



**Dec Corn Puts:** With Dec 11 corn futures at \$5.98 we can once again create a \$5.00 futures floor or higher for new crop corn using one of several put option strikes. For example the \$5.50 put is trading at 47 ½ cents and the \$5.60 put is at 52 ½ cents, the \$5.80 strike is trading at 63 cents and the \$6.00 strike is at just under 75 cents. For those who are looking for a scale in option program and wish to implement it over the next 3-4 months, this may be a place to start that program.

**Nov Soybean Puts:** With Nov 11 soybean futures at \$13.34 we can once again create about a \$11.00 to \$12.00 futures floor for new crop soybean using one of several put option strikes. For example the \$12.00 put is trading at 61 ½ cents and the \$12.40 put is at 76 ½ cents, the \$12.60 strike is trading at 85 cents and the \$13.00 strike is at just over \$1.04. For those who are looking for a scale in option program and wish to implement it over the next 3-4 months, this may be a place to start that 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 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:** Thursday March 31, 2011 Grain Stocks and Prospective Plantings.

Friday March 25 Quarterly Hog & Pigs Report

**Market Talk:** The 7 day weather outlook for Brazil remains wet delaying harvest in the north. Mato Grosso, the number one soybean state, will be hit the hardest with the rain and the number two and three soybean producing states of Prana and Rio Grande do Sul should see light amounts. Celeres reported 30% of the Brazilian soybean crop had been harvested compared to 46% last year at this time as of the end of last week.

Last Friday Informa estimated 2011 corn plantings at 91.758 million acres compared to their most recent estimate of 90.903 million acres and up 3.566 million acres from 2010 plantings. Informa estimates 2011 soybean plantings of 75.269 million acres compared to their most recent estimate of 76.654 million acres and down 2.135 million from 2010. Informa estimates spring wheat planting at 14.196 million acres, up 498,000 from 2010. Informa estimates cotton plantings at 13.130 million acres, up 2.157 million from 2010. Informa has a mixed track record as compared to USDA's March 31<sup>st</sup> estimates.

**Cattle on Feed:** Called Neutral

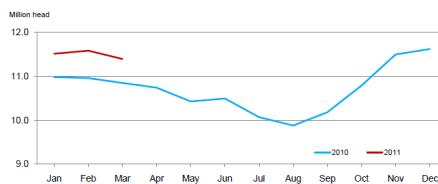
United States Cattle on Feed - 1000+ Capacity Feedlots			
	USDA Mar 18, 2011	Ave of Estimates	Range of Estimates
On Feed	105.0%	105.0%	104.5% - 106.0%
Placed on Feed	99.0%	98.3%	94.0% - 103.0%
Marketed	104.0%	103.2%	99.0% - 105.8%

**Cattle and calves on feed** for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.4 million head on March 1, 2011. The inventory was 5 percent above March 1, 2010.

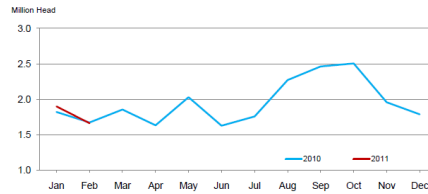
**Placements** in feedlots during February totaled 1.66 million, 1 percent below 2010. Net placements were 1.60 million head. During February, placements of cattle and calves weighing less than 600 pounds were 400,000, 600-699 pounds were 365,000, 700-799 pounds were 489,000, and 800 pounds and greater were 410,000.

**Marketings** of fed cattle during February totaled 1.79 million, 4 percent above 2010.

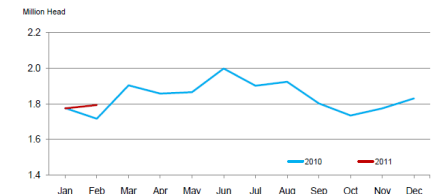
United States Cattle on Feed  
1,000+ Capacity Feedlots



United States Cattle on Feed  
1,000+ Capacity Feedlots Number Placed



United States Cattle on Feed  
1,000+ Capacity Feedlots Number Marketed



**Weather:** Expectations for the upper Midwest to receive rainfall Tuesday and Wednesday that could turn into 6" to 10" of snowfall if the temperatures fall below freezing. Rains fell across portions of the eastern HRWW belt Saturday and then into much of the Midwest on Sunday. In the HRWW belt, it was the eastern ½ of KS seeing most of the rains, with totals of .10-.50" most common. Little in the way of rains fell elsewhere across the HRWW belt. Rains in the Midwest were heaviest across eastern IA into northern IL, southern WI and southern MI, where totals of .50-1", isolated to 1"+ occurred. Totals across the rest of the region were in the .20-.80" range, with some isolated heavier totals occurring. Coverage in all of the Midwest was around 90%.

