



MORNING COMMENTS

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Next USDA Reports: Thursday March 31, 2011 Grain Stocks and Prospective Plantings.

A survey of major market analysts indicates average planted acres estimates for planted corn area range from 91.0 to 92.6 million acres with an average estimate at 91.8 million acres. The average soybean acreage estimate is 76.7-76.9 million acres again depending on which service estimate is used. Spring seeding area estimates averaging 13.71 million acres with a range of 13.0-14.4 and compared to 13.7 yr-ago. and durum area estimates 2.55 million vs. 2.60 yr-ago, with total of all wheat at 57.3 million acres. These are very close to what the United States needs to satisfy grain demand.

Trade estimates for March 1 quarterly stocks range from 6.550 to 6.880 billion bushels with an average estimate at 6.690 billion. The average soybean quarterly stock estimate is somewhere in the 1.291-1.299 billion bushel range. Analysts' estimates averaged 1.399 billion bushel of wheat stocks with a range of 1.285-1.488 and compared to 1.356 yr-ago.

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.

Market Talk: Some fertilizing of fields is reported in parts of Nebraska this week. CIF barge freight rates were softer yesterday, providing an impression that the China business is booked. Reports that China may auction off 1.6 mmt of off grade wheat from state reserves as feed wheat are getting less mentions by the trade. Nervousness of Radioactive discharge in Japan is mostly factored into the market if it doesn't become a much larger issue and impact cargos willingness to be destined for Japan.

Soybean harvest in Brazil has advanced to a point that the country is starting to see weaker basis as a result. Soybean basis in Brazil has widened to a point that puts their offerings at a 40 cent per bushel discount to the United States in the world market. There is little doubt this will sway buyers to that country for soybean needs. The greatest concern is we could see some of the 230 million bushel of unshipped U.S. soybean sales canceled.

Planting Dates: In recent years, corn planted from April 21 to May 6 is generally regarded as having been planted during the optimum time frame, according to research done at the University of Minnesota. Research from the University of Minnesota indicates that soybean yield can be positively influenced by planting in the May 1 to 15 window in most Minnesota soybean growing areas.

Outside Markets:

U.S. Dollar Index	76.485	+0.109	+0.14%	Euro FX	1.40560	-0.00220	-0.16%	Ethanol Futures	Apr 11	2.485p	-0.019
CRB CCI Index	664.00s	-7.00	-1.04%	Canadian Dollar	1.02140	-0.00150	-0.15%	Gasoline RBOB (E)	Apr 11	3.0274s	-0.0171
Gold	1419.8p	-6.3	-0.44%	Japanese Yen	1.22500	-0.00010	-0.01%	Diesel Gulf (Ulsd)	Apr 11	3.1323s	0.0000
Silver	37.097p	+0.039	+0.11%	Australian Dollar	1.01450	-0.00320	-0.31%	Heating Oil (E)	Apr 11	3.0249s	-0.0299
DJIA	12114s	-56	-0.46%	Chinese Renminbi	0.152520s	-0.000150	-0.1%	Crude Oil Brent (E)	May 11	114.80p	-0.79
S&P 500 Index	1303.50	+1.30	+0.1%	Mexican Peso	0.083600s	+0.000100	+0.12%	Natural Gas (E)	May 11	4.448s	-0.042
Nasdaq 100	2296.00	+0.25	+0.01%	1-Month Libor	99.7475s	0.0000	-	Polypropylene	Apr 11	0.7900s	0.0000
Russell 1000 Growth	596.70s	-2.90	-0.48%	T-Bond	120-20	+0.07	+0.18%	Polyethylene	Apr 11	0.6500s	0.0000
MSCI Emi Index	0.00	-1131.10	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Mar 11	1451.174s	+0.478
Nikkei 225	9360.00	-15.00	-0.16%	5-Year T-Note	118-7.5p	-0.25	-0.22%	Coal Futures	May 11	77.10s	-0.53
Brazilian Real	0.60235s	-0.00160	-0.26%	10-Year T-Note	119-095	+0.070	+0.18%	Uranium	Apr 11	61.00s	0.00

Weather: For the soft wheat/Corn Belt area the forecast continues to show storms moving eastward this week but remaining generally south of the area. This results in moisture being less than normal through much of the central and southern areas. The more significant moisture is expected to occur to the south of the Ohio River. A storm develops in the South Dakota-Nebraska area this weekend and this system appears to have a better chance to affect the area with significant moisture. Temperatures are forecast to remain below normal through this week.

