



**Position Management:** The table shows how the Model Farm is positioned at this time. Individual recommendations may vary.

|          | 2010 Crop                | 2011 Crop    | 2012 Crop    |
|----------|--------------------------|--------------|--------------|
| Corn     | 100% sold with basis set | 50% sold HTA | 30% sold HTA |
| Soybeans | 100% sold with basis set | 50% sold HTA | 20% sold HTA |
| Wheat    | 100% sold with basis set | 50% sold HTA | none         |

**Prior Price Targets:** The prior MNWestAg price targets have all been exceeded. Thoughts for 2012 crop, the only price floor we have today for 2012 is loan rate of \$1.85 corn and \$4.90 soybeans

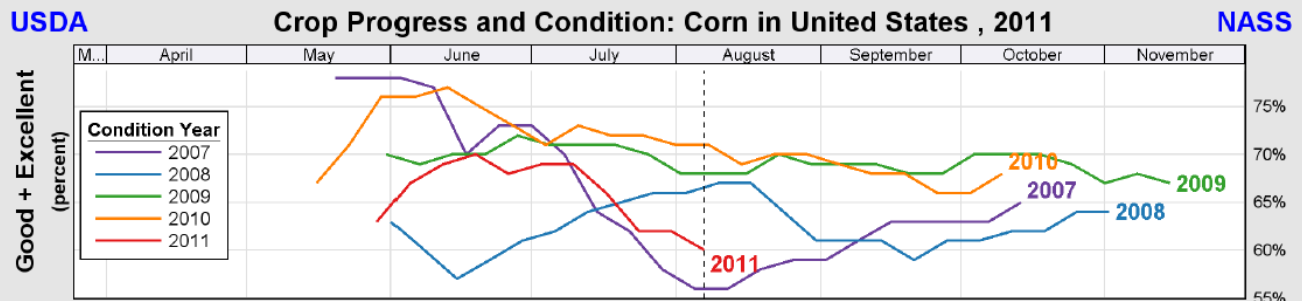
**Next Major USDA Reports:** Monday September 12, 2011 WASDE & Crop Production

**Hedge:** a means of protection against something, especially a means of guarding against financial loss

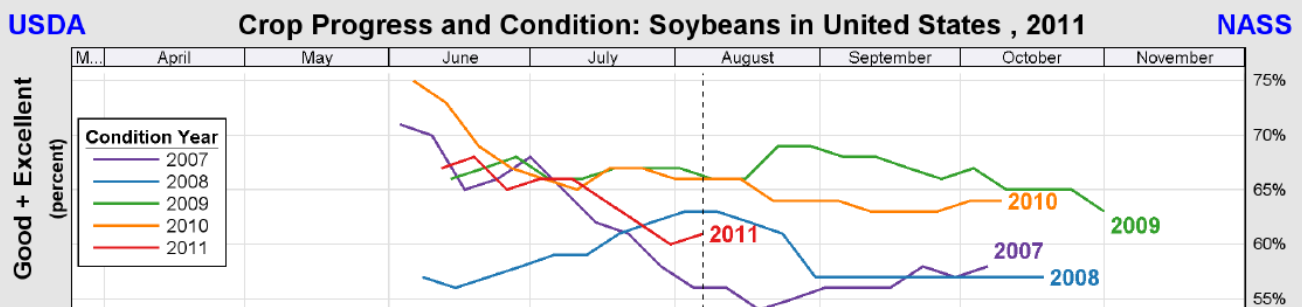
**Speculate:** to form a conjecture on the basis of incomplete facts or information, to engage in financial transactions that have an element of risk.

**Market Talk** Trade is becoming increasingly concerned about disappointing weekend rains particularly for Iowa and surrounding areas of southern MN and parts of Central IL combined with the lack of any significant, soaking precipitation expected in these drier areas over the next two weeks. If the last half of August is as dry as some privates are forecasting, more in the trade will embrace a national soybean yield near the USDA estimate of 41.4 bpa (which was considered quite low and met with a great deal of skepticism last week).

