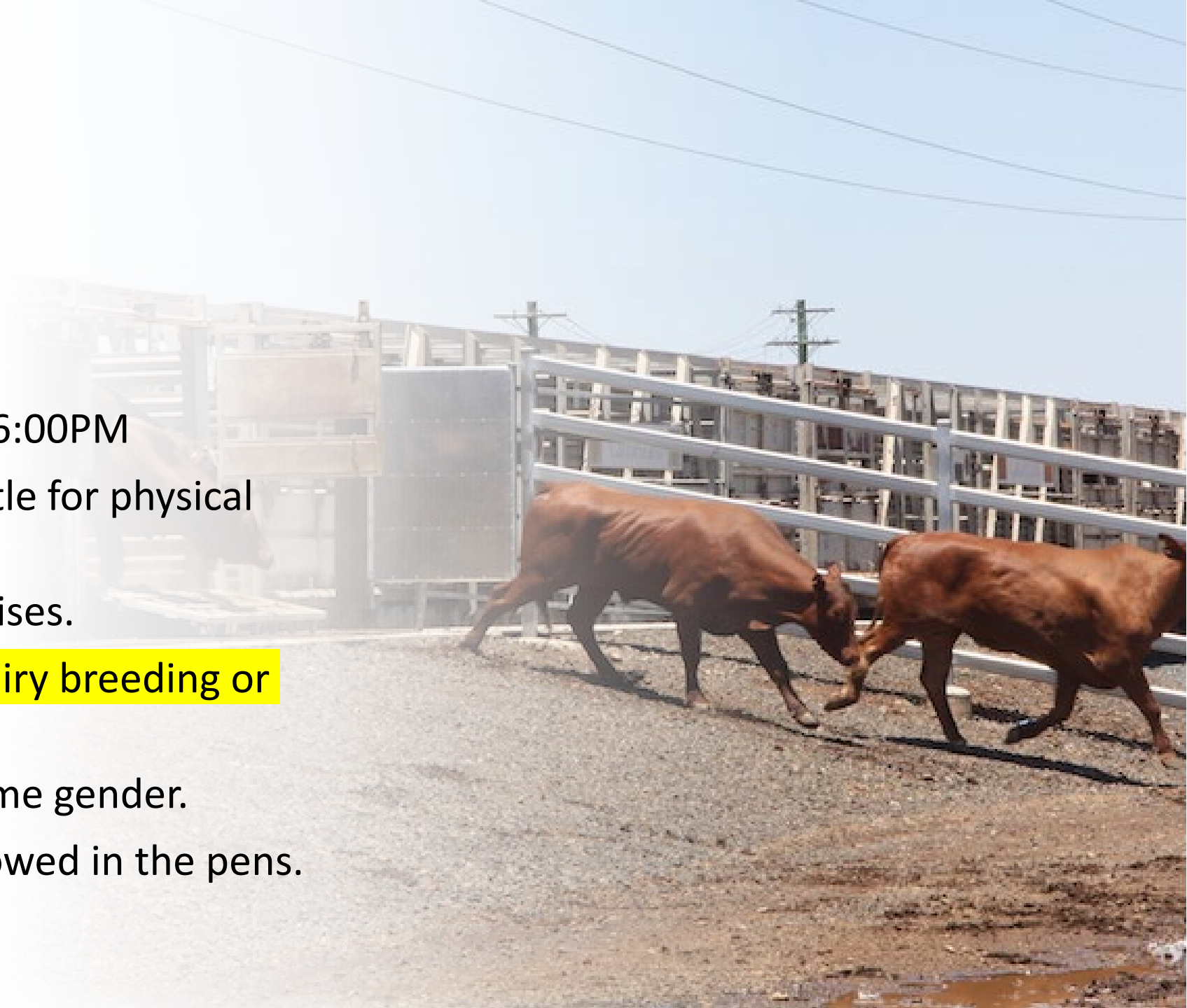
USDA Grader Coordinates with Receiving Plant

- USDA Grader is unbiased third party.
- USDA Grader reviews plant's SOP for CME deliveries.
- USDA Grader ensures open communication with plant personnel running the deliveries prior to the delivery date.
- The USDA Grader is trained in all steps involved:
 - Unloading
 - Harvest Floor
 - Cooler/Transfer
 - Application of USDA Standards



CME Carcass Delivery – Unloading at Plant

- Delivery from 6:00AM to 6:00PM
- USDA Graders inspect cattle for physical characteristics.
 - No lump, bumps or bruises.
 - No predominance of dairy breeding or prominent humps.
 - Lot consist of all the same gender.
- USDA Grader are **NOT** allowed in the pens.





