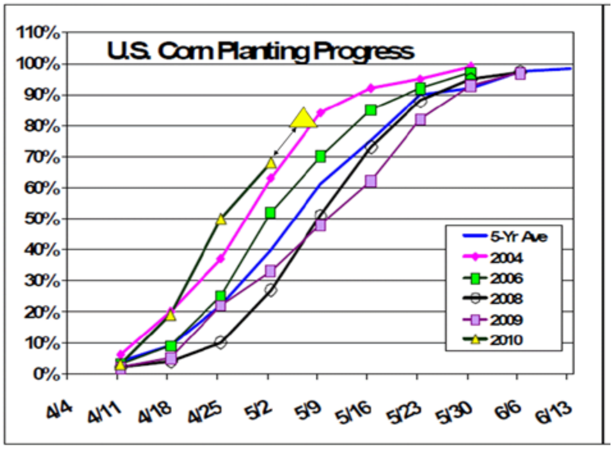
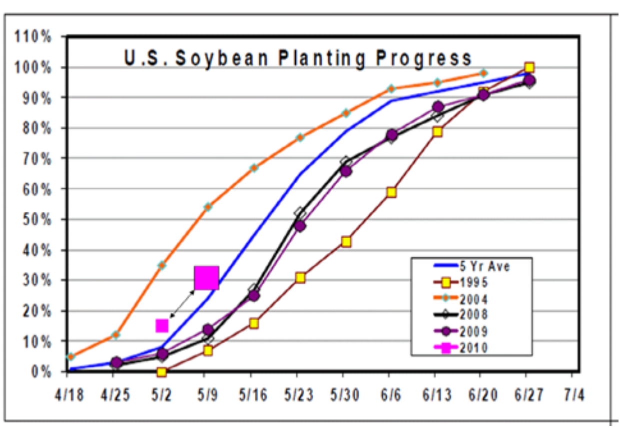
Weekly Roberts Agricultural Commodity Market Report May 11, 2010

CORN futures on the Chicago Board of Trade (CBOT) closed mixed on Monday. The MAY'10 contract closed at $3.630/bu; down 1.75¢/bu but 0.5¢/bu higher than a week ago. DEC'10 corn futures closed up 0.5¢/bu at $3.864/bu but 3.0¢/bu lower than last report. Lower wheat prices, lower exports, and lively U.S. corn planting rates put pressure on the corn market. However, stronger U.S. stock markets and higher crude oil prices were supportive for deferreds.



Late Monday USDA put U.S. corn seedings at 81% vs. the 5-year rolling average of 62%. Traders expected more but recent heavy rains look to have slowed planting progress. Not only that, flooding in western Kentucky and northeastern Arkansas will most likely result in re-seeding or losing corn acres to soybeans. USDA put corn-inspected-for-export at 29.781 mi bu vs. expectations for 30-34 mi bu. The Argentine corn harvest is 63% complete and looks good. Floor sources said there is now some skepticism with more U.S. corn exports to China. Cash corn prices were steady to firm amid slow producer selling while they are on the tractors planting. Funds were net even while large speculators shifted positions to the net bull side. Hopefully 70% of the 2010 corn crop is priced. If not it may be a good idea to price more of the 2010 crop at this time.

SOYBEAN futures on the Chicago Board of Trade (CBOT) were slight gainers on Monday. The MAY'10 soybean contract closed at $9.526/bu; up 1.5¢/bu but 23.0¢/bu lower than last Monday. NOV'10 futures closed at $9.346/bu up 0.5¢/bu but 31.75¢/bu lower than last report. Prices were supported from outside financial markets, weakness in the U.S. dollar, and higher crude oil. Lower wheat prices, weak exports, a bearish world supply outlook, and a brisk U.S. planting pace kept prices from making better gains.



Late Monday USDA placed U.S. soybean seedings at 30% vs. a 5-year average of 19%. USDA put soybeans-inspected-for-export at 5.305 mi bu vs. expectations for 8-12 mi bu. China was a major buyer of soybeans. Argentina's government put the AR soy harvest at 77% complete amid reports of record yields. Speaking of Argentina, soy prices were steady to weak due to weak demand from local buyers as SA farmers continue to store soybeans in hopes of finding better prices. Grain handlers at the southern agriculture port of Bahia Blanca called off last week's strike at a large plant in order to start mediation negotiations. Prices could get a boost from USDA's World Agriculture Supple/Demand Estimate report due out tomorrow as demand is estimated to be better amid stronger export expectations. Funds bought 2,000 lots. It might be a good idea to hold of pricing any more soybeans at this time.

