



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.

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: The quarterly Hog and Pig report Friday March 25, 2011

Thursday March 31, 2011 Grain Stocks and Prospective Plantings only 6 trade days away.

Market Talk: China's Sinograin, the official state grain manager, denied that they had made purchases of US corn...or that they had bought US corn through COFCO, the official state trading firm. Most of the U.S. traders believe that some grain has been purchased since price levels declined.

With most ethanol plants running at high levels, the U.S. trade continues to focus on feed usage, exports and next year's planted acreage. The trade has concerns over how the winter wheat crop comes out of dormancy.

Outside Markets:

U.S. Dollar Index	75.930	+0.257	+0.34%	Euro FX	1.41310	-0.00540	-0.38%	Ethanol Futures	Apr 11	2.488p	+0.001
CRB CCI Index	661.00p	+3.00	+0.46%	Canadian Dollar	1.01700	-0.00230	-0.23%	Gasoline RBOB (E)	Apr 11	3.0045p	+0.0071
Gold	1433.5	+5.9	+0.41%	Japanese Yen	1.23600	-0.00030	-0.02%	Diesel Gulf (Ulsd)	Apr 11	3.1546s	+0.0249
Silver	36.610	+0.339	+0.93%	Australian Dollar	0.99890	-0.00260	-0.26%	Heating Oil (E)	Apr 11	3.0762p	+0.0237
DJIA	11955p	-8	-0.07%	Chinese Renminbi	0.152640p	+0.000150	+0.1%	Crude Oil Brent (E)	May 11	115.60	-0.10
S&P 500 Index	1285.50	-2.80	-0.22%	Mexican Peso	0.083450s	+0.000025	+0.03%	Natural Gas (E)	Apr 11	4.254s	+0.093
Nasdaq 100	2250.25	-7.00	-0.31%	1-Month Libor	99.7450p	+0.0025	-	Polypropylene	Apr 11	0.7900s	0.0000
Russell 1000 Growth	587.50s	-1.90	-0.32%	T-Bond	122-05	+0.22	+0.57%	Polyethylene	Apr 11	0.6500p	+0.0400
MSCI Eml Index	0.00	-1112.80	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Mar 11	1449.652p	+1.217
Nikkei 225	9390.00	-180.00	-1.88%	5-Year T-Note	118-7.5	+0.025	+0.07%	Coal Futures	Apr 11	77.55p	+2.28
Brazilian Real	0.59995p	+0.00105	+0.18%	10-Year T-Note	120-125	+0.110	+0.29%	Uranium	Mar 11	61.80	+2.80

Weather: Locally here in Bird Island we received 3-4" of snowfall last night. Many SW MN schools are 2 hrs late, however from about US Hwy 7 near Willmar and north almost all schools are closed for today. Spring flooding has seriously begun as my township closed 5 sections of gravel roads yesterday due to flooding. Temperatures for the next week or so are now expected to remain cold with highs as low as single digits as only as warm as the 30's. Another 3-4" of snow are possible today as winds blow up to 30 MPH.

Central Illinois:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31	apr 01
64° 27°	40° 26°	39° 31°	37° 24°	38° 27°	40° 32°	47° 32°	49° 39°	52° 38°	55° 43°

Central Iowa:

wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31	apr 01
51° 26°	43° 32°	40° 29°	41° 27°	44° 30°	44° 32°	52° 37°	55° 38°	56° 39°	60° 44°

South Central Minnesota:

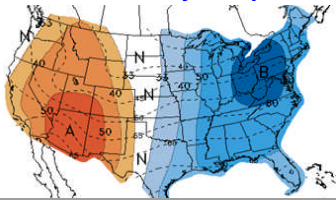
wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31	apr 01
28° 9°	25° 19°	27° 17°	26° 16°	29° 21°	37° 27°	43° 32°	42° 33°	44° 33°	49° 38°

Central Nebraska:

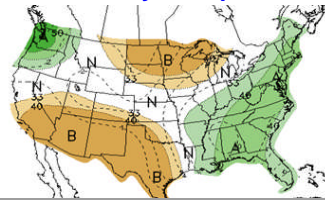
wed	thu	fri	sat	sun	mon	tue	wed	thu	fri
mar 23	mar 24	mar 25	mar 26	mar 27	mar 28	mar 29	mar 30	mar 31	apr 01
42° 22°	45° 32°	48° 32°	44° 31°	46° 31°	47° 30°	58° 40°	57° 35°	61° 41°	65° 42°

