



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Monday, March 14, 2011

Last Recommendation Made 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.

Market Talk: Japanese earthquakes and tsunami wave damage continues to be accessed. Thoughts are that the feed usage system and grain import facilities are not significantly impacted. Reuters Tokyo Bureau reports this morning that of the 12 ports that handle over 90% of the Japanese grain imports only two are closed due to damage. Another report estimates that 17% of their feed milling capacity has been destroyed primarily affecting the poultry industry in the Northeast. Four oil refineries are reported to be impacted, that provide about 25% of the Japans total output.

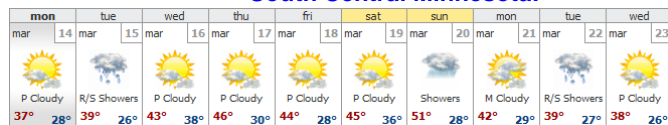
Informa is expected to release their latest acreage survey towards the end of this week. Informa has commented on the higher incentive to plant corn due to price and profit outlook for corn and soybeans.

Weather: Warmer weather expected across the Midwest and northern plains this week. Beneficial rains in the western wheat belt are welcomed and will help the crop as it comes out of dormancy.

Central Illinois:

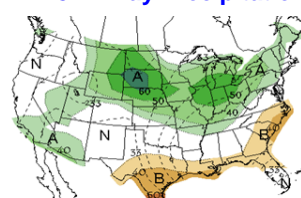
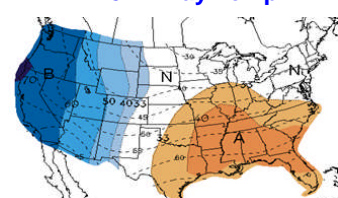


South Central Minnesota:

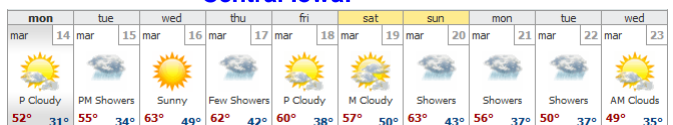


8-14 Day Temp

8-14 Day Precipitation



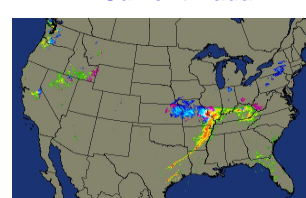
Central Iowa:



Central Nebraska:



Current Radar



Last 24 hr Precip



Corn: Morning: Mar 11 corn closed at \$6.52 down 7 ¼ cents, May 11 corn closed at \$6.59 ½, down 4 ¾ cents, July 11 Corn is at \$6.65 ¼, down 5 ½ cents, Dec 11 Corn closed at \$5.72, down 5 ¾ cents.

Friday's Close: Mar 11 Corn closed at \$6.59 1/4, down 17 cents, May 11 Corn closed at \$6.64 1/4, down 18 1/2 cents, Jul 11 Corn closed

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.



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Monday, March 14, 2011

at \$6.70 3/4, down 18 1/4 cents Dec 11 Corn closed at \$5.77 3/4, down 9 1/2 cents

Corn futures closed lower but above the limit low posted earlier in the session. Markets have been put on the defensive with the natural earthquake disaster of historical proportion to hit Japan. Japan is a major U.S. trading partner and the number one buyer of U.S. corn. March futures expire Monday. Ethanol closed 5.8 cents lower on the day. Spot corn basis levels eased at river terminals and processors around the Midwest although there is little activity from the farmer.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.20 3/4, dn 13 3/4 cents, Jul 11 Soybeans closed at \$13.27, dn 15 1/2 cents, Nov 11 Soybeans closed at \$12.83, down 17 cents,

Friday's Close: Mar 11 Soybeans closed at \$13.26 1/2, down 22 1/4 cents, May 11 Soybeans closed at \$13.34 1/2, down 21 cents, Nov 11 Soybeans closed at \$13.00, down 21 cents, Mar 11 Soybean Meal closed at \$346.10, down \$3.00, Mar 11 Soybean Oil closed at \$55.49, down \$0.99

