

	U.S. Department of Agriculture Grain Inspection, Packers and Stockyards Administration Packers and Stockyards Program	<b>Verbal Contract Optional Documentation Sheet</b>
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Use this optional form to document a basic set of contract terms for verbal contracts.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information is 0580-0021. The time required to complete this information collection is estimated to average 15 minutes including time to review instructions, search existing data resources, gather the data needed, complete and review the information collection.

**Identification Information**

1. Packer Name		2. Date of Submission (MM/DD/YYYY)	
3. Federal Inspection Number	4. Plant Name	5. Location: City, State	
6. Base Price Determination			
7. Application of Ledger			
8. Carcass Merit Premiums and Discounts			
9. Noncarcass Merit Premiums and Discounts			
10. Length of Agreement			
11. Other Provisions			

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Guidelines for Documenting Verbal Contracts  
and Instructions for Completing Optional Form P&SP-343



You may use optional form P&SP-343 to document a basic set of contract terms for verbal contracts.

**What is a verbal contract?**

A contract is any agreement, whether written or verbal, between a packer and a producer for the purchase of swine for slaughter, except a negotiated purchase.

A verbal contract includes purchases of swine by a packer from a producer under which:

- 1) The purchase is not a negotiated purchase. That is, the transaction
  - a) Results in a price to be determined at a later date, or
  - b) Establishes delivery dates more than 14 days after the date on which the swine are committed to the packer
- 2) The terms of the purchase are not formally documented.

For more information on selecting example contracts, see Guidelines for Providing Example Contracts and Instructions for Completing the Submission Cover Sheet (P&SP-342).

**How do I document verbal contracts?**

You must provide written descriptions for all terms of a verbal contract and attach that written description to form P&SP-342. See Guidelines for Providing Example Contracts and Instructions for Completing the Submission Cover Sheet (P&SP-342) for more information on completing the Submission Cover Sheet.

You may use optional form P&SP-343 to capture a basic set of contract terms.

**How and where do I send my contracts?**

Send example contracts or notification of expired or withdrawn contracts to:

Hardcopy

USDA GIPSA  
210 Walnut Street, Suite 317  
Des Moines, Iowa 50309

FAX

202-720-8300

Electronic

scl.gipsa.usda.gov

*Note: Under "Submit Swine Contract Library Information", select Swine Contracts*

The electronic submission processes requires secured access to the website listed above. See Web User Guide: Example Contracts for information on obtaining access to the secure submission site.

The web site can be used to (1) complete and submit form P&SP-342, example contracts and P&SP form-343, (2) download, complete, and print a fillable Adobe Acrobat (PDF) version of the forms P&SP-342 and P&SP-343 for hardcopy submission, or (3) print blank forms.

When completing the cover sheet using the fillable Adobe Acrobat file or on the GIPSA web site, press the tab key to move between fields, or click in the desired field.

Web User Guide: Example Contracts contains additional information for using the web interface to submit contracts.

Use one of the following formats for electronically submitted example contracts and attachments: (1) Microsoft Word Document, (2) ASCII text, or (3) RTF.



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**What are the penalties for not complying?**

As specified in section 222(e) of the P&S Act, to willfully fail or refuse to provide accurate information constitutes a violation of the P&S Act. Section 203 of the P&S Act sets forth the procedures that the Secretary is authorized to follow whenever there is reason to believe that any packer has violated or is violating a provision of Title II of the P&S Act. Section 203 of the P&S Act also specifies the sanction that may be assessed if the Secretary determines that a violation has occurred.

**How can I get additional information?**

If you have questions or need further assistance, please contact the Midwestern Regional office using one of the following methods.

Swine Contract Library Web Site: <http://scl.gipsa.usda.gov>  
 Phone: 515-323-2579, request to speak to the Swine Contract Library staff  
 Email: [SwineContractLibrary@usda.gov](mailto:SwineContractLibrary@usda.gov).  
 Fax: 515-323-2590, attention Swine Contract Library staff

**How do I complete optional form P&SP-342?**

<b>Item Number</b>	<b>Field Name</b>	<b>Description</b>
1	Packer Name	The name of the reporting packer.
2	Date of Submission	The date that the contract is being submitted to GIPSA.
3	Federal Inspection Number	The inspection number or establishment number assigned to the plant by USDA's Food Safety and Inspection Service.  When completing the form via the GIPSA web site, you may select the federal inspection numbers for the plant for which the report is being submitted from the drop down lists on Item 3.
4	Plant Name	The name you use to identify the specific plant for which the contract is being submitted.
5	Plant Location	The city and state where the plant is located.
6	Base Price Determination	A description of terms used to determine base price. This may include a complete description of any reports used and adjustments made to the reported price. For example: AMS National Daily Direct Hogs Morning, Base Market Hog, plus \$1.00
7	Application of Ledger	The terms of the ledger or accrual account. This may include the window or target price and terms regarding application of ledger conditions.
8	Carcass Merit Premiums and Discounts	A description of the carcass merit premiums and discounts. This may include the determination of lean percent or other merits of the carcass that are used to determine the amount of the premiums and discounts and how those premiums and discounts are applied.
9	Noncarcass Merit Premiums and Discounts	A description of any noncarcass merit premiums and discounts used. For example: \$1.50 for delivery before 7:00 am.
10	Length of Agreement	The term or length of the verbal agreement.
11	Other Provisions	A description of any other conditions or terms.