The August 2021 Feeder Cattle futures contract increased by $9.65/cwt. during November. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $77.20/head ($9.65/cwt. * 8.0 cwt.) on an 800-pound feeder steer which amounts to $4,825.00/truckload (50,000 lbs.). The August 2022 Feeder Cattle futures contract high, contract low, and price range since September 2021 are $178.25, $166.08, and $12.17/cwt., respectively. The price range of $12.17/cwt. on an 800-pound feeder steer totals $97.36/head and $6,085.00/truckload.

Figure 1. August Feeder Cattle Futures Prices (CME)

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The price objective was estimated to be $923.58/head or $153.93/cwt. The price objective includes production costs of $773/head, family living withdrawal ($100/head), and growth capital/retirement ($50/head).

The expected cash price is equal to the daily CME August 2022 Feeder Cattle futures closing price plus an expected August 2021 600 lb. Feeder Steer Basis of $3/cwt., Ona, FL.