

Friends,

A little over a month ago when I sent out our newsletter, drought was the big story in South Texas. Today, the story is rain; good, slow, drought-healing rain. It seems that our prayers have been answered with nearly eight inches collected since the rain returned in September. If things have truly returned to normal, then we'll probably need rubber boots on sale day. I certainly hope that your weather is cooperating, as well.

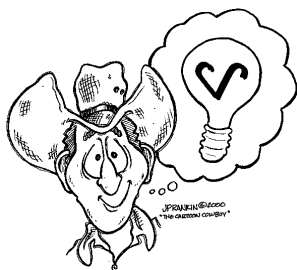
I believe that you will find our 2009 bull offering to be everything you have come to expect in terms of quality. The extended drought forced us to scale back in terms of numbers, but we will never compromise on quality. Our bulls are measured for what matters to your bottom line and culled accordingly, then developed for longevity. From California to Virginia, from Nebraska to Mexico, Vista bulls have performed in some of the toughest environments in the cattle business and everywhere in between.

Beyond making sure our bulls perform their job of covering your cows for many years, we also must make sure that our bulls sire the kind of calves that make money for your customers. It doesn't matter how good the calves are out of our bulls, if there is no one in the industry that wants to buy them. A big part of my job with Vista is understanding the coming needs of the industry and making sure that our bulls can provide the genetics that you will need to meet those needs. We've not had a real sale day informational program for a few years, so this year we're bringing it back with a Marketing Options Update. We're confident that the calves from our bulls are in demand, but we want you to hear it straight from the industry. More details on the program are provided on page 4 of this catalog.

As always, if you can't make the sale, we'll be glad to make arrangements for you to bid over the phone, or have someone bid for you. If you do need to take advantage of a sight-unseen purchasing option, rest assured that the purchase is guaranteed to your 100% satisfaction or we'll gladly refund the purchase.

Have specific concerns? Let us know your needs and we will gladly point out the bulls in our offering that are not what you need. We only want you to consider the bulls that will help you accomplish your goals.

Virgil and I, along with the rest of the Vista crew, thank you for considering us as your source for sensible seedstock, and we look forward to seeing you sale day!



VISTA GENETICS

the brand of sensible seedstock

Jeff Diles - Virgil Bull

4465 FM 1796
D'Hanis, Texas 78850
(830) 363-6250
(210) 218-8887
www.sensibleseedstock.com

Vantage on Value 2009

GENERAL SALE INFORMATION

Saturday
October 31



SALE DAY SCHEDULE

11:30	Lunch
Noon	Marketing Options Update Program
1:00	Sale
7:30	D'Hanis Cowboys Football

ACCOMMODATIONS

Whitetail Lodge, Hondo (830) 426-3031
Best Western Hondo Inn, Hondo (830) 426-4466 (**NEW**)
Executive Inn, Hondo (830) 426-2535

SALE ORDER

We have penned the bulls in groups of 7 to 10 head for easy viewing, and the catalog is organized similarly. We will begin the sale with Lot 101 and continue in catalog order, unless otherwise announced from the block.

BIDDING ASSISTANCE

If you have any questions or need assistance in bidding, please let us know. If you are unable to attend the sale, feel free to send bids to Vista or the Auctioneer. We have representatives who work for our customers to fill sight-unseen orders carefully and professionally. We can arrange for you to bid over the phone during the sale, as well. If you wish to bid over the phone, please make arrangements ahead of time by calling Jeff Diles (210) 218-8887 or C. Jason Spence (830) 534-8229.

And please remember, you don't owe anything for the bull until you've seen him and are satisfied that he is what you expected for your money.

BULL INFORMATION

If you need more information on any of the bulls in the sale, please do not hesitate to ask. We want you to feel completely comfortable with any bull that you may bid on or purchase. The catalog includes all of the genetic comparison information that we routinely utilize in making breeding decisions in our program.

FEEDING PROGRAM

All Vantage on Value bulls are developed on forage. We utilize native grasses in the Spring and Fall, and small grains pastures in the winter with limited supplementation. During the Summer months the bulls are grazed on Coastal Bermuda and limit-fed a custom protein and energy supplement to maximize forage utilization. Our grow-out program is specifically designed to prepare the bulls for making their living on grass, and to ensure they will have a long and productive life for you.

