



MORNING COMMENTS

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Wednesday, August 17, 2011

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: Reported yesterday, USDA's FSA data showed US corn, soy, spring wheat prevented planting of 7 million acres. However, the key number is harvested acres & if USDA lowers harvested acres compared to USDA's Aug report. NASS issues the crop reports and in the past has not coordinated acres with FSA until the October report. This report has not been release this early in the past. The report from which the prevented planted acres came from a monstrous file on the FSA website is which will take some time to fully decipher. The next scheduled update is reported to be to be released in September and on October 15th.

Crop	Prevent	Planted	Totals:	
Corn	2.947	86.779	90.017	It is thought that this implies that about 800,000 less acres are available for harvest.
Soybeans	1.421	73.078	74.597	
Spring wheat	2.623	11.737	14.329	

CROP	USDA Planted Acreage vs FSA Certified Planted Acreage and FSA Prevented Plant Acreage								
	Thousand acres								
	FSA	USDA	FSA	FSA	USDA	FSA	FSA	USDA	FSA
	2011 PLANTED Certified	2011 PLANTED Actual	2011 PREVENT	2010 PLANTED Certified	2010 PLANTED Actual	2010 PREVENT	2009 PLANTED Certified	2009 PLANTED Actual	2009 PREVENT
CORN	87,968	92,282	2,961	85,107	88,192	2,102	83,511	86,482	1,879
SORGHUM	4,832	5,345	186	4,821	5,404	25	5,741	6,633	30
SOYBEANS	73,078	75,208	1,421	76,237	77,404	1,347	76,345	77,451	933
ALL WHEAT	49,726	55,183	3,836	50,417	53,603	3,258	55,686	59,133	917
of which durum	1,132	1,398	1,163	2,403	2,570	145	2,417	2,554	28
of which other spring	11,727	12,677	2,623	13,211	13,698	488	12,981	13,268	689
of which winter	36,867	41,108	49	34,803	37,335	2,625	40,288	43,311	200
TOTAL	236,572	254,301	10,280	240,018	250,254	7,256	241,547	253,369	4,499

A China newspaper reports that China plans to sell 4.0 million tons of state reserve soybeans to major edible oil makers to help boost local supply and ease import needs for the next few months.

December Corn Futures



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Outside Markets:

U.S. Dollar Index	73.685	-0.408	-0.55%	Euro FX	1.44800	+0.00910	+0.63%	Ethanol Futures	Sep 11	2.795	-0.002
CRB CCI Index	640.00p	+1.00	+0.16%	Canadian Dollar	1.02050	+0.00400	+0.39%	Gasoline RBOB (E)	Sep 11	2.8538p	-0.0207
Gold	1783.6	+1.2	+0.07%	Japanese Yen	1.30760	+0.00420	+0.32%	Diesel Gulf (Ulsd)	Sep 11	2.9921s	-0.0118
Silver	39.845	+0.024	+0.06%	Australian Dollar	1.05280	+0.01090	+1.05%	Heating Oil (E)	Sep 11	2.9326p	-0.0115
DJIA	11387p	-16	-0.14%	Chinese Renminbi	0.156800	-0.000140	-0.09%	Crude Oil Brent (E)	Sep 11	109.47p	-0.44
S&P 500 Index	1196.80	+4.50	+0.38%	Mexican Peso	0.081900	+0.000600	+0.74%	Natural Gas (E)	Sep 11	3.932p	-0.092
Nasdaq 100	2196.50	-2.50	-0.11%	1-Month Libor	99.7650p	+0.0200	+0.02%	Polypropylene	Sep 11	0.8509s	0.0000
Russell 1000 Growth	556.20p	-5.00	-0.89%	T-Bond	136-20	-0.14	-0.32%	Polyethylene	Sep 11	0.6040p	0.0000
MSCI Emi Index	1030.90	+7.90	+0.77%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Aug 11	1471.571p	-4.810
Nikkei 225	9075.00	+5.00	+0.06%	5-Year T-Note	123-7.5	-0.25	-0.03%	Coal Futures	Sep 11	77.40p	-0.68
Brazilian Real	0.62920	+0.00410	+0.66%	10-Year T-Note	130-000	-0.025	-0.06%	Uranium	Aug 11	49.95p	-0.20