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**Central Illinois:**

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30
M Cloudy	Sct T-Storms	P Cloudy	Cloudy	M Cloudy	P Cloudy	P Cloudy	P Cloudy	Showers	Showers
72° 49°	68° 53°	60° 33°	41° 30°	40° 30°	46° 35°	45° 30°	46° 35°	48° 37°	47° 36°

**Central Iowa:**

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30
M Cloudy	Strong Tstms	P Cloudy	P Cloudy	R/S Showers	R/S Showers	M Cloudy	R/S Showers	Showers	Showers
71° 56°	67° 45°	53° 29°	46° 33°	42° 35°	48° 31°	45° 33°	49° 36°	49° 36°	47° 36°

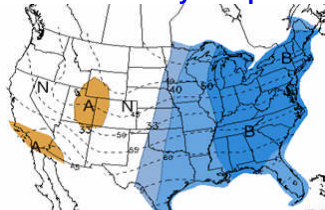
**South Central Minnesota:**

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30
Cloudy	Rain/Wind	Rain/Snow	P Cloudy	M Cloudy	Snw Shwrs	P Cloudy	P Cloudy	Cloudy	Rain/Snow
45° 39°	41° 33°	31° 17°	29° 17°	29° 20°	34° 25°	37° 24°	39° 27°	40° 30°	40° 30°

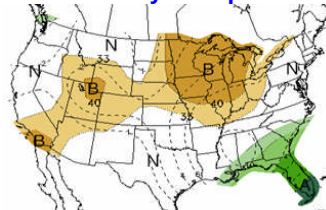
**Central Nebraska:**

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
mar 21	mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30
Iso T-Storms	Iso T-Storms	Sunny/Wind	M Sunny	Showers	Few Showers	P Cloudy	Showers	Snw Shwrs	Showers
68° 56°	71° 41°	56° 28°	50° 34°	52° 35°	51° 33°	49° 32°	50° 34°	44° 35°	49° 34°

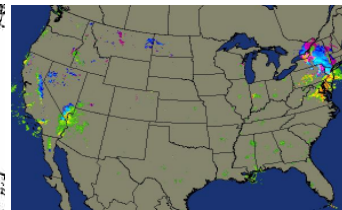
**8-14 Day Temp**



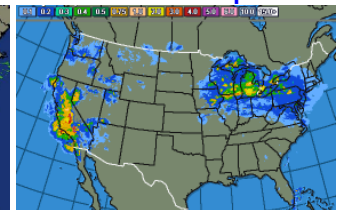
**8-14 Day Precipitation**



**Current Radar**



**Last 24 hr Precip**



**Outside Markets:**

<a href="#">Ethanol Futures</a>	Apr 11	2.485p	+0.082	<a href="#">U.S. Dollar Index</a>	75.805	-0.166	-0.22%	<a href="#">Euro FX</a>	1.41590	+0.00220	+0.16%
<a href="#">Gasoline RBOB (E)</a>	Apr 11	2.9494p	-0.0012	<a href="#">CRB CCI Index</a>	658.00p	+5.50	+0.84%	<a href="#">Canadian Dollar</a>	1.02210	+0.00980	+0.97%
<a href="#">Diesel Gulf (Ulsd)</a>	Apr 11	3.1089s	-0.0381	<a href="#">Gold</a>	1433.0	+16.9	+1.19%	<a href="#">Japanese Yen</a>	1.23400	-0.00160	-0.13%
<a href="#">Heating Oil (E)</a>	Apr 11	3.0243p	-0.0406	<a href="#">Silver</a>	35.705	+0.645	+1.84%	<a href="#">Australian Dollar</a>	0.99540	+0.00980	+0.99%
<a href="#">Crude Oil Brent (E)</a>	Apr 11	110.66p	0.00	<a href="#">DJIA</a>	11799p	+88	+0.75%	<a href="#">Chinese Renminbi</a>	0.152340p	+0.000090	+0.06%
<a href="#">Natural Gas (E)</a>	Apr 11	4.168s	+0.010	<a href="#">S&amp;P 500 Index</a>	1290.70	+16.50	+1.29%	<a href="#">Mexican Peso</a>	0.082825s	+0.000325	+0.39%
<a href="#">Polypropylene</a>	Apr 11	0.7900s	0.0000	<a href="#">Nasdaq 100</a>	2248.25	+26.75	+1.2%	<a href="#">1-Month Libor</a>	99.7425	+0.0025	-
<a href="#">Polyethylene</a>	Apr 11	0.6100p	0.0000	<a href="#">Russell 1000 Growth</a>	579.50s	+0.70	+0.12%	<a href="#">T-Bond</a>	122-23	-0-20	-0.51%
<a href="#">Rme Biodiesel</a>	Mar 11	1444.870p	+5.087	<a href="#">MSCI Emi Index</a>	0.00	-1090.40	-100%	<a href="#">3-Month T-Bill</a>	99.2700s	0.0000	-
<a href="#">Coal Futures</a>	Apr 11	73.33p	-0.99	<a href="#">Nikkei 225</a>	9470.00	+225.00	+2.43%	<a href="#">5-Year T-Note</a>	119-105	-0-7.5	-0.62%
<a href="#">Uranium</a>	Mar 11	55.50p	+5.75	<a href="#">Brazilian Real</a>	0.59675p	+0.00470	+0.79%	<a href="#">10-Year T-Note</a>	121-210	-0-095	-0.24%

