Weekly Roberts Agricultural Commodity Market Report November 10, 2009

**CORN** futures on the Chicago Board of Trade (CBOT) finished up on Monday rallying late in the session. DEC'09 corn futures finished at $3.860/bu; up 19.0¢/bu and 3.75+¢/bu higher than last Monday. The MAY'10 contract closed at $4.102; up 19.25¢/bu and 5.75¢/bu higher than last report. The tremendously weak U.S. dollar; gains in crude oil, gold, and the Dow; and fund buying provided support near the close. The U.S. dollar has not been near the .75 index since 15 months ago. Late Monday USDA put the U.S. corn crop at 37% harvested vs. the 5-year average of 82%. USDA placed corn-inspected-for-export at 26.852 mi bu vs. estimates between 25-32 mi bu. The World Agriculture Supply & Demand Estimate (WASDE) is due out tomorrow and many are thinking USDA will lower the corn production yield estimate due to the bad weather. A quickening harvest pace held futures in check all day. In other news China is sending signals for more corn imports and dry weather in Argentina is not helping corn planting in that country. Cash corn bids were weak amid heavy corn harvest this week. Funds bought between 8,000 – 9,000 contracts. The carry is weakening so unless your storage costs are less than 24.0¢/bu now is a good time to consider selling the rest of the '09 corn crop and sell 10% of the '10 crop.

**SOYBEAN** futures on the Chicago Board of Trade (CBOT) closed up on Monday. NOV'09 soybean futures closed at $9.642/bu; up 16.25¢/bu but 33.25¢/bu lower than this time last week. The MAR'10 soybean contract closed at $9.780/bu; up 17.25¢/bu but 22.00¢/bu cents under last report. The falling dollar, good export reports, gains in outside markets, and fund buying countered the bearish impact of much better harvest weather. USDA placed soybeans-inspected-for-export at 59.939 mi bu vs. estimates of 45-55 mi bu. Late Monday USDA put the amount of U.S. soybeans harvested at 75% vs. the 5-year average of 92% this time of year. Heavy rains flooded newly planted soybean fields in Brazil's Matto-Grasso area. It is expected that USDA will slightly increase its soybean crop estimates in Tuesday's WASDE report. Funds bought over 4,000 contracts. Cash soybeans weakened amid a good harvest pace last week. Basis is expected to weaken further as Hurricane Ida aims for the Gulf coast area and backs up ships. The carry does not justify holding onto soybeans unless you can store for less that 24.0¢/bu through March. Hopefully 90% of the soybean crop was sold through last week. It would be a good idea to consider selling 10% of the '10 crop at this time.

**WHEAT** futures in Chicago (CBOT) finished up on Monday. DEC'09 futures closed at $5.200/bu; up 22.75¢/bu and 3.5¢/bu higher than a week ago. The JULY'10 wheat contract closed at $5.652/bu; up 23.5¢/bu and 5.75+¢/bu higher than last report. Rising corn and soybeans; strong exports; the falling dollar; fund buying; and stronger outside markets (crude, gold) were very supportive. USDA put wheat-inspected-for-export at 17.230 mi bu vs. estimates for 13-17 mi bu. Bangladesh, Jordan, Taiwan, and Saudi Arabia tendered offers. Lower wheat yield estimates in Canada and Bulgaria were also supportive. Funds bought almost 4,000 contracts. Pricing again would be advisable on these technical bounces.

**LIVE CATTLE** futures on the Chicago Mercantile Exchange (CME) were up on Monday with the exception of the December contract. DEC'09LC futures closed at $84.950/cwt; down $0.050/cwt and off $1.275/cwt from last report. The December contract was pressured by fund rolling out of December futures spreading into various deferreds. The APR'10LC contract finished at $89.275/cwt; up $0.275/cwt but $0.075/cwt lower than last Monday. A drop in the dollar to a 15-month low and outside markets were supportive amid weak seasonal fundamentals. Higher unemployment, dropping demand, and increased feedlot supplies pressured beef prices. Cash cattle were steady as USDA on Friday placed the

5-area average price at $86.47/cwt.  USDA on Monday put the choice beef cutout at $141.51/cwt; up $0.73/cwt and $0.68/cwt higher than a week ago.  According to HedgersEdge.com, average packer margins were lowered $3.20from last week to a negative $21.05/head based on the average buy of $86.70/cwt vs. the average breakeven of $85.10/cwt.  Feed supplies can most likely be bought cheaper later in the week.

**FEEDER CATTLE** at the CME fell on Monday.  NOV’09FC futures closed at $94.250/cwt; down $0.400/cwt and $0.875/cwt lower than last Monday.  MAR’10FC futures finished at $96.300/cwt; $0.200/cwt under last Friday’s close and $0.175/cwt lower than this time last week.  Feeders began strong but turned south on surging corn prices.  Higher corn futures are inhibiting hedging potential.  Cash feeders were steady to $1/cwt higher in Oklahoma City.  The CME feeder cattle index for Nov. 5 was placed at $93.15/lb; off $0.06/lb and $0.15/lb lower than a week ago.  If you have some hay or grass in this mild weather it still may pay to hold feeders to heavier weights before moving them to feedlots.

**LEAN HOGS** on the CME were higher on Monday. The DEC’09LH contract closed up $0.100/cwt at $55.800/cwt but $1.925/cwt lower than this time last week.  FEB’10LH futures finished at $63.325/cwt; up $0.475/cwt but $1.275/cwt higher than last report.  Falling U.S. dollar values rallied futures when weak cash markets couldn’t attract selling interest despite the large premium of futures to the CME lean hog index.  Funds were new buyers into the April 2010 contract while selling December and buying February.  A couple of floor traders said that the market anticipated falling packer demand as farmers complete harvest and get more time to sell hogs.  USDA on Friday put the average pork price at $58.63/cwt; down $1.03/cwt from the previous close but $0.63/cwt higher than last report.  According to cold storage reports packers have enough hams in the freezer to meet all the holiday demand as demand for turkeys overcome ham demand this time of year.  The latest CME lean hog index was placed at $55.32/lb; up $0.57/lb but $1.48/lb higher than last Monday.   According to HedgersEdge.com, the average pork plant margin was lowered $2.20/head from last week to a positive $4.70/head.  This was based on the average buy of $39.76/cwt vs. the average breakeven price of $41.51/cwt.

December 2009 Corn, November 9, 2009


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

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