Soybean futures closed the week 81 cents lower. Japan earthquake has sent traders into liquidation mode. The WASDE report results for soybeans was mostly a non event for soybeans. The trade is expected to focus on the Grain Stocks and prospective plantings reports to be released March 31st. Rain is forecast for the next week for areas of Brazil however, weather in Argentina is expected to clear allowing for the early maturing crops to be harvested which will add stocks to the global pipeline. March futures expire Monday.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.12 1/4, down 6 1/2 cents, May 11 MGEX Wheat is at \$8.48 1/2, down 10 cents

Friday's Close: Mar 11 CBOT Wheat closed at \$6.95, down 19 cents, Mar 11 KCBT Wheat closed at \$8.20 1/2, down 18 1/2 cents, Mar 11 MGEX Wheat closed at \$8.53 1/4, down 23 cents

Wheat futures closed lower and prices are seeing follow through pressure from the USDA reports along with concerns on how Japan's earthquake will affect trade in the short term. Japan is a major importer of U.S. wheat. Japan has purchased 2.212 MMT of wheat as of this week's export report. Wheat dropped \$1.06 for the week on the CBOT, \$0.98 for the KCBT and \$1.00 for the MGEX wheat. March wheat expires on Monday.

Cattle: Friday's Close: Apr 11 Cattle closed at \$117.125, down \$0.525, Jun 11 Cattle closed at \$116.950, unch, Aug 11 Cattle closed at \$118.025, down \$0.175, Mar 11 Feeder Cattle closed at \$131.550, down \$0.250 Apr 11 Feeder Cattle closed at \$134.525, up \$0.325 May 11 Feeder Cattle closed at \$136.350, up \$0.325

Cattle futures closed lower but finished near the high of the day. Cattle were \$3.08 higher for the week and Feeder cattle were \$1.60 higher for the week. The earthquake in Japan created uncertainty and brought selling into the market. Japan is a major importer of beef, importing an estimated \$640 million dollars worth in 2010. The cash cattle market stayed around \$118 on Thursday after reaching that level initially on Wednesday. Cash and futures are in line with one another. Boxed beef prices are sharply higher this morning. Choice beef is up \$2.12 at \$180.83 and Select was up \$2.72 at \$179.70.

Hogs: Friday's Close: Apr 11 Hogs closed at \$88.150, down \$1.700, May 11 Hogs closed at \$98.350, down \$1.475, Jun 11 Hogs closed at \$99.500, down \$1.

Lean Hog futures closed sharply lower. The earthquake in Japan took its toll on Lean Hog futures and cash prices as Japanese imports of U.S. Pork sales in 2010 were roughly \$1.65 billion. Pork demand for Japan will most likely be backed up for a time until the damage from the earthquake can be rebuilt. The reconstruction could eventually help the Japanese economy but the initial bill for the insurance firms and government will be significant. Pork trading was slow with light to moderate demand and offerings. Midwest direct hogs are down hard in IA/MN dropping \$3.57 from yesterday. WCB hogs were down \$3.87 and ECB hogs were down \$0.71.

Cotton: Friday's Close: May 11 Cotton closed at 204.94, up 396 points, Jul 11 Cotton closed at 193.25, up 266 points Dec 11 Cotton closed at 128.32, down 48 points

Cotton futures closed higher on the old crop and lower on the new crop. Prices were down 7.76 cents a pound for the week. Cotton started lower before recovering in the lead months. The markets are still trying to assess the damage from the Japan earthquake and the impact of supply disruption.

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.



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Monday, March 14, 2011

Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart



ZCZ11 - Corn (CBOT) - Daily OHLC Chart



Soybean Daily Chart

ZSK11 - Soybeans (CBOT) - Daily OHLC Chart



ZSX11 - Soybeans (CBOT) - Daily OHLC Chart



Mpls Wheat Daily Chart

MWK11 - Spring Wheat (MGEX) - Daily OHLC Chart



MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart



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.