Weather Locally we had a light mist late yesterday... no measurable moisture. One area of showers and thunderstorms impacted southern IA and northern MO early in the day, bringing amounts of .50-1", isolated to 1"+ and then another line of showers and thunderstorms moved through most of MN late yesterday and overnight. That activity also brought totals of around .50-1", isolated to 1"+ to all but the far southern portions of the state. Dry weather dominated the rest of the Midwest yesterday. Temps were close to average in most cases, with highs in the low to mid 80's. **The forecast** sees a front to work through all of the region today and early tomorrow and amounts with it have been lowered further and look to be generally less than .35", with coverage of around 60-65%. Some more rains are seen by the weekend and totals with that activity are still 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:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
aug 17	aug 18	aug 19	aug 20	aug 21	aug 22	aug 23	aug 24	aug 25	aug 26
Iso T-Storms	M Sunny	P Cloudy	Sct T-Storms	P Cloudy	P Cloudy	Sunny	Sunny	Sunny	Sunny
86° 67°	87° 64°	87° 68°	84° 67°	85° 65°	79° 57°	78° 59°	80° 65°	82° 62°	81° 60°

Central Iowa:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
aug 17	aug 18	aug 19	aug 20	aug 21	aug 22	aug 23	aug 24	aug 25	aug 26
P Cloudy	Iso T-Storms	Iso T-Storms	P Cloudy	P Cloudy	M Sunny	Sunny	P Cloudy	Sct Showers	Sunny
84° 61°	86° 68°	88° 69°	81° 67°	82° 66°	80° 61°	81° 66°	83° 65°	82° 62°	80° 62°

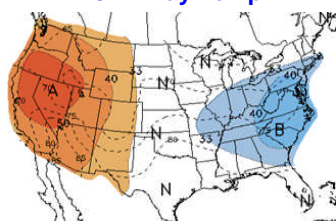
South Central Minnesota:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
aug 17	aug 18	aug 19	aug 20	aug 21	aug 22	aug 23	aug 24	aug 25	aug 26
Sunny	Sct T-Storms	Sct T-Storms	Sunny	M Sunny	P Cloudy	Sunny	P Cloudy	Sunny	Sunny
82° 57°	86° 64°	77° 55°	77° 56°	79° 58°	78° 53°	83° 65°	83° 64°	80° 58°	82° 53°

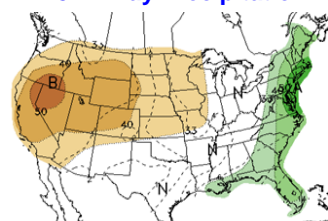
Central Indiana:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
aug 17	aug 18	aug 19	aug 20	aug 21	aug 22	aug 23	aug 24	aug 25	aug 26
M Sunny	P Cloudy	P Cloudy	Iso T-Storms	Iso T-Storms	P Cloudy	Sunny	Sunny	P Cloudy	Sunny
86° 67°	87° 64°	87° 65°	88° 69°	84° 68°	82° 59°	78° 61°	82° 64°	83° 65°	83° 63°

8-14 Day Temp



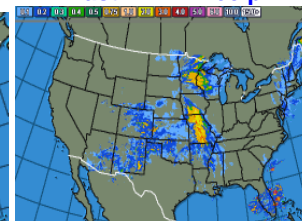
8-14 Day Precipitation



Current Radar



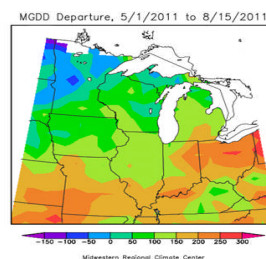
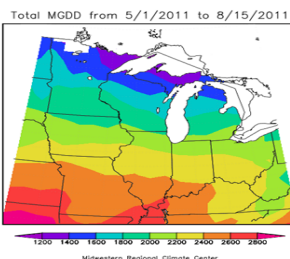
Last 24 hr Precip



Official Weather Station -2011

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

	Monday, August 15	Tuesday, August 16
Air Temperature	Max = 80; Min = 59	Max = 84; Min = 64
Soil Temperature		
2 inch	Max = 87; Min = 66; Ave = 76	Max = 90; Min = 87; Ave = 80
4 inch	Max = 79; Min = 65; Ave = 72	Max = 87; Min = 68; Ave = 77
8 inch	Max = 77; Min = 67; Ave = 72	Max = 79; Min = 69; Ave = 74
Daily Precipitation	0.00"	0.00"



