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**Another Record Week**

Cash prices rose again last week and established new record highs. But that didn't stop packers from breaking the record yet again this week. Early week live weight trade took place at \$89 (Texas), \$90 (Kansas), and \$93-\$94 (Nebraska). Rising boxed beef prices fueled this week's rise in cash slaughter cattle prices. USDA estimated the light Choice cutout value on 9.17.03 at \$163.49, approximately \$4.50 higher than the previous Friday.

Normally cattle weights increase during late summer. Over the last five years, dressed steer weights increased six pounds (1%) from early August to late August. This year dressed steer weights actually fell 5 pounds (1%) during August. As a result, weights for dressed steers were 3.7% lower than last year at month's end. Packers and cattle feeders responded to the recent price run-up by increasing slaughter last week to 747,000 head, 10.8% more than a year ago and 6.6% above the five-year average for mid-September. The slaughter increase means fed cattle weights are either holding steady during September, or possibly declining, further contributing to an already tight beef supply situation.

Shipments of beef from Canada to the U.S. have been slow to materialize, as only a small volume of boneless beef crossed the border last week. One of the stumbling blocks to rapidly increasing beef shipments from Canada to the U.S. is the requirement that beef only come from animals less than 30 months of age. Imports of beef from Canada are expected to increase this fall, but it could easily be several more weeks before import volume is large enough to have much impact on U.S. prices.

**The Markets**

New records were set again last week as weekly average Kansas slaughter cattle prices averaged \$88.84 (live weight) last week, nearly \$4/cwt. higher than the prior week. Dressed weight slaughter steer prices in Nebraska increased \$6.33/cwt., compared to the previous week. Weekly average light Choice boxed beef prices rose over \$8/cwt. compared to a week ago. The light Choice-Select spread traded at \$17.55/cwt., nearly \$2 higher than the previous week. Given the strength in slaughter cattle prices, it was not surprising that feeder and calf prices rose again, although the increases were modest compared to recent weeks.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight	\$88.84	\$85.03	\$65.64
Nebraska Fed Steer Price, dressed weight	\$142.03	\$135.70	\$101.78
700-800 lb. Feeder Steer Price, Kansas 4 market avg.	\$102.97	\$101.02	\$81.21
500-600 lb. Feeder Steer Price, Kansas 4 market avg.	\$109.36	\$108.42	\$88.46
700-800 lb. Feeder Steer Price, Neb. 7 market avg.	\$104.71	\$102.18	\$85.13
500-600 lb. Feeder Steer Price, Neb. 7 market avg.	\$113.91	\$112.39	\$91.17
Choice Boxed Beef Price, 600-750 lb. carcass	\$156.12	\$147.75	\$108.44
Choice-Select Spread, 600-750 lb. carcass	\$17.55	\$15.71	\$8.89