



## MORNING COMMENTS

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Friday, March 18, 2011

It's National Bio-Diesel Day  
Pillsbury Dough Boy's B-Day in 1961

### USDA Cattle on Feed Report Today 3:00 PM

**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 22<sup>nd</sup> 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 9<sup>th</sup>.

**Next USDA Reports:** **Cattle on Feed Report Today 3:00 PM**

Thursday March 31, 2011 Grain Stocks and Prospective Plantings.

**Market Talk:** CBOT Corn Trading Limit is 45 cents today after limit higher yesterday. The broad market was supportive yesterday with the continuous CRB index 17.13 higher. Weaker dollar, stronger crude market. Markets were due for a bounce after the sharp selloff due to the flight for safety. Middle east unrest remains a concern.

Informa is expected to release their latest acreage survey today.

**South America:** Showers across much of Argentina yesterday, mostly under .25", but isolated rainfall of up to .50" in northern sections of Santa Fe, Entre Rios and most of Corrientes with coverage reported around 75%. Temps were in the 70's in Argentina. Dry weather across most of Southern Brazil, with scattered rains occurring in much of the northern Brazilian growing regions. Totals north of Parana were in the .10-.50" range, with reported coverage of about 60%.. , Temps in the 80's for most of the Brazilian growing regions.

### Outside Markets:

<a href="#">U.S. Dollar Index</a>	76.165	-0.175	-0.23%	<a href="#">Russell 1000 Growth</a>	578.80s	+5.50	+0.96%	<a href="#">Ethanol Futures</a>	Apr 11	2.403s	+0.106
<a href="#">CRB CCI Index</a>	657.80	+5.30	+0.81%	<a href="#">MSCI Emi Index</a>	1085.90s	+13.50	+1.26%	<a href="#">Gasoline RBOB (E)</a>	Apr 11	2.9506s	+0.1069
<a href="#">Gold</a>	1406.4	+2.4	+0.17%	<a href="#">Nikkei 225</a>	9130.00	+240.00	+2.7%	<a href="#">Diesel Gulf (Ulsd)</a>	Apr 11	3.1470s	+0.0698
<a href="#">Silver</a>	34.805	+0.545	+1.59%	<a href="#">Brazilian Real</a>	0.59205s	-0.00530	-0.89%	<a href="#">Heating Oil (E)</a>	Apr 11	3.0649p	+0.0677
<a href="#">DJIA</a>	11711p	+133	+1.15%	<a href="#">Euro FX</a>	1.41140	+0.01260	+0.9%	<a href="#">Crude Oil Brent (E)</a>	Apr 11	110.66p	+0.04
<a href="#">S&amp;P 500 Index</a>	1279.20	+10.40	+0.82%	<a href="#">Canadian Dollar</a>	1.01720	+0.00610	+0.6%	<a href="#">Natural Gas (E)</a>	Apr 11	4.158s	+0.220
<a href="#">Nasdaq 100</a>	2242.00	+16.00	+0.72%	<a href="#">Japanese Yen</a>	1.22770	-0.03780	-2.99%	<a href="#">Polypropylene</a>	Apr 11	0.7900s	0.0000

**Weather:** Drier weather in most of the plains and Midwest is expected today. Light rainfall in the northern Midwest. Warmer temps throughout much of the Midwest. Snow melt is rapidly occurring as a result.

### Central Illinois:

fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27
P Cloudy	M Sunny	T-Showers	Sct T-Storms	Showers	Few Showers	P Cloudy	Sunny	Sunny	AM Clouds
55° 37°	55° 41°	51° 50°	68° 54°	61° 46°	48° 31°	41° 32°	46° 34°	47° 37°	48° 40°

### Central Iowa:

fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27
P Cloudy	P Cloudy	Sct T-Storms	Showers	Showers	M Cloudy	P Cloudy	Sunny	P Cloudy	P Cloudy
54° 32°	56° 43°	62° 50°	66° 48°	53° 41°	48° 32°	47° 34°	51° 36°	53° 36°	55° 35°

### South Central Minnesota:

fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27
P Cloudy	M Sunny	Showers	M Cloudy	Showers	Snow Shwrs	P Cloudy	M Sunny	P Cloudy	P Cloudy
37° 22°	50° 32°	49° 36°	49° 33°	39° 26°	33° 23°	35° 25°	40° 30°	42° 30°	45° 30°