**Corn:** Morning: May 11 corn closed at \$6.92 ¼ , up 8 ¾ cents, July 11 Corn is at \$6.99 , up 9 cents, Dec 11 Corn closed at \$607 ¼ , up 8 ¾ cents.  
 Friday's Close: May 11 Corn closed at \$6.83 1/2, up 37 cents, Jul 11 Corn closed at \$6.90, up 36 1/4 cents, Sep 11 Corn closed at \$6.37, up 24 cents Dec 11 Corn closed at \$5.98 1/2, up 19 1/4 cents  
 Corn futures closed the session into the expanded limit price range at 37 cents higher but were only up 19 cents for the week. The price limits were expanded after limit up move from 30 cents to 45 cents. The old crop gained 18 cents on the new crop today. The CFTC report showed a drop in open interest from last week with Commercials, Index Funds and Managed Money decreasing their net positions. Managed Money decreased their net longs by 60,915 contracts and Index Funds decreased their net longs by 19,899 contracts from last Tuesday.

**Soybean Complex:** Morning: May 11 Soybeans closed at \$13.68 ½ , up 6 cents, Jul 11 Soybeans closed at \$13.76 ¼ , up 4 ¾ cents , Nov 11 Soybeans closed at \$13.39 ½ , up 5 ½ cents,  
 Friday's Close: May 11 Soybeans closed at \$13.62 ½ , up 27 1/4 cents, Jul 11 Soybeans closed at \$13.71 ½ , up 28 cents, Nov 11 Soybeans closed at \$13.34, up 31 ¾ cents, May 11 Soybean Meal closed at \$367.90, up \$9.30, May 11 Soybean Oil closed at \$55.77, up \$1.25  
 Soybean futures closed higher posting a new high for the week, closing up 28 cents for the week. CFTC report showed Index Funds and Managed Money decreased their net longs by a total of 36,074 contracts. Managed Money still holds a net long of 94,200 and the Index Funds hold a net long of 119,831 net longs as of Tuesday the reporting period.

**Wheat:** Morning: May 11 CBOT Wheat closed at \$7.29 ½ , up 6 ½ cents, May 11 MGEX Wheat is at \$8.75 ¼ , 7 ¾ cents  
 Friday's Close: May 11 CBOT Wheat closed at \$7.23, up 12 ¾ cents, May 11 KCBT Wheat closed at \$8.45, up 14 cents, May 11 MGEX Wheat closed at \$8.67 ½ , up 12 ¾ cents  
 Wheat futures closed 11 to 14 cents higher today and were up 4 cents for the week at the CBOT, up 20 cents for KCBT wheat and up 9 cents for MGEX wheat. Today's CFTC report indicated Managed Money had increased their net long in CBOT wheat by 974 contracts and decreased their KC wheat net long by 1,763 contracts. Index Funds decreased their CBOT wheat net long by 10,460 contracts and increased their KC wheat net long by 882 contracts.