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Corn: Morning: Sept 11 Corn is at \$7.15 , up 1 cents, Dec 11 Corn closed at \$7.28 $\frac{3}{4}$, up 1 $\frac{1}{4}$ cents, Mar 11 corn closed at \$7.41 , up $\frac{3}{4}$ cents, July 12 Corn is at \$7.47 $\frac{1}{4}$, down $\frac{1}{4}$ cents, Yesterday's Close: Sept 11 Corn closed at \$7.14, up 6 $\frac{3}{4}$ cents, Dec 11 Corn closed at \$7.27 $\frac{1}{2}$, up 7 $\frac{1}{2}$ cents, Mar 12 Corn closed at \$7.40 $\frac{1}{4}$, up 7 $\frac{1}{4}$ cents Dec 12 Corn closed at \$6.50 $\frac{1}{4}$, up 5 $\frac{1}{2}$ cents

Corn futures closed higher and made new contract highs on the new crop contracts. Corn stocks at select export elevators and terminals were down 1.9 million bushels from last week. USDA reported the enrollment for prevent plant corn acres was 2.947 million acres. Crop condition ratings were not changed in the good/excellent category overall coming in at 60% but excellent dropped a point into the good rating from the previous week. A year ago ratings for that category were at 69%. The dollar held earlier gains to close higher today. Corn basis bids at river terminals and the Gulf were weak and steady at interior points in the Midwest with old crop supplies tight. Temperatures are mostly normal for the Midwest but above normal for Oklahoma and states south and east. The longer range forecast is calling for above normal temps and below normal rainfall for states west of the Missouri River and below normal temps and above normal rainfall for states east and south of the Great Lakes. Everything in the middle is forecast to be normal through August 25th.

Soybean Complex: Morning: Sept 11 Soybeans closed at \$13.45 $\frac{3}{4}$, up 5 $\frac{3}{4}$ cents, Nov 11 Soybeans closed at \$13.54 $\frac{1}{2}$, up 5 cents, Jan 11 Soybeans closed at \$13.65 , up 4 $\frac{3}{4}$ cents, Jul 12 Soybeans closed at \$13.75 , up 4 $\frac{1}{4}$ cents , Yesterday's Close: Sept 11 Soybeans closed at \$13.40, down 3 $\frac{1}{2}$ cents, Nov 11 Soybeans closed at \$13.49 $\frac{1}{2}$, down 1 $\frac{3}{4}$ cents, Jan 12 Soybeans closed at \$13.60 $\frac{1}{4}$, down 2 cents, Nov 12 Soybeans closed at \$13.18 $\frac{1}{2}$, down 1 $\frac{1}{4}$ cents, Sep 11 Soybean Meal closed at \$351.30, down \$0.70, Sep 11 Soybean Oil closed at \$55.00, up \$0.09

Soybean futures closed slightly lower after being higher earlier in the session. USDA reported the prevent plant acres due to the cold and rainy spring were 1.421 million acres. Gulf basis levels were a bit firmer for processors and Midwest basis levels were weak at processors and river terminals. Demand for soybean meal is slow. Crop condition ratings were unchanged from last week with more moderate temperatures and scattered rains over much of the growing region the past week. Soybean stocks at select export elevators and terminals were down 206 thousand bushels from last week. Forecasts remain moderate until August 21st when above normal temps and below normal rainfall will spread over the western half of the country and cooler and wetter than normal weather will spread over most of the eastern half of the U.S. Crude oil prices are lower but are trading off earlier lows.

Wheat: Morning: Sept 11 CBOT Wheat closed at \$7.29 $\frac{1}{4}$, up 4 $\frac{1}{2}$ cents, Sept 11 MGEX Wheat is at \$9.00 , up 3 $\frac{3}{4}$ cents Yesterday's Close: Sept 11 CBOT Wheat closed at \$7.24 $\frac{3}{4}$, up 12 $\frac{1}{4}$ cents, Sep 11 KCBT Wheat closed at \$8.17 $\frac{1}{2}$, up 6 $\frac{1}{2}$ cents, Sep 11 MGEX Wheat closed at \$8.96 $\frac{1}{4}$, up 23 $\frac{1}{2}$ cents

