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**Cattle and Beef Trade**

Since the discovery of BSE in North America over a year ago, the flow of cattle and beef in and out of the US has been drastically altered. However, trade does continue to occur and some of those trade flows may surprise many of you. A quick recap: May 2003 we closed our borders to Canadian cattle and beef; a few months later we opened our border to Canada for selected beef under 30 months of age; late December 2003 the world closed their borders to US beef; spring 2004 Mexico and selected other small trading partners opened their borders to US beef; Japan, Korea, Europe and many other countries remain closed to US beef.

For 2004 our exports of cattle and beef are well below 2003 levels. We are consuming most of our beef domestically. For 2004 imports of total beef (including live cattle) are above 2003 levels. Imports of beef from Australia and New Zealand are near 2003 levels, imports of feeder cattle from Mexico are above 2003 levels, imports of live cattle from Canada remain at zero, but total beef imports from Canada are near pre BSE levels. The border may be closed to live animals from the north but not to beef.

If you consider where our retail beef prices are and where cattle prices are today, we have a very strong demand for beef when you consider the trade flows.

**The Markets**

Slaughter cattle prices ended the week \$2 lower in the southern plains and \$3-4 lower in the northern markets. Trade occurred at mostly \$80-81 in the south and prices were \$127-128 in the north. Choice boxed beef prices were lower for the week. Choice prices were down \$5. The Choice-Select spread decreased and is much narrower than is typical for this time of year. Feeder cattle prices were generally a lower in Kansas and in Nebraska on most weight of feeders. Calf volume remains relatively light but there are increased yearling sales.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight (35-65% Choice)	\$80.33	\$82.01	\$84.94
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$127.75	\$131.30	\$135.70
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$113.63	\$119.08	\$101.02
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$128.96	\$134.82	\$108.42
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$119.12	\$120.02	\$102.18
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$137.68	\$143.53	\$112.39
Choice Boxed Beef Price, 600-750 lb. carcass	\$134.20	\$139.48	\$147.75
Choice-Select Spread, 600-750 lb. carcass	\$4.63	\$6.30	\$15.71