### Central Nebraska:

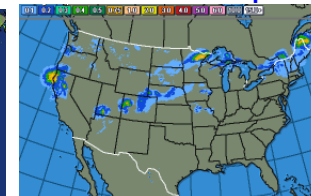
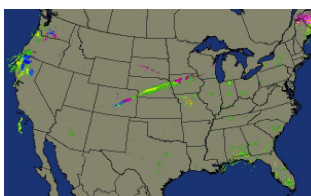
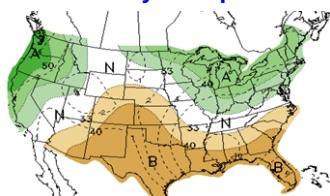
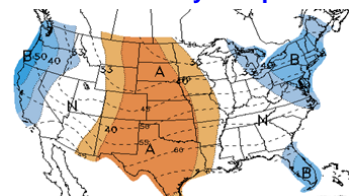
fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
mar 18	mar 19	mar 20	mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27
AM Showers	PM Showers	Cloudy	M Cloudy	Iso T-Storms	P Cloudy	M Sunny	Sunny	P Cloudy	P Cloudy
53° 34°	57° 42°	65° 44°	62° 43°	57° 34°	49° 28°	51° 33°	54° 37°	60° 41°	59° 35°

### 8-14 Day Temp

### 8-14 Day Precipitation

### Current Radar

### Last 24 hr Precip



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**Corn:** Morning: May 11 corn closed at \$6.79 ¼ , up 32 ¾ cents, July 11 Corn is at \$6.87 , up 33 ¼ cents, Dec 11 Corn closed at \$5.98 ¼, up 19 cents.

Yesterday's Close: May 11 Corn closed at \$6.46 1/2, up 30 cents, Jul 11 Corn closed at \$6.53 3/4, up 30 cents, Sep 11 Corn closed at \$6.13, up 30 cents Dec 11 Corn closed at \$5.79 1/4, up 30 cents

Corn futures closed limit higher on the first eight contracts as the markets start to shake off the Japanese crisis. Export sales completely outshined trade estimates of 550 to 750 TMT, coming in at 1,036,343 MT for 2010/11 delivery and 300,808 MT for 2011/12 delivery. Export sales were as of March 10th prior to the Earthquake/Tsunami event that occurred on March 11th. Japan had purchased 455,700 MT of the 2010/11 sales. Corn deliveries to Japan totaled 253,800 MT for the week ending March 10th. U.S. corn supplies in the export pipeline were reported as adequate. South Korea issued the largest corn tender since last August. Ethanol prices finished 10.6 cents higher.

**Soybean Complex:** Morning: May 11 Soybeans closed at \$13.48 ¼ , up 13 cents, Jul 11 Soybeans closed at \$13.56 ¾ , up 13 ¼ cents , Nov 11 Soybeans closed at \$13.17 ¾ , up 15 ½ cents,

Yesterday's Close: May 11 Soybeans closed at \$13.35 1/4, up 48 1/4 cents, Jul 11 Soybeans closed at \$13.43 1/2, up 48 1/4 cents, Nov 11 Soybeans closed at \$13.02 1/4, up 51 1/2 cents,

May 11 Soybean Meal closed at \$358.60, up \$14.10, May 11 Soybean Oil closed at \$54.52, up \$1.56

Soybean futures closed substantially higher correcting nearly 25% of the \$2.00 drop from the February 9th high. Export sales falling below even trade expectations. Sales for 2010/11 were 146,772 MT and 2011/12 sales were 67,721 MT. Export shipments were 838,700 MT with China taking delivery of 527,600 MT for the week ending March 10th. The sharply weaker dollar also helped to raise the price of soybeans. Southern Brazil weather is suitable for harvesting but the main growing state of Mato Grosso is still wet. Rain continues to fall but amounts are diminished. Reports from Mato Grosso De Sol of spoiled bean seeds in the pods after flooding impacts an estimated 18% of the crop in that state.

**Wheat:** Morning: May 11 CBOT Wheat closed at \$7.42 , up 31 ¾ cents, May 11 MGEX Wheat is at \$8.86 ½ , up 31 ¾ cents

Yesterday's Close: May 11 CBOT Wheat closed at \$7.10 1/4, up 48 1/4 cents, May 11 KCBT Wheat closed at \$8.31, up 52 3/4 cents, May 11 MGEX Wheat closed at \$8.54 3/4, up 48 3/4 cents

Wheat futures closed much higher along with the other ag markets. Weekly export sales coming in above trade estimates. Wheat sales for delivery in the 2010/11 marketing year were 663,722 MT and sales for 2011/12 delivery were 195,100 MT. The Japanese government made a routine purchase of a modest 32,381 MT today, about a third or less of a typical purchase. Above normal temperatures and below normal rainfall are forecast for TX, OK and KS in the 6 to 10 day forecast from March 22 to 26th. Cash basis levels at the Gulf were firm on tight supplies of export quality wheat.

