



MORNING COMMENTS

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Friday, March 11, 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: Thursday March 31, 2011 Grain Stocks and Prospective Plantings.

Thursday March 2011 World Ag Supply & Demand Estimates

See yesterday's report for more complete details.

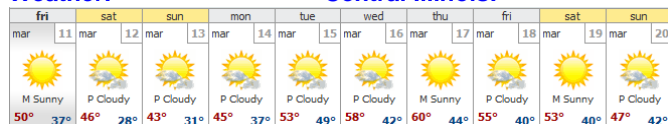
Carry Out	2010-11	USDA Grain Carry Out Estimates (billions/bu)				USDA World Grain Carryout (in million tonnes)				
	USDA Mar 10/11	Average Trade Est.	Range of Trade Est.	USDA Feb 10/11	USDA 09/10		USDA Mar 10/11	USDA Feb 10/11	USDA Mar 09/10	USDA Feb 09/10
Corn	0.675	0.667	0.625-0.702	0.675	1.708	Corn	123.14	122.51	144.54	145.16
Soybeans	0.140	0.141	0.121-0.181	0.140	0.151	Soybeans	58.33	58.21	59.00	60.17
Wheat	0.843	0.809	0.751-0.843	0.818	0.976	Wheat	181.90	177.77	197.32	197.60

Market Talk: Expect the unexpected to impact a volatile market ... an 8.9 Japanese earthquakes send tsunami wave into Japans shore land and towards Hawaii and the U.S. west coast. Four Japanese oil refineries are reported to be impacted, they provide about 25% of the Japans total output. Global stock markets are down reacting from the disaster. For U.S. Agriculture is the concern to unload US corn cargos in Japan and that imports of US pork and beef could slow as a results of the impact of the earthquake and tsunami.

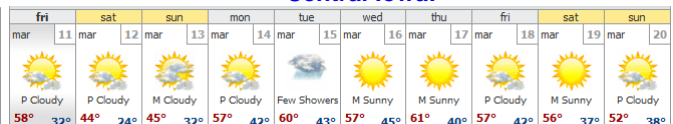
Informa is expected to release their latest acreage survey towards the end of next week.

Weather:

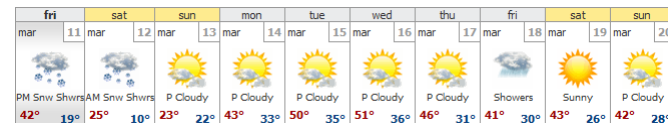
Central Illinois:



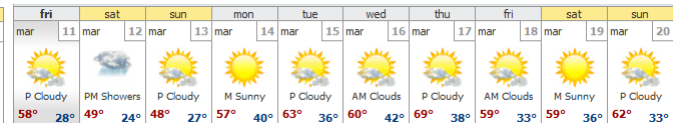
Central Iowa:



South Central Minnesota:



Central Nebraska:

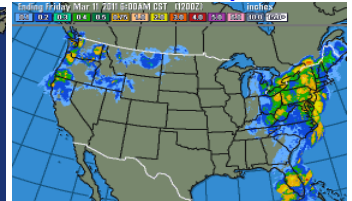
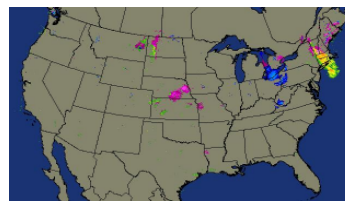
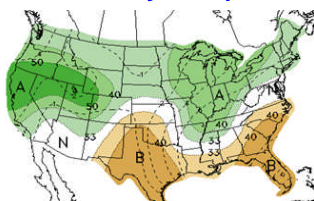
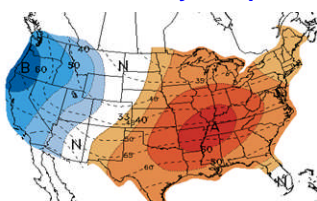


8-14 Day Temp

8-14 Day Precipitation

Current Radar

Last 24 hr Precip



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Corn: Morning: Mar 11 corn closed at \$6.56 ¼, down 20 cents, May 11 corn closed at \$6.63 ¼, down 19 ½ cents, July 11 Corn is at \$6.69 ¼, down 19 ¾ cents, Dec 11 Corn closed at \$5.71 ½, down 15 ¾ cents.
Yesterday's Close: Mar 11 Corn closed at \$6.76 ¼, down 18 ¾ cents, May 11 Corn closed at \$6.82 ¾, down 18 ¼ cents, Jul 11 Corn closed at \$6.89, down 18 cents Dec 11 Corn closed at \$5.87 1/4, down 23 cents
Corn futures closed sharply lower finishing just under the 40 day moving average that has supported the market since December. The USDA supply demand report was considered slightly negative because the trade was expecting a greater reduction in ending stocks and the USDA left numbers the same as the last report at 140 million bushels. World ending stocks for corn increased slightly however to 123.1 MMT from 122.5 MMT on the February report. Cash basis levels firmed at Midwest processors with farmers on the sidelines.

