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CATTLEX: A Computerized
Cash Market For Feeder Cattle



Operating Procedures
and
Trading Techniques

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CATTLEX (CATTLE EXCHANGE):

A Computerized Cash Market for Feeder Cattle

CATTLEX is designed to operate as a centralized remote-access cash market for feeder cattle. The market is fully computerized and allows a regular English auction to be conducted for lots of about 20 head or more. Offerings are of two types--ranch and delivered. Figure 1 depicts the decision chart for the seller under CATTLEX.

Ranch cattle are described by a licensed third party grader and offered for sale over CATTLEX in truck-load or larger lots while still on pasture. The FOB delivery point and weighing location are specified by the seller. Cattle are sold on the basis of estimated weight and described by third party graders. Weighing conditions are determined by a third party grader.

For less than truck-load lots between 10,000 and 40,000 pounds, cattle are delivered to a livestock auction market or other assembly point. These delivered lots are weighed and described at the assembly point by a third party grader and sold on a known payweight basis.

The hardware at each remote site consists of a television-like device called a cathode ray tube (CRT) and a printer. Described lots of cattle are entered into the computer at each remote listing terminal. Buyers interface with CATTLEX using similar hardware. A buyer has the capability of surveying all lots listed for sale during a particular day, or the buyer may automatically sort through listed lots so that only lots in a certain location or of a specific weight and sex are shown.

The form used for listing cattle is shown in Exhibit 1.

In addition to the standard description including age, sex, weight, breed and grade, the seller supplies information to the terminal operator on any lien or mortgage which may exist on the cattle. Also, information on identification if the cattle are already ear tagged or branded is included in the description. Sellers, at their option, may supply any information to prospective buyers which may aid in merchandising their cattle.

Before using a terminal, sellers, buyers, and graders have identification numbers. In addition, buyers and sellers have authorization numbers. Location and identification of assembly points are available to all users both internally within the computer and as printed copy available to users.

To receive authorization to buy cattle over CATTLEX the buyer may be obligated to obtain a letter of credit. Buyers have a maximum total dollar purchase per day which they can make based upon this letter of credit. The computer system monitors the total dollar value of each buyer's purchases each day. In the event that the cumulative purchases equal or exceed the line of credit, the buyer's authorization number is invalidated, and he is not allowed to make further purchases over the system.

For ranch cattle, the buyer is required to forward a part payment or margin deposit. The part payment required of the buyer is \$30 per head for lots averaging 500 pounds per head or less and \$40 per head for lots averaging over 500 pounds per head. The buyer makes final settlement on purchased ranch cattle after delivery of those cattle to the agreed upon assembly point.

Payment for cattle must be made within 24 hours after delivery. The part payment is forwarded to the listing terminal operator within 24 hours after the sale over CATTLEX. The terminal operator pays the seller the part payment minus the sales fee.

Sellers of ranch cattle may specify a delivery date up to fourteen calendar days from the day the lot is first offered for sale over the computerized auction for delivery of their cattle to the specified delivery point. Upon delivery, the cattle are weighed and the buyer notified of the exact amount of the purchase. Information on all registered livestock and grain scales is available to users both internally within the computer and as printed copy.

Buyer Sorting

One of the advantages of the computerized marketing system is the ability for buyers to sort through offerings of cattle prior to bidding. Buyers have available, over the CRT's, a summary display of all lots (Exhibit 5) to be offered over the computerized auction for any one day. The description of all lots offered during a sale day is available by 9:00 am. The auction market operates from 10:00 am through 2:00 pm each business day.

Buyers have the ability to sort among listed lots for the following factors:

- | | |
|---------------------------------|-------------|
| 1. Weight | 4. Age |
| 2. Sex | 5. Grade |
| 3. Location: FOB delivery point | 6. Lot Size |

The categories used are:

Weight categories: Category 1, under 400 pounds average
weight per head

Category 2, 401-500

Category 3, 501-600

Category 4, 601-700

Category 5, 701-over

Sex categories: Steers, heifers, bulls.

Grade categories: large 1, 2, 3; medium 1, 2, 3; small 1, 2, 3.

Age categories: Category 1 - less than 6 months of age

Category 2 - 6 months to less than 12 months

Category 3 - 12 months to less than 18 months

Category 4 - 18 months to less than 24 months

Category 5 - 24 months and older

Lot size categories: Lot Size 1 - 30 head or less

Lot Size 2 - 31 to 60 head

Lot Size 3 - 61 to 90 head

Lot Size 4 - 91 head or more.

These lot size categories are used for market news reporting purposes only.

