

\$163.16/CWT

COST AFTER SUBSIDY

\$7.09/CWT



Example: In April, a producer sees an offer guaranteeing \$163.16/cwt during October when he expects the calf will weigh 550 lbs.



On the Coverage End Date in October, the CME Feeder Cattle Index reads \$134.11/cwt – a difference of \$29.05 – resulting in an indemnity paid to the producer.

\$134.11/CWT

DIFFERENCE OF

\$29.05/CWT



APRIL

OCTOBER (END DATE)

PAYMENT TO THE PRODUCER:

\$163.16 - \$134.11 = \$29.05/CWT