**Corn Progress:** A Reuters poll expected corn ratings to be 60% good/excellent in the Crop Progress report and USDA reported that they stayed steady at 60%. Corn crop condition ratings were mixed / steady for the w/e Aug 14 at 14 (15)exc, 46 (45) good, 25 (24) fair, 10 (10) poor, and 5 (6) very poor. The most noticeable decline in ratings occurred in IA where more rain was needed (although cooler temps helped). Lower ratings were also noted in NE, MO, and IN. Ratings were down slightly in IL and MN. Improved ratings were noted in OH, PA, NC and WI. Silking was at 98%, up a point from average. Dough was at 52%, down 6 points from average. Dented was at 17%, down 4 points from average. [See the individual corn state graphs on the last pages of this newsletter.](#)



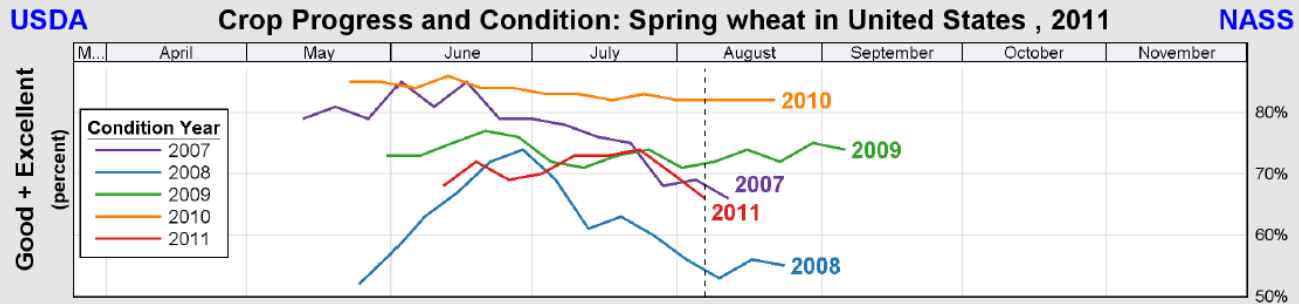
**Soybean Progress:** The USDA Crop Progress report showed Soybeans condition was unchanged from last week at 61% good/excellent. Conditions improved in 8 of the 18 major states, with the most notable increases coming in NC, ND, MN, OH, WI and KY. Conditions held steady in NE and declined in 9 of the 18 major states, with IA and LA showing sharp drops and SD, AR, and IL showing more modest declines. Iowa conditions have dropped from near record high just a few weeks ago to about average today and IL is now rated as the 2nd worst in the past 6 years, both due primarily to ongoing dryness. The MN increase is a bit surprising given the lack of rainfall in southern MN recently. Nationally, 94% of the crop is blooming vs. 94% avg and 70% is setting pods near the 78% avg. [See the individual soybean state graphs on the last pages of this newsletter.](#)



(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.

**Wheat Progress:** Winter wheat harvest is 91%, up 6% from week-ago and 3% short of 5-yr-avg progress (harvest lags in all three PNW-soft white states while MT at 62% vs 67% avg and MI with 96% vs 99% avg are the only HRW and SRW states lagging.)

Spring wheat harvest is 13% complete, well short of the 39% 5-yr-avg. SD harvest is 64% complete (vs 76% avg) while ND harvest at 6% is well short of its 34% five-yr-avg.) Spring wheat conditions on a 6-reporting-state basis were unchanged, but the details were interesting. MT's index rating improved 7 pts but ND, MN and SD all fell. ND and MN declines were small, but SD fell 13% as its harvest progressed to 64% as – that looks like yield results fell short of expectations. Spring wheat harvested was 13%, down 26 points from average. Spring wheat condition was 66%, unchanged and 16 points below last year.



