Weekly Roberts Agricultural Commodity Market Report June 16, 2009

CORN futures on the Chicago Board of Trade (CBOT) ended lower on Monday. The JULY'09 contract closed at $4.060/bu; off 19.5¢/bu and 29.0¢/bu lower than last Monday. DEC'09 corn futures finished at $4.270/bu; down 20.0¢/bu and 31.0¢/bu under last report. Exports were firm-to-neutral with USDA placing exports at 30.981 mi bu vs. expectations of 30.0-30.5 mi bu. This time last year corn exports were placed at 40, 493: almost a 10 mi bu difference. Monday USDA published its crop progress report showing the '09 crop at 70% in good-to-excellent condition vs. 69% last Monday and 57% for this time last year. Cash bids for corn were spotty with those reporting showing steady amid slow farmer sales. Funds sold 15,000 contracts as large speculators increased net bull positions by 5,900 lots. Hopefully up to 60-70% of the '09 crop has been priced. Corn prices are expected to submit to seasonal declines.

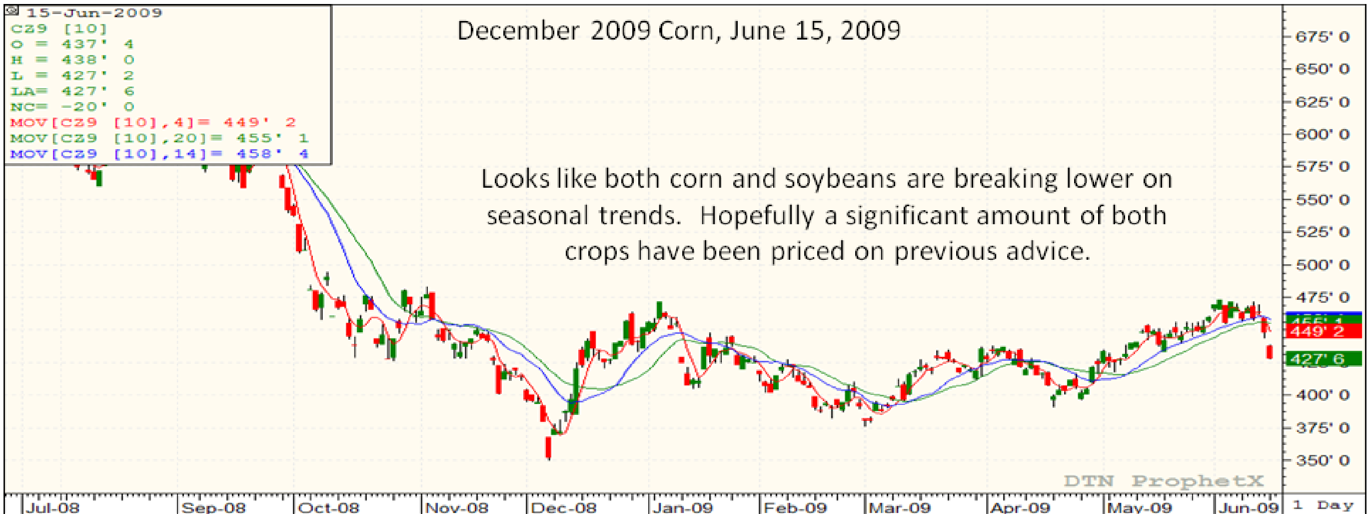
SOYBEAN futures on the Chicago Board of Trade (CBOT) were off on Monday. The JULY'09 contract closed down 48.4¢/bu at $11.970 and 35.5¢/bu under last report. The NOV'09 contract closed at $10.246/bu; off 51.75¢/bu and 27.0¢/bu lower than last report. Prices were subdued by long liquidation on profit taking; a firmer U.S. dollar discouraging export bids; lower crude prices; and prospects for good growing weather. Soybean crushings were positive. It was reported that China turned to Brazil and Argentina last week for four of six ship loads to import. Even so, USDA placed soybeans-inspected-for-export at 12.480 mi bu vs. expectations for between 5.0-10.0 mi bu. USDA reported U.S. soybean plantings 90% complete vs. a 92% five-year average. Late Monday USDA placed the U.S. soybean crop at 56% in good-to-excellent condition. Cash soybeans were steady to weaker amid slow farmer sales. Funds sold 5,000 contracts while large speculators increased net bull positions by 4,000 lots.
It is a good idea to remain at 70% priced in the '09 crop.

