



MORNING COMMENTS

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Monday, March 7, 2011

Recommendation Made Last Monday Feb 28th

For 2010 Corn the sample farm is currently 70% sold. We are recommending adding a 10% sale (10,000 bu. for the sample farm) with delivery priced in the cash market for the time frame that works for you. The sample farm will use a March delivery at -.60 basis. We will price this today after the open. Hopefully with the March futures trading near \$7.10

For 2010 Soybeans the sample farm is currently 70% sold. We are recommending adding a 10% sale (5,000 bu. for the sample farm) with delivery priced in the cash market for the time frame that works for you. The sample farm will use a March delivery at -.70 basis. We will price this today after the open. Hopefully with the March futures trading near \$13.50

We are making this recommendation because the charts show some topy type of action; however the fundamentals remain very supportive, especially for corn. Reported larger Brazilian soybean production may temper some of the soybean bullishness, it's difficult to predict so we feel compelled to make this additional sale.

For 2011 corn & 2011 soybeans the sample farm is at 40% sold on each crop. If not at that level you may wish to make an additional sale that meets your comfort level.

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	80% sold-20% basis open July	40% sold HTA	20% sold HTA
Soybeans	80% sold with basis set	40% sold HTA	12% sold HTA
Wheat	100% sold with basis set	50% sold HTA	none

Prior Price Targets: The prior price targets have all been exceeded.

Corn: \$6.00 March futures

New Crop Corn: \$5.55 Dec 11 Futures

New York bank three month corn price projection to \$7.15 reached with the Feb 22nd high of \$7.24 ½

New York bank three month price target of near \$16.00 soybeans. Recent high of \$14.55 was made on Feb 9th.

Next USDA Reports: **Wednesday Mar 10, 2011 WASDE & Crop Production.**

Thursday March 31, 2011 Grain Stocks and Prospective Plantings.

Market Talk: The National Corn Growers Association Corn Congress (at the Commodity Classic) is deliberating whether to continue supporting the ethanol blend credit or to work for increased consumption of ethanol through government programs to increase blend pump construction and more flex fuel vehicles.

Informa economics left its Argentine and Brazilian corn projections unchanged. It lowered Mexico's corn crop by .7 MMT to 23.3, which is a less aggressive drop for freeze damage than some of the others in the market.

Informa economics raised estimates of 2010/11 Brazil soy production to 71.4 MMT from 69.3. Argentine production was seen at 52 MMT, up from 49. This is one of the highest recent estimates for Argentina and weighed on spring futures contracts.

President Obama and Mexican President Calderon announced a tentative procedure to end the dispute about Mexican trucker access to the US market. The deal must be passed by Congress, which is not certain.

Outside Markets:				CCI	Last	0.00	-	Brent Crude	118.03	2.06	1.78%	10-Year Bond	3.52%	0.03	0.80%	Euro / \$1US	1.6286
DJIA	12,170	-88.32	-0.72%	US \$ Index	1.08		-19.10%	Heating Oil	3.13	0.04	1.30%	30-Year Bond	4.64%	0.01	0.83%	\$1US / Yen	Bid
Nasdaq	2,785	unch	unch	Frankfurt	7,210	31.24	0.44%	Natural Gas	3.82	-0.07	-1.72%	Tokyo	10,505	-189	-1.76%	\$1US / Can \$	1.0173
S&P 500	1,321	unch	unch	Paris	10,227	78	0.77%	Gold	1444.00	15.80	1.11%	Hong Kong	23,313	-96	-0.41%	India Index	67.86
NYSE	12,153	-	-	London	6,019	29	0.48%	Silver	3668.00	135.30	3.83%	Sydney	4,896	-63	-1.26%	Brazil Empresas	8.98
				Global Dow	2,199	-1.61	-0.07%	Platinum	1842.00	3.80	0.21%	Shanghai	3,137	57	1.84%	Cnooc of China	228.43
																	0.12
																	0.05%