**Outside Markets:**

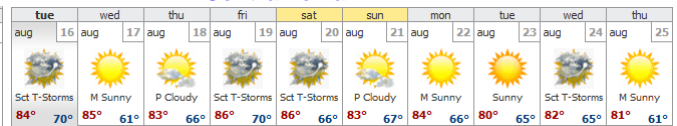
|                     |          |          |        |                   |          |           |        |                     |        |           |         |
|---------------------|----------|----------|--------|-------------------|----------|-----------|--------|---------------------|--------|-----------|---------|
| U.S. Dollar Index   | 74.180   | +0.251   | +0.34% | Euro FX           | 1.43830  | -0.00610  | -0.42% | Ethanol Futures     | Sep 11 | 2.795p    | +0.010  |
| CRB CCI Index       | 639.00p  | +7.00    | +1.11% | Canadian Dollar   | 1.01440  | -0.00400  | -0.39% | Gasoline RBOB (E)   | Sep 11 | 2.8745p   | +0.0523 |
| Gold                | 1778.8   | +23.3    | +1.33% | Japanese Yen      | 1.30430  | +0.00110  | +0.08% | Diesel Gulf (Ulsd)  | Sep 11 | 3.0039p   | +0.0374 |
| Silver              | 39.360   | +0.062   | +0.16% | Australian Dollar | 1.03850  | -0.00750  | -0.72% | Heating Oil (E)     | Sep 11 | 2.9441p   | +0.0404 |
| DJIA                | 11403p   | +153     | +1.36% | Chinese Renminbi  | 0.157000 | +0.000040 | +0.03% | Crude Oil Brent (E) | Sep 11 | 109.91p   | +1.88   |
| S&P 500 Index       | 1182.00  | -16.40   | -1.37% | Mexican Peso      | 0.081175 | -0.000475 | -0.58% | Natural Gas (E)     | Sep 11 | 4.024p    | -0.036  |
| Nasdaq 100          | 2179.00  | -27.50   | -1.25% | 1-Month Libor     | 99.7450p | +0.0175   | +0.02% | Polypropylene       | Sep 11 | 0.8509p   | 0.0000  |
| Russell 1000 Growth | 561.20p  | +8.40    | +1.52% | T-Bond            | 136-01   | -0-04     | -0.09% | Polyethylene        | Sep 11 | 0.6040p   | 0.0000  |
| MSCI Emi Index      | 1030.20  | +23.80   | +2.36% | 3-Month T-Bill    | 99.2700s | 0.0000    | -      | Rme Biodiesel       | Aug 11 | 1476.381p | +2.619  |
| Nikkei 225          | 9005.00  | -140.00  | -1.53% | 5-Year T-Note     | 123-075  | +0-7.5    | +0.04% | Coal Futures        | Sep 11 | 78.08p    | +0.93   |
| Brazilian Real      | 0.62600p | +0.00950 | +1.54% | 10-Year T-Note    | 129-210  | +0-030    | +0.07% | Uranium             | Aug 11 | 50.15p    | -0.50   |

**Weather** Dry weather dominated the majority of the Midwest yesterday, with some showers and thunderstorms impacting eastern NE, far southwest IA and northwest MO with totals of around .25-.75". Temps were a bit cooler than average in most cases, with highs in the low 80's and lows in the 50's. **The forecast** sees a front to work through all of the region later tonight into tomorrow and Thursday. Totals with that system have been lowered some and are now more towards the light than moderate range. There is still no strong bias seen to that rainfall activity. Some more rains are seen by later the weekend and totals with that activity have been raised a bit and are in the moderate range in most cases, with a few isolated heavier totals. Mainly dry weather will then take over for much of next week.

