

Weekly Roberts Agricultural Commodity Market Report October 27, 2009

CORN futures on the Chicago Board of Trade (CBOT) finished off on Monday. DEC'09 corn futures finished at \$3.780/bu; down 19.75[¢]/bu. The MAY'10 contract closed at \$3.986; off 18.75[¢]/bu. A firmer dollar hurting exports and outlook for better weather pressured prices. USDA reported corn-inspected for export at 23.996 mi bu vs. expectations between 30-35 mi bu. Cash bids in the U.S. Midwest were firm amid slow farm sales. Cash bids in the U.S. Mid-Atlantic States were steady-to-weak down 6[¢]/bu -9[¢]/bu cents in many places. Hopefully you got to 80% sold on last week's advice.

SOYBEAN futures on the Chicago Board of Trade (CBOT) closed lower on Monday. NOV'09 soybean futures closed at \$9.860/bu; down 19.5[¢]/bu. The MAR'10 soybean contract closed at \$9.882/bu; off 18.5[¢]/bu. Profit taking, a firmer dollar, and improved weather weighed on the market. Exports were supportive with USDA reporting soybeans-inspected-for-export at 43.778 mi bu vs. expectations between 37-42 mi bu. China announced it would be importing about the same amount of soybeans in November as they did in October. Cash bids for soybeans in the U.S. Midwest were steady-to-weak amid spotty farmer sales depending upon where the elevator was located. Cash beans in the U.S. Mid-Atlantic States were steady. Hopefully the '09 crop got to 80% sold on last week's recommendations.

WHEAT futures in Chicago (CBOT) fell on Monday. DEC'09 futures closed at \$5.270/bu; off 20.75[¢]/bu. The JULY'10 wheat contract closed at \$5.670/bu; down 22.25[¢]/bu. Wheat followed corn and soybeans lower pressured by the same elements. However, the slow planting progress of the U.S. soft red winter wheat crop was supportive. Exports were disappointing as USDA placed wheat-inspected-for-export at 14.336 mi bb vs. expectations for 15-20 mi bu. Philippine buyers spurned U.S. wheat over Ukrainian wheat. If you haven't done so already it is still a very good idea to get another 10% of the '10 crop priced taking you to 80% priced at this time.

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) were off on Monday. The OCT'09LC contract, scheduled to expire on Friday, closed off \$0.225/cwt at \$86.125/cwt. DEC'09LC futures closed at \$87.150/cwt; down \$0.250/cwt. Profit taking attacked the December contract amid strong technical resistance as spreading in the June/December added pressure on the later. Cash cattle were stronger with the 5-area USDA average price placed at \$84.59/cwt; \$3.73/cwt higher than this time last week. USDA early on Monday put the choice beef cutout at \$139.93/cwt; up \$0.91/cwt. According to HedgersEdge.com, average packer margins were lowered \$11.00 from a week ago to a negative \$3.25/head based on the average buy of \$83.74/cwt vs. the average breakeven of \$83.49/cwt.

FEEDER CATTLE at the CME finished mixed on Monday. The OCT'09FC contract closed at \$93.850/cwt; off \$0.400/cwt. NOV'09FC futures closed at \$95.875/cwt; up \$0.400/cwt. MAR'10FC futures finished at \$96.675/cwt; even with Friday's close. The October contract moved lower ahead of expiration. Other contracts were supported by lower grain prices. The latest CME feeder cattle index was \$93.27/lb; up \$0.02/lb.

LEAN HOGS on the CME were higher on Monday. The DEC'09LH contract closed up \$0.425/cwt at \$54.450/cwt. FEB'10LH futures finished at \$60.825/cwt; up \$0.375/cwt. Cash hog prices were steady to weak. The U.S. emergency declaration over the H1N1 flu didn't seem to have any effect on prices. USDA on Friday reported the average pork cutout price at \$55.35/cwt; up \$0.65/cwt. The latest CME lean hog index was placed at \$53.41/lb; up \$0.30/lb. According to HedgersEdge.com the average pork plant margin was lowered \$5.95/head from last week to a positive \$2.60/head. This was based on the average buy of \$38.10/cwt vs. the average breakeven price of \$39.08/cwt.

2009 November Soybeans, October 26, 2009



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

For comments or questions you may contact Mike Roberts at mrob@vt.edu or
 804-733-2686 work 804-720-1993 cell.