
The August 2021 Feeder Cattle futures contract increased by $6.05/cwt. during June. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $48.40/head ($6.05/cwt. * 8.0 cwt.) on an 800-pound feeder steer which amounts to $3,025.00/truckload (50,000 lbs.). The August Feeder Cattle futures contract high, contract low, and price range since September 2020 are $161.83, $135.80, and $26.03/cwt., respectively. The price range of $26.03/cwt. on an 800-pound feeder steer totals $208.24/head and $13,015.00/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 2021 Feeder Cattle futures closing price plus an expected August 2021 South Florida 550 lb. Feeder Calf Basis of $3/cwt.