The August 2014 Feeder Cattle futures prices made a $4.90/cwt. improvement during July. Based on this futures price increase, August feeder cattle revenues increased by approximately $36.75 per head ($4.90/cwt. * 7.5 cwt.) on a 750-pound feeder steer or $2,450 per truckload (50,000 Lbs.). The August Feeder Cattle Futures contract low, contract high, and total price change since September 2013 are $157.90, $223.03, and $65.13/cwt., respectively. The total price change of $65.13/cwt on a 750-pound feeder steer amounts to $488.48 per head and $32,565 per truckload.

1The breakeven price assumes $666 per head or $126.86/cwt. ($666 divided by 5.25 cwt.). The breakeven price includes production costs of $650/hd. and death loss of $16/hd.

2The price objective assumes $816 per head or $155.43/cwt. ($816 divided by 5.25 cwt). The price objective includes production costs of $650/hd., death loss ($16/hd.), family living withdrawal ($100/hd.), and growth capital/retirement ($50/hd.).

3The expected cash price is equal to the daily August 2014 Feeder Cattle Futures closing price plus the expected August 2014 South Florida Feeder Cattle Basis (~$12/cwt.).