RETAINED SEMEN INTEREST

We are selling full possession, full salvage value, and ½ semen interest in each bull. This means that you have full control in how the bull is maintained, but that Vista Genetics will be a 50% partner in any future semen sales. If you sell the bull to another breeder or producer, Vista Genetics' semen interest will be retained. You may purchase 100% semen marketing rights by paying twice the final sale price at the time of purchase. In the event 100% semen marketing rights are purchased in this manner, Vista Genetics will retain the right to not more than 100 units of semen for use within herd. Realistically, we expect this semen interest to be exercised on only about 1%-2% of the bulls we sell, and we are not retaining the right to access any bull for collection without the purchaser's permission.

HEALTH

Interstate health papers will be provided for all animals sold. TB testing will be performed after the sale, if required. All bulls have had proper vaccinations for Blackleg, IBR, PI3, BVD, BRSV, Lepto, and Vibrio. All bulls have been de-wormed within the last 60 days.

SALE DAY PHONES:

(830) 363-6250 / (210) 218-8887 / (830) 426-1650

AUCTIONEER: C. Jason Spence (830) 534-8229

BREEDING GUARANTEE

All bulls in this sale are guaranteed breeders as described in the sale "Terms and Conditions". The bulls in this sale have **not** been fertility tested. All bulls in the sale have been visually inspected for defects or injuries to their reproductive organs and were found to be sound. We guarantee all the bulls in this sale to be capable of settling cows, however, it is important to remember that any bull can become temporarily infertile for numerous reasons. We recommend that all bulls be fertility tested at least 30 days prior to each breeding season. This will not prevent bulls from becoming infertile, but can head off a real disaster by finding a potential problem before it is too late. If a Vista bull fails a Veterinarian administered fertility exam within six months of the date of sale, Vista will pay the cost of the exam and replace the bull with a bull of comparable quality, or grant the purchaser full credit for the purchase price less salvage value of the bull toward the purchase of another bull or any other Vista product.

For additional peace of mind, Vista offers a free **FIRST YEAR GUARANTEE** on every bull purchased for \$2500 or more. If your bull is unable to breed cows (for almost any reason; complete details available sale day), you are covered. We are confident that our bulls are some of the most dependable you can find, and we are committed to your COMPLETE SATISFACTION.

VOLUME DISCOUNT

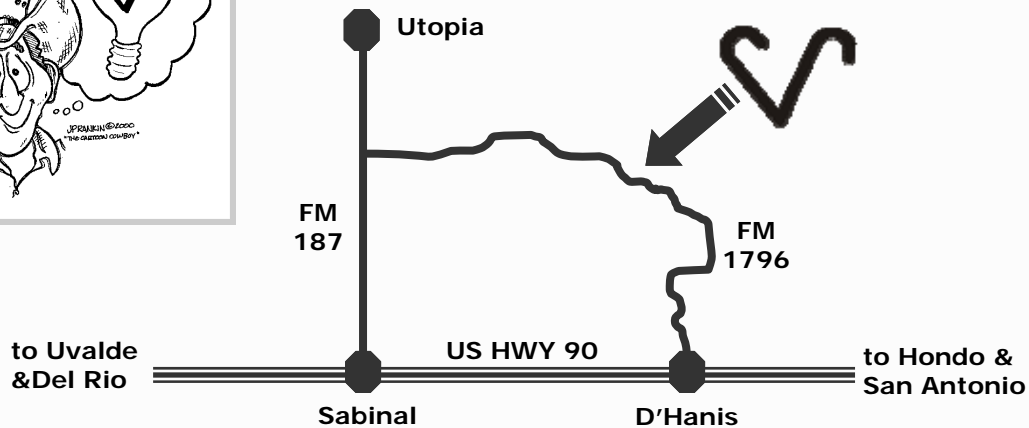
Bull purchases of five or more will be discounted 5% at settlement.

FREE DELIVERY

For those purchasing three or more bulls, Vista will deliver bulls free of charge to central locations within 300 miles. Because loads will likely be made with bulls from several different purchasers, we can only guarantee to get your bulls within 100 miles of your ranch, although much closer in most cases. Vista can arrange delivery purchases of less than three bulls, but there will be a per head charge due at settlement. If you would like your bulls delivered, please make sure to provide us with all necessary phone numbers at the time of settlement. We will begin delivering bulls immediately after the sale, and will strive to have most bulls delivered within the week following the sale.

INSURANCE

As outlined in the "Terms and Conditions", all animals become the risk of the purchaser at the time of sale. Bulls protected by Vista's First Year Guarantee are excepted to the extent of the coverage provided by Vista's First Year Guarantee. For the buyer's convenience, livestock insurance is offered at settlement time through American Livestock Insurance Co. The cost is minimal, and we encourage all buyers to take advantage of the protection. ©



*We're a little off the beaten path, but easy enough to find;
just eight miles north of D'Hanis, about an hour west of San Antonio.*

2009 Marketing Options Update

We know you are busy, and we know how valuable your time is to you. For those of you who are able to join us this year, we've added an informal, informational program to explore marketing options for Vista sired calves. Bulls are our product, but solutions are our business, so we wanted to bring you some information that may help you make your business better.

