

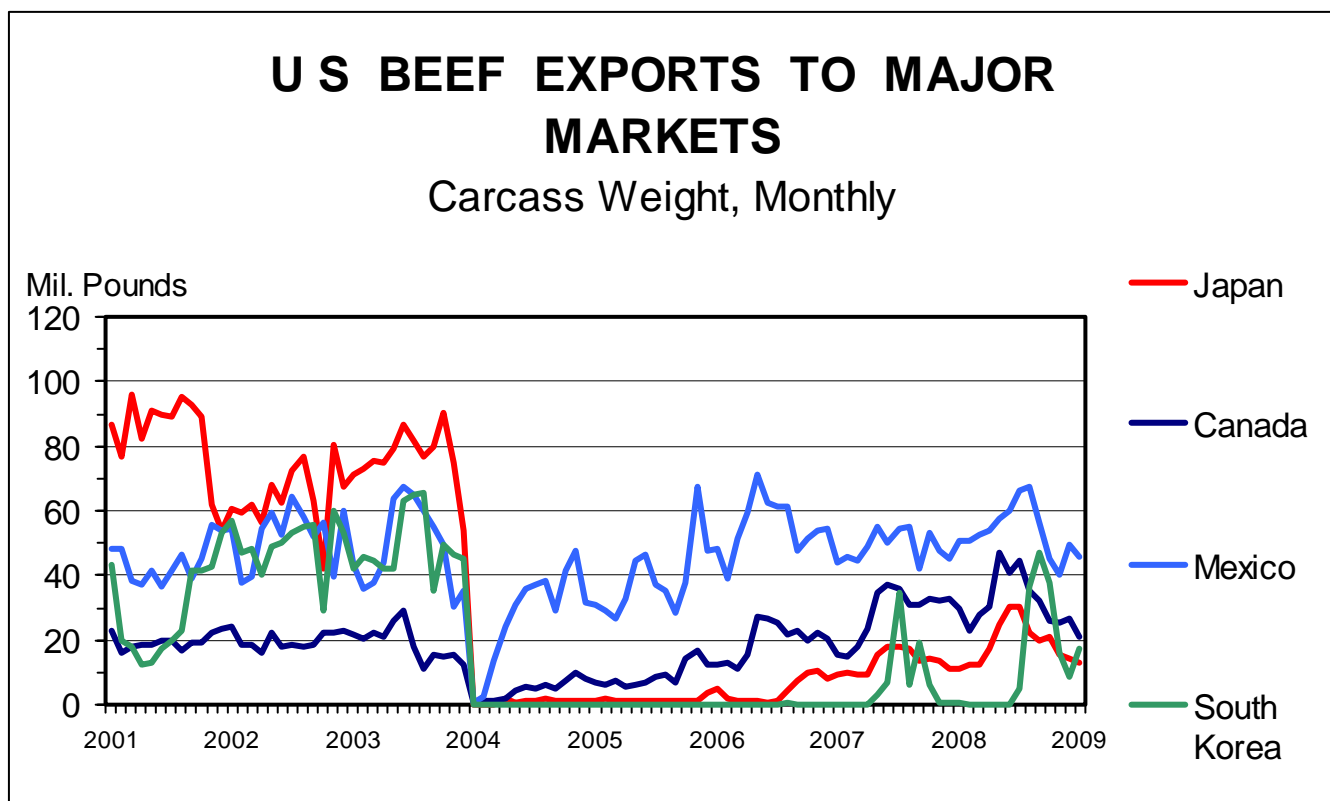
## In The Cattle Markets

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### Trade Issues

Since 2004 Mexico and Canada have been our largest export markets for beef. Mexico reopened its borders soon after the December 2003 BSE positive cow was discovered in Washington. Without exports to Mexico and Canada, fed cattle and feeder cattle prices in the US would be lower. It is true that we also import cattle from Mexico and cattle and beef from Canada. There are individuals who would like to shut-off these imports. The governments of Canada and Mexico have viewed our country of origin labeling as an indirect way of limiting trade and have challenged that this law violates the NAFTA rules. Now the US has further angered the Mexican government by no longer allowing certain Mexican trucks to deliver products far into the US. In retaliation, the Mexican government has placed tariffs on a number of goods from the US. Fruits and vegetables, including potatoes are major agriculture goods that will be slapped with a tariff. This will likely decrease trade and pressure US prices for those commodities lower. At the present time, beef was spared in this mini trade war. However, if we continue to throw sand in the face of our neighbors to the south, don't be surprised if beef is soon included in the list of products that have a tariff. In the present economic condition we should be looking for ways to increase not decrease demand.



## The Markets

The fed cattle market was steady to lower this past week. Trade took place mainly on Thursday this week in both the south and the north with trade volume a little smaller than the previous week.. Prices were \$80-81 in the south and were \$130 in the north. Choice boxed beef prices were up about \$1 this week. The Choice-Select spread decreased and remains much narrower than is typical. Feeder cattle prices were mixed in Kansas and Nebraska compared to the previous week. Prices for 7-weight steers were about \$1 higher in Kansas and about \$2 lower in Nebraska. Prices for 5-weight steers were down a little more than \$2 in Kansas and were about \$1 higher in Nebraska compared to last week. Corn prices were \$.29 per bushel higher. Dried Distillers Grain prices were unchanged at \$122.50 per ton for the week.

<b>Cattle or Meat Category</b>	<b>Week of 3/13/09</b>	<b>Week of 03/06/09</b>	<b>Week of 03/14/08</b>
Kansas Fed Steer Price, live weight	\$80.63	\$81.79	\$89.98
Nebraska Fed Steer Price, dressed weight	\$129.97	\$129.94	\$142.58
700-800 lb. Feeder Steer Price, KS 3 market average	\$93.45	\$92.32	\$101.30
500-600 lb. Feeder Steer Price, KS 3 market average	\$109.29	\$111.34	\$124.97
700-800 lb. Feeder Steer Price, NE 7 market average	\$94.46	\$96.61	\$104.67
500-600 lb. Feeder Steer Price, NE 7 market average	\$114.85	\$113.83	\$124.72
Choice Boxed Beef Price, 600-900 lb. carcass	\$135.69	\$134.87	\$145.69
Choice-Select Spread, 600-900 lb. carcass	\$0.83	\$1.57	\$1.82
Corn Price, Omaha, NE, \$/bu (Thursday quote)	\$3.77	\$3.48	\$5.37
DDG Wholesale Price, Iowa, \$/ton	\$122.50	\$122.50	\$162.50