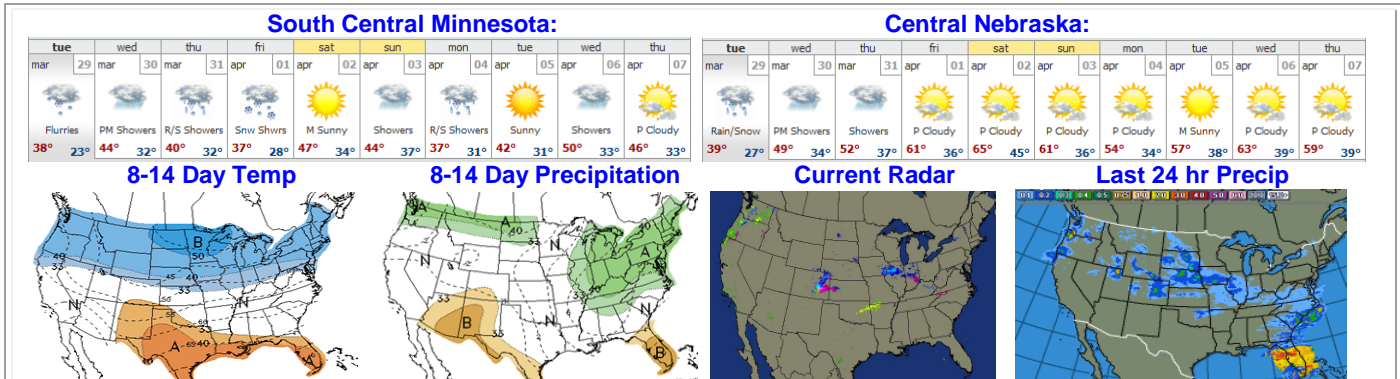
Central Illinois:

tue	wed	thu	fri	sat	sun	mon
mar 29	mar 30	mar 31	apr 01	apr 02	apr 03	apr 04
PM Rain/Snow	P Cloudy	AM Clouds	R/S Showers	M Sunny	Few Showers	Showers/Wind
47°	29°	50°	30°	51°	33°	44°
				54°	38°	55°
				53°	42°	55°
				51°	37°	55°
				55°	42°	58°
				58°	43°	

Central Iowa:

tue	wed	thu	fri	sat	sun	mon
mar 29	mar 30	mar 31	apr 01	apr 02	apr 03	apr 04
Snw Shwrs	P Cloudy	Showers	R/S Showers	M Sunny	Few Showers	P Cloudy
42°	29°	51°	37°	49°	38°	44°
				60°	42°	57°
				57°	43°	52°
				52°	37°	53°
				53°	39°	57°
				57°	41°	58°
				58°	43°	