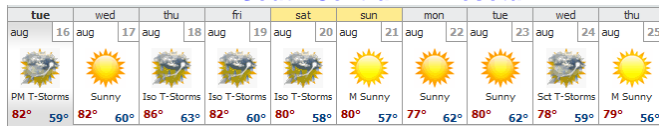
**Central Illinois:**



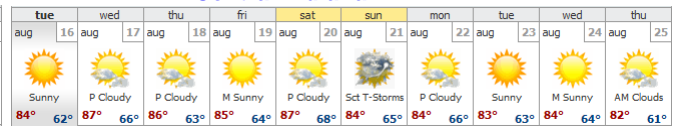
**Central Iowa:**



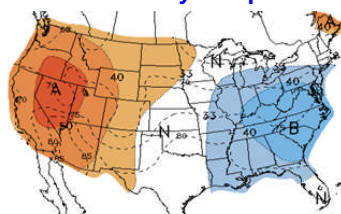
**South Central Minnesota:**



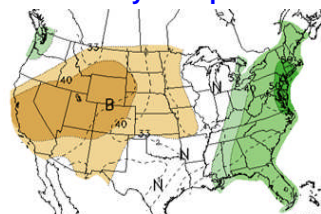
**Central Indiana:**



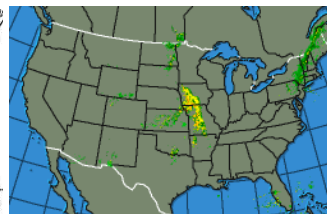
**8-14 Day Temp**



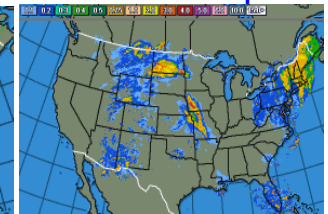
**8-14 Day Precipitation**



**Current Radar**



**Last 24 hr Precip**

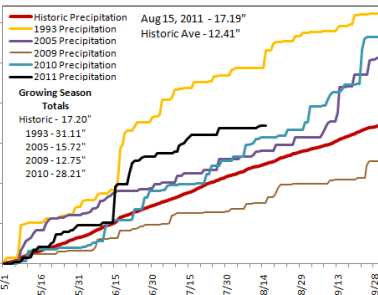


(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.

**Official Weather Station -2011**

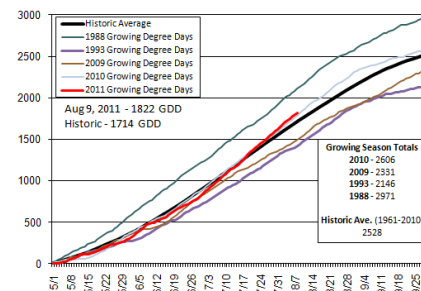
**SW Research and Outreach Center  
University of Minnesota  
Lamberton, MN 56152**

**2005-2011 Growing Season Precipitation Totals vs. Historic Average**  
May 1 - September 30  
Southwest Research and Outreach Center  
Lamberton, MN

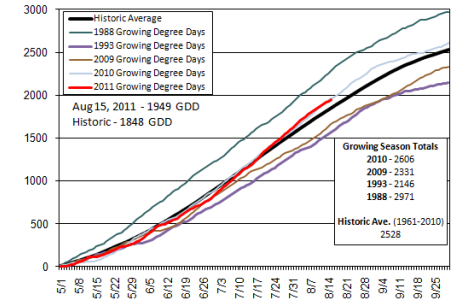


**2008-2011 Soil Water vs. Historic Average**

**Historic Average (1966 - 2010)**  
Southwest Research & Outreach Center  
Lamberton, MN



**1988, 1993, 2009-2011 Growing Degree Totals vs. Historic Average**  
Growing Season: May 1 - September 30  
Historic Average: 1961-2010  
Southwest Research & Outreach Center  
Lamberton, MN