From breed sponsored age and source verification programs, to video and internet marketing, to branded beef programs, the US beef industry now offers a tremendous number of value-adding opportunities for producers. Vista sired calves excel at many of these marketing options as well as any calves in the industry.

The Red Angus Feeder Calf Certification Program (FCCP) was one of the first of its kind in the industry and still is the most far reaching marketing program offered by a breed association. We'll get an update on the Red Angus FCCP and opportunities to add value to Vista Red Angus sired calves from Clint Berry with the Red Angus Association of America.

The Braunvieh Association of America (BAA) has recently adopted a new strategic plan and a

more industry relevant focus. Ron Bolze will share information about plans that the BAA is working on to create new opportunities for Braunvieh and Adaptor Hybrid sired calves.

Vista sired calves have done exceptionally well in the video marketplace. Bob Kirkwood with Superior Livestock Auction will provide first hand knowledge on the performance of Vista influenced calves in the video marketplace and how your calves might also benefit from this opportunity. If you are considering the video marketing option, don't miss this discussion.

We can look at all of the marketing tools available, but sustainable success comes from a full understanding of the needs of the calf buyer, as well as the needs of the packer and the consumer. The calves with the best opportunities are those that satisfy the needs of more segments of the industry. We'll have a representative of Cargill Cattle Feeders and Cargill Meat Solutions on hand to share details about their current and future needs as one of the major arteries for supplying beef and beef products to consumers.

We hope you can join us. ©

What is the Vista Difference?

We go to a great deal of effort to make sure our bulls last longer than the average bull in the industry. I always just assumed that longevity was a trait that every bull should have. Over the years, I have discovered that longevity in a bull is not very important at all to most purebred breeders. In fact, the quicker a bull needs to be replaced, the more bulls a purebred breeder gets to sell. Provided, of course the customer doesn't decide to look elsewhere for a bull.

Not to pick on Angus, but here are some actual quotes from a couple of respected Angus seedstock producers:

"I love selling these black bulls. I know that when I sell a guy a bull, he'll be back in three years to replace him. That's as long as an Angus bull will last."
"From a reproductive standpoint, Angus is by far the worst breed that we work with."

I know that there are Angus bulls that last longer than three years, and I know there are reproductively sound Angus cattle, but these two quotes speak volumes about what is wrong in the seedstock industry today.

Your number one priority is reproduction. If you don't have a calf, you don't get your paycheck. Seedstock producers know this, and you know they know this, but are they really working to build reproductive efficiency into the cow herd they're selling you bulls out of?

Very close to the top of the list of other important

traits to commercial beef production is longevity. The longer your bulls and/or cows last, the less they cost. Seedstock producers also know this, but are they really working to ensure they're building longevity into the cow herd they're selling you bulls out of?

I continually hear from our customers how Vista bulls last longer than other bulls they've tried. The few purebred cows that we have let sell to other breeders have returned similar comments: 'she never misses', 'she's the easiest keeping cow on the place'.

It is no accident that we, and our customers, are pleased with the reproduction and longevity traits of our cattle – those are priorities in our breeding programs and our development programs.

A simple bull longevity example:

	Vista Bull	Other Bull
Initial cost	\$2,500	\$2,500
Useful Life	5 seasons	3 Seasons
Calves Sired	125	75
Salvage Value	\$800	\$800
Bull Cost Per Calf	\$13.60	\$22.67

A couple of other points ...

There are a lot of places to buy bulls that cost more than they will at Vista.

There are a lot of bulls that won't produce the same value in calves as a Vista bull.

There are not very many places to buy bulls where efficient production is the first priority. ©

2010 - 2011 Cattle Market Outlook

Source: Livestock Marketing Information Center

Many of the factors that have influenced the beef and cattle markets in 2009 will continue to have an impact on the market in 2010. Any price surprises that may occur, whether positive or negative will most likely happen due to changes in the demand side of the market. For the beef and cattle markets, those demand aspects are rooted in the overall U.S. domestic economic conditions, foreign demand for beef and byproducts, and competing meats in the domestic market (especially pork).

