



# Along the Trail

► by **Dan Green**, "Along the Angus Trail" author

## Outcry trading no more

*Along America's Angus Trails is shocked. They are ending at least the public chaos and confusion on the floor of the Chicago Mercantile Exchange (CME). I've been there several times and never could figure out, let alone follow, exactly what was going on during trading hours.*

### Changing times

Even cattlemen who've never set foot on the floor of the Merc, and have blasted futures trading for distorting the cattle market for decades, can tell stories — always ending them with a variation of "no wonder futures traders screw up the cattle market — in all that chaos, they don't know what's going on, either."

For anyone who's ever popped in at the Merc during a trip to Chicago, you'd have to agree that the open outcry method of floor trading of futures contracts is a sight to behold. All the traders, trailed by assorted runners, pages and interns, would run around shouting at the top of their lungs, crying out bids or accepting bids.

It was organized in pits, each for a different commodity being traded at the Merc, such as live cattle, pork bellies, plywood, orange juice, etc. Each pit had the same chaos going, all at

the same time, for an incredible scene of bedlam.

But it's all gone quiet. The Merc now trades electronically only, on computers.

A former chairman of the Merc and legendary figure in his own right in futures trading, Leo Melamed laments the newfound silence in Chicago.

"My first encounter with the trading pits was in the 1950s as a law student searching for a job. Stepping onto the Merc's trading floor at 110 North Franklin in Chicago, I felt like Alice stepping through the Looking Glass into a bizarre world of not just one Mad Hatter, but hundreds.

"The shouting among the traders, the strange movement of their bodies and hands was bizarre. Clerks darted across the floor at roadrunner pace with buy and sell orders for brokers in the pits. The energy, the surging life force on the trading floor was magical,

exhilarating. I didn't understand what was going on, but I wanted to be a part of it."

Melamed says such open outcry trading has deep historical roots, beginning in 1730 in Osaka, Japan, where feudal lords started the Dojima Rice Market. Others point to the 10th and 12th centuries, where merchants in Brussels and Madrid gathered at fairs to loudly shout out to negotiate future deliveries of merchandise. Still others trace the tradition to the ancient world where Phoenicians, Greeks and Romans traded options against ship cargoes.

He points out that now the Merc is online every hour of every day with texts, tweets and emails sent from iPads and iPhones from anywhere in the world. He concludes, "We cannot go back to the way it was in the pits, with the cacophony of frantic, shouting traders. All I can say is, 'Goodbye, dear friend.'"

All this nostalgia cannot help but bring to mind the cattle industry's own close relative of such marketing cacophony, the livestock auctioneers and ringmen down at the sale barn or the production sale at somebody's ranch.

It's somehow comforting that at least they haven't gone quiet — yet.

For Angus Talk, I'm Dan Green, Along America's Angus Trails.



**Editor's Note:** *Dan Green is a Denver-based historian, author, retired editor of the The Record Stockman and the voice of "Along America's Angus Trails," a regular feature on Angus Media's SiriusXM satellite radio program, Angus Talk. Angus Talk airs at 10 a.m., Central time, every Saturday on Rural Radio, Channel 80.*

## Katy Kemp to Represent Angus at Young Cattlemen's Conference

The Angus Foundation has selected Katy Kemp of Bridgeport, Texas, to represent the American Angus Association during the 2015 National Cattlemen's Beef Association (NCBA) Young Cattlemen's Conference (YCC) May 27 to June 5.

One of the industry's most esteemed conferences, YCC allows young leaders the chance to see firsthand the complete beef production chain and further understand all aspects of the business. Attendees participate in a nationwide tour from ranch to feedlot, and packing plant to foodservice.

The Angus Foundation, which has sponsored an attendee for the last 13 years, will sponsor Kemp's registration and travel expenses. To qualify for participation, a man or woman must be nominated by one of NCBA's affiliate members, be between the ages of 25 and 50, and be an NCBA member.

"All credit for our ability to support an Angus representative each year to YCC goes to our supporters who see the importance of investing in our future," says Milford Jenkins, Angus Foundation president. "Providing educational opportunities for our young members and producers is a high priority for our organization, and it is our pleasure to make this investment."

Kemp has been an active member of both the American Angus Association and the National Junior Angus Association (NJAA). She graduated from Texas A&M University with a bachelor's degree in animal science and is currently pursuing a master's degree at Oklahoma State University. She also serves as an industry

information intern for Certified Angus Beef LLC (CAB) and maintains the marketing and communications for ABS Global's beef division.

Kemp was the junior activities intern for the American Angus Association in 2007 and participated in the Beef Leaders Institute (BLI) in 2011.

"I am honored and excited to attend YCC on behalf of the American Angus Association," Kemp says. "Aside from the prestige of this premier conference, I am looking forward to the opportunity to further develop and extend my leadership while engaging with other cattle leaders across the industry."

The 2015 YCC tour will begin in Denver, Colo., with a comprehensive overview of the industry. Participants will take an in-depth look at many of the issues affecting the beef industry, how NCBA is going to address these issues on behalf of its members, and receive a comprehensive view of industry markets from CattleFax. The group will then travel to the JBS Greeley facility, one of the nation's largest beef packing and processing plants.

Participants will also travel to the Chicago Board of Trade and OSI Inc., one of the nations' premier beef-patty manufacturers. The next stop will be the nation's Capitol, where participants will get a chance to meet with their respective congressmen and senators, and many regulatory officials who make decisions affecting agriculture.

For more information visit [www.angusfoundation.org](http://www.angusfoundation.org).

— by **Carrie Horsley**, Angus Foundation