**Corn:** Morning: Sept 11 Corn is at \$7.00 ½, down 6 ¾ cents, Dec 11 Corn closed at \$7.13 ¼, down 6 ¾ cents, Mar 11 corn closed at \$7.26 ½, down 6 ½ cents, July 12 Corn is at \$7.33 ¼ cents, Yesterday's Close: Sep 11 Corn closed at \$7.07 ¼, up 5 ½ cents, Dec 11 Corn closed at \$7.20, up 5 ½ cents, Mar 12 Corn closed at \$7.33, up 5 ½ cents Dec 12 Corn closed at \$6.44 ¾, up 2 ¼ cents  
Corn futures closed higher, aided by a weaker US dollar, higher gasoline and a friendly equity market. The Dec, March and May contracts hit new highs and nearly hitting on the rest aside from Sep. US June ethanol exports dropped 11% vs. May, but UNICA cut projected Brazilian production for the year to 5.5 billion gallons due to a reduction in the sugar cane harvest potential. The USDA Export Inspections report this morning showed 27.567 million bushels inspected for export for the week ending August 11th with a total increase of 34.158 million bushels from last week after revisions to prior data. This is 1.135 million bushels ahead of last years weekly pace.

**Soybean Complex:** Morning: Sept 11 Soybeans closed at \$13.34 ¼, down 9 ¼ cents, Nov 11 Soybeans closed at \$13.42, dn 9 ¼ cents, Jan 11 Soybeans closed at \$13.54 ½, down 7 ¾ cents, Jul 12 Soybeans closed at \$ 13.68 ¼, down 4 cents, Yesterday's Close: Sep 11 Soybeans closed at \$13.43 ½, up 15 ¾ cents, Nov 11 Soybeans closed at \$13.51 ¼, up 16 ½ cents, Jan 12 Soybeans closed at \$13.62 ¼, up 16 1/2 cents, Nov 12 Soybeans closed at \$13.19 ¾, up 13 cents, Sep 11 Soybean Meal closed at \$352.00, up \$4.90, Sep 11 Soybean Oil closed at \$54.91, up \$0.75  
Soybean futures closed higher with support from the other grains, a lower dollar and higher crude oil. Chinese futures were up 19 cents per bushel on Monday with soybean meal and soybean oil higher. Malaysian palm oil export shipments were up 30% in the first 15 days of August vs. the same interval in July according to SGS. China was the largest single destination, although shipments to China were down about 3.6% vs. the July period. The USDA Export Inspections report this morning showed 4.277 million bushels inspected for export for the week ending August 11th with a total increase of 5.991 million bushels from last week after revisions to prior data. This is 10.73 million bushels behind of last years weekly pace. The NOPA crush came in at 123 MB for July, on the high end of expectations.

**Wheat:** Morning: Sept 11 CBOT Wheat closed at \$7.07 ¾, down 4 ¾ cents, Sept 11 MGEX Wheat is at \$8.69, down 3 ¾ cents Yesterday's Close: Sep 11 CBOT Wheat closed at \$7.12 ½, up 10 cents, Sep 11 KCBT Wheat closed at \$8.11, up 15 cents, Sep 11 MGEX Wheat closed at \$8.72 ¾, up 11 ½ cents  
Wheat futures closed higher but off of their earlier highs. Saudi Arabia bought 660,000 MT of wheat over the weekend from a number of origins including the United States. The USDA Export Inspections report this morning showed 18.445 million bushels inspected for export for the week ending August 11th with a total increase of 21.14 million bushels from last week after revisions to prior data. This is .8 million bushels behind last years weekly pace. Cumulative shipments since June 1 are 230.492 million bushels, 42.6 million ahead of last year at this time.