**Cattle:** Yesterday's Close: Apr 11 Cattle closed at \$111.600, up \$1.100, Jun 11 Cattle closed at \$111.775, up \$1.125, Aug 11 Cattle closed at \$113.925, up \$1.875, Mar 11 Feeder Cattle closed at \$127.700, up \$1.200 Apr 11 Feeder Cattle closed at \$129.275, up \$1.575 May 11 Feeder Cattle closed at \$130.875, up \$1.375

Cattle futures prices closed higher after being down for the last 5 days in a row subsequent to new highs of 118.425. Cash cattle sales this week have been between \$113 and \$116 in the live and \$184 to \$186 in the dressed. Beef export sales for the week ending March 10th were 13,200 MT. Mexico and Japan were the main buyers. Shipments were 17,200 MT and were mainly to South Korea and Mexico. Boxed beef made new highs again today. Choice boxed beef was up \$0.16 at \$187.79 and Select was up \$0.06 at \$186.67. Cattle futures open interest was down 8,675 contracts on yesterdays limit down move.

**Hogs:** Yesterday's Close: Apr 11 Hogs closed at \$88.150, up \$2.850, May 11 Hogs closed at \$96.650, up \$2.150 Jun 11 Hogs closed at \$97.675, up \$2.325

Lean Hog futures closed near limit higher surpassing near term resistance. Japan has reportedly been in the market for pork this week which was supportive after a large drop. The Lean Hog Index closed at 84.72, down 28. Cash hogs were \$0.53 lower in the ECB, \$0.42 higher in the WCB and \$0.03 higher in IA/MN.

**Cotton:** Yesterday's Close: May 11 Cotton closed at 192.12, up 700 points, Jul 11 Cotton closed at 182.46, up 700 points Dec 11 Cotton closed at 120.96, up 427 points

Cotton futures closed locked limit higher on the first two months after a recent 34 cent drop in prices. The up move comes despite export sales for 2010/11 showing a net reduction of 55,400 RB for upland cotton. Export shipments were also at a marketing year low at 311,800 RB.

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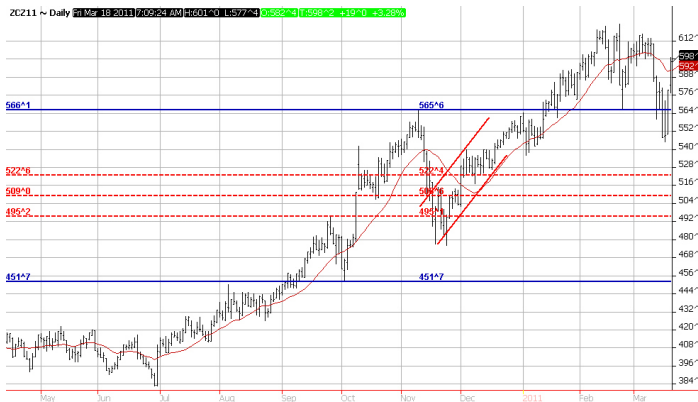
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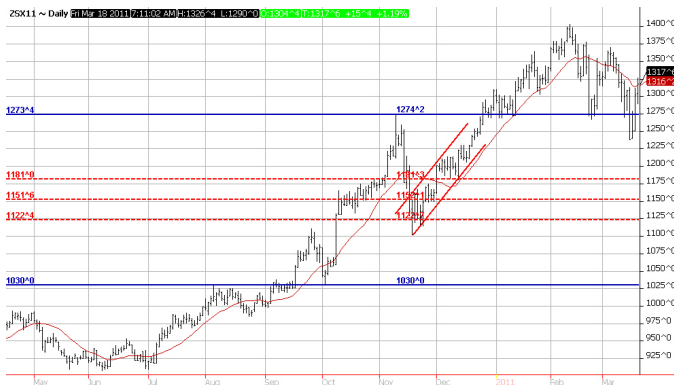
### Dec 11 Corn Daily Chart



### Corn Weekly Chart



### Nov 11 Soybean Daily Chart



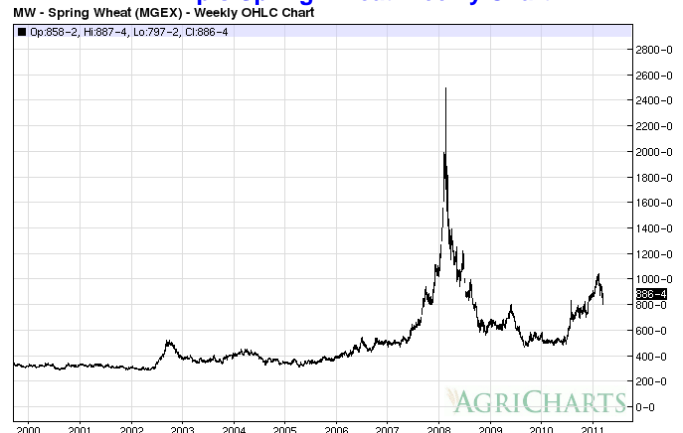
### Soybean Weekly Chart



### Sept 11 Mpls Spring Wheat Daily Chart



### Mpls Spring Wheat Weekly Chart



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