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# MORNING COMMENTS

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Monday, March 21, 2011

**Cattle:** Friday's Close: Apr 11 Cattle closed at \$111.650, up \$0.050, Jun 11 Cattle closed at \$111.800, up \$0.025, Aug 11 Cattle closed at \$114.150, up \$0.225, Mar 11 Feeder Cattle closed at \$128.000, up \$0.300 Apr 11 Feeder Cattle closed at \$129.175, down \$0.100 May 11 Feeder Cattle closed at \$130.250, down \$0.625

Cattle futures prices were slightly higher on the close in a narrow daily trading range when compared to the rest of the week. Prices were down \$5.47 for the week on the futures. Prices were also \$3 to \$5 lower in the cash cattle for the week. The USDA reported the number of cattle on feed as of March 1 were 105.02% of a year ago, in line with analysts estimates. February placements were 99.4% of last year, 1.1% higher than the average trade guess and February marketings were 104.45% of a year ago, up 1.15 percent of last year. Boxed beef saw the first drop in price for several days. Choice boxed beef was down \$0.28 at \$187.51 and Select was down \$1.18 at \$185.49. The CFTC reported a drop in Managed Moneys net long by 8,519 contracts and an increase in the Index Fund net long by 745 contracts.

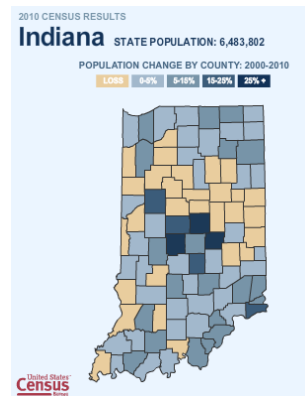
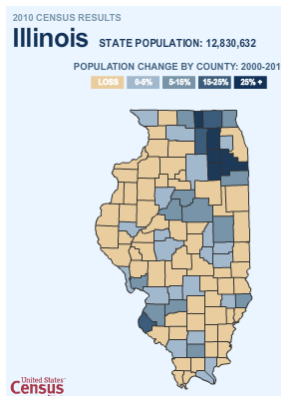
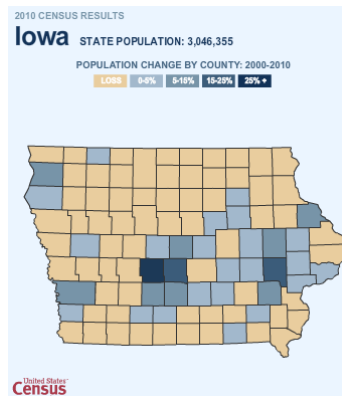
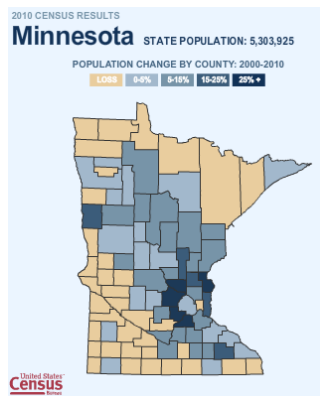
**Hogs:** Friday's Close: Apr 11 Hogs closed at \$88.32, up \$0.17, May 11 Hogs closed at \$98.35, up \$1.70 Jun 11 Hogs closed at \$99.82, up \$2.15

Lean Hog futures were modestly higher on the spot month on the close but the other months were sharply higher. The October and December of 2011 hogs made new contract highs but are trading at a \$10 to \$13 discount to the summer months. Lan Hogs were up 17 cents for the week on the spot month. Both Managed Money and Index Funds decreased their net long Lean Hog position from last week as of Tuesday, the reporting period. Index Funds decreased their net long by 195 contracts and Managed Money decreased their net long by 5,894 contracts. Pork business to Japan was labeled normal and a bit of a disappointment to some but seen as positive by others because business does not seem to be disrupted by the many problems Japan is currently facing. The Lean Hog Index closed at 84.52, down 20. Cash hogs were steady in IA/MN. Pork trading is very slow with light demand and light to moderate offerings.

**Cotton:** Friday's Close: May 11 Cotton closed at 199.12, up 700 points, Jul 11 Cotton closed at 189.46, up 700 points Dec 11 Cotton closed at 123.84, up 288 points

Cotton futures closed limit higher on the first two months for the second day but ended the week 582 points lower giving you an idea of the volatility in the market. Some shorts covered after the three day drop the first of the week standing on the sidelines going into the weekend with so much upheaval in Libya and Japan. Today's CFTC report showed Managed Money decreased their net long by 1,532 contracts and Index Funds decreased their net long by 2,158 contracts for the week ending Tuesday. The net change in total open interest from Tuesday to Tuesday for futures and options was up 12,846 contracts. Prices are above short term resistance. Planting in northern Pakistan and India will likely be starting soon under current favorable conditions. Planting in the south normally begins in June.