Soybean Complex: Morning: Mar 11 Soybeans closed at \$13.20 ¼, down 28 ½ cents, May 11 Soybeans closed at \$13.25 ½, dn 30 cents, Jul 11 Soybeans closed at \$13.33 ½, down 30 ¼ cents, Nov 11 Soybeans closed at \$12.92, down 29 cents,
Yesterday's Close: Mar 11 Soybeans closed at \$13.48 ¾, up 4 ¾ cents, May 11 Soybeans closed at \$13.55 ½, up 6 ½ cents, Nov 11 Soybeans closed at \$13.21, up 1 cent, Mar 11 Soybean Meal closed at \$349.10, up \$0.60, Mar 11 Soybean Oil closed at \$56.48, down \$0.19
Soybean futures closed higher rebounding from overnight and early session lows. Weekly export sales were 412,117 MT for 2010/11 delivery and 57,896 MT for 2011/12 delivery. The USDA left soybean ending stocks at 140 million bushels the same as the February number. Brazil's crop agency Conab is projecting a record 70.3 MMT soybean crop for 2011, close to the USDA estimate of 70 MMT. Cash basis levels firmed at Midwest processors as sales were basically stagnant ahead of the report and on lower overnight values.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.19, down 21 ½ cents, May 11 MGEX Wheat is at \$8.53 ¾, down 18 ½ cents
Yesterday's Close: Mar 11 CBOT Wheat closed at \$7.14, down 18 ¼ cents, Mar 11 KCBT Wheat closed at \$8.39, down 14 ½ cents, Mar 11 MGEX Wheat closed at \$8.76 ¼, down 15 ¾ cents
Wheat futures closed lower under pressure from today's USDA reports. USDA increased wheat ending stocks in the U.S. to 843 million bushels, up 25 million bushels from the February report. Trade expectations were anticipating a lower versus a higher stock number thinking that wheat feeding would show an increase because of the narrowing of the wheat corn relationship and with the availability of more feed grade wheat. Weekly export sales were 575,739 MT for 2010/11 delivery and 81,483 MT for 2011/12 delivery with the total under pre-report estimates. Wheat exports are still running ahead of the last two marketing years because of world wheat shortages in 2010/11. Cash wheat basis levels were steady.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$117.650, up \$0.125, Jun 11 Cattle closed at \$116.950, down \$0.500, Aug 11 Cattle closed at \$118.200, down \$0.625, Mar 11 Feeder Cattle closed at \$131.800, down \$0.400 Apr 11 Feeder Cattle closed at \$134.200, down \$0.325 May 11 Feeder Cattle closed at \$136.025, down \$0.300
Cash business around the country at \$118.00, a record high, in the live and \$190 in the dressed late yesterday. A reduction in the number of cattle retained for breeding and good demand has pushed prices higher. Boxed beef prices continue to climb higher. Choice beef was up \$1.84 at \$178.71 and Select was up \$1.41 at \$176.98.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$89.850, up \$0.100, May 11 Hogs closed at \$99.825, down \$0.225 Jun 11 Hogs closed at \$101.450, down \$0.500 Lean Hog futures were mostly lower on the close. The USDA increased pork ending stocks from the February report by 50 million pounds by raising production which may have had a negative influence on the back months along with lower to steady cash business this afternoon. Cash hogs were \$2.46 lower in IA/MN, \$1.45 lower in the WCB and \$.08 higher in the ECB. Pork trading today is slow to moderate with light to moderate demand and offerings.

Cotton: Yesterday's Close: May 11 Cotton closed at 200.98, down 343 points, Jul 11 Cotton closed at 190.59, down 347 points Dec 11 Cotton closed at 128.8, up 220 points. Cotton futures were mixed with Dec higher and May lower in old crop/new crop spreading again with the May now the spot month. The USDA supply demand report for the US balance sheet was neutral with no change to the numbers except for the average cash price. The range was narrowed to 80 to 83 cents a pound from 79 to 84 cents a pound in the February report.

South America: Brazil soybean harvest slows as a result of heavy rains. About 25% of the crop is harvested compared to 35-40% a year ago, but on par with average. Some regions just getting started with other regions nearing 50% complete. Motto Grosso du Sol is reported to have lost about 18% of the crop to heavy rains and flooding. This may be about 300-500,000 mmt out of 5.4 million mt expected production.

