
The October 2018 Feeder Cattle futures contract increased by $8.80/cwt during October. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $70.40/head ($8.80/cwt * 8.0 cwt) on a 800-pound feeder steer which amounts to $4,400.00/truckload (50,000 lbs.). The August Feeder Cattle futures contract high, contract low, and price range since September 2017 are $156.32, $139.80, and $16.52/cwt., respectively. The price range of $16.52/cwt. on a 800-pound feeder steer totals $132.16/head and $8,260.00/truckload.

The breakeven price was estimated to be $714.13/head or $129.84/cwt. ($714.13/head divided by 5.50 cwt.). The breakeven price includes variable and fixed production costs of $419/head and $295/head, respectively. 

The price objective was estimated to be $864.36/head or $157.16/cwt. ($864.36/head divided by 5.50 cwt.). The price objective includes production costs of $714/head, family living withdrawal ($100/head), and growth capital/retirement ($50/head).

Figure 1. August Feeder Cattle Futures Prices (CME)

Figure 2. Feeder Calf Price Watch for August 2018
550 lb. Feeder Calves, Med. & Lg., #1 & #2, Florida
Based on August 2018 Feeder Cattle Futures Prices (CME)

1The breakeven price was estimated to be $714.13/head or $129.84/cwt. ($714.13/head divided by 5.50 cwt.). The breakeven price includes variable and fixed production costs of $419/head and $295/head, respectively.

2The price objective was estimated to be $864.36/head or $157.16/cwt. ($864.36/head divided by 5.50 cwt.). The price objective includes production costs of $714/head, family living withdrawal ($100/head), and growth capital/retirement ($50/head).

3The expected cash price is equal to the daily August 2018 Feeder Cattle futures closing price plus an expected August 2018 South Florida 550 lb. Feeder Calf Basis of $2/cwt.