Weather: An active weather pattern is forecast through the week and coming weekend. A storm presently developing in the Kansas-Oklahoma area will track east and northeast tomorrow through early Thursday taking a track from southwest Kansas across central Missouri to the upper Ohio Valley/eastern Great Lakes. Moisture is forecast to produce amounts of ¾ to 1 ¼ inches in north-central and northeastern Kansas into central and eastern Nebraska, and from ¾ to 1 ½ inches particularly from southern and southeast Iowa and Missouri across Illinois, Indiana and Ohio as well as Wisconsin and Michigan. Snowfalls in the more western and northern portions of the hard wheat will produce depths to 2 to 5 inches with heavier 6 to 10 inch accumulations from north-central Kansas into central and eastern Nebraska with 3 to 8 inch accumulations. Heavier snowfalls of 6 to 16 inches from Iowa and southeast South Dakota-eastern Nebraska across southern Minnesota and Wisconsin. Later Wednesday-Thursday moisture on the west side of the storm will produce snows to 6 inches in central and eastern portions of the soft wheat area.

Central Illinois:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
07	08	09	10	11	12	13	14	15	16
Cloudy	PM Showers	Rain/Wind	P Cloudy	P Cloudy	M Cloudy	P Cloudy	Cloudy	P Cloudy	Sct Showers
44° 33°	52° 44°	49° 32°	44° 30°	50° 40°	44° 27°	44° 32°	43° 34°	45° 35°	45° 40°

Central Iowa:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
07	08	09	10	11	12	13	14	15	16
Rain/Snow	PM Lgt Rain	Rain/Snow	Sunny	M Cloudy	M Cloudy	P Cloudy	R/S Showers	P Cloudy	Showers
40° 32°	44° 35°	37° 27°	45° 30°	54° 32°	39° 25°	48° 33°	46° 33°	48° 35°	47° 34°

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South Central Minnesota:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
07	08	09	10	11	12	13	14	15	16
Cloudy	PM Sww Shwrs	Sww Shwrs	M Sunny	Sww Shwrs	P Cloudy	P Cloudy	Sww Shwrs	P Cloudy	Sww Shwrs
25° 16°	34° 25°	31° 16°	33° 24°	37° 17°	23° 15°	31° 22°	34° 25°	38° 28°	34° 26°

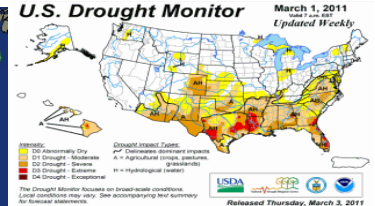
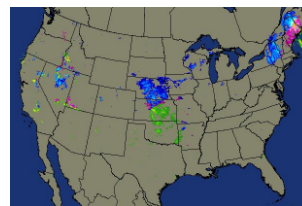
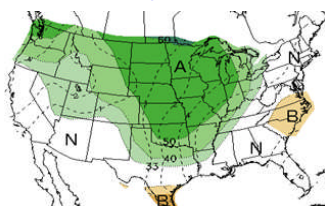
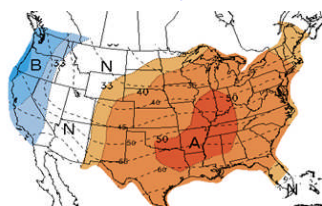
8-14 Day Temp

8-14 Day Precipitation

Central Nebraska:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
07	08	09	10	11	12	13	14	15	16
Snow	Rain/Snow	AM Sww Shwrs	M Sunny	M Cloudy	M Sunny	Few Showers	AM Clouds	M Sunny	Few Showers
35° 29°	38° 26°	36° 19°	43° 28°	54° 25°	42° 25°	46° 31°	49° 28°	52° 35°	48° 30°

Current Radar



Corn: Morning: Mar 11 corn closed at \$7.26 , up 4 ¾ cents, May 11 corn closed at \$7.30 , up 2 cents, July 11 Corn is at \$7.35 , up 2 ¼ cents, Dec 11 Corn closed at \$6.09 , down ½ cents.
 Friday's Close: Mar 11 Corn closed at \$7.21 1/4, down 8 1/2 cents, May 11 Corn closed at \$7.28, down 8 3/4 cents, Jul 11 Corn closed at \$7.32 3/4, down 7 1/2 cents Dec 11 Corn closed at \$6.09 1/2, down 6 1/4 cents
 Corn futures closed lower but off of their lows, weighed by profit taking in a risk off Friday trade, settling 9 cents higher or 1.3% for the week. Increases in gasoline prices are supportive to ethanol and thus to corn even if today's behavior doesn't make it seem so. Managed money was adding net longs for the week ended Tuesday March 1 according to the CFTC Disaggregated Futures & Options Report.

