



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Tuesday, March 15, 2011

Today is the Last Day to make changes to your Multi-Peril Crop Insurance Program

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: Through a 4-H exchange program my Parents and youngest sisters hosted Japanese girls two different summers in the late 1980's. My nephew has stayed in close contact with them, even visiting them in Japan and they report that fortunately the earth quake and Tsunami didn't directly impact them or their immediate families since they live near Tokyo.

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

Corn: Morning: May 11 corn closed at \$6.48 ¾, down 17 ¼ cents, July 11 Corn is at \$6.55 ¾, down 16 ¾ cents, Dec 11 Corn closed at \$5.65 ½, down 12 ½ cents.

Yesterday's Close: Mar 11 Corn closed at \$6.64, up 4 ¾ cents, May 11 Corn closed at \$6.66, up 1 ¾ cents,

Jul 11 Corn closed at \$6.72 ½, up 1 ¾ cents Dec 11 Corn closed at \$5.78, up ¼ cent

Corn futures closed higher after an almost 90 cent drop from recent highs on Mar 4. The USDA export inspections report this morning showed 35.213 million bushels inspected for export for the week ending 3/10, at 37.275 million bushels. Shipping to ports north of Tokyo on the main island will be disrupted for a time. Ports at Tokyo and south are operating normally this morning based on the limited information we have been able to obtain.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.28, down 12 cents, Jul 11 Soybeans closed at \$13.35, down 13 cents, Nov 11 Soybeans closed at \$12.91 ½, down 16 ½ cents,

Yesterday's Close: Mar 11 Soybeans closed at \$13.29, up 2 1/2 cents, May 11 Soybeans closed at \$13.40, up 5 1/2 cents, Nov 11 Soybeans closed at \$13.08, up 8 cents, Mar 11 Soybean Meal closed at \$349.60, up \$3.50, Mar 11 Soybean Oil closed at \$55.27, down \$0.22

Soybean futures closed higher after dropping over \$1.20 from recent highs on Mar 4. The NOPA crush for March was 124.884 million bushels, well below last year's 148.351. The USDA export inspections report this morning showed 32.918 million bushels inspected for export for the week ending 3/10, an increase of 35.465 million bushels from last week.

Wheat: Morning: May 11 CBOT Wheat closed at \$6.98 ¾ cents, May 11 MGEX Wheat is at \$8.37 ¼ cents

Yesterday's Close: Mar 11 CBOT Wheat closed at \$7.00 ½, up 5 ½ cents, Mar 11 KCBT Wheat closed at \$8.15 ½, down 5 cents, Mar 11 MGEX Wheat closed at \$8.53 ¾, up ½ cent

Wheat futures closed higher after over a \$2.20 drop from Feb 9 highs to Fridays low. Wheat has become cheap on a relative basis to the other grains. The USDA export inspections report this morning showed 25.715 million bushels inspected for export for the week ending 3/10, with a total increase of 25.715 million bushels from last week. Japan is normally the second largest importer of U.S. wheat, and some of it goes through the affected ports.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$116.500, down \$0.625, Jun 11 Cattle closed at \$116.650, down \$0.300,

Aug 11 Cattle closed at \$117.700, down \$0.325, Mar 11 Feeder Cattle closed at \$130.900, down \$0.650

Apr 11 Feeder Cattle closed at \$133.650, down \$0.875 May 11 Feeder Cattle closed at \$135.500, down \$0.850

Cattle futures closed lower. Japan is a major importer of beef, importing a reported \$640 million dollars worth in 2010. There will be disruption to transportation and refrigerated storage until damages from the quake can be repaired. The cash cattle trade was \$118 last week. Asking prices are estimated to start at \$119-120 in the South. Packer bids are lower. Cash and futures are about in line with one another. Choice boxed beef was up \$3.51 at \$184.97 and Select was up \$3.87 at \$183.75 on Friday.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$85.950, down \$2.200, May 11 Hogs closed at \$96.525, down \$1.825 Jun 11 Hogs closed at \$97.550, down \$1.950

Lean Hog futures closed lower. Japan has imported an average of about 1.15 MMT over the last two years, with much of that coming from the U.S. Pork sales in 2010 were roughly \$1.65 billion. Pork demand for Japan will most likely be sluggish for a time as damage from the earthquake is rebuilt or worked around. Cash hogs were nearly flat. The lean hog index was higher at 84.84. Pork exports in January were the highest January on record.

