The August 2021 Feeder Cattle futures contract increased by $1.20/cwt. during December. Based on this futures price increase, August Feeder Cattle revenues increased by approximately $9.60/head ($1.20/cwt. * 8.0 cwt.) on an 800-pound feeder steer which amounts to $600.00/truckload (50,000 lbs.). The August Feeder Cattle futures contract high, contract low, and price range since September 2020 are $151.00, $135.80, and $15.20/cwt., respectively. The price range of $15.20/cwt. on an 800-pound feeder steer totals $121.60/head and $7,600.00/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.