

Table 12. Contract Provisions for Variation in Quantity and Quality for Feeder Cattle

(Based on 89 contracts reported)

	Farms		Farms
Lesser quantity:		Lower quality:	
Contractor would have accepted cattle delivered.....	58	Contractor would have accepted cattle delivered.....	27
Producer would have purchased the deficit amount to fulfill contract.....	8	Producer would have made cash payment to fulfill contract.....	-
Producer would have made a cash payment to fulfill contract.....	1	No payment would have been received for inferior cattle.....	12
Contract would have been invalidated.....	1	Contract would have been invalidated.....	5
Contract included a natural disaster clause.....	13	Contract included a natural disaster clause.....	2
No provision to cover lesser quantity.....	12	Producer would have received payment based on quality actually delivered.....	13
Other.....	5	Cattle would have been sold on open market.....	2
		Cattle would have been offered to contractor; then sold on open market.....	14
Greater quantity:		No provision to cover lower quality.....	15
No payment would have been received for excess produced.....	7	Other.....	7
Excess would have been sold on open market.....	24	Higher quality:	
Producer would have received a reduced payment for excess.....	-	No additional payment would have been received.....	51
Excess would have been offered to contractor; then sold on open market.....	36	Producer would have received an incentive or premium payment....	6
Producer would have received an incentive or premium payment.....	2	Cattle would have been sold on open market.....	1
No provision to cover greater quantity.....	16	Cattle would have been offered to contractor; then sold on open market.....	4
Other.....	-	No provision to cover higher quality.....	17
		Other.....	9

Table 13. Other Contract Characteristics for Feeder Cattle

(Based on 89 contracts reported)

	Total	Feeder cattle produced under contract in 1977					
		1 to 49 cattle	50 to 99 cattle	100 to 199 cattle	200 to 499 cattle	500 to 999 cattle	1,000 cattle and over
Other contractors were available for negotiation.....	65	2	6	12	22	15	8
Producer had knowledge of key provisions of other contracts....	51	1	4	10	16	12	8
Negotiations were undertaken with more than one contractor.....	44	2	2	10	13	10	7
Contract was specified in writing.....	72	4	7	15	23	15	8
Contract covered more than one production period.....	6	4	-	1	1	-	-
Contract specified a specific number of cattle.....	67	4	6	14	21	15	7
Product was pooled with others prior to final payment determination.....	9	3	1	3	1	-	1
Product was under a State or Federal market order.....	3	1	1	-	1	-	-
Contractor was a cooperative.....	7	2	1	2	-	1	1
Producer was a member of this cooperative.....	6	2	1	2	-	-	1
Contract was associated with a joint venture between two or more cooperatives or a cooperative and another firm.....	3	-	-	-	1	-	2
Producer's operation was a part of this joint venture.....	1	-	-	-	-	-	1
A bargaining association was involved in negotiating the contract.....	9	2	1	2	1	2	1
Producer was a member of this bargaining association.....	9	2	1	2	1	2	1
Contractor provided supply, demand and/or price outlook information.....	21	3	3	5	4	5	1
Producer considered this as main source of market information.....	5	2	1	-	1	-	1
Producer was generally satisfied with production terms of contract.....	76	7	6	14	26	15	8
Producer was generally satisfied with marketing terms of contract.....	75	7	5	12	27	16	8
Producer plans to continue utilization of contracts.....	65	6	6	13	19	13	8
Cattle would have been produced without a contract.....	69	4	7	15	21	16	6
Total reporting size of operation.....	86	8	8	17	27	18	8

Table 14. Extent of Contract Usage for Feeder Cattle

(Based on 89 contracts reported. Producer's opinion of cattle produced under contract)

	1977				1972				1967			
	Farms	Region I	Region II	Region III	Farms	Region I	Region II	Region III	Farms	Region I	Region II	Region III
Total reporting.....	70	12	29	29	61	11	25	25	58	9	24	25
Percent of cattle in area contracted:												
None.....	-	-	-	-	3	1	2	-	5	2	2	1
Under 25 percent.....	25	9	12	4	21	7	12	2	21	6	14	1
25 to 49 percent.....	6	2	3	1	10	2	4	4	6	1	1	4
50 to 74 percent.....	13	1	8	4	8	1	4	3	10	-	5	5
75 percent and over..	26	-	6	20	19	-	3	16	16	-	2	14