WHEAT futures in Chicago (CBOT) fell again on Monday. JULY'09 wheat futures finished off 9.5¢/bu at $5.752/bu; 22.75¢/bu lower than last report. The SEPT'09 wheat contract closed at $6.034/bu; off 9.75¢/bu and 22.75¢/bu lower than this time last Monday. Wheat prices did not escape the negative commodity influence either. Additional pressure is being applied as harvest nears for U.S. wheat. Exports were neutral to the market with USDA placing wheat inspected-for-export at 13.545 mi bu vs. expectations for between 11.0-16.0 mi bu. Egypt relented to Russian negotiators to restore wheat it took off the market announcing two cargoes could be treated and released for distribution. It is reported that Egypt has enough wheat to last until the end of 2009 so it is not in a hurry to buy more. Funds sold 3,000 contracts while large speculators increased net bear positions by about 7,900 lots. Hopefully 60% of the '09 crop has been priced.

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) fell on Monday. The JUNE'09LC contract closed at $79.900/cwt; down $0.525/cwt but $0.375/cwt higher than last report. The AUG'09LC contract closed off $0.775/cwt at $80.825/cwt but $0.200/cwt higher than this time last week. DEC'09LC futures closed at $87.825/cwt; down $1.000/cwt and $0.775/cwt lower than last report. All livestock tracked with the other sliding commodities. Cash cattle were steady in the U.S. Plains with USDA placing the 5-area price at $81.84/cwt, $0.22/cwt lower than last Monday. At noon Monday USDA placed the Choice Boxed Beef cutout at $139.52/cwt, $0.44/cwt lower than last report. Retail sales are moving slow and low. According to HedgersEdge.com average packer margins were raised $30.25/head to a positive $16.70/head based on the average buy of $81.79/cwt vs. the average breakeven of $83.08/cwt. It is a good idea to keep sales current. U.S. corn prices may be readying for a seasonal slump.

FEEDER CATTLE at the CME were off on Monday. AUG'09FC futures finished at $97.200/cwt; off $0.425/cwt but $1.350/cwt lower than last report. The OCT'09FC contract closed at $97.825/cwt; off $0.800/cwt from last Friday's close but $1.050/cwt lower than this time last week. Profit taking on long liquidation, lower commodities across the board, and weak outside markets weighed on prices. Sliding corn prices provided late support. Demand has been scattered with feeders in Oklahoma City selling $1-$3/cwt lower. The latest CME Feeder Cattle Index for June 12 was off $1.63/cwt to $96.19/cwt; $2.56/cwt lower than a week ago. Corn prices are expected to weaken further.

LEAN HOGS on the CME closed lower on Monday. JULY'09LH futures closed at $58.400/cwt; off $1.400/cwt and $1.100/cwt lower than this time last week. AUG'09LH futures were off $1.675/cwt at $58.400/cwt; $3.125/cwt lower than last report. Some contracts sank to new lows amid market liquidation. The July contract is technically oversold. Most contracts are weak technically speaking. Ample pork supplies are still a heavy influence on the market amid a faltering economy. H1N1 flu worries continue to negatively influence pork consumption. The virus has now spread to England. China is seen stockpiling frozen pork to support local prices. The Chinese economy is now being affected amid factory layoffs as the rest of the world cannot buy their goods. Hope they don't need cash flow too soon. USDA put Friday's Pork Cutout at $55.99/cwt, down $0.64/cwt but $0.08/cwt higher than last report. The latest CME Lean Hog Index was placed at $57.17, off $0.16 and $2.25 lower than this time last week. Cash hogs were mostly steady-to-weaker as processors are not motivated to fresh supplies with margins so unprofitable. According to HedgersEdge.com, the average pork plant margin declined $0.30/head from this time last week to a negative $3.55/head. This was based on the average buy of $40.87/cwt vs. the average breakeven price of $39.56/cwt. It will not pay to feed hogs past prime feed-conversion weights.



Remember, when working with futures risk is involved. Past performance does not indicate a promise of future results.

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