The August 2020 Feeder Cattle futures contract increased by $2.10/cwt. during December. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $16.80/head ($2.10/cwt. * 8,000 lbs.) on an 800-pound feeder steer which amounts to $1,050.00/truckload (50,000 lbs.). The August Feeder Cattle futures contract high, contract low, and price range since September 2019 are $153.52, $132.00, and $21.52/cwt., respectively. The price range of $21.52/cwt. on an 800-pound feeder steer totals $172.20/head and $10,762.50/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.