
The August 2020 Feeder Cattle futures contract increased by $7.70/cwt. during May. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $61.60/head ($7.70/cwt. * 8.0 cwt.) on an 800-pound feeder steer which amounts to $3,850.00/truckload (50,000 lbs.). The August Feeder Cattle futures contract high, contract low, and price range since September 2019 are $156.30, $114.43, and $41.40/cwt., respectively. The price range of $41.87/cwt. on an 800-pound feeder steer totals $335.00/head and $20,937.50/truckload.

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 2020 Feeder Cattle futures closing price plus an expected August 2020 South Florida 550 lb. Feeder Calf Basis of $3/cwt.