Listing Procedures

Details of the operating procedures for CATTLEX are best described by explaining the forms necessary for listing cattle. The Certificate of Agreement for Sale form for listing cattle and the Confirmation of Sale are attached to these notes. Also attached are examples of the most important CRT screen displays, primarily of interest to buyers but also available to sellers.

To list a lot, the owner completes a "Certificate of Agreement for Sale of Cattle" (Exhibit 1). Information on this form is supplied by three different individuals: the owner of the cattle; the grader; and the CRT operator or auction market operator. The information supplied by the owner of the cattle includes items such as the owner's name, the location of the cattle, the FOB delivery point, the weighing location, and the date and time of delivery if they are to be listed while still on the ranch. In addition, the owner may supply a no-sale price for the lot. The owner supplies the names and addresses of any lienholders. Lienholder information is supplied by the system only to the terminal operator, not the buyer. It does not appear on the CRT display to buyers.

At the owner's option, he also can supply merchandising information which may help sell his cattle. An example of such information is shown in Exhibit 3 under the heading "Owner Supplied Information." This information may assist the buyer in making a decision on whether or not to bid on that particular lot. Since the information is not verified by the third party grader it called "soft information."

To initiate listing a lot of cattle, the owner telephones or visits a CRT installation to arrange for a third party grader to see the cattle on pasture if the lot is a truck-load or larger. If the lot is less than truck-load (about 40,000 pounds), or if the owner chooses to use the delivered option, then the owner simply delivers the cattle to an assembly point that has a CRT. For either ranch or delivered lots, the owner pays a listing fee which covers the cost of entering a detailed description of the owner's lot into the CATTLEX system. The listing fee is \$1.00 per head for delivered lots. For ranch lots the listing fee is also \$1.00 per head but is a minimum of \$125 per lot and a maximum of \$250 per lot.

The grader supplies a general description of cattle which is recorded on the Certificate of Agreement for Sale of Cattle after seeing the cattle. This information includes grade, sex, age, breed, weight, flesh condition and other items such as fill on the cattle and delivery information. The grader of each lot of cattle is required to sign the agreement.

The last piece of information contained on the Certificate of Agreement for Sale of Cattle is the "weight adjustment scale". The weight adjustment scale represents price differentials by weight categories which change monthly based upon last month's price differences by weight. These are average price differentials calculated by sex and weight. These average prices are used to adjust the prices paid and received in the case of incorrect estimations of weight for ranch cattle. Before any lot is traded, both buyer and seller know the weight adjustment scale that prevails for that month. A more detailed description of these calculations is found beginning on page 12.

The terminal operator feeds information into the CRT from the Certificate of Agreement for Sale of Cattle. This information is stored in the computer and can be recalled in several different formats. The CRT display can recall summary descriptions of the listings of both delivered and ranch cattle, Exhibits 2 and 3. The summary description for an entire lot gives information on the predominant grade, predominant breed, flesh condition, location of the cattle, FOB delivery point, weighing conditions, and estimated weights. If the buyer is interested in bidding on the lot, he would call up the individual description for that lot. The individual description by lot gives more detailed information on variation of cattle within the lot on such factors as weight, age, color, breed and grade, Exhibit 4.

For purposes of illustration, Exhibit 4 shows a lot of cattle composed of 43 head in the 650 to 700 pound weight range, are approximately 16 months of age, are black baldy in color, are Angus-Hereford crossbreds, with a "touch" of Brahman, and are medium 1 grade. The amount of Brahman and/or dairy is designated for each by the notation T for "touch" (meaning less than one-eighth), E for one-eighth, Q for one-quarter, and H for one-half. This system, along with the identification of the predominant breed gives buyers a good description of each lot.

Catalog of Cattle

Cattle are entered into the system by lots. All lots are retrievable from a catalog. The CRT display of this catalog is shown in Exhibit 5.

The lot number is assigned by the terminal operator. The first three digits of the lot number gives the location of the listing terminal. The next two digits of the lot number gives the sequential week of the year. The last three digits of the lot number shows the number of lots listed for that week from that terminal. As an example, lot number 01008009 reads: Terminal Number 10; 8th week of the year; 9th lot to be listed for the 8th week from Terminal 10. Lot Number 00508133 would read: Terminal Number 5; 8th week of the year; 133rd lot to be listed during the 8th week from Terminal 5.

