



MORNING COMMENTS

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Wednesday, March 16, 2011

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: Friday March 18, 2011 Cattle on Feed

Thursday March 31, 2011 Grain Stocks and Prospective Plantings.

Market Talk: Japan, the number one purchaser of U.S. corn exports, continues to work to resolve problems in the aftermath of the earthquake. Problems at several nuclear power plants have warranted action to limit radiation damage to the citizens of Japan and downwind impacts. Japan is a major importer of U.S. beef and the current Japanese crisis should have a definite impact on demand until the situation can be stabilized.

The EPA proposed Monday to delay the requirement for biomass-fired boilers to have permits for emitting carbon dioxide emissions for another three years.

With rising fuel prices, lawmakers have asked the president to tap into the Strategic Petroleum Reserve. All options are being considered, but the White House is not read to open the country's strategic oil reserves. President Barack Obama said the United States is better prepared to manage higher gasoline prices than in 2008, due to increased domestic oil production and less foreign imports. Long-term, Obama said the country must reduce its dependence on foreign oil and devote more attention to renewable fuels. Before doing that, Growth Energy CEO Tom Buis is encouraging the Administration to lift barriers to ethanol production. Buis believes EPA's approval of the Green Jobs Waiver for E15 would do more for gasoline prices than a one-time sell-off of oil reserves. In addition, Buis says foreign oil is getting costlier and riskier.

ADM has not experienced any serious disruptions to grain and agricultural product shipments to the Middle East and North Africa. Senior Vice President and CFO Ray Young said at a consumer conference in New York that issues are country specific, but most countries in the Mideast are currently offloading product. Numerous cargoes of grain and other food products have been re-routed amid spreading violence in Libya.

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

U.S. Dollar Index	76.665	+0.009	+0.01%	S&P 500 Index	1280.10p	-15.30	-1.18%	Brazilian Real	0.59830p	+0.00045	+0.08%
CRB CCI Index	634.50p	-24.00	-3.64%	Nasdaq 100	2247.50p	-44.50	-1.94%	Euro FX	1.39510	-0.00270	-0.19%
Gold	1400.0	+7.4	+0.53%	Russell 1000 Growth	584.30p	-6.30	-1.07%	Canadian Dollar	1.01540	-0.00090	-0.09%
Silver	34.680	+0.564	+1.65%	MSCI Emi Index	1096.30p	-23.00	-2.05%	Japanese Yen	1.24170	+0.00390	+0.32%
DJIA	11853p	-135	-1.13%	Nikkei 225	8815.00	-170.00	-1.89%				
Ethanol Futures	Apr 11	2.360	+0.015								
Gasoline RBOB (E)	Apr 11	2.8029p	-0.1574	Crude Oil Brent (E)	Apr 11	108.52p	-5.15				
Diesel Gulf (Ulsd)	Apr 11	3.0308s	-0.1076	Natural Gas (E)	Apr 11	3.941s	+0.027				
Heating Oil (E)	Apr 11	2.9538p	-0.1100	Polypropylene	Apr 11	0.7500s	0.0000				

Weather: Midwest was dry yesterday with temperatures above average expected for the next 7 to 10 days.

Central Illinois:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 16	mar 17	mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25
M Sunny	M Cloudy	Few Showers	M Sunny	Showers	Iso T-Storms	Sct T-Storms	Showers	P Cloudy	M Sunny
59° 45°	68° 54°	62° 39°	57° 45°	58° 51°	63° 49°	60° 43°	57° 37°	45° 37°	49° 39°

Central Iowa:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 16	mar 17	mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25
P Cloudy	M Cloudy	Showers	P Cloudy	T-Showers	Iso T-Storms	Sct T-Storms	P Cloudy	P Cloudy	M Sunny
65° 52°	70° 44°	51° 34°	59° 45°	60° 51°	65° 49°	61° 38°	53° 32°	57° 36°	52° 35°

South Central Minnesota:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 16	mar 17	mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25
P Cloudy	Few Showers	M Cloudy	M Sunny	Showers	Few Showers	Showers	Showers	M Cloudy	P Cloudy
47° 33°	43° 29°	42° 23°	47° 37°	46° 41°	51° 34°	46° 31°	40° 24°	40° 30°	50° 27°

Central Nebraska:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 16	mar 17	mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25
M Sunny	M Cloudy	Showers	P Cloudy	Sct T-Storms	Cloudy	Few Showers	P Cloudy	Sunny	P Cloudy
71° 48°	67° 38°	57° 35°	59° 45°	66° 45°	61° 38°	60° 37°	52° 33°	59° 32°	57° 32°

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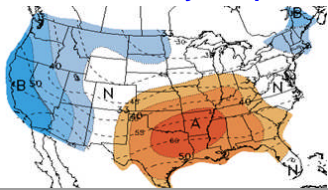
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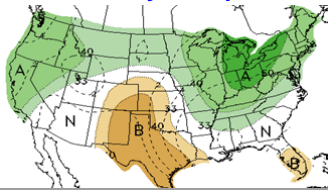
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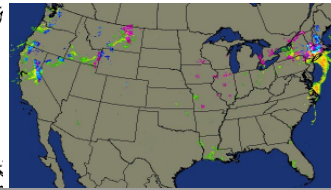
8-14 Day Temp



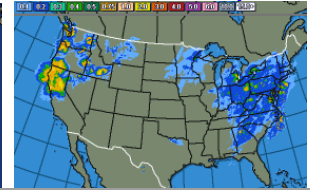
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



Corn: Morning: May 11 corn closed at \$6.43, up 7 cents, July 11 Corn is at \$6.49 ¼, up 6 ¾ cents, Dec 11 Corn closed at \$5.62 ¼, up 14 ¼ cents.