WHEAT futures in Chicago (CBOT) slid Monday. MAY'10 futures closed at $4.824bu; down 17.75¢/bu and 7.75¢/bu lower than this time last week. The JULY'10 wheat contract closed at $4.926/bu;

off 17.75¢/bu and 9.0¢/bu lower than a week ago. Better-than-expected crop weather sent traders away from wheat on worries or large supplies of wheat being added to the already large world supply. The nearby contracts took the biggest hit. Late Monday USDA put the U.S. wheat crop at 68% good-to-excellent condition. Exports were supportive though as the U.S. dollar weakened somewhat. USDA reported wheat-inspected-for-export at 20.797 mi bu vs. expectations for 12-15 mi bu. Funds sold 6,000 contracts. Hopefully 70% of the 2010 crop has been priced on previous advice.

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) closed up on Monday. JUNE'10LC futures were up $0.800/cwt at $96.700/cwt and $1.175/cwt higher than last report. The AUG'10LC contract closed at $95.075/cwt; up $0.875/cwt and a $0.125/cwt over last Monday's close. A brighter looking DOW fueled trader optimism that consumers may be thinking the economy is turning around leading to better beef demand. Fund buying was supportive. Live cattle ended higher on Monday in reaction to slim cash offers and discounts in the futures to last week's receipts. Cash prices for fat cattle last week were in the $98-98.50/cwt range and traded near $100/cwt on Friday. USDA placed the 5-area average at $99.48/cwt; gaining back a $1.05/cwt over last report. USDA put the choice beef cutout at $171.04/cwt; up $0.35/cwt and $0.83/cwt higher than this time last week. Packer demand is strong now on higher prices and reduced feedlot show lists. However, some floor sources expected good prices to run out of steam after Memorial Day weekend. According to HedgersEdge.com, the average packer margin was raised $1.80/hd from last report to a positive $62.70/hd based on the average buy of $99.30/cwt vs. the average breakeven of $104.36/cwt.

FEEDER CATTLE at the CME finished up on Monday. The May'10FC contract closed up $0.200/cwt at $112.625/cwt; but $0.775/cwt lower than last week at this time. AUG'10FC futures closed at $115.925/cwt; up $1.050cwt but $0.725/cwt under last report. Feeders found support from higher live cattle prices, up-trending financials and gains in other commodities. Gains were limited by profit-takers. Cash feeders were steady to higher on estimated receipts from the much-watched Oklahoma City sale. The estimated number of head sold there on Monday was 11,200 head vs. 9,939 head last Monday and 5,805 a year ago. Steers were $1/cwt higher, steer calves were $2-4/cwt higher. Heifers and heifer calves were steady to $2/cwt higher. The latest CME feeder cattle index was placed at $112.96/lb; up $0.04/lb but $0.57/lb lower than last report.

LEAN HOGS on the CME were up on Monday except for the August contract. The MAY'10LH contract closed up $0.100/cwt at $88.600/cwt but $1.225/cwt lower than last report. AUG'10LH futures finished at $85.750/cwt; off $0.550/cwt and $1.175/cwt lower than a week ago. Hogs finished firm near the close on front-month's discounts to the CME lean hog index and spreaders buying June and selling July and August. Lower cash prices weighed on futures with the average cash hog price down $1-2/cwt. The Goldman Roll has begun. This trading action occurs monthly in futures as the fund rolls positions out of the nearby month into deferred positions. Spillover support from cattle and feeders supported hog prices. USDA put the pork cutout at $89.45/cwt; down $0.65/cwt and $0.51/cwt lower than last week at this time. The CME lean hog index was placed at $88.43/lb; up $0.48/lb and $3.29/lb over last report. According to HedgersEdge.com, the average pork plant margin was lowered $5.95/hd from last report to a positive $0.40/hd. This was based on the average buy of $64.19/cwt vs. the average breakeven price of $64.32/cwt.

July 2010 Wheat, May 10, 2010

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

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