The computer system assigns each lot a random sale number. The sale numbers are assigned prior to the beginning of the auction of any one day. The sale number simply indicates the order in which that lot will be offered for sale on a particular day. Therefore, sale number 060 means the 60th lot that will be offered over the auction system for that particular sale day. The third column is the number of head in the lot. The average weight is an actual weight in the case of a delivered lot, but an estimated weight in the case of ranch cattle. The fifth column of the catalog display gives the sex of the lot. The sixth column is a notation for delivered or ranch cattle. The seventh column is the code number for the county where the cattle are located. The remaining columns give the approximate age, USDA grade, common name, and the time that lot will be offered over the auction system.

Detailed Listing By Lot

The last row of the buyer's CRT display of the catalog allows the buyer to call up another screen which gives a detailed listing for any particular sale number. For example, if the buyer wanted to see the detailed description for lot number 00308041, he would simply type in that number at the bottom of the screen which would call up exhibits comparable to the information shown in Exhibit 2 and 4.

Auction Market Display and Procedure

The actual auction market screen is shown in Exhibit 6. Both buyers and sellers may monitor the bidding as the auction progresses. The auction is a progressive or English bidding procedure. The auction market screen shows 16 lots at any one time. The eight lots appearing above the "starred" line are lots currently being auctioned. The eight lots below the "starred" line are the most recent eight lots which have sold over the system. Any one lot stays on the auction system for 16 minutes. During the sale day, a new lot comes onto the system every two minutes. The CRT auction screen display automatically rotates each two minutes with a new line appearing at the top while the last line on the screen goes off.

The lines used to represent the lots currently at auction, Exhibit 6, are basically the same description used for the catalog screen, shown in Exhibit 5. All CRT auction screens show the high bid for each lot of cattle being auctioned.

For example, in Exhibit 6, the lot represented by sale number 76 shows that a high bid of \$83.70 has been made for that lot. The buyer which is operating this particular CRT screen has bid \$83.00 on that lot, which shows under the column headed "MY BID". The "MY BID" information is displayed only to that particular bidder. That lot will stay on the system until 10:46. The current time shown in the example is 10:31. Thus, lot 76 will be in auction for another 15 minutes.

Other lines on the CRT screen show different situations, as depicted in Exhibit 6. The line which shows sale lot number 73 has a high bid depicted of \$82.85. The operator of this CRT unit is a buyer and has bid \$82.85 on that lot and it is also the high bid on that lot. The system informs the buyer that the \$82.85 high bid is his by highlighting the \$82.85 figure in the "MY BID" column of the buyer's CRT display. This way the buyer knows that he has the successful bid so far on lot 73. The lots which have no price depicted under the "MY BID" column means that the buyer operating this terminal has not bid on that particular lot. Even though this particular buyer has the high bid on lot 73, the lot will not go off the auction system until 10:40.

Eight lots listed below the "starred" line are those which have sold most recently. In the example of Exhibit 6, lot 68 sold at \$86.20, with the highlighted 86.20 under the "MY BID" column denoting that the buyer on this particular CRT unit was the successful bidder on that particular lot. The lot number 67 shows a C.O. listed under the column "HIGH BID". This denotes a counteroffer on lot 67. A lot is automatically registered as a counteroffer (C.O.) whenever the high bid

for that lot does not equal or exceed the no-sale price the owner placed on the lot. In this case, the lot is not sold but registered as a counteroffer. The seller or owner of that lot has 30 minutes to accept or reject the highest bid made on his lot.

The seller has two choices in the event his lot results in a C.O. One choice is to again offer the cattle on the market for the next market day, at no additional listing fee. He may reoffer cattle at no additional fee for the next four consecutive trading days. Another choice is to accept the high bid offered even though it was below his no-sale price. In the event he decides to reject the counteroffer, the lot is registered as a no-sale for that particular day's trading. In the event he accepts the highest bid price, the lot is registered as a sale at that price. The seller also may raise or lower his no-sale price prior to the day's auction.

Procedures After the Sale

For each lot sold over the auction system, a hard copy "Confirmation of Sale" is produced for the buyer, the seller, and terminal operator, Exhibit 7. This form verifies the information which both buyer and seller had available to them over the CRT display. It includes such items as the sale price, time of sale, number of head, weight, weighing conditions, delivery point, etc. The contractual form also shows the total amount of partial payment required of the buyer. The form is signed in "counterparts" by both buyer and seller to confirm all terms of sale.

The Confirmation of Sale is printed after the lot has sold over the auction market. It is printed at both the buyer and seller locations as well as the central office location of CATTLEX at Texas A&M University, College Station.

For ranch cattle, the seller may specify a delivery date up to fourteen calendar days from the day the lot is first offered for sale. The seller also specifies the FOB delivery point. Immediately after the sale, Confirmation of Sale is produced by the computer in hard copy form for both buyer and seller.