**Cattle:** Yesterday's Close: Aug 11 Cattle closed at \$117.900, unch, Oct 11 Cattle closed at \$120.100, down \$0.350, Dec 11 Cattle closed at \$121.500, down \$1.175, Aug 11 Feeder Cattle closed at \$135.650, down \$0.200 Sep 11 Feeder Cattle closed at \$137.675, up \$0.150 Oct 11 Feeder Cattle closed at \$139.075, up \$0.375  
Cattle futures closed lower with the back months taking the brunt of it. Asking prices for this week are expected to be \$2-4 higher initially, with \$120 common. Weekly Beef export sales have been good, with an accumulated total of 471,397 MT for 2011 to date. Boxed beef values continue to climb. Choice was \$1.78 higher at \$181.59 and Select \$2.15 higher at \$178.68. Vietnam lifted its ban on Canadian live breeding cattle after lifting its ban on the beef last year. Pasture condition was seen at 37% good/excellent, down 16 points from last year in this afternoons Crop Progress report.

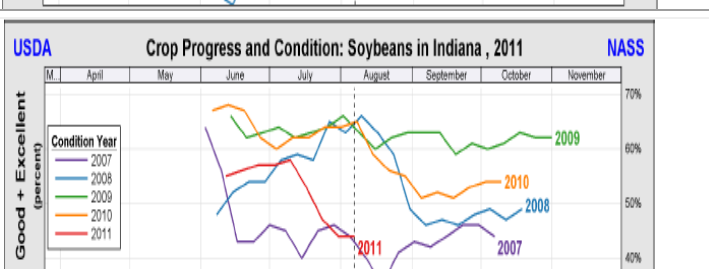
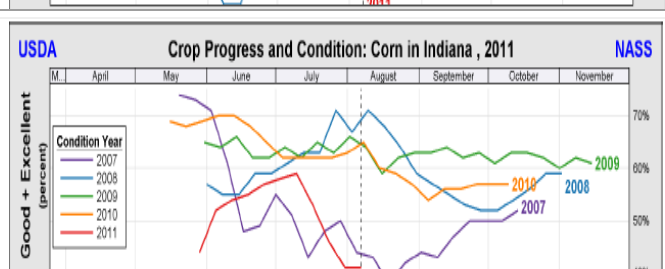
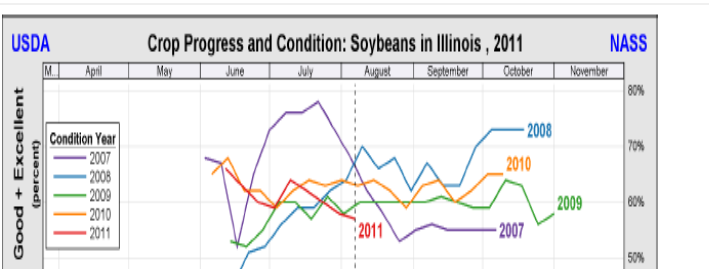
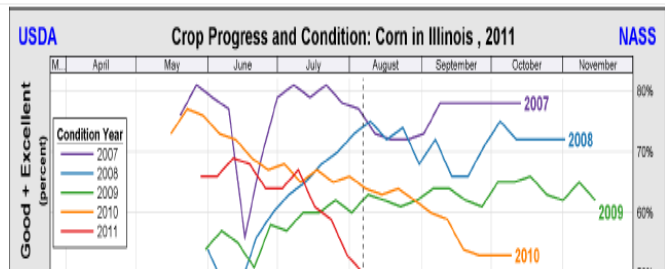
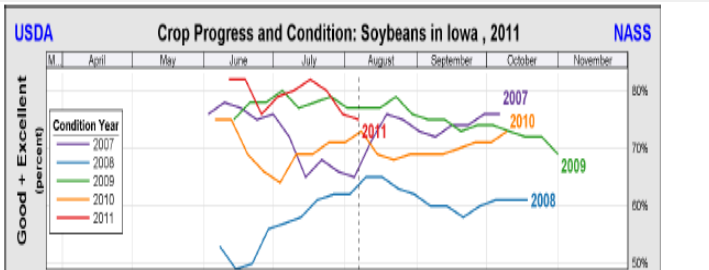
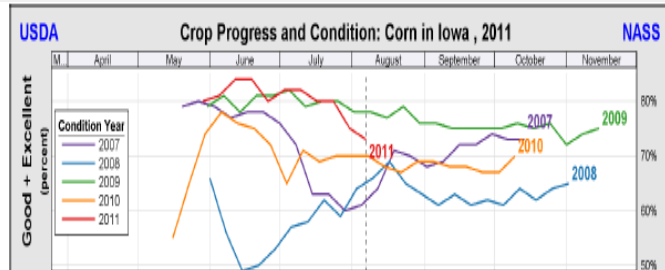
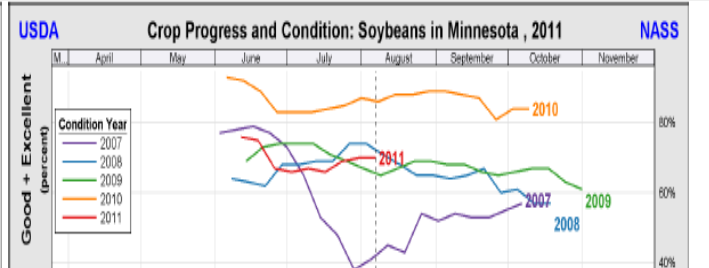
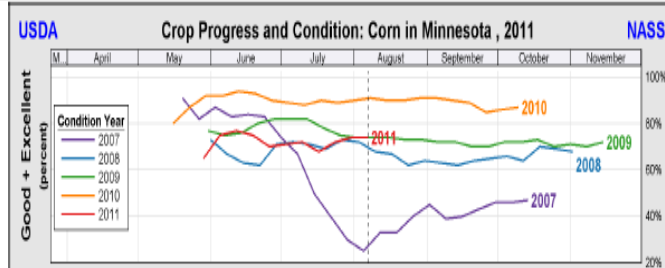
(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.

