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**Court Order Keeps Canadian Border Closed to Cattle Trade**

Judge Cebull's decision last week to grant a preliminary injunction in favor of R-CALF USA means that no fed or feeder cattle will cross the border from Canada to the U.S. this week, and possibly not for a long time. Perhaps in response, fed and feeder cattle futures prices rose sharply last week. Nearby live cattle futures rose nearly \$3/cwt. and nearby feeder cattle futures jumped over \$4/cwt. From a marketing perspective, producers have to decide if the response to last week's news is transitory or likely to be long lasting?

If this case proceeds to trial, it could take a long time before a decision is reached. Although a specific time line has not been released for this trial, there is a good chance preparation for trial will be quite lengthy. If that holds true, it could be 2006 before a final decision is reached. And that implies no cattle will cross the border from Canada to the U.S. in 2005.

If you now assume that the U.S. will not import cattle from Canada during 2005, and that the markets prior to last week anticipated cattle being imported during 2005, how does it change price expectations? The answer of course depends in part on how many cattle were going to be imported during 2005.

Although there were many forecasts regarding how many cattle might be imported from Canada to the U.S., several forecasts suggested that annual imports would range from about 800,000 to 900,000 head, if Canada continued to export boxed beef near the level observed last year. Cattle imports at this level would likely lead to a price change of about 2 to 3%, which is in line with the change in live cattle futures prices observed last week. So, it looks like last week's increase in futures prices was near the expected long term reaction to an ongoing ban on imports of Canadian cattle.

**In The Markets**

Slaughter cattle prices last week were higher in both Kansas and Nebraska. Slaughter steer prices in Kansas improved to \$90/cwt. last week, 3.6% higher than the previous week and 5.9% higher than a year ago. Dressed steer prices in Nebraska averaged \$142.35/cwt. (dressed weight), 4% above the previous week's average and 5.2% higher than last year. Boxed beef prices also improved last week, although the increase was more modest than the rise in cattle prices. USDA's weekly average Choice boxed beef cutout value increased to \$141.74/cwt. compared to \$139.24/cwt. the prior week. Feeder cattle prices increased last week in both Nebraska and Kansas. Prices for 700-800 lb. feeder steers reached \$104.76/cwt. in Kansas, \$2 higher than the prior week. Nebraska prices for the same weight steers averaged \$106.48/cwt., \$1 higher than a week earlier.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight	\$90.00	\$86.88	\$84.98
Nebraska Fed Steer Price, dressed weight	\$142.35	\$136.88	\$135.33
700-800 lb. Feeder Steer Price, KS 3 market average	\$104.62	\$102.59	\$91.28
500-600 lb. Feeder Steer Price, KS 3 market average	\$127.67	\$126.81	\$108.73
700-800 lb. Feeder Steer Price, NE 7 market average	\$106.48	\$105.40	\$94.01
500-600 lb. Feeder Steer Price, NE 7 market average	\$131.78	\$131.24	\$115.81
Choice Boxed Beef Price, 600-900 lb. carcass	\$141.74	\$139.24	\$138.36
Choice-Select Spread, 600-900 lb. carcass	\$2.44	\$2.46	\$6.91