Price Differentials by Weight

Since CATTLEX is a completely computerized spot market for feeder cattle, retrieval and recapitulation of various market information is done quickly and accurately by the computer. There is some market information available as market news from sales over CATTLEX that simply is not available through conventional market news sources. For example, accurate average price differentials are available between each weight category. A single weighted average price is computed for each grade/weight group of cattle.

The computation of these price differences between weight categories is illustrated by the following examples: From Exhibit 6 the following lots were traded in weight category 3 (510 to 600 pounds per head average) on a particular day:

Weight	No.	Total Gross	Sale Price
<u>Category</u>	<u>Head</u>	<u>Cwt.</u>	<u>\$/Cwt.</u>
3	25	138.00	\$86.00
3	44	256.52	83.30
3	27	136.62	86.00
3	61	322.69	86.25
Total		853.83	

Similarly, from Exhibit 6, the following lots were traded in weight category 4 (601 to 700 pounds average) on a particular day:

Weight	No.	Total Gross	Sale Price
<u>Category</u>	<u>Head</u>	<u>Cwt.</u>	<u>\$/Cwt.</u>
4	22	147.84	\$82.85
4	170	1105.00	87.75
4	325	2275.00	80.50
4	53	352.98	85.75
4	29	117.48	85.45
Total		3998.44	

The weighted average price for each weight category is calculated by multiplying the sale price times the total gross cwt. of each lot, adding this sum across all lots and dividing by the total gross cwt. for that lot. In symbols,

$$AP = \frac{\sum_{i=1}^n P_i C_i}{\sum_{i=1}^n C_i}$$

where AP = average price for a particular weight category, P_i is the sale price for the i th lot in the weight category, and C_i is the total cwt. of the i th lot. For weight category 3 the average price is \$85.38/cwt. and for weight category 4 the average price is \$83.20/cwt.

Calculation of the average price differential between weight category 3 and 4 is $(85.38 - 83.20) = \$2.18$. This means that on this particular day, cattle of 5-6 cwt. sold for \$2.18 more than 6-7 cwt. cattle, on the average. There are similar price differentials calculated for each weight category. The differentials are calculated once each month for all trades made over CATTLEX during the previous month.

Price Adjustments for Weight

One of the unique economic benefits of the CATTLEX market is the efficiency which is gained from selling cattle while they remain on pasture, reducing shrink, stress, and health problems. However, since lots of cattle are traded on a description basis and cattle can be offered for sale while still at the ranch, weights must be estimated. Estimated weights are the basis for buyer's bids on ranch cattle. The final purchase price for ranch cattle is adjusted if actual payweight differs from estimated weight per head by more than 25 pounds. If actual weights on a per head basis are within 25 pounds either way of the estimated weight there is no price adjustment.

The following example illustrates the price adjustment procedure used for CATTLEX. Suppose a lot of ranch cattle sold for \$86.00/cwt. over CATTLEX at an estimated average payweight of 625 pounds per head. Further suppose that the actual payweight of these cattle were only 575 pounds per head--a difference of 50 pounds average per head. Suppose the calculated price differential between 5-6 and 6-7 cwt. categories is \$2.18, or \$0.0218 per pound. The price for this lot would be adjusted upward by \$0.0218 times 50 pounds or \$1.09. The adjusted sale price becomes \$86.00 + \$1.09 or \$87.09.

In the above example, the actual average payweight per head could have ranged from 600 to 650 pounds without any price adjustment. Had the lot exceeded 650 actual weight the price would be adjusted downward.

Legal Aspects

Operation of CATTLEX is subject to the regulations of the Packers and Stockyards Act and the Uniform Commercial Code. The Confirmation of Sale printed by the computer network at the termination of each transaction constitutes a binding written contract between buyer and seller with regard to the transaction.

The Confirmation of Sale is signed in "counterparts" and sent to both buyer and seller. That is, the buyer signs the Confirmation of Sale printed at his location and mails it to the seller. Likewise, the seller signs the Confirmation of Sale printed at his location and mails it to the buyer. This document serves as a legal contract between buyer and seller regarding the terms of the transaction such as price, sex and number of head in the lot, FOB delivery point, and USDA grade.

Miscellaneous Aspects

The Texas Livestock Marketing Association of Ft. Worth, Texas oversees the transfer of monies among markets. This is a bonded producer cooperative currently operating in the livestock industry. This association has the responsibility for certification of the assembly points (CRT locations).

Each CRT is capable of reproducing a current list of approved livestock scales in each county within Texas. This information includes the scale capacity and the location of the scale.