**Hogs:** Yesterday's Close: Oct 11 Hogs closed at \$89.975, up \$0.500, Dec 11 Hogs closed at \$85.800, down \$0.400 Feb 12 Hogs closed at \$87.700, down \$0.875

Lean hog futures closed mostly lower with October slightly higher as it tried to close some of the expiration gap. The August contract went off the board at \$107.45 and the October contract became spot month at \$89.47. That means futures are at a major discount to the CME Index, anticipating a major decline that has yet to begin. Strong export sales the first half of the year and record carcass prices have supported the lead month of futures. There has been a recall of Canadian diced bacon due to listeria concerns. This afternoon's Carlot report showed the carcass cutout down \$.40. Cash hogs finished \$1.83 higher in the WCB, \$1.27 lower in the ECB and \$1.89 higher in IA/MN.

**Cotton:** Yesterday's Close: Oct 11 Cotton closed at 105.03, up 431 points, Dec 11 Cotton closed at 104.04, up 352 points Dec 12 Cotton closed at 94.74, up 49 points

Cotton futures closed higher but off of limit up. Economic numbers are a little friendlier this morning, particularly the Japanese figures over the weekend. Homebuilder sentiment was at record lows though. The dollar is weaker and the equity markets are higher. Certificated Stocks were nearly unchanged from yesterday at 14,905 bales. This afternoon's Crop Progress report showed cotton setting bolls at 88%, 4 points above average. Bolls opening were 11%, on par with average and condition was up a point to 31% good/excellent which was still half of last year.



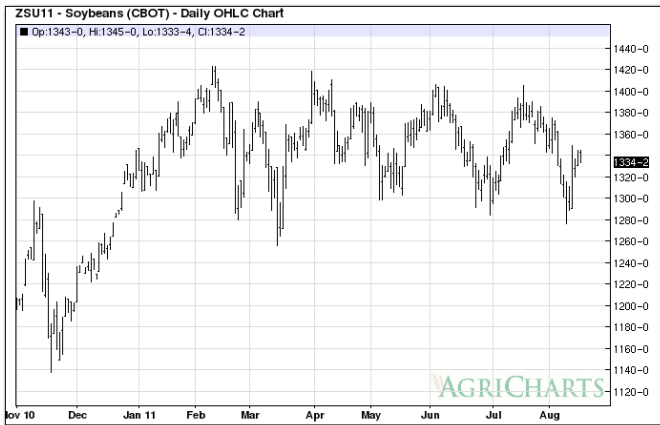
(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.