Quantity Deviations – Live Weight

- Each unit must weight between 38,000 - 42,000 pounds.
- Large Lot Delivery Units
 - May not exceed a size of ten contracts.
 - Units shall be 40,000-pound times the number of contracts. With a 5% variance.
 - Seller is relieved of requirement for lots being sorted into units weighing between 38,000-42,000 pounds prior to arriving to harvest plant.



USDA Requirements – Documentation

Weighing performed promptly upon arrival.

USDA Graders ensure all loads meet the required weights.

USDA Grader supervise the weighing by plant employee.

USDA Grader Record:

Total Net weight

Number of head

Lot Number and/or pen number

Date weighed

CME CARCASS

	Plant Location
	No. Cattle in Lot
	Total Live Weight
	Grade Date
	Regrade Date

Under/Overweight Lots

Cattle can be added/removed from a load to meet the 38,000-42,000-pound weight.

Seller may have extra cattle, to replace cattle not meeting CME contract requirements to meet the weight requirement.



Other Deviations

- If one or more carcasses is condemned or is unacceptable, carcass shall not be considered.
- If removed, total carcass weight will reflect only carcasses acceptable for delivery.
- Total delivered live-weight shall be reduced by average live weight times the number of carcasses removed.

Other Deviations (cont.)

- If total live weight falls below the 5% tolerance, amount equal to the par value of an animal at the average live weight or average dollar value of remaining carcass, which is greater, shall be credited to the buyer.
- Excess trimming due to injection sites or other carcass defects will reduce the total delivered carcass weight, and the resulting hot yield.
- Liver condemnation in excess of 20% are the liability of the seller.

Procedures & Standards for Grading – Yield and Weighing

- After completion of weighing and visual inspection, cattle are placed in a holding pen.
- Identity shall be maintained in a manner satisfactory to the USDA Grader.
 - Including sealing the holding pen with a numbered seal.
 - Recording of seal number and plant-assigned sequential lot ID of the delivery unit.



Extra Cattle

- The plant may segregate and buy the extra cattle, eliminating the need to “backhaul” to the feed lot.
- After all trucks are unloaded for each contract and required weights are obtained, the USDA Grader notifies CME.



Kill Floor Requirements

- Each carcass is stamped with a CME stamp.
- The first and last head in the lot each have an identifier to maintain lot identity/integrity.
- Cattle are USDA graded within three days of harvest. Results are then submitted to CME.

Carcass Weights Requirements

- Carcass should weight between 600-900 pound.
 - Any carcasses below or above these weights are noted by the USDA grader and reported to CME.
- Condemned livers >20% are noted. These are the liability of the seller.
- CME Contracts commencing prior to February 2021:
 - **Yield Grade 3, 65% Choice, 35% Select**
- CME Contracts commencing February 2021 and beyond:
 - **Yield Grade 3, 70% Choice, 30% Select**
- Yield Grades 1, 2, 4, or 5 receive a per pound adjustment (10103.A.)

Recording Carcass Deliveries

If carcasses are over +30 months of age determined by dentition on the harvest floor, the USDA Grader will record the weight and ID only in the "Over 30 Mon" box.

Any carcass with skeletal factors older than "D 0" and does not grade Prime, Choice, or Select will also be noted and reported to CME.

No	Over 30 Mon	Wt	Carcass ID	Quality	Yield
1				P C Se S NG	0 1 2 3 4 5
2				P C Se S NG	0 1 2 3 4 5
3				P C Se S NG	0 1 2 3 4 5
4				P C Se S NG	0 1 2 3 4 5
5				P C Se S NG	0 1 2 3 4 5
6				P C Se S NG	0 1 2 3 4 5
7				P C Se S NG	0 1 2 3 4 5
			Summary	Page 1	Page 2 Sheet 1

Recording Carcass Deliveries – Dressing Percent

The **Total Dressed Weight** is automatically calculated as the dressed weight for each carcass is entered.

The **Dressing Percentage** is automatically calculated based off the Total Live Weight and Total Carcass Weight.

Dressing % must have an actual average hot yield of 63% or higher.

Final Steps

- After USDA Quality and Yield grades have been applied to each animal within a lot:
 - USDA Grader will submit documentation to CME.
 - Records will be retained for future questions or inquiries.
 - CME Clearing will release ownership to the Long.

Who determines if a contract will be delivered on a carcass basis?

A	The Long
B	The Short
C	USDA
D	CME

Who determines if the delivery will be a small or large lot?

A	The Long
B	The Short
C	USDA
D	CME



This carcass is unacceptable for a carcass delivery.

A	True
B	False



Would this carcass be accepted on a carcass delivery unit?

A

Yes

B

No



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