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Corn: Morning: Mar 11 corn closed at \$6.70 1/2, down 1/2 cents, July 11 Corn is at \$6.78, unchanged, Sept 11 Corn is at \$6.31 1/4 also unchanged, Dec 11 Corn closed at \$5.99, up 2 cents.
 Yesterday's Close: May 11 Corn closed at \$6.71, down 18 1/2 cents, Jul 11 Corn closed at \$6.78, down 17 1/2 cents, Sep 11 Corn closed at \$6.31 1/4, down 13 1/2 cents Dec 11 Corn closed at \$5.97, down 12 1/2 cents
 Corn futures closed lower, with old crop leading the decline. The USDA export inspections report this morning showed 42.34 million bushels inspected for export for the week. Today's market place saw some pre-report position squaring which accounted for some of the selling pressure, along with end of month and end of quarter profit taking. The market has its eyes on the coming USDA Grain Stocks and Planting Intentions reports with average estimates for stocks around 6.69 billion bushels and planting intentions at 91.75 million acres.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.53, up 4 1/2 cents, Jul 11 Soybeans closed at \$13.63, up 3 3/4 cents, Sept 11 Soybeans closed at \$13.58 3/4, up 1/4 cents, Nov 11 Soybeans closed at \$13.45 1/2, up 3 1/2 cents,
 Yesterday's Close: May 11 Soybeans closed at \$13.48 1/2, down 9 3/4 cents, Jul 11 Soybeans closed at \$13.59 1/4, down 9 1/4 cents, Nov 11 Soybeans closed at \$13.42, down 8 1/4 cents, May 11 Soybean Meal closed at \$353.60, down \$3.60, May 11 Soybean Oil closed at \$56.53, down \$0.31
 Soybean futures finished lower after toying with both sides of unchanged. Beans were held down by weak corn futures. The USDA export inspections report this morning showed 29.284 million bushels inspected for export for the week. Brazil's crop is reported at 56% harvested, ahead of average by 7%, but below last year's 67% pace. The market has its eyes on the coming USDA Grain Stocks and Planting Intentions reports with average estimates for stocks around 1.29 billion bushels and planting intentions at 76.79 million acres.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.29, up 3 3/4 cents, May 11 MGEX Wheat is at \$8.82 1/2, up 7 1/2 cents.
 Yesterday's Close: May 11 CBOT Wheat closed at \$7.25 1/4, down 8 cents, May 11 KCBT Wheat closed at \$8.48 1/2, down 6 1/2 cents, May 11 MGEX Wheat closed at \$8.75, down 6 cents
 Wheat futures closed lower with CBOT and KCBT modestly lower and MGEX slightly higher. Most southern wheat areas have continued dryness with lower temperatures offsetting slowing evaporation. The USDA export inspections report this morning showed 29.532 million bushels inspected for export for the week. The market has its eyes on the coming USDA Grain Stocks and Planting Intentions reports with average estimates for stocks around 1.375 billion bushels and planting intentions at 57.24 million acres. KS winter wheat was 31% good/excellent with topsoil moisture 38% short or very short and jointed at 13%.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$117.95, down \$0.65, Jun 11 Cattle closed at \$116.97, down \$0.77, Aug 11 Cattle closed at \$118.40, down \$0.85, Mar 11 Feeder Cattle closed at \$132.30, up \$0.40 Apr 11 Feeder Cattle closed at \$134.90, up \$0.05 May 11 Feeder Cattle closed at \$137.17, up \$0.12
 Live cattle futures closed lower with feeder cattle finishing higher on the front 3 months. There was weak cash cattle business at \$115 to \$116.50 in the live in NE and \$190 to \$191 in the dressed. The concern over the possibility of contaminated foods produced in Japan may create demand for product from other sources. Low ready cattle supplies should also be supportive for another week or two. Choice beef was \$0.50 higher this afternoon at \$186.42 and Select up \$0.26 at \$185.38.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$92.600, up \$0.125, May 11 Hogs closed at \$101.875, up \$0.150 Jun 11 Hogs closed at \$103.250, down \$0.450
 Hog futures finished mixed. The response to the slightly bearish USDA Hogs & Pigs report was muted. April futures still have an almost \$8 premium to the CME Lean Hog Index, anticipating gains in the cash market. Cash hogs were \$.18 lower in the ECB, \$2.10 higher in the WCB and \$1.83 higher in IA/MN. The pork carcass value was up \$0.68. Packer margins continue to be excellent.

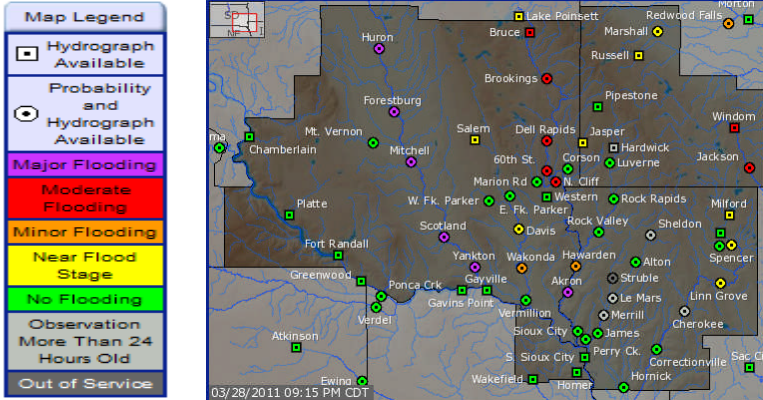
Cotton: Yesterday's Close: May 11 Cotton closed at 197.49, down 700 points, Jul 11 Cotton closed at 190.11, down 700 points Dec 11 Cotton closed at 124.45, down 347 points
 Cotton futures finished limit lower on the first 2 contracts, weighed by a lower ag market and a Bloomberg survey of analysts showing

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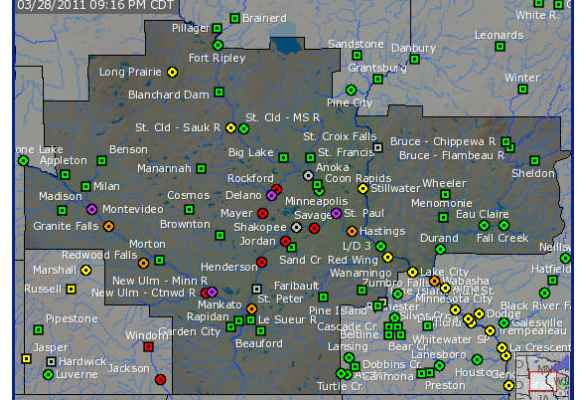
cotton is expected to be down to \$1 by Dec 31. The supply and demand fundamentals are still strong for old crop but new crop expectations are for increased acres and production in the US and worldwide. USDA will give us the Planting Intentions for cotton as of early March on Thursday morning with average estimates for planting intentions at 13 million acres.

