
The August 2016 Feeder Cattle futures contract decline by $1.10/cwt. during December. Based on this futures price decrease, August Feeder Cattle revenues decreased by approximately $8.25/hd. ($1.10/cwt. * 7.5 cwt.) on a 750-pound feeder steer which amounts to $550.00 per truckload (50,000 lbs.). The August Feeder Cattle futures contract low, contract high, and price range since September 2015 are $147.20, $188.70, and $41.50/cwt., respectively. The price range of $41.50/cwt. on a 750-pound feeder steer totals $311.25/hd. and $20,750.00 per truckload.

1The breakeven price was estimated to be $768.00/hd. or $146.29/cwt. ($768.00/hd. divided by 5.25 cwt.). The breakeven price includes production costs of $750/hd. and death loss of $18.00/hd.
2The price objective was estimated to be $918.00/hd. or $174.86/cwt. ($918.00/hd. divided by 5.25 cwt.). The price objective includes production costs of $750/hd., death loss ($18.00/hd.), family living withdrawal ($100/hd.), and growth capital/retirement ($50/hd.).
3The expected cash price is equal to the daily August 2016 Feeder Cattle futures closing price plus an expected August 2016 South Florida 525 lb. Feeder Calf Basis of -$2/cwt.