Looking at the supply side of the market, further cowherd liquidation has set the stage for beef production to tighten again in 2010, which will be supportive of cattle prices. Cow-calf operations should keep an eye on feedstuff prices to set calf prices as industrial demand for corn will remain reasonably strong. If there is adequate rainfall, the number of calves grazing wheat and other pastures this fall and winter could be larger than in recent years. That could set the stage for yearling price volatility, especially in early 2010. If placements of cattle into feedlots bunch-up, that will translate into fed cattle price swings especially next summer.

The decline in U.S. production will be combined with the potential for increased beef exports and for continued rather modest levels of beef and cattle imports. Cattle numbers in most countries that have historically exported beef are expected to decline, including Canada and Mexico. Therefore, U.S. per capita availability of red meat and poultry is forecast to decline further in 2010. This factor will most certainly support cattle prices.

Looking ahead, the foremost factor influencing calf and yearling markets in 2010 and 2011 may be grain prices. Grain prices are expected to remain quite volatile, causing potentially large price swings in calf and yearling prices. Government mandates could continue to force more corn into ethanol production. Any shortfall in U.S. corn production due to weather conditions will have a noticeable and quick negative effect on calf prices.

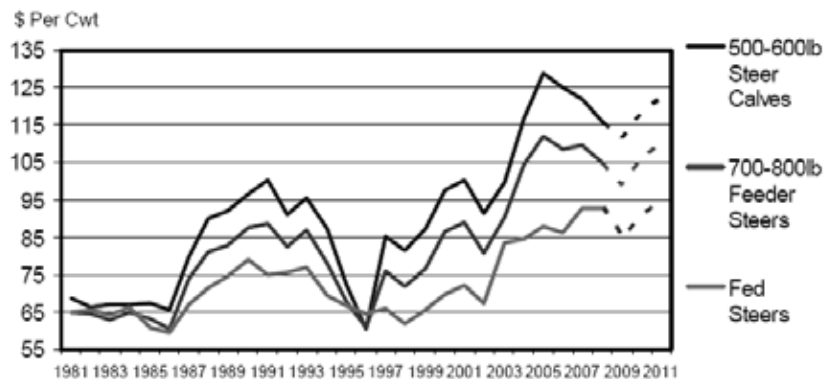
Cattle prices are forecast to follow a rather normal season pattern in the first half of 2010. Forecasts put slaughter steers prices about 6 percent higher than 2009's in the first quarter of 2010, with prices in the second quarter generally gaining strength (averaging in the upper to high \$90's per cwt.). In the summer quarter of 2009, slaughter steer prices are forecast to decline seasonally but are forecast to remain well above 2009's (up 5 to 8 percent from this year's). For the last quarter of 2010, fed cattle prices back into the upper \$90's

per cwt. are forecast. For calendar year 2010, fed cattle prices are forecast at 5-10 percent above 2009's depending on the extent of U.S. and world-wide economic recovery.

For the Southern Plains, forecasts call for yearling and calf prices in 2010 to post annual increases throughout the year. On a calendar year basis, the weakest yearling prices are forecast for the first quarter of 2010; still they should be above 2009's. Calf prices could post year-to-year increases in the second half of next year if feedstuff costs do not surge and if fed cattle prices are near forecasts. In the second half of 2010, yearling calf prices should seasonally strengthen with annual prices for yearlings averaging 4 to 11 percent above 2009's, again depending on cost of feedlot gain.

ANNUAL AVERAGE CATTLE PRICES

Southern Plains



Data Source: USDA-AMS Market News, data compiled by LMIC, forecasts by LMIC

There are lots of questions about 2011; importantly will the U.S. return to economic recession? How high will oil and corn prices be? Preliminary forecasts for 2011 assume **modest** economic growth in the U.S. and corn prices higher than 2010's. Cattle supplies will remain tight, but poultry production will likely be expanding significantly. Forecasts suggest annual average fed cattle prices in 2011 will eclipse the record set in 2008 (5-market average of \$92.78 per cwt. in 2008). Baring surging feedstuff cost, that level of fed cattle prices combined with tight feeder cattle supplies suggests additional year-to-year price increases for yearlings and calves. Record high yearling and calf prices in 2011 will likely require either better than anticipated U.S. beef exports or lower corn prices, or both.

Unfortunately, besides planning on higher cattle prices in the next few years, cattle producers will also likely face further increases in production costs including feed, fuel and interest. ©

Terms and Conditions

Except for those stated in the below terms and conditions, there are no warranties, either expressed or implied, as to merchantability or fitness for a particular purpose with respect to the cattle being sold. The warranties and guarantees set forth in these "Terms and Conditions" are in lieu of all other warranties and guarantees, either expressed or implied, and remedies provided therein shall be the sole and exclusive remedy of the purchaser or any party claiming through purchaser, for any breach of warranty or guarantee therein provided, and all other obligations or liabilities.