National Weather Service Flood Warnings

E South Dakota, NW Iowa, SW Minnesota

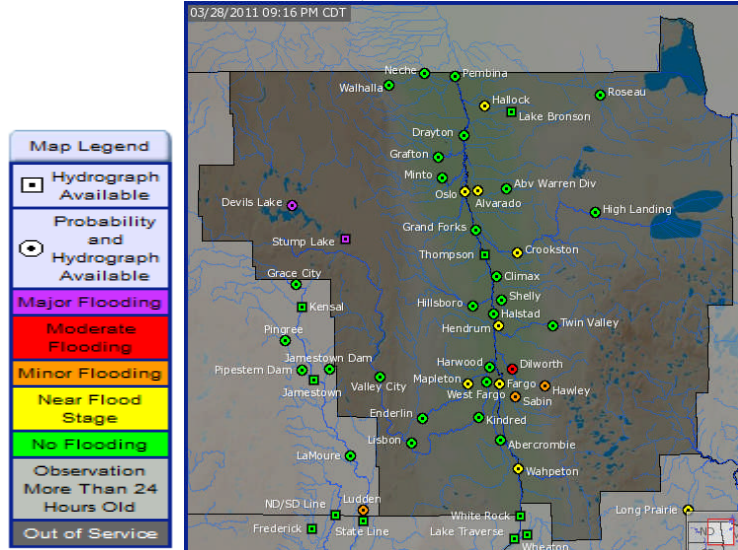


Southern Minnesota

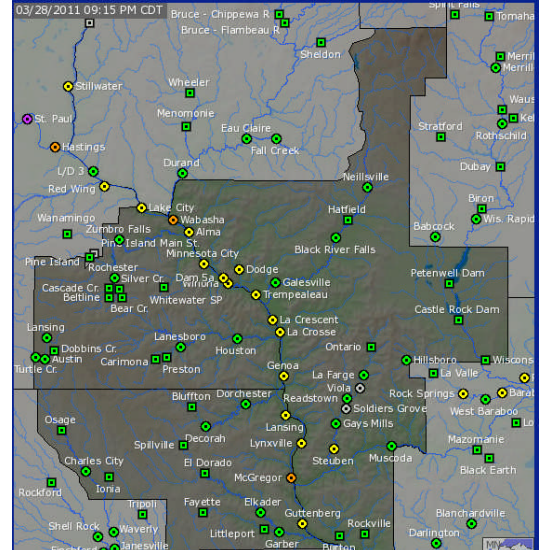


National Weather Service Flood Warnings

Red River Valley, E North Dakota, NW Minnesota



SE Minnesota, NE Iowa, SW Wisconsin



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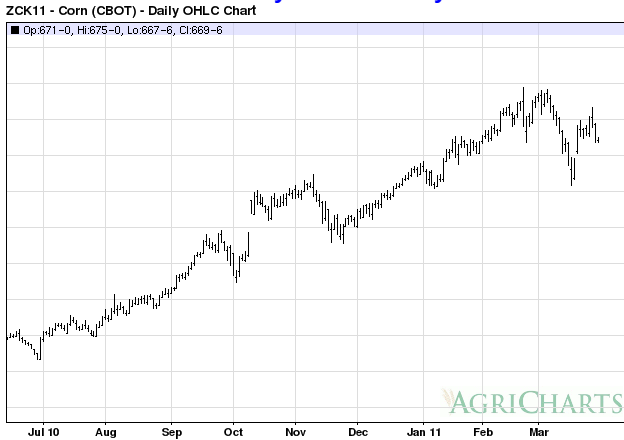
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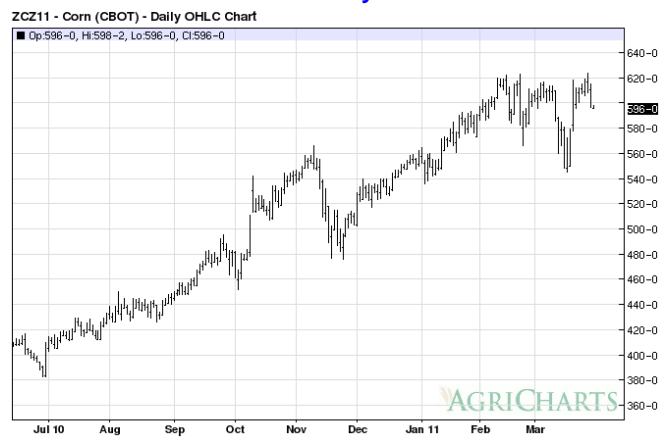
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