Yesterday's Close: May 11 Corn closed at \$6.36, down 30 cents, Jul 11 Corn closed at \$6.42 ½, down 30 cents, Sep 11 Corn closed at \$5.94, down 30 cents Dec 11 Corn closed at \$5.48, down 30 cents

Corn futures closed limit down on most contracts out to Sept 2012. A broad based sell off, flight to cash was the name of the game. Outside markets are in upheaval contributing to lower corn prices. Ethanol futures closed sharply lower, finishing down 11.7 cents a gallon. Crude oil prices also closed down over 300 points. Nothing has changed fundamentally for corn, unless something shows up in the quarterly grains stocks report that will be released with the acreage report on March 31st. Corn planting in TX is at 28% versus the five year average of 25%. Most elevators are taking protection for tomorrow.

Soybean Complex: Morning: May 11 Soybeans closed at \$12.96 ¼, up 26 ¼ cents, Jul 11 Soybeans closed at \$13.04 ¾, up 26 ¾ cents, Nov 11 Soybeans closed at \$12.64 ¾, up 26 ¾ cents,

Yesterday's Close: May 11 Soybeans closed at \$12.70, down 70 cents, Jul 11 Soybeans closed at \$12.78, down 70 cents, Nov 11 Soybeans closed at \$12.38, down 70 cents, May 11 Soybean Meal closed at \$340.80, down \$14.70, May 11 Soybean Oil closed at \$52.88, down \$2.50 Soybean futures closed limit lower for all the 2011 contracts. The broad based sell off in all the markets has left bulls nervous but open interest has not changed all that much in the last week. Funds were reported to have sold 16,000 soybean contracts and if commercials were on the buying end of those contracts liquidating their short positions we should see a drop in today's open interest officially reported tomorrow. Monday's open interest for futures contracts was 620,403 contracts. The next major market report will be the USDA acreage intentions and grain stocks report to be released March 31st. Elevators are taking protection for tomorrow morning.

Wheat: Morning: May 11 CBOT Wheat closed at \$6.88 ¾, up 21 cents, May 11 MGEX Wheat is at \$8.19 ¼, up 11 ¾ cents

Yesterday's Close: May 11 CBOT Wheat closed at \$6.67 ¾, down 53 cents, May 11 KCBT Wheat closed at \$7.77, down 48 ½ cents, May 11 MGEX Wheat closed at \$8.07 ½, down 51 ¾

Wheat futures closed near the limit lower on all three exchanges. Wheat has become cheap on a relative basis to the other grains so there could be a revision in the next USDA quarterly grain stocks report, but that isn't for 2 1/2 weeks. The crop progress report showed wheat in TX is rated 56% poor/very poor and 18% good/excellent, unchanged from last week. Elevators are taking protection for tomorrow.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$113.500, down \$3.00, Jun 11 Cattle closed at \$113.65, down \$3.00,

Aug 11 Cattle closed at \$114.70, down \$3.000, Mar 11 Feeder Cattle closed at \$127.90, down \$3.00 Apr 11 Feeder Cattle closed at \$130.65, down \$3.00 May 11 Feeder Cattle closed at \$132.50, down \$3.00.

Cattle futures closed limit lower for the 2011 contracts. April the spot month left an island top on the daily chart with today's price action hitting support on the 40 day moving average at limit lower. That is an unknown. Cash cattle business traded at \$114 to \$115 today - that is \$3.00 to \$4.00 lower than last week's \$118.00. Kansas cattle were mostly at \$115 on an estimated 25,000 to 30,000 head. Cattle in the TX/OK panhandle traded at \$114 on about 9,000 head. Boxed beef prices keep climbing. Choice boxed beef was up \$1.53 at \$186.50 and Select was up \$0.83 at \$184.58 this afternoon.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$84.87, down \$1.07, May 11 Hogs closed at \$94.20, down \$2.32 Jun 11 Hogs closed at \$94.75, down \$2.80

Lean Hog futures closed near limit lower on all but the front month April. Cash hogs ended lower. IA/MN closed \$0.05 lower, the WCB hogs closed \$0.12 lower and the ECB closed \$0.75 lower. The lean hog index was lower at 85.47. Cash pork trade was slow to moderate with light to moderate demand and offerings.

Cotton: Yesterday's Close: May 11 Cotton closed at 190.94, down 700 points, Jul 11 Cotton closed at 179.25, down 700 points Dec 11 Cotton closed at 117.09, down 568

Cotton futures closed limit lower on the front months for the 2nd day in a row. The market seems to have forgotten the previous bull story of record tight stocks and is now focused on getting out. Sources that have traveled to Brazil tell of a major push to expand cotton planting will begin in April for the Northern parts of the country and of favorable conditions are occurring for maturing cotton and harvest across Center-South Brazil at this time.

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Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart

■ Op:630-0, Hi:646-6, Lo:623-4, Cl:643-0



Soybean Daily Chart

ZSK11 - Soybeans (CBOT) - Daily OHLC Chart

■ Op:1273-4, Hi:1303-6, Lo:1273-4, Cl:1296-2



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