BIDDING

Each lot will be sold to the highest bidder, with the auctioneer settling any bidding disputes.

TERMS of the sale are cash or check to the clerk at the conclusion of the sale.

ANNOUNCEMENTS

Any verbal or written announcements made on sale day will take precedence over all previously printed information. Every effort has been made to insure the correctness of all presented information on the animals, and in most cases, taken from the respective breed association's official records.

IDENTIFICATION

Seller offers each animal with a readable tattoo corresponding to its catalog designation and registration, when applicable.

PURCHASER'S RISK

Each animal sold will be at the purchaser's risk as soon as sold, but it shall be the obligation of the seller to see that the animal is fed and cared for free of charge to the purchaser until loaded for shipment or until the expiration of 72 hours (72 hours after completing TB tests for animal requiring such test). Care and feeding of animals not picked up within the 72 hour period (except for those to be delivered by the seller) will be charged to the purchaser at a rate of \$3.50 per day for each full day of care.

BREEDING GUARANTEE

1. All animals are guaranteed to be breeders with the exception of; a) Injury or disease occurring to the animal after time of sale; b) Gross negligence or willful misconduct on the part of the purchaser; c) Animals shown competitively after being purchased from Vista Genetics.

2. Any bull which either 1) settles 1/3 or more of the healthy cows he services; 2) is the sire of 20 or more animals; or 3) settles cows by natural service and passes a fertility test made by a competent veterinarian during any 6 month trial (provided for in Paragraph 2 of the section of these sale terms and conditions entitled "Options and Privileges or Return or Adjustment") shall be considered a breeder. Any guarantees with respect to the ability to freeze semen shall be made by separate agreement between the Purchaser and Seller.

SELLER'S SEMEN RIGHTS

1. Seller reserves the right to keep a breeding interest in any bull sold. Future semen collections of the bull must be made known to all owners and be performed at the convenience of the owner with possession rights. These collections and costs will be divided according to each owner's interest, unless otherwise agreed upon mutually by all owners.

2. On any and all other bulls in the sale which are collected in the future, Seller reserves the right to 100 units of semen with registration rights and will pay his portion of the collection costs.

REGISTRATION TRANSFER

Registration certificates for each registered bull will be transferred to purchaser at no charge.

OPTIONS AND PRIVILEGES OF RETURN OR ADJUSTMENT

1. The following adjustments do not preclude the right of the Purchaser and Seller to mutually agree upon other terms and conditions for settlement of any dispute. All claims for adjustment or refund must be made in writing either within six (6) months from the date of sale or no later than when the animal reaches 24 months of age, whichever occurs later, with the exception of claims involving parentage or defects.

2. All returns or refunds will be paid in the form of a credit. This credit will be limited to the purchase price less the salvage value of the animal and usage fees. a. Salvage Value = Market price x catalog weight or current weight (which ever is greater). b. Usage fee is set at 25% of purchase value of the animal for each season of use.

3. In the event an animal is claimed to be a non-breeder, the animal may be returned to the seller, at Purchaser's expense, if in good physical condition, and the return is in compliance with the health requirements of the seller's state. The seller shall be entitled to a six (6) month trial period following the return of the animal in which to prove that the animal is a breeder. If at the end of six (6) months the seller is unable to prove the animal is a breeder, the seller shall, at the option of the Purchaser, replace the animal with another of equal value or grant the Purchaser a credit on any products marketed by Seller. Either of these options shall be deemed full satisfaction and settlement. If the Seller proves the animal to be a breeder, it shall be the obligation of the Purchaser to take delivery of the animal and pay all expenses incurred for transportation.

HEALTH PAPERS for transit within the state of Texas will be furnished for each animal sold. Health papers will also be provided for bulls traveling outside the state, but, depending on additional testing requirements, may not be available sale day.

GENETIC DEFECTS

Vista Genetics guarantees all animals to be free of any known genetics defects. Should a Vista bull be proven to have sired a defective animal, Vista Genetics will not only provide the buyer with credit on the bull as described previously, but will also pay the buyer for the defective calf at the current market price for a 600 lb. steer.

RIGHTS AND OBLIGATIONS

These terms and conditions of sale shall constitute a contract between the Purchasers and Sellers of each animal and shall be equally binding upon both. Each sale or resale of an animal constitutes a separate transaction. ©