Third party graders for the market are certified and required to meet certain criteria for certification. This includes knowledge of the new USDA feeder cattle grade designations.

Any disputes regarding description of delivery of cattle are settled by the parties involved with the transaction. The computerized system still relies on reputation trading to some degree.

Title transfer for lots delivered to an assembly point prior to sale will occur 24 hours after sale over the auction, unless the buyer receives delivery of the cattle prior to the 24 hour period. In this case, title would transfer when the cattle are loaded. In the case of ranch cattle, sold prior to delivery, title transfers at the time of official weighing. Cuts on ranch lots of cattle are made at the time the cattle are listed by a third party grader.

For the convenience of both buying and selling terminal operators, the computer system generates a Daily Settlement Account for each terminal at the end of each trading day. The Daily Settlement Account lists all debits and credits by lot traded for that terminal. The net trading position of each buyer and seller is available to them at the end of each day. Immediately following the close of the auction market at 2:00 pm a list of all buyers for that business is available over the CRT or in printed form to all users.

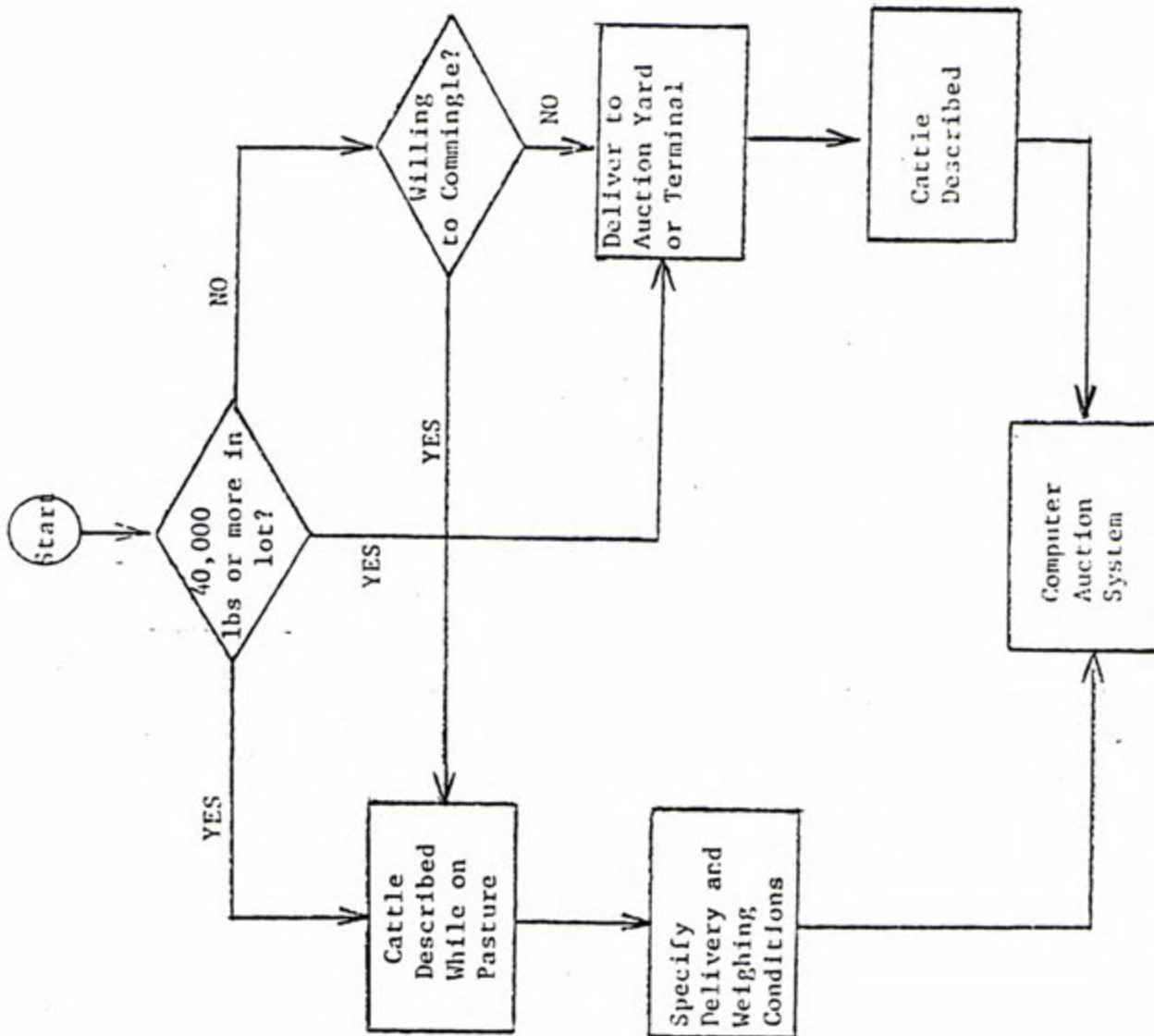


Figure 1: Seller Decision Chart for the Texas Feeder Cattle Electronic Marketing System.

