



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Tuesday, March 8, 2011

Recommendation Made Last Monday Feb 28, 2011

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.

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.

Carry Out	USDA Grain Carry Out Estimates (billions/bu)				
	USDA Mar 10/11	Average Trade Est.	Range of Trade Est.	USDA Feb 10/11	USDA 09/10
Corn		0.667	0.625-0.702	0.675	1.708
Soybeans		0.141	0.121-0.181	0.140	0.151
Wheat		0.809	0.751-0.843	0.818	0.976

South America : Scattered showers and t-storms in Argentina were noted from Buenos Aires (BA) and also in portions of Cordoba and Entre Rios. Amounts in BA ranged from 1 to 1 ½ inches locally versus to ¼ inch elsewhere. Showers are forecast to be active the next few of 1 to 2 inches are forecast.

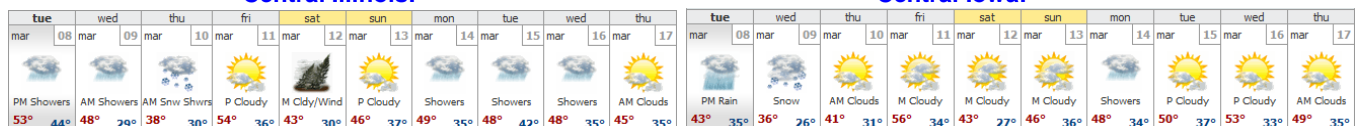
Showers in Brazil were again noted in northern Parana, Sao Paulo and Minas to Goias across portions of Mato Grosso do Sul and Mato Grosso with amounts from ½ to ¾ inch.. Rain and showers are forecast to remain active through the week affecting areas from northern Parana and Sao Paulo and Minas west to portions of Goias, Mato Grosso do Sul and Mato Grosso.

Outside Markets:				CCI	Last	0.00	-	Brent Crude	113.85	-1.19	-1.03%	10-Year Bond	3.50%	-0.02	-0.43%	Euro / \$1US	1.6148		
DJIA	12,090	-79.85	-0.66%	US \$ Index	1.07		28.10%	Heating Oil	3.03	-0.03	-1.08%	30-Year Bond	4.62%	0.00	-0.09%	\$1US / Yen	Bid		
Nasdaq	2,746	lunch	lunch	Frankfurt	7,092	-69.83	-0.98%	Natural Gas	3.94	-0.04	-1.03%	Tokyo	10,525	20	0.19%	\$1US / Can \$	1.0093		
S&P 500	1,310	lunch	lunch	Paris	10,163	-1	-0.01%	Gold	1434.00	-0.60	-0.04%	Hong Kong	23,712	399	1.71%	India Index	66.42	-1.44	-2.12%
NYSE	12,074	-	-	London	5,946	-28	-0.47%	Silver	3617.00	30.50	0.85%	Sydney	4,902	7	0.13%	Brazil Empresas	8.67	-0.31	-3.45%
				Global Dow	2,175	-6.98	-0.32%	Platinum	1804.00	-16.40	-0.90%	Shanghai	3,141	4	0.12%	Cnooc of China	230.95	2.52	1.10%

Weather: Midwestern storm is now expected to have light snowfall of only a couple of inches in southern MN with the heaviest snowfall to occur in south eastern MN.

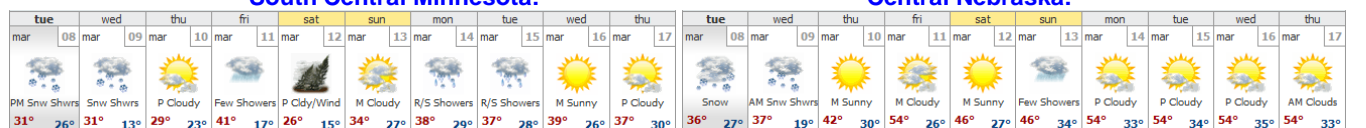
Central Illinois:

Central Iowa:

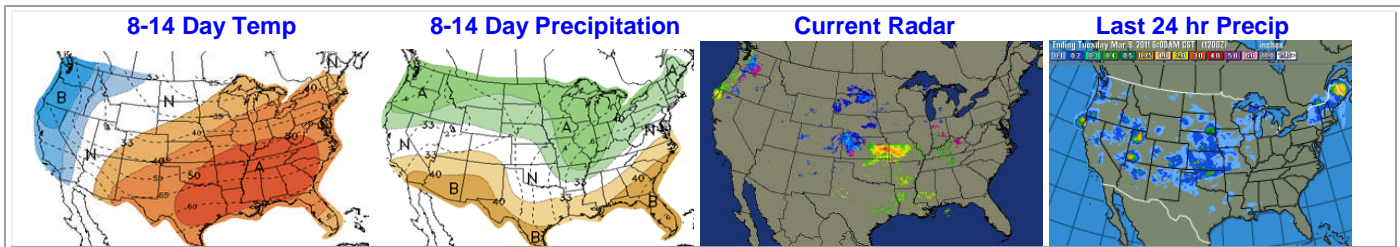


Central Minnesota:

Central Nebraska:



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Corn: Morning: Mar 11 corn closed at \$7.04 , down 6 ¾ cents, May 11 corn closed at \$7.12 , down 5 ½ cents, July 11 Corn is at \$7017 ¼ , down 5 ¼ cents, Dec 11 Corn closed at \$6.04 ½ , down 6 cents.