Wheat futures closed much higher but 5 to 10 cents off earlier highs. Most of the gains were in the MGEX wheat. MGEX wheat seeding was behind due to flooding in the spring dropping expected output to 521,975 million bushels for other spring wheat. That's a 15% drop from last year. The average BPA is projected at 42.5 bushels compared to 46.1 in 2010. The USDA reported Spring wheat prevent plant acres at 2.623 million and planted acres at 11.737 million for a total of 14.329 million acres. Wheat supplies at select export elevators and terminals were up 6.19 million bushels from last week. Most of the rains are expected to move into Minnesota over the next couple of days and out of the Dakotas. Chances of rainfall remain over Canada throughout the week. Winter wheat planting is nearing in the south but TX and OK are still drought impacted and temps are expected to move back to above normal in KS in the long range forecast.

Cattle: Yesterday's Close: Aug 11 Cattle closed at \$117.900, unch, Oct 11 Cattle closed at \$120.175, up \$0.075, Dec 11 Cattle closed at \$121.175, down \$0.325, Aug 11 Feeder Cattle closed at \$135.575, down \$0.075 Sep 11 Feeder Cattle closed at \$137.375, down \$0.300 Oct 11 Feeder Cattle closed at \$138.825, down \$0.250

Cattle futures closed mostly lower with a slight plus on the October contract. Friday the USDA will release the monthly Cattle on Feed report. Analysts are expecting a bearish report. Average estimates for August 1 COF are 107.5%, July Placement estimates are 116.9% and July Marketings average 96.3%. Trading so far today has been inactive. Asking prices for this week are expected to be \$1-3 higher initially, with \$118 to \$119 the range. The USDA is projecting forth quarter on farm prices to average between \$111 and \$117. Boxed beef values are up sharply. Choice is \$2.73 higher this morning at \$184.32 and Select is \$2.33 higher at \$181.01.

Hogs: Yesterday's Close: Oct 11 Hogs closed at \$89.400, down \$0.575, Dec 11 Hogs closed at \$85.675, down \$0.125 Feb 12 Hogs closed at \$88.050, up \$0.350

Lean hog futures closed mixed on the day. Pork trading was slow to moderate, with mostly light demand and light to moderate offerings. The Carcass cutout value was sharply lower this afternoon. Futures are at a major discount to the CME Index, anticipating a major decline. The CME Index is at \$107.34 for August 12th. Cash hogs in IA/MN were \$1.33 lower at \$102.97, WCB hogs were \$1.29 lower at \$102.93 and ECB hogs were \$0.21 lower at \$101.25.

Cotton: Yesterday's Close: Oct 11 Cotton closed at 104.62, down 41 points, Dec 11 Cotton closed at 103.85, down 19 points Dec 12 Cotton closed at 94.25, down 49 points

Cotton futures closed slightly lower. Cotton looks to be in a holding pattern as it waits for harvest and more signs of demand. The global economic picture and troubles in Europe continue to keep markets guessing. The reported cotton crop condition is half of what it was last year at this time. Certificated Stocks were unchanged from the previous day at 14,905 bales.

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Lean Hogs Weekly

HE - Lean Hogs (CME) - Weekly OHLC Chart



Live Cattle Weekly

LE - Live Cattle (CME) - Weekly OHLC Chart



Sept 11 Corn Daily Chart

ZCU11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCX11 - Corn (CBOT) - Daily OHLC Chart



Sept 11 Soybean Daily Chart

ZSU11 - Soybeans (CBOT) - Daily OHLC Chart



Nov 11 Soybean Daily Chart

ZSN11 - Soybeans (CBOT) - Daily OHLC Chart



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Sept 11 Mpls Spring Wheat Daily Chart

MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart



Dec 11 Mpls Spring Wheat Daily Chart

MWZ11 - Spring Wheat (MGEX) - Daily OHLC Chart



U.S. Dollar Index

DX - U.S. Dollar Index (ICEFI) - Weekly OHLC Chart



Crude Oil Weekly

CL - Crude Oil WTI (NYMEX) - Weekly OHLC Chart



S&P 500 Index Weekly

SP - S&P 500 Index (IOM) - Weekly OHLC Chart



Gold Daily

GQ11 - Gold (COMEX) - Daily OHLC Chart



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