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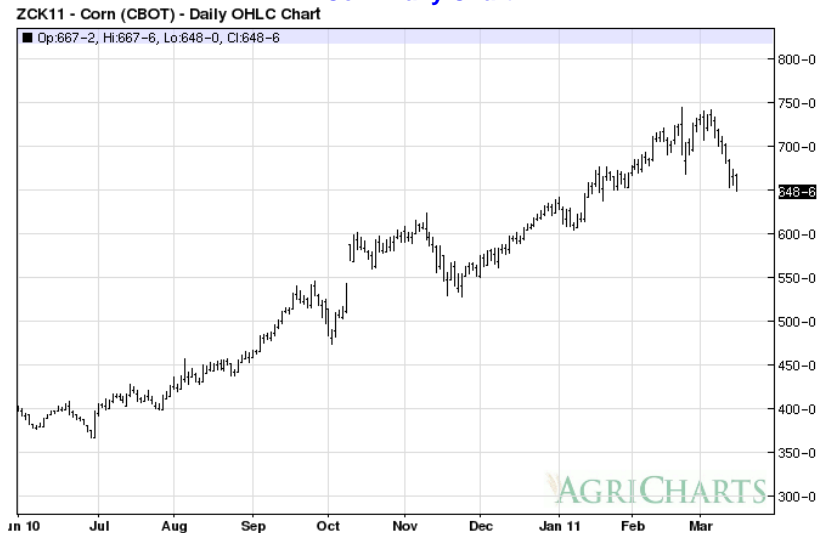
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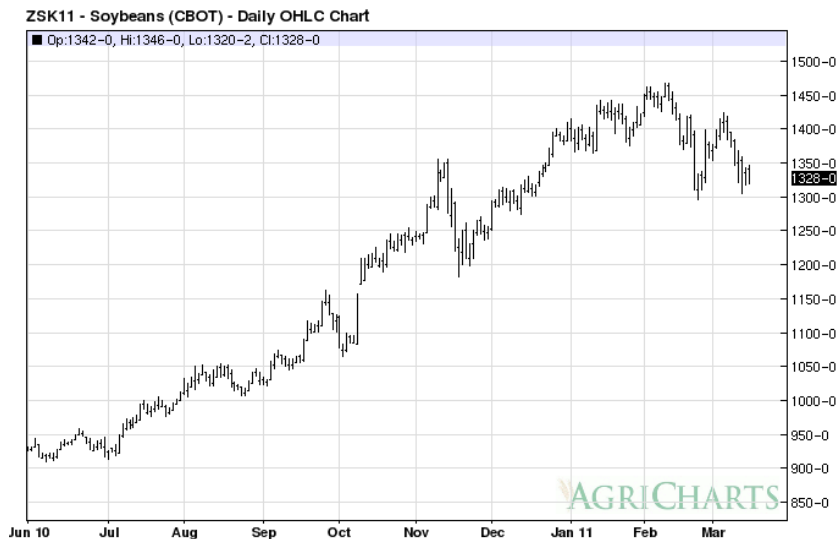
Cotton: Yesterday's Close: May 11 Cotton closed at 197.94, down 700 points, Jul 11 Cotton closed at 186.25, down 700 points Dec 11 Cotton closed at 122.77, down 555 points

Cotton futures closed limit lower on the front months with Dec lower as well with uncertainty still prevalent regarding Japan. The Cotlook A index was at and the forward index was at 147.95. Certificated stocks are slightly lower at 204.5K bales. Traders have their eyes on the weather in cotton growing areas and the planting intentions report due out in a few weeks. Texas is below 50% of their normal precipitation in almost every area.

Corn Daily Chart



Soybean Daily Chart



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