



MORNING COMMENTS

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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.

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.

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.

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.

Corn: \$6.00 March futures

New Crop Corn: \$5.55 Dec 11 Futures

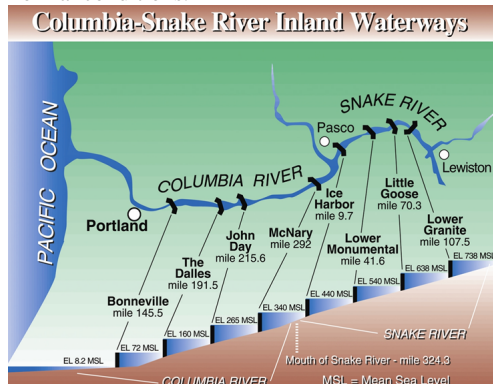
New York bank three month corn price projection to \$7.15 reached with the Feb 22nd high of \$7.24 ½

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: Cash markets have been slow. The window for US soybean exports is closing as South America harvest has ramped up, evidenced by weaker basis at South America ports. Port strikes are the norm and if they occur it could extend the US export season some. Safras reports that nationwide Brazilian harvest is near 47% complete as compared to 60% last year and 42% on average. Celeres also reports similar numbers with 44% of the harvest completed nationally compared to 56% last year and 41% on average. Harvest is reported as progressing ahead of average, but the northern areas are reported behind the pace of last year. Safras reports Mato Grosso do Sul is 53% complete vs. 90% last year while Mato Grosso is 68% harvested vs. 89% last year.

PNW Water Way to reopen: Look for eventual basis improvement in the western part of MN as the terminals begin to operate under normal conditions.



The Pacific Northwest river gateway is set to reopen for barge traffic on Saturday after being closed for more than three months, an Army Corps of Engineers spokesman said on Monday.

This winter the Corps replaced gates at three lock-and-dam sites and completed maintenance at other sites on the Columbia and Snake Rivers, a shipping artery for grain in the PNW.

"We will have completed all of the work and (will) reopen the entire system from the mouth of the Columbia River all the way up to Lewiston, Idaho, on the evening of Saturday, March 26," said Scott Clemans, U.S. Army Corps of Engineers spokesman, Portland District.

The Columbia-Snake river system ships about half the wheat from the United States and has significant terminal which provide export markets via rail for much of the far northwestern corn belt.

Outside Markets:

U.S. Dollar Index	75.555	-0.100	-0.13%	Euro FX	1.42190	+0.00120	+0.08%	Ethanol Futures	Apr 11	2.487p	+0.002
CRB CCI Index	661.00p	+3.00	+0.46%	Canadian Dollar	1.02280	+0.00260	+0.25%	Gasoline RBOB (E)	Apr 11	2.9974p	+0.0480
Gold	1425.2	-1.2	-0.08%	Japanese Yen	1.23570	+0.00150	+0.12%	Diesel Gulf (Ulsd)	Apr 11	3.1297p	+0.0208
Silver	35.965	-0.037	-0.1%	Australian Dollar	1.00200	+0.00650	+0.65%	Heating Oil (E)	Apr 11	3.0525p	+0.0282
DJIA	11963p	+164	+1.39%	Chinese Renminbi	0.152490p	+0.000150	+0.1%	Crude Oil Brent (E)	Apr 11	110.66p	0.00
S&P 500 Index	1293.50	+0.40	+0.03%	Mexican Peso	0.083425s	+0.000600	+0.72%	Natural Gas (E)	Apr 11	4.161s	-0.007
Nasdaq 100	2256.75	+2.25	+0.1%	1-Month Libor	99.7425p	+0.0025	-	Polypropylene	Apr 11	0.7900s	0.0000
Russell 1000 Growth	589.40s	+9.90	+1.71%	T-Bond	121-03	-0.12	-0.31%	Polyethylene	Apr 11	0.6100p	0.0000
MSCI Emi Index	0.00	-1111.00	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Mar 11	1448.435p	+3.565
Nikkei 225	9520.00	-20.00	-0.21%	5-Year T-Note	118-7.5	-0.25	-0.43%	Coal Futures	Apr 11	75.27p	+1.94
Brazilian Real	0.59890p	+0.00215	+0.36%	10-Year T-Note	119-305	-0.080	-0.21%	Uranium	Mar 11	59.00p	+3.50

