Beginning of January: $146.95/cwt.  
End of January: $149.95/cwt.  
Price Change: $3.00/cwt.

August 2020 High: $154.57/cwt.  
August 2020 Low: $135.80/cwt.  
Price Range: $18.77/cwt.

The August 2021 Feeder Cattle futures contract increased by $3.00/cwt. during January. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $24.00/head ($3.00/cwt. * 8.0 cwt.) on an 800-pound feeder steer which amounts to $1,500.00/truckload (50,000 lbs.). The August Feeder Cattle futures contract high, contract low, and price range since September 2020 are $154.57, $135.80, and $18.77/cwt., respectively. The price range of $18.77/cwt. on an 800-pound feeder steer totals $150.20/head and $9,387.50/truckload.

Figure 1. August Feeder Cattle Futures Prices (CME)

The breakeven price was estimated to be $726.57/head or $132.10/cwt. ($726.57/head divided by 5.50 cwt.). The breakeven price includes variable and fixed production costs of $421/head and $305/head, respectively.

The price objective was estimated to be $876.41/head or $159.35/cwt. ($876.41/head divided by 5.50 cwt.). The price objective includes production costs of $726/head, family living withdrawal ($100/head), and growth capital/retirement ($50/head).

The expected cash price is equal to the daily August 2021 Feeder Cattle futures closing price plus an expected August 2021 South Florida 550 lb. Feeder Calf Basis of $3/cwt.

Figure 2. Feeder Calf Price Watch for August 2021

1The breakeven price includes variable and fixed production costs of $421/head and $305/head, respectively.

2The price objective includes production costs of $726/head, family living withdrawal ($100/head), and growth capital/retirement ($50/head).

3The expected cash price is equal to the daily August 2021 Feeder Cattle futures closing price plus an expected August 2021 South Florida 550 lb. Feeder Calf Basis of $3/cwt.