EXHIBIT I.

INVOICE #

To BE USED ONLY BY TERMINAL OPERATOR

Assigned Lot # _____ Grader # _____
Sale # _____ Auth. # _____

CERTIFICATE OF AGREEMENT FOR SALE OF CATTLE

OWNER'S NAME: _____ COMMINGLE: YES NO

ADDRESS: _____ NAMES: _____

PHONE NO.: _____

LOCATION OF CATTLE: _____,
ranch or auction county

DATE DESCRIBED: _____ GRADER: _____

DESIRED AUCTION DATE: _____ NO-SALE PRICE OF CATTLE _____ \$/CWT.

F.O.B. DELIVERY POINT: _____

WEIGHING LOCATION: _____

DELIVERY DATE: _____ TIME OF DELIVERY: _____

Is there a lien(s) against any of all of the cattle? YES NO

Who holds the lien(s)? _____
name

_____ address

_____ city state zip

General Description of Cattle

Number of Head: _____ Sex: _____ Predominant Age _____

Predominant Grade _____ Common Name _____

Predominant Breed _____ Identification _____

Estimated Weight Range: _____ Estimated Avg. Weight _____

Weighing Condition _____

Payweight (Estimated or Actual) _____

Flesh Cond. _____ Fill Cond. _____

I _____ certify that on _____
name date

I inspected, graded and listed the cattle of _____
name of owner

located at _____
ranch and county

_____ date signature of grader

GRADER COMMENT

OWNER-SUPPLIED MERCHANDISING INFORMATION

OWNER AGREEMENT

I (name) _____, owner of the cattle described herein, duly declare that I understand and agree both to the terms of sale and to the description of my cattle as listed on this document. Further, I do hereby agree to sell my cattle over this market to the highest bidder in excess of the designated no-sale price as herein specified.

In the event a bid in excess of the no-sale price is not received, I realize I have the option of either accepting the highest bid or again offering the cattle over this market for the next four consecutive sale days without incurring an additional listing fee. However, should I choose not to designate a no-sale price, I realize I must accept the highest bid and forfeit any rights to reoffer.

Whenever any sale is consummated, I agree that certain changes for weight differences as prescribed by the market's calculated sliding weight scale adjustments can be made.

I agree to have the selling fee, yardage and other incidental expenses as listed on this document deducted from the receipts of sale after my cattle are sold via this market. I will deliver the cattle to the ascribed FOB delivery point at the date listed herein unless otherwise specified in the terms of sale. In the case my cattle are not sold over this market, I agree to pay yardage and other incidental expenses incurred on cattle delivered to this market. I certify the lien statement as herein declared to be true and accurate.

It is agreed that the course of dealing within the feeder-stocker cattle industry shall form a part of this agreement and that terms of this agreement shall be interpreted in light of such course of dealings unless contrary provisions are herein contained.

Date Signature of owner

I (name) _____ hereby agree for the purpose of selling, to commingle my cattle listed on this document with cattle owned by (names) _____

Date Signature of owner

Weight Adjustment Scale: 300 + 4 - 400 + 3 - 500 + 2 - 600 + 2 - 700 for Feb, 1980.

Selling Fee Rate: _____ Yardage Fee _____

DELIVERED LOT NO: 00223015
NO. OF CATTLE: 45
GRADER NO: 18
DATE DESCRIBED: 5 JUN 79

LOCATION: SEALY AUCTION
TIME AND DATE OF DELIVERY: 1430:4 JUN 79
FOB DELIVERY LOCATION: SEALY AUCTION
WEIGHING LOCATION: 0915 SEALY AUCTION

DESCRIPTION

SEX: 45 STEERS
AGE: 16 MONTHS

PREDOMINANT GRADE:

COMMON NAME: CROSSBRED #1 OKIE
USDA GRADE: MEDIUM - 2

FLESH CONDITION: MEDIUM
% SHRINK: 2

PREDOMINANT BREED: 3/4 ENGLISH
1/4 BRAHMAN

EST. WEIGHT RANGE: 650-740

PAY WEIGHT: 666

IDENTIFICATION: EAR TAGS

*****SLIDING WEIGHT SCALE FOR MAY*****

GRADER COMMENT: PASTURE CATTLE

OWNER SUPPLIED INFORMATION: ON RYE GRASS 45 DAYS PRIOR TO LISTING. ALL
MALES WERE KNIFE CASTRATED. PARASITE CONTROL: GRUBS TREATED WITH WARBEX,
FALL 1978, CYANAMID (MANUFACTURER).

