Weekly Roberts Agricultural Commodity Market Report January 5, 2010

CORN futures on the Chicago Board of Trade (CBOT) ended up Monday during the last minutes of trading while profit taking kept higher prices in check. Commercial selling caused charts to trade in the negative all day. The MAY'10 contract closed at $4.286; up 4.5¢/bu and 10.75¢/bu higher than last report. DEC'10 corn futures closed up 4.5¢/bu cents at $4.452/bu. Futures were lifted by strength in crude oil and gold, a weaker U.S. dollar, and an expected fund re-balancing that will include increased buying of corn. Exports were neutral-to-bearish today. Steady to firm producer selling at local elevators limited profit taking. USDA put corn-inspected-for-export at 20.35 mi bu vs. expectations for 26-31 mi bu. Winter weather has mostly put a stop to harvesting the remaining U.S. corn crop. Cash corn bids were mostly steady across the U.S. Funds bought about 7,000 contracts. There is not enough carry through July to warrant storing 2009 corn any longer. Growers should consider pricing up to 40% of the 2010 corn crop priced on last week's uptick.

SOYBEAN futures on the Chicago Board of Trade (CBOT) finished up on Monday struggling to get back in the black after near-term profit taking. JAN'10 soybean futures closed at $10.494/bu; up 9.75¢/bu but 6.75¢/bu lower than last report. The MAR'10 soybean contract closed at $10.580/bu; up 9.5¢/bu but 0.25¢/bu lower than week-before-last. The same factors influencing better corn prices were at work in soybeans. However, soybeans have another advantage; Chinese buying of U.S. soybeans. USDA reported soybeans inspected for export at 32.24 mi bu vs. expectations for 47-53 mi bu. Cash soybeans were mostly steady. It might be a good idea to get up to 40% of the 2010 crop sold at this time.

WHEAT futures in Chicago (CBOT) rallied to finish up on Monday. The JULY'10 wheat contract closed at $5.816/bu; up 15.75¢/bu and 15.0¢/bu higher than last report. Traders are expecting the big non-commercials to start rebalancing portfolios very soon and this will provide volume that will in turn contribute to volatility. Funds bought over 4,000 contracts. USDA put wheat-inspected-for-export at 9.13 mi bu vs. expectations between 16-19 mi bu. Wet weather was slowing harvest in many countries. Australia is particularly having flood trouble that is hampering wheat harvest. However, it should be noted that there are ample world stocks right now. It would be a good idea to price up to 30 - 40% of the 2010 wheat crop now if you haven't done so already.

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) fell on Monday. FEB'10LC futures closed down $0.800/cwt at $85.375/cwt. The APR'10LC contract finished at $89.075/cwt; off $0.752/cwt but $3.750/cwt higher than last report. The April contract was supported by large funds rolling out of February and into the April. OCT'10LC finished at $89.525/cwt; off $0.175/cwt and $2.125/cwt higher than two weeks ago. Chart based profit taking pressured futures after initial fund buying. Prices fell on overbought conditions. Cattle traded up to $2/cwt higher in Kansas City. Cash cattle were $4.50-$5 higher than week before last as USDA put the 5-area average at $84.18/cwt. Early on Monday USDA put the choice beef cutout price at $134.12/cwt; up $0.58/cwt from last week but $4.13/cwt lower than two weeks ago. According to HedgersEdge.com, average packer margins were lowered $24.30 from last report to a negative $12.15/head based on the average buy of $83.30/cwt vs. the average breakeven of $82.36/cwt.

FEEDER CATTLE at the CME finished mixed on Monday. JAN'10FC futures closed at $95.875/cwt; up $0.025/cwt and $3.025/cwt over week before last. MAR'10FC futures finished at $96.325/cwt; up $0.075/cwt and $4.425/cwt higher than last report. The MAY'10FC contract was off $0.400/cwt at $98.350/cwt. Spreading to January out of the April was supportive. Profit taking and spreading pressured

April futures. Some January/March bear spreads were noted. Higher corn prices pressured feeders. The CME feeder cattle index was placed at $93.30/lb; up $0.69/lb and $0.61/lb higher than last report.

LEAN HOGS on the CME were up on Monday. FEB'10LH futures finished at $65.850/cwt; up $0.250/cwt but $0.025/cwt lower than last Monday's close. The MAY'10LH contract closed up $0.075/cwt at $75.425/cwt. Fund buying, a weaker dollar, and cold weather seen as restricting marketing movements were supportive. Supportive session ending activities included late rolling out of bull February positions into the April and June months. Also supportive were lighter hogs going to market due to the cold weather and feed quality problems. Russia's announcement to ban poultry washed with anti-microbial treatments that include chlorine and last week's mildly bearish USDA report kept the lid on futures. USDA on Monday put the U.S. hog herd at 65.8 mi head; 98% of this time last year. Marketings were placed at 97.7% of last year's totals. The U.S. swine breeding heard was noted at 5.85 mi head; 97% of a year ago. These figures would have been bullish but the U.S. herd still needs more reduction to offset increased pigs per litter numbers. Last Thursday USDA put the U.S. pork price at $67.30/cwt; up $0.07/cwt but $2.79/cwt lower than week before last. The latest CME lean hog index was placed at $63.04/lb; up $0.45/lb and $0.04/lb higher than last report. According to HedgersEdge.com, the average pork plant margin was lowered $5.10/head from last report to a positive $2.25/head. This was based on the average buy of $47.15/cwt vs. the average breakeven price of $47.99/cwt.

December 2010 Corn, January 4, 2010

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

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