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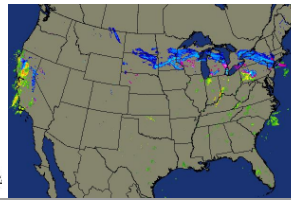
8-14 Day Temp



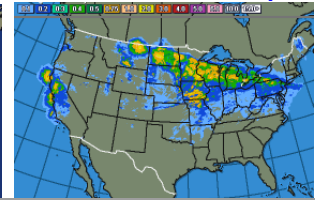
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



Corn: Morning: May 11 corn closed at \$6.87 1/2 up 1/2 cents, July 11 Corn closed at \$6.94 3/4 , up 3/4 cents, Sept 11 Corn closed at \$6.49 , up 3 1/4 cents, Dec 11 Corn closed at \$6.15 , up 2 3/4 cents.

Yesterday's Close: May 11 Corn closed at \$6.86 3/4 , up 1/4 cent, Jul 11 Corn closed at \$6.94, up 1/2 cent, Sep 11 Corn closed at \$6.45 3/4 , up 1/4 cent Dec 11 Corn closed at \$6.12 1/4 , up 2 3/4 cents

Corn futures closed slightly higher for the day after recovering from the overnight lows. Corn was down 12 to 14 cents overnight. Lack of confirmation for sales of corn to China pressured the market initially. Corn planting in TX is at 43% compared to 28% last week and 41% for the five year average. Sorghum planting is at 39% versus 28% for the five year average. The forecast for the next 6 to 10 days is calling for normal to below normal temps in the Midwest with normal precipitation. Spot basis levels for corn were mostly flat in the Midwest and on the Illinois River terminals but were firm on the Mississippi River.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.67 , up 1 1/2 cents, Jul 11 Soybeans closed at \$13.76 3/4 , up 1 3/4 cents , Nov 11 Soybeans closed at \$13.45 1/2 , up 1 1/2 cents,

Yesterday's Close: May 11 Soybeans closed at \$13.65 1/2 , up 2 1/2 cents, Jul 11 Soybeans closed at \$13.75, up 2 cents, Nov 11 Soybeans closed at \$13.44, down 1 cent, May 11 Soybean Meal closed at \$366.40, unch, May 11 Soybean Oil closed at \$55.86, down \$0.02

Soybean futures rallied from lower money to close on the positive on the old crop and slightly lower on the new crop. Further harvest delays are predicted for Brazil this week with heavy rain amounts predicted for Mato Grosso and Rio Grande do Sul. Oil World has downgraded the Brazil soybean production to 69 to 70 MMT because of harvest delays. Less soybeans from Brazil creates an even more important need for U.S. production. Argentina is also expecting heavy rains in Buenos Aires and Cordoba, disrupting harvest.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.25 , up 2 3/4 cents, May 11 MGEX Wheat is at \$8.69 1/4 , up 3 1/4 cents

Yesterday's Close: May 11 CBOT Wheat closed at \$7.22 1/4 , up 1 1/4 cents, May 11 KCBT Wheat closed at \$8.45, up 3 cents, May 11 MGEX Wheat closed at \$8.66, down 3 1/4 cents

Wheat futures closed mixed posting slightly higher prices on the KC and CBOT wheat and lower prices on the MGEX wheat. Dry conditions last fall and winter in Texas have had a deteriorating affect on the wheat crop. The TX wheat crop condition was rated 56% poor/very poor, same as last week and 14% good/excellent. The good/excellent category dropped by 4 points from last weeks 18%. OK wheat crop is rated 24% good/excellent and 43% poor/very poor. KS winter wheat crop was rated 37% poor/very poor and 27% good/excellent. The lower dollar and recent drop in wheat prices is helping exports. Nigeria purchased 160,000 MT of U.S. HRW wheat for 2010/11 delivery. Japan is seeking 103,125 MT of food wheat from the U.S. and Australia in a regular tender closing Thursday for May 1 to 31st delivery. The Sudan has issued a tender for 300,000 of any origin wheat for April/July delivery and South Korea is looking for 150,000 MT of non-GMO wheat for first half 2011/12. Jordan has also issued a tender for 100,000 of any origin wheat.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$114.27, up \$0.67, Jun 11 Cattle closed at \$113.85, up \$0.17, Aug 11 Cattle closed at \$115.77, up \$0.17, Mar 11 Feeder Cattle closed at \$130.00, up \$0.70 Apr 11 Feeder Cattle closed at \$131.40, up \$0.40 May 11 Feeder Cattle closed at \$133.12, up \$0.60