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Weather: Rainfall in Southern MN has now caused most all of the snow cover to melt away, the exception being those areas with deeper cover.

Central Illinois:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31
68° 54°	61° 30°	41° 30°	40° 32°	42° 28°	39° 27°	41° 33°	50° 38°	55° 39°	50° 38°

Central Iowa:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31
71° 46°	52° 28°	47° 35°	44° 32°	40° 25°	40° 26°	48° 30°	56° 39°	58° 41°	50° 36°

South Central Minnesota:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31
36° 31°	31° 18°	27° 19°	32° 21°	27° 15°	32° 21°	38° 27°	42° 31°	49° 37°	41° 31°

Central Nebraska:

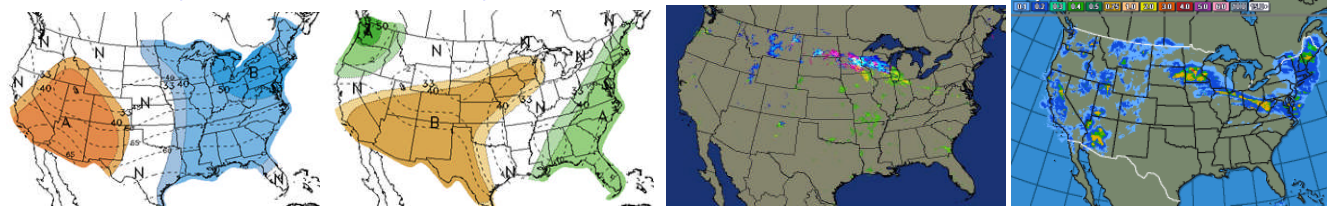
tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
mar 22	mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31
69° 40°	55° 24°	50° 35°	52° 34°	41° 23°	42° 21°	54° 34°	57° 41°	62° 41°	50° 32°