Yesterday's Close: Mar 11 Corn closed at \$7.10 ¾, down 10 1/2 cents, May 11 Corn closed at \$7.17 1/2, down 10 1/2 cents, Jul 11 Corn closed at \$7.22 1/2, down 10 1/4 cents Dec 11 Corn closed at \$6.10 1/2, up 1 cent

Corn futures closed mixed with old crop lower and new crop slightly higher in spread trading with the Jul/Dec spread hitting nearly \$1.40/bu recently. It came down over \$.11 today and if it followed the historical average trend would go lower from here. There are of course years that are exceptions! The University of Missouri Food and Agricultural Policy Research Institute (FAPRI) estimates also weighed on corn. FAPRI issued its 2011 baseline projections, showing 162.6 bu/acre yield for 2011/12 on 91 million planted acres on beginning stocks of 745 million bushels and 2011/12 ending stocks at 1.247 billion bushels. They expect a dramatic drop in ethanol production in 2011/12 due to the assumed expiration of the blend credit. The USDA export inspections report this morning showed 43.882 million bushels inspected for export for the week ending 3/3, with a total increase of 44.494 million bushels from last week after revisions to prior data.

Soybean Complex: Morning: Mar 11 Soybeans closed at \$13.77 ¾ , down 10 cents, May 11 Soybeans closed at \$13.85 down 10 cents, Jul 11 Soybeans closed at \$13.92 ¾ , down 10 cents , Nov 11 Soybeans closed at \$13.43 down 11 ¾ cents,

Yesterday's Close: Mar 11 Soybeans closed at \$13.87 ¾, down 20 cents, May 11 Soybeans closed at \$13.95, down 19 cents, Nov 11 Soybeans closed at \$13.54 ¾, down 6 1/4 cents, Mar 11 Soybean Meal closed at \$358.10, down \$5.70, Mar 11 Soybean Oil closed at \$58.57, down \$0.39

Soybean futures closed lower on old crop/new crop spread trading broad ag market weakness, corn weakness, reports that the Rosario port strike ended over the weekend, and inspections. The USDA export inspections report this morning showed 26.379 million bushels inspected for export for the week ending 3/3, with a total increase of 26.975 million bushels from last week after revisions to prior data. The University of Missouri Food and Agricultural Policy Research institute issued its 2011 baseline projections, showing 43.5 bu/acre yield for 2011/12 on 78 million planted acres on beginning stocks of 140 million bushels and 2011/12 ending stocks at 141. The balance sheet is seen fairly similar to 2010/11.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.94 down 6 ¾ cents, May 11 MGEX Wheat is at \$9.35 , down 8 ¾ cents

Yesterday's Close: Mar 11 CBOT Wheat closed at \$7.69, down 31 1/2 cents, Mar 11 KCBT Wheat closed at \$8.88, down 30 cents, Mar 11 MGEX Wheat closed at \$9.40 1/2, down 12 1/2 cents

Wheat futures closed lower on weakness in the grains. The USDA export inspections report this morning showed 21.441 million bushels inspected for export for the week ending 3/3, with a total increase of 21.454 million bushels from last week after revisions to prior data. FAPRI issued its 2011 baseline projections, showing 44.7 bu/acre yield for 2011/12 on 56.9 million planted acres on beginning stocks of 815 million bushels with 2011/12 ending stocks tightening to 679 million bushels. The Kansas state crop report reported a condition rating of 25% good/excellent for their winter wheat. Nationwide USDA Crop Progress reports will resume April 4th with winter wheat conditions.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$113.600, down \$0.450, Jun 11 Cattle closed at \$114.750, down \$0.300, Aug 11 Cattle closed at \$117.100, up \$0.050, Mar 11 Feeder Cattle closed at \$129.800, down \$0.150 Apr 11 Feeder Cattle closed at \$131.700, down \$0.125 May 11 Feeder Cattle closed at \$133.575, up \$0.200

Cattle futures closed flat to lower. The market is still trying to get its head around the \$113 cash cattle trade last week and whether packers are expecting higher product value to deliver in order to justify those bids. Asking prices are expected to start the week around \$115 or even \$116, with northern offers at \$185-187. Choice boxed beef was up \$0.63 at \$174.42 this afternoon and Select was up \$1.32 at \$173.94. FAPRI issued its 2011 baseline projections, showing 547 million lbs for 2011 ending stocks of beef after lower production and consumption, down from 575 in 2010.