Cattle futures prices ended the day higher with most of the gain in the spot month. The U.S. cattle herd is at the lowest level since 1958 and prices are at historical levels. Cash cattle trade was basically at a standstill yesterday with sales in TX at \$113 on about 1500 head today. The monthly Cold Storage report released this afternoon showed total beef as of February 28th at 467.68 million pounds, compared to 404.5 million pounds for the previous year and 461.7 million pounds in January. Total frozen red meat was up 4% from January and up 13% from a year ago. Technically, June contracts forward firmed up moving above or at the moving averages or above resistance. Boxed beef prices finished higher but eased off from this morning. Choice beef was up \$0.70 at \$189.05 and Select was up \$0.08 at \$18 7.00.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$89.70, up \$1.30, May 11 Hogs closed at \$100.02, up \$0.67 Jun 11 Hogs closed at \$101.45, up \$0.47

Lean Hog futures closed mixed, with most of the contracts finishing higher. The October contract made new contract highs again today. Dec and Oct are trading at a \$10 to \$14 discount to the summer months however. The Cold Storage report showed an increase of Pork in freezers from last month and last year. Total pork in cold storage was at 578.064 million pounds compared to 538.754 million pounds last month and 515.911 million pounds a year ago. Analysts estimates for Friday's Hogs & Pigs report average 100% for All Hogs and Pigs as of March 1, 99.8% Kept for Breeding, 99.9% Kept for Marketing. Cash hogs in IA/MN were \$0.04 lower, the WCB hogs were \$.02 higher and ECB hogs were \$0.47 higher. Pork trading was slow to moderate with light to moderate demand and offerings.

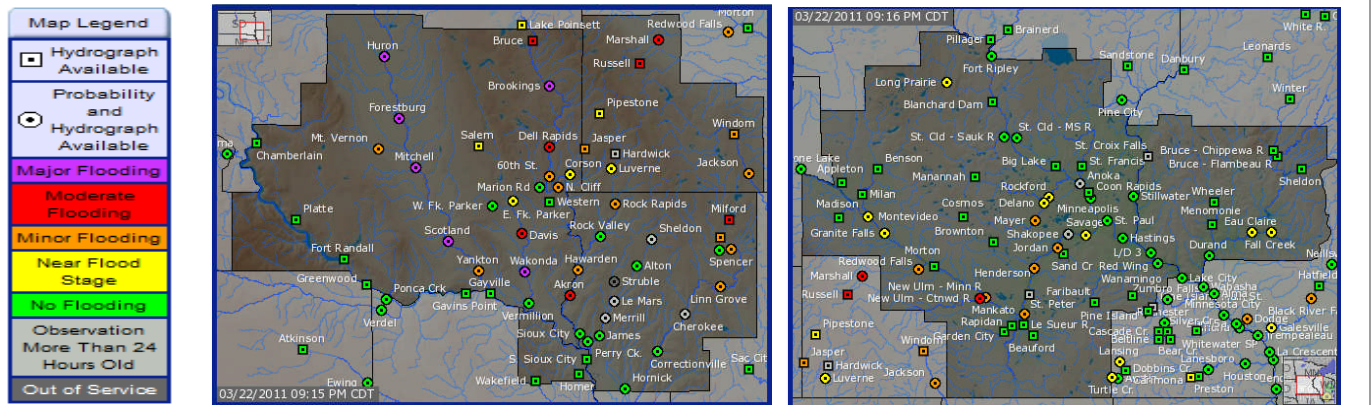
Cotton: Yesterday's Close: May 11 Cotton closed at 205.96, up 700 points, Jul 11 Cotton closed at 196.9, up 700 points Dec 11 Cotton closed at 128.27, up 390

Cotton futures closed limit higher on the first two contracts but all contracts are still off their record highs. Concern about Australian production due to rain impacting the harvest was the talk of the day. The trade focus is on the plantings report due out at the end of the month. Traders will be looking to the Census Cotton Consumption report on Thursday.