Double crop corn planting deadline is the 28th of Feb for Gov'n't crop insurance, however that was extended to March 15th. They may still have a problem getting planted. Later than that date pushes the crop back and rainfall becomes a concern as the crop would mature into the dry season.

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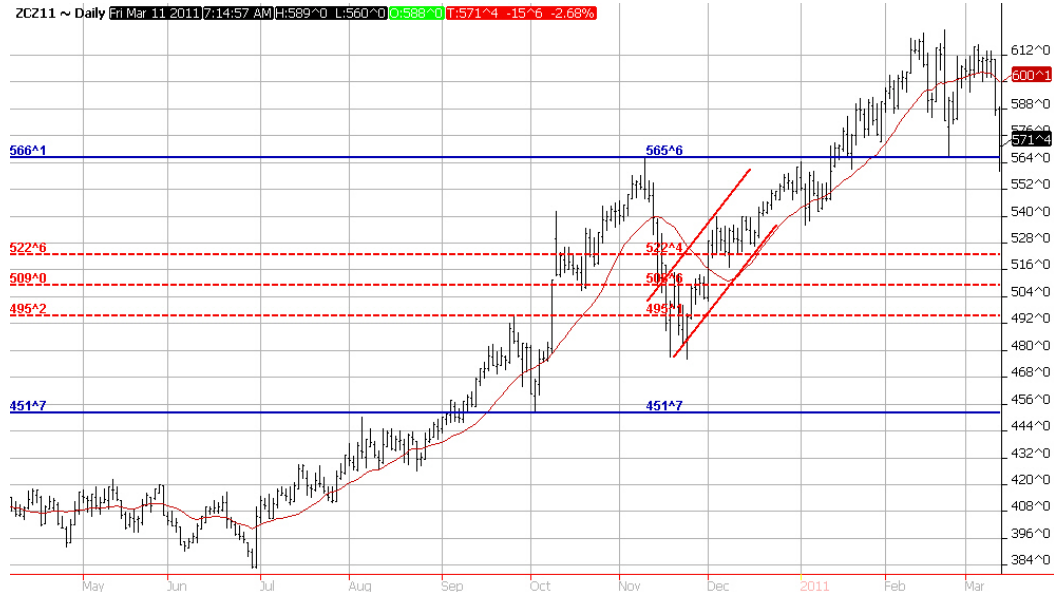
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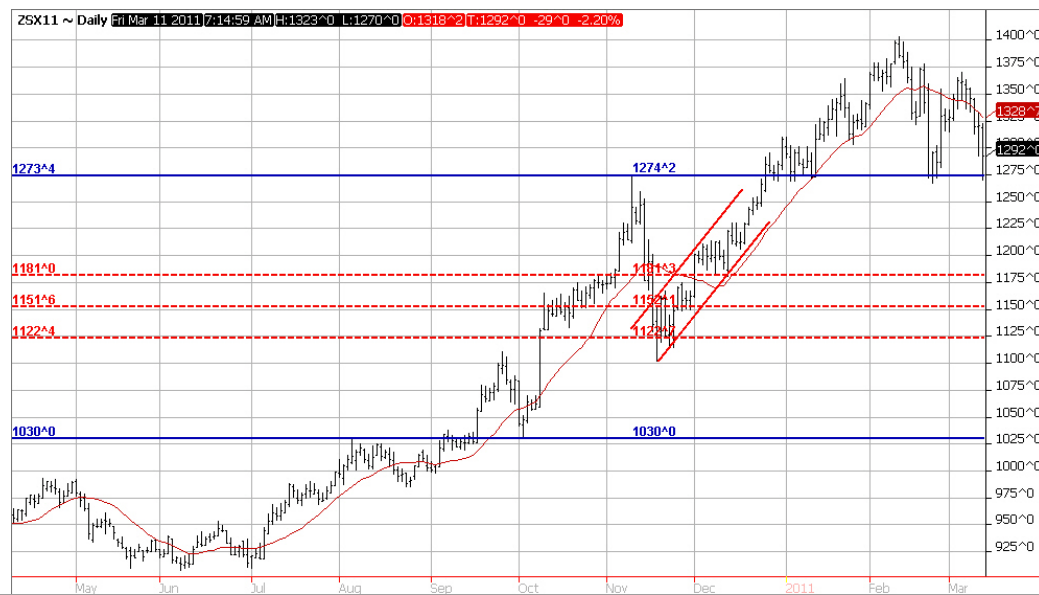
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Corn Daily Chart – Dec 11



Soybean Daily Chart – Nov 11



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