Exhibit 2. CRT Display to Buyers for Feeder Cattle Showing
"Hard" and "Soft" Data for Cattle Delivered to
Assembly Point.

RANCH LOT NO: 00523146
NO. OF CATTLE: 80
GRADER NO: 18
DATE DESCRIBED: 1 JUN 79

CATTLE LOCATION: WALLER COUNTY
PROPOSED TIME & DATE OF DELIVERY: 830:9 JUN 79
FOB DELIVERY LOCATION: SEALY AUCTION
WEIGHING LOCATION: 09015 SEALY AUCTION

DESCRIPTION

SEX: 80 STEERS
AGE: 16 MONTHS
PREDOMINANT GRADE:
COMMON NAME: CROSSBRED #1 OKIE
USDA GRADE: MEDIUM - 2
FLESH CONDITION: MEDIUM
WEIGHING CONDITION: OVERNIGHT
STAND, ON TRUCK 2%

PREDOMINANT BREED: 3/4 ENGLISH
1/4 BRAHMAN
EST. WEIGHT RANGE: 650-740
EST. AVE. WEIGHT: 680
IDENTIFICATION: BRANDED

*****SLIDING WEIGHT SCALE FOR MAY*****

GRADER COMMENT: PASTURE CATTLE

OWNER SUPPLIED INFORMATION: ON RYE GRASS 45 DAYS PRIOR TO LISTING. ALL MALES WERE KNIFE CASTRATED. PARASITE CONTROL: GRUBS TREATED WITH WARBEX, FALL 1978, CYANAMID (MANUFACTURER).

Exhibit 3. CRT Display to Buyers for Feeder Cattle Showing "Hard" and "Soft" Data for Cattle Still on Ranch.

INDIVIDUAL DESCRIPTION

LOT NO.: 00523146

TOTAL NO. HEAD: 85

SEX: STEER

LOCATION: BROWN CO., RANCH

FOB DELIVERY LOCATION: BROWNWOOD

NO. HD.	EST. WT. RANGE	APPROX. AGE	COLOR	PREDOM. BREED	AMT BRAH	AMT DAIRY	USDA GRADE	COMMON NAME
43	650-700	16	BL. BALDY	ANG X HF	T		MED 1	#1 OKIE
5	625-700	14	TIGER ST.	BRADFORD			LAR 2	CB #1 OKIE
10	650-725	15	RED BALDY	HF	Q		MED 2	CB #2 OKIE
10	650-725	16	RED BALDY	HF X SH	E		LAR 2	CB #1 OKIE
6	625-675	16	BL.	ANGUS		E	MED 2	#2 OKIE
11	675-725	13	BL.	ANGUS	T		MED 1	#1 OKIE

Exhibit 4. CRT Display to Buyers for Feeder Cattle Showing Individual Listings Within a Lot

WELCOME TO TAMU CATTLEX LISTINGS FOR TODAY'S SALE PAGE 04 OF 11

LOT	SAL	NO.	AVE	S	D	A	USDA	COMMON	TIME	
NUMBER	NO.	HEAD	WT	X	R	CO.	G	GRADE	NAME	ON
01008009	060	37	532	S	D	116	12	MED 3 CB #1	OKIE	0958
00108041	061	29	612	S	D	011	13	LRG 3 CB #2	OKIE	1000
00408011	062	240	750	S	R	204	17	MED 1 CB #2	OKIE	1002
00608023	063	53	666	S	D	010	16	MED 1 CB #1	OKIE	1004
00708019	064	75	482	H	D	088	11	SML 2 CB #3	OKIE	1006
01308015	065	61	529	S	D	033	13	MED 1 CB #1	OKIE	1008
00108062	066	27	506	S	D	011	12	MED 2 CB #2	OKIE	1010
00508038	067	32	621	S	D	035	15	MED 2 CB #1	OKIE	1012
01208028	068	82	725	S	R	172	16	LRG 2 ANG		1014
00808026	069	35	812	S	D	248	20	MED 3 CB #2	OKIE	1016
00508133	070	325	700	S	R	035	17	LRG 2 CB #2	OKIE	1018
00508071	071	44	583	S	D	035	16	MED 2 CB #2	OKIE	1020
00308017	072	170	650	S	R	080	17	MED 1 CB #1	OKIE	1022
00908002	073	22	672	S	D	152	17	MED 3 CB #1	OKIE	1024
00808031	074	31	414	H	D	248	11	SML 2 CB #2	OKIE	1026
00508108	075	25	552	S	D	035	11	MED 3 CB #2	OKIE	1028
00208015	076	55	776	S	D	232	19	MED 2 CB #1	OKIE	1030
01108027	077	259	625	S	R	055	14	LRG 2 CB #1	OKIE	1032
00408019	078	58	681	S	D	061	18	MED 2 CB #2	OKIE	1034
00308041	079	37	456	H	D	116	12	SML 2 CB #3	OKIE	1036
AUTH. NO.	----							DETAILED LISTING FOR ---		