Hogs: Yesterday's Close:

Lean Hog futures took a dive, accelerating throughout the session on reports of larger supplies. Cash hogs were mixed with IA/MN \$.04 higher, ECB \$.14 higher and WCB \$.36 higher. The pork carcass cutout was slightly lower this afternoon. The lean hog index was up slightly at 84.35. FAPRI issued its 2011 baseline projections, showing 485 million lbs for 2011 ending stocks of pork after higher production, lower consumption, and higher exports, down from 535 in 2010. Broiler stocks were also seen lower after higher production, consumption and exports. Apr 11 Hogs closed at \$86.400, down \$2.075, May 11 Hogs closed at \$97.025, down \$1.200 Jun 11 Hogs closed at \$99.475, down \$1.575



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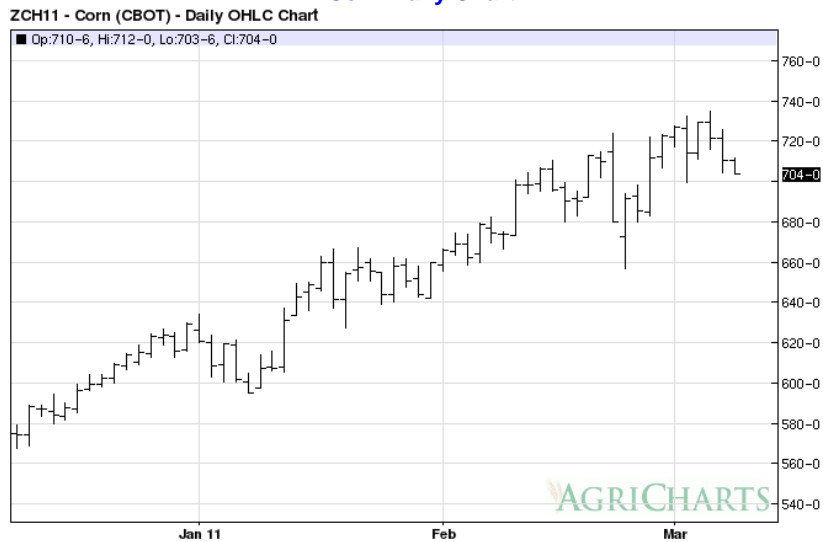
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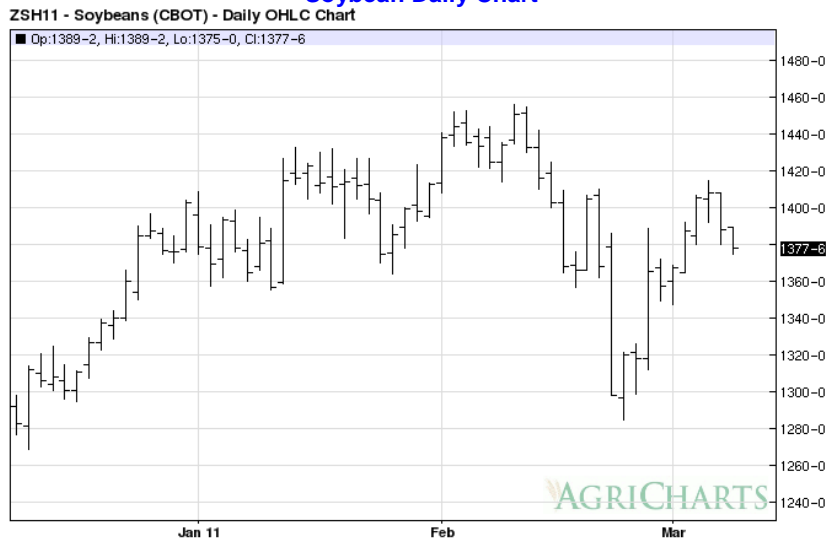
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Cotton: Yesterday's Close: Mar 11 Cotton closed at 214.5, down 65 points, May 11 Cotton closed at 214.14, up 144 points Dec 11 Cotton closed at 126.53, up 322 points
Cotton futures were limit higher on the front months with Dec down slightly but later in the session there was a reversal and Dec finished higher while old crop finished well off of its highs. The front months hit new all time highs today. Synthetic fiber prices are likely rising as well with crude oil costs, as they are crude derivatives. The Cotlook A index was at 243.25 and the forward index was at 147.95. Certificated stocks are slightly larger at just over 200K bales now. FAPRI issued its 2011 baseline projections, showing 820 lbs/acre yield for 2011/12 on 12.35 million planted acres on beginning stocks of 1.87 million bales and 2011/12 ending stocks at a bearish 3.29 million bales on decreased exports. Nationwide USDA Crop Progress reports will resume April 4th with cotton % planted.

Corn Daily Chart



Soybean Daily Chart



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