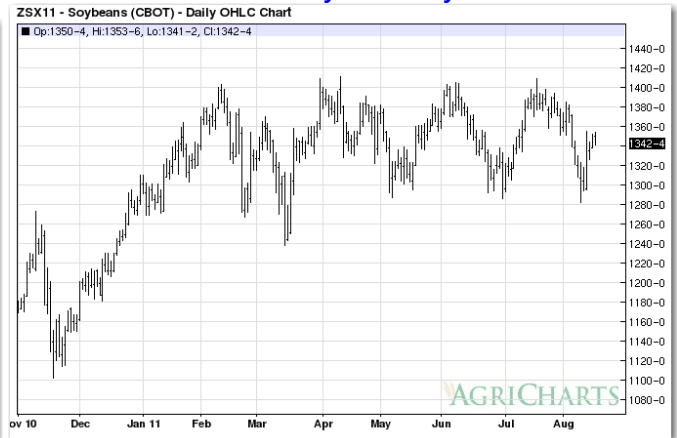
Possible double top is formed as December Corn futures reaches a new high of \$7.24 ¼ yesterday.

(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.

**Aug 11 Soybean Daily Chart**



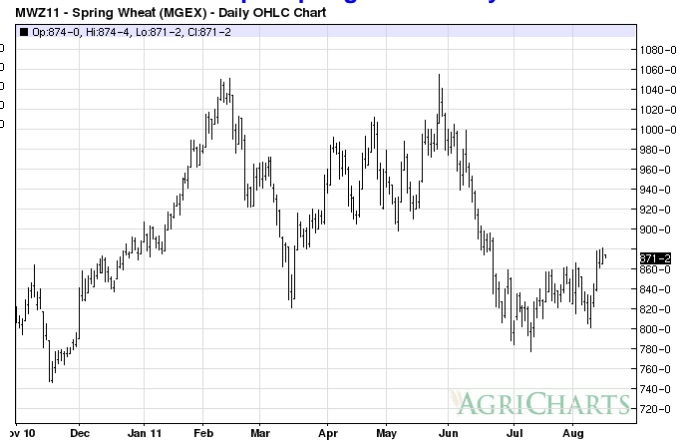
**Nov 11 Soybean Daily Chart**



**Sept 11 Mpls Spring Wheat Daily Chart**



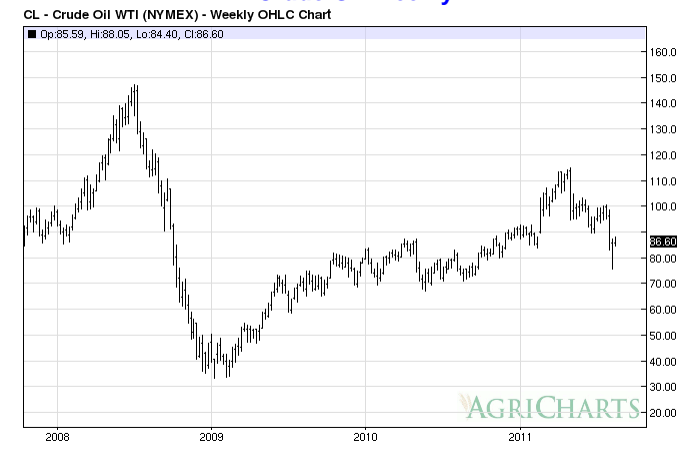
**Dec 11 Mpls Spring Wheat Daily Chart**



**US Dollar Index Weekly**



**Crude Oil Weekly**



(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.