Exhibit 5. CRT Display To Buyers Showing Catalog of Auction Listings.

WELCOME TO TAMU CATTLEX

10:15 AM FUTURES: MAR 81.27 APR 82.40 MAY 82.17 AUG 82.60 VOL 2,201

CURRENT AUCTION MARKET				TIME 1031		FEB 22					
LOT	NO.	AVE	S D	A	USDA	COMMON	SAL	HIGH	MY	TIME	
NUMBER	HEAD	WT	X R	CO.	GRADE	NAME	NO.	BID	BID	OFF	
00208015	55	776	S D	232	15	MED 2 CB #1	OKIE	076	83.70	83.00	1046
00508108	25	552	S D	035	7	MED 3 CB #2	OKIE	075	86.60		1044
00808031	31	414	H D	248	10	SML 2 CB #2	OKIE	074	80.25		1042
00908002	22	672	S D	152	17	MED 3 CB #1	OKIE	073	82.85	82.85	1040
00308017	170	650	S R	080	12	MED 1 CB #1	OKIE	072	87.75	86.95	1038
00508071	44	583	S D	035	16	MED 2 CB #2	OKIE	071	83.30		1036
00508133	325	700	S R	035	14	LRG 2 CB #2	OKIE	070	88.00	87.25	1034
00808026	35	812	S D	248	22	MED 3 CB #2	OKIE	069	81.90		1032

01208028	82	725	S R	172	16	LRG 2 ANGUS		068	86.20	86.20	1030
00508038	32	621	S D	035	14	MED 2 CB #1	OKIE	067	C.O.		1028
00108062	27	506	S D	011	12	MED 2 CB #2	OKIE	066	86.00		1026
01308015	61	529	S D	033	15	MED 1 CB #1	OKIE	065	86.25		1024
00708019	75	482	H D	088	6	SML 2 CB #3	OKIE	064	80.20		1022
00608023	53	666	S D	010	12	MED 1 CB #1	OKIE	063	85.75		1020
00408011	240	750	S R	204	13	MED 1 CB #2	OKIE	062	87.75		1018
00108041	29	612	S D	011	17	LRG 3 CB #2	OKIE	061	85.45		1016
SAL NO.---		AUTH NO.---		BID PRICE \$--.--							
								076	8300		

Exhibit 6. CRT Display to One Buyer Showing Current Auction Market.

Exhibit 7

CONFIRMATION OF SALE

LOT # _____ SALE # _____ PRICE PER CWT. _____

DATE OF SALE _____ TIME OF SALE _____

SELLER: _____
name

BUYER: _____
name

_____ address

_____ address

_____ city state zip

_____ city state zip

_____ telephone #

_____ telephone #

NO. HEAD _____ EST. AVG. WT. _____ EST. TOTAL WT. _____

WT. ADJUSTMENT SCALE: _____

WEIGHING CONDITIONS: _____

FOB DELIVERY POINT: _____

WEIGHING LOCATION: _____

DATE AND TIME OF DELIVERY: _____

PART PAYMENT REQUIRED: \$ _____ LIEN: YES NO

LISTED AND SOLD BY TERMINAL NUMBER _____

ADJ. CODE	NO. HEAD	USDA GRADE	AGE GROUP	GROSS WEIGHT	PENCIL SHRINK	TOTAL PAYWT.	PAYWT. PER HD.	\$/CWT	TOTAL \$
0	43	med 1	3	28,638	3%	27,779	646	\$75	\$20,834.25

This document is to confirm the terms entered between the said seller and buyer on this date. However, it is understood that the contract will not become fully effective until both parties countersign this document and forward it to the other's address.

_____ Seller

_____ Date

_____ Buyer

_____ Date