8-14 Day Temp

8-14 Day Precipitation

Current Radar

Last 24 hr Precip



Corn: Morning: May 11 corn closed at \$6.76 1/2, down 10 cents, July 11 corn closed at \$6.83 1/2, down 10 cents, Sept 11 Corn is at \$6.37 3/4, down 7 3/4 cents, Dec 11 Corn closed at \$6.02 1/4, down 7 1/4 cents.
 Yesterday's Close: May 11 Corn closed at \$6.86 1/2, up 3 cents, Jul 11 Corn closed at \$6.93 1/2, up 3 1/2 cents, Sep 11 Corn closed at \$6.45 1/2, up 8 1/2 cents Dec 11 Corn closed at \$6.09 1/2, up 11 cents
 Corn futures closed higher with new crop leading after strength in the overnight trade. The trade focus has moved to South America while we wait for the March 31 grain stocks and plantings reports. The USDA export inspections report showed 29.503 million bushels inspected for export for the week ending 3/17, an increase of 33.48 million bushels compared to last week and about 12 million bushels slower than the pace of last year. Goldman Sachs estimates US corn plantings at 92.1 million acres. The Argentina Ag ministry estimates corn production at 20.8 MMT, up slightly.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.47, down 16 cents, Jul 11 Soybeans closed at \$13.56 1/4, down 16 3/4 cents, Sept 11 Soybeans closed at \$13.37 1/4, down 20 1/4 cents, Nov 11 Soybeans closed at \$13.25 1/2, down 19 1/2 cents
 Yesterday's Close: May 11 Soybeans closed at \$13.63, up 1/2 cent, Jul 11 Soybeans closed at \$13.73, up 1 1/2 cents, Nov 11 Soybeans closed at \$13.45, up 11 cents, May 11 Soybean Meal closed at \$366.40, down \$1.50, May 11 Soybean Oil closed at \$55.88, up \$0.11 May 11 Soybean Oil is at \$55.89, up \$0.12
 Soybean futures closed higher. USDA export inspections report showed 27.741 million bushels inspected for export for the week ending 3/17, with a total increase of 29.446 million bushels from last week and more than 3 million bushels slower than the pace of last year. Goldman Sachs estimates US soybean plantings at 75.6 million acres. The Argentina's Ag ministry estimates soybean production at 50 MMT, up slightly. Celeres is reporting that 44% of Brazil's 2010/11 crop is harvested, compared to 30% last week.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.07 1/2, down 13 1/2 cents, May 11 MGEX Wheat is at \$8.57 3/4, down 11 1/2 cents
 Yesterday's Close: May 11 CBOT Wheat closed at \$7.21, down 2 cents, May 11 KCBT Wheat closed at \$8.42, down 3 cents, May 11 MGEX Wheat closed at \$8.69 1/4, up 1 3/4 cents
 Wheat futures closed mixed with CBOT and KCBT slightly lower and MGE slightly higher. The USDA export inspections report this morning showed 25.749 million bushels inspected for export for the week ending 3/17, with a total increase of 28.812 million bushels from last week after revisions to prior data, over 8 million bushels faster than the pace of last year. Goldman Sachs sees US wheat plantings at 57 million acres. The wheat belt continues to be dry even though Kansas and Oklahoma and some TX counties saw some rainfall over the weekend.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$113.60, up \$1.95, Jun 11 Cattle closed at \$113.67, up \$1.87, Aug 11 Cattle closed at \$115.60, up \$1.45, Mar 11 Feeder Cattle closed at \$129.30, up \$1.30 Apr 11 Feeder Cattle closed at \$131.00, up \$1.82 May 11 Feeder Cattle closed at \$132.52, up \$2.27
 Cattle futures prices closed higher on support from hogs and robust boxed beef prices now at the highest levels since 2003. Thoughts are that more imports will be needed in Japan due to meat in coolers going bad due to power outages. US ready cattle numbers are also a little snug until we get into April. Choice boxed beef was up \$0.84 at \$188.26 and Select was up \$.43 at \$185.92.



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Hogs: Yesterday's Close: Apr 11 Hogs closed at \$88.40, up \$0.07, May 11 Hogs closed at \$99.35, up \$1.00 Jun 11 Hogs closed at \$100.97, up \$1.15

Lean Hog futures closed higher again on support from expectations that Japan will import more pork as concerns that radiation and power outages will affect existing supplies of food. The October lean hog contract reached a new contract high again today. The CME Lean Hog Index closed at 84.17, down .35. Cash hogs were mixed with IA/MN \$3.08 higher, WCB \$2.45 higher and \$.55 lower in the ECB. The pork carcass value was up slightly with picnics and ribs higher and loins lower.

Cotton: Yesterday's Close: May 11 Cotton closed at 198.96, down 16 points, Jul 11 Cotton closed at 189.9, up 44 points Dec 11 Cotton closed at 124.37, up 53 points

Cotton futures closed mostly higher with the front month slightly lower but Dec and further slightly higher but on very low volume.

Goldman Sachs sees US cotton plantings at 13.3 million acres, above the Informa estimate from Friday. China's February cotton imports were 184.141 TMT, down 17% from last year.

Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart

Op:686-6, Hi:687-0, Lo:676-4, Cl:676-4



Soybean Daily Chart

ZSK11 - Soybeans (CBOT) - Daily OHLC Chart

Op:1363-4, Hi:1364-6, Lo:1345-0, Cl:1347-0



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