

**Cattle Feeding Opportunities  
September 09**

While still risky given the weak demand and large supplies of pork at the retail counter, there are hedging opportunities for cattle feeders this fall. The matrix below indicates the projected breakeven purchase price for 650 pound steer calves for the assumptions stated and different corn and fed cattle prices. In late September the basis adjusted futures were forecasting \$88/cwt fed cattle prices for late April and early May and approximately \$3/bu for corn over the feeding period. Spot market prices for 650# steer calves were in the \$105-110 range indicating a profit opportunity.

**Breakeven Purchase Price to Pay for 650# Steer Sold at 1300#,  
\$40/T MDGS, \$.35/day Yardage, 6% Interest, \$50/hd Truck, Vet and Misc**

<b>Corn</b>	<b>Fed Cattle Selling Price</b>					
<b>Price</b>	<b>\$84</b>	<b>\$87</b>	<b>\$90</b>	<b>\$93</b>	<b>\$96</b>	<b>\$99</b>
<b>\$2.50</b>	\$112	\$118	\$123	\$129	\$135	\$141
<b>\$2.75</b>	\$110	\$116	\$122	\$127	\$133	\$139
<b>\$3.00</b>	\$108	\$114	\$120	\$126	\$132	\$137
<b>\$3.25</b>	\$107	\$112	\$118	\$124	\$130	\$136
<b>\$3.50</b>	\$105	\$111	\$117	\$122	\$128	\$134

Maximum feeder cattle purchase price to breakeven given the assumptions.

*John Lawrence*