Soybean Complex: Morning: May 11 Soybeans closed at \$14.16 , up 2 cents, Jul 11 Soybeans closed at \$14.24 ¼ , up 3 cents , Nov 11 Soybeans closed at \$13.61 ½ , up ½ cents,
 Yesterday's Close: Mar 11 Soybeans closed at \$14.07 3/4, up 2 1/4 cents, May 11 Soybeans closed at \$14.14, up 2 cents, Nov 11 Soybeans closed at \$13.61, down 1 1/2 cents, Mar 11 Soybean Meal closed at \$363.80, down \$3.00, Mar 11 Soybean Oil closed at \$58.96, up \$0.70
 Soybean futures closed higher after end of week profit taking earlier in the day, ending up 42 cents for the week. Crude oil was supportive to biodiesel earlier, driving a divergence between soybeans and bean oil earlier in the day with bean oil helping to pull soybeans out of their slump.

Wheat: Morning: May 11 CBOT Wheat closed at \$8.32 ½ , up ¼ cents, May 11 MGEX Wheat is at \$9.71 up, 5 ¾ cents
 Friday's Close: Mar 11 CBOT Wheat closed at \$8.00 1/2, up 10 cents, Mar 11 KCBT Wheat closed at \$9.18, up 9 3/4 cents, Mar 11 MGEX Wheat closed at \$9.53, up 6 1/2 cents
 Wheat closed higher after a starting lower and finished 3-4% higher for the week across the 3 exchanges with CBOT up 24, KCBT up 31 and MGEX up 37 cents for the week. The HRW region is still looking to be dry which lent support later in the day. The CME Group raised margin requirements for CBT wheat. The new margins are \$4,050 per contract for spec and \$3000 per contract for initial hedge margin. Managed money was adding net longs for CBOT but was liquidating net longs for KCBT for the week ended Tuesday March 1 according to the CFTC Disaggregated Futures & Options Report.

Cattle: Friday's Close: Apr 11 Cattle closed at \$114.050, down \$0.150, Jun 11 Cattle closed at \$115.050, down \$0.100, Aug 11 Cattle closed at \$117.050, down \$0.325, Mar 11 Feeder Cattle closed at \$129.950, down \$0.025 Apr 11 Feeder Cattle closed at \$131.825, down \$0.250 May 11 Feeder Cattle closed at \$133.375, up \$0.175
 Cattle futures closed down slightly for the day, nearly flat and about flat for the week. There was hardly any active cash cattle trade today but there was some upwards of \$113 yesterday, matching 2003 in nominal if not inflation adjusted dollars. There were 2000 head sold in NE/IA/CO and 5000 head in KS, 4000 in TX. Choice boxed beef was up \$0.91 this morning at \$173.79 and Select was up \$.24 at \$172.62. Managed money was liquidating net longs for the week ended Tuesday March 1 according to the CFTC Disaggregated Futures & Options Report.

Hogs: Friday's Close: Apr 11 Hogs closed at \$88.475, down \$0.325, May 11 Hogs closed at \$98.225, up \$0.050 Jun 11 Hogs closed at \$101.050, up \$0.375
 Lean Hog futures closed mildly mixed but lower for the week, down \$1.73 or 1.91%. Cash hogs were sharply lower with IA/MN \$4.28 lower, ECB \$.26 higher and WCB \$5.15 lower. This can weigh on futures. The pork carcass cutout was higher this afternoon with all primals higher except for ribs and butts. The CME lean hog index was at 84.19, down 4 cents. Feeder pig prices continue to skyrocket with the national average around \$85. Managed money was net nearly unchanged for the week ended Tuesday March 1 according to the CFTC Disaggregated Futures & Options Report.