National Weather Service Flood Warnings

E South Dakota, NW Iowa, SW Minnesota

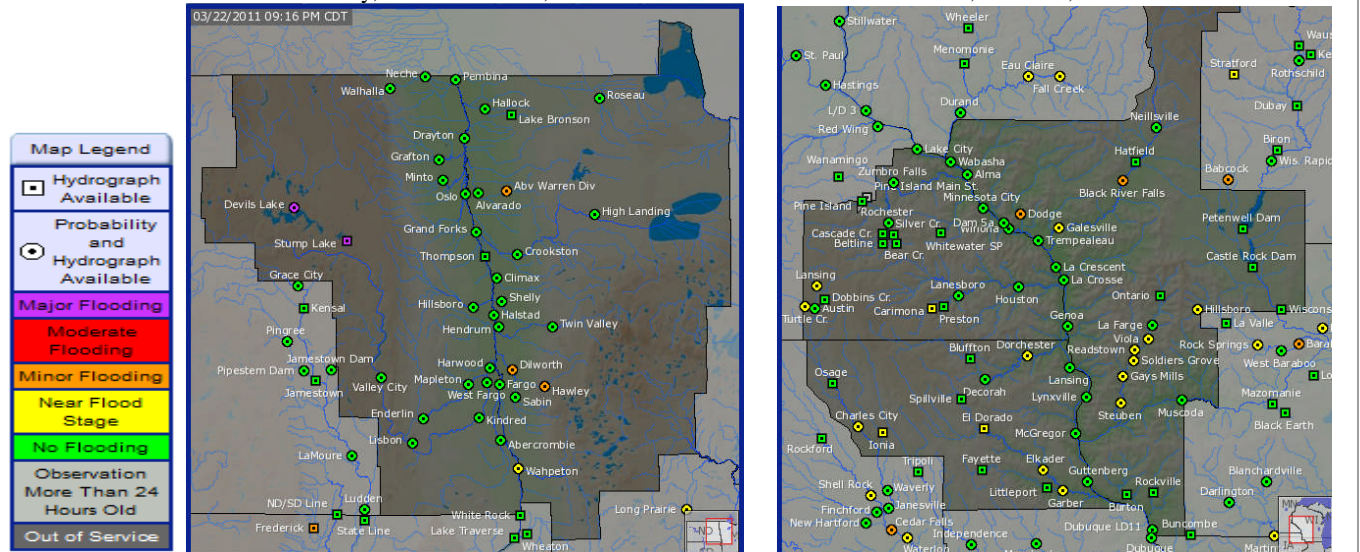
Southern Minnesota



National Weather Service Flood Warnings

Red River Valley, E North Dakota, NW Minnesota

SE Minnesota, NE Iowa, SW Wisconsin



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May 11 Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCZ11 - Corn (CBOT) - Daily OHLC Chart



May 11 Soybean Daily Chart

ZSK11 - Soybeans (CBOT) - Daily OHLC Chart



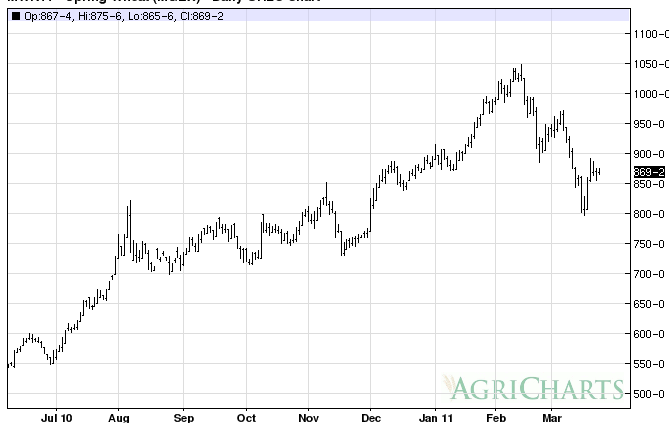
Nov 11 Soybean Daily Chart

ZSX11 - Soybeans (CBOT) - Daily OHLC Chart



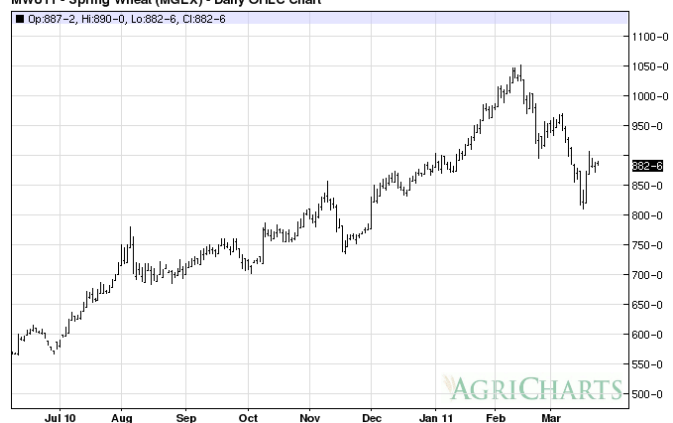
May 11 Mpls Spring Wheat Daily Chart

MWK11 - Spring Wheat (MGEX) - Daily OHLC Chart



Sept 11 Mpls Spring Wheat Daily Chart

MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart



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