<http://2010.census.gov/2010census/data/>



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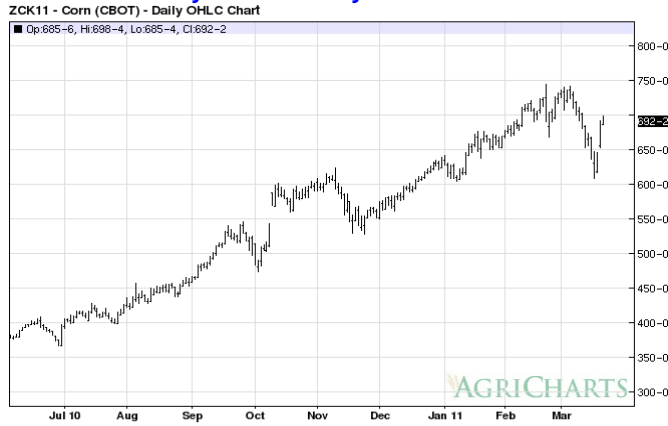
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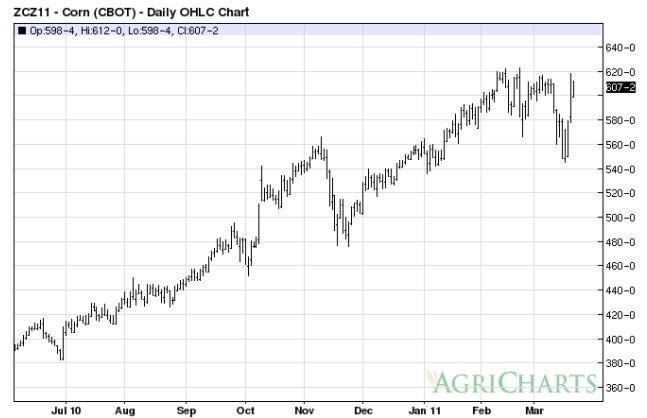
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Monday, March 21, 2011

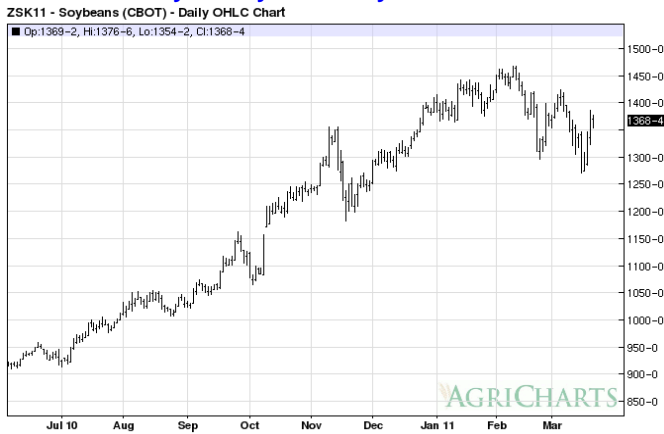
**May 11 Corn Daily Chart**



**Dec 11 Corn Daily Chart**



**May 11 Soybean Daily Chart**



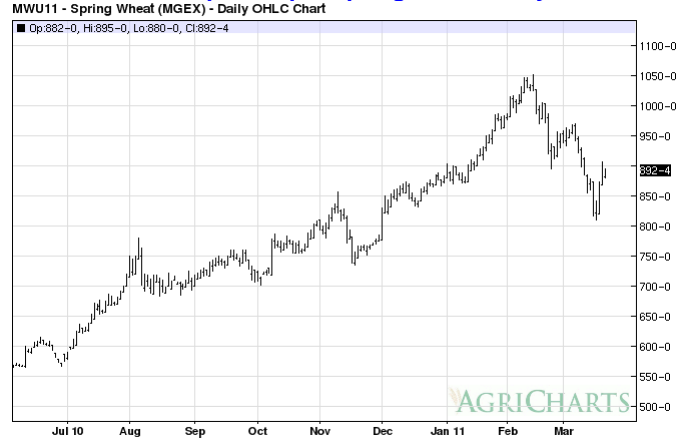
**Nov 11 Soybean Daily Chart**



**May 11 Mpls Spring Wheat Daily Chart**



**Sept 11 Mpls Spring Wheat Daily Chart**



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