Cotton: Friday's Close: Mar 11 Cotton closed at 215.15, up 695 points, May 11 Cotton closed at 212.7, up 700 points Dec 11 Cotton closed at 123.31, down 349 points
 Cotton futures closed limit higher on the front months, hitting new all time highs on the front contracts while the Dec was lower. Cotton was

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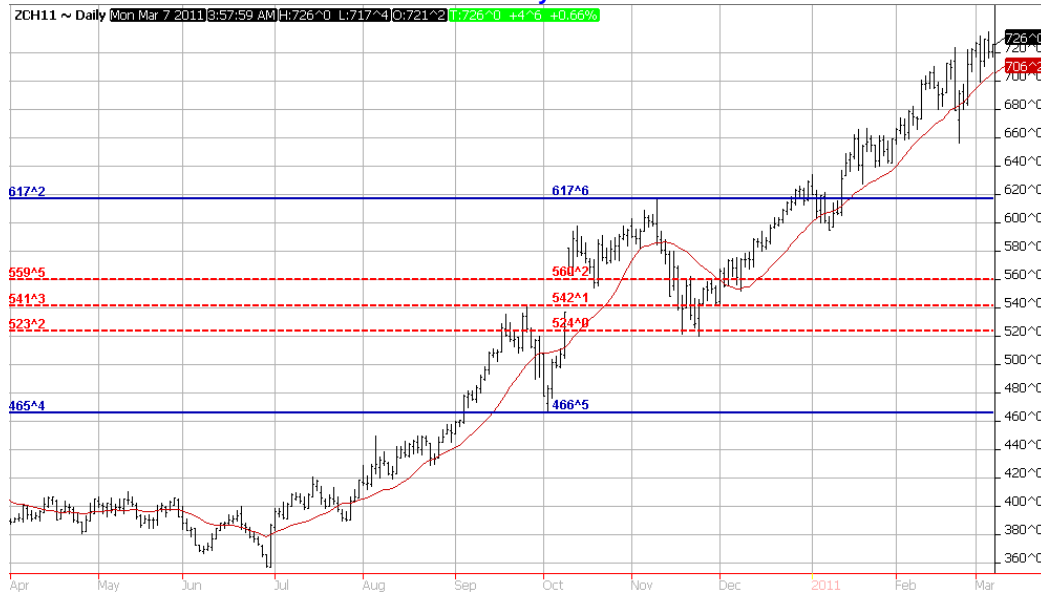
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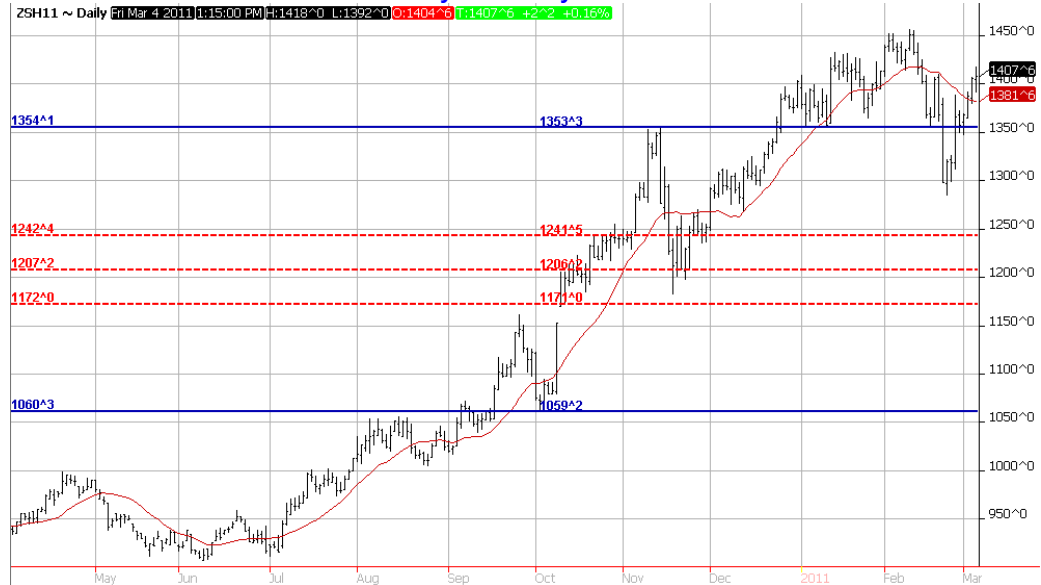
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up 2381 points or 12.44% for the week which would have been a third of the price a year ago. Global demand continues, with mills caught short on supplies. That's supportive from the demand side. The Cotlook A index was at 236.25 and the forward index was at 150.35..

Corn Daily Chart



Soybean Daily Chart



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