The August 2016 Feeder Cattle futures contract made a $5.60/cwt. price improvement during May. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $42.00/hd. ($5.60/cwt. * 7.5 cwt.) on a 750-pound feeder steer which amounts to $2,800.00 per truckload (50,000 lbs.). The August Feeder Cattle futures contract low, contract high, and price range since September 2015 are $139.80, $188.70, and $48.90/cwt., respectively. The price range of $48.90/cwt. on a 750-pound feeder steer totals $366.75/hd. and $24,450.00 per truckload.

The breakeven price was estimated to be $783.30/hd. or $142.42/cwt. ($783.30/hd. divided by 5.50 cwt.). The breakeven price includes production costs of $765/hd. and death loss of $18.30/hd.

The price objective was estimated to be $933.30/hd. or $169.69/cwt. ($933.30/hd. divided by 5.50 cwt.). The price objective includes production costs of $765/hd., death loss ($18.30/hd.), family living withdrawal ($100/hd.), and growth capital/retirement ($50/hd.).

The expected cash price is equal to the daily August 2016 Feeder Cattle futures settlement price plus the expected August 2016 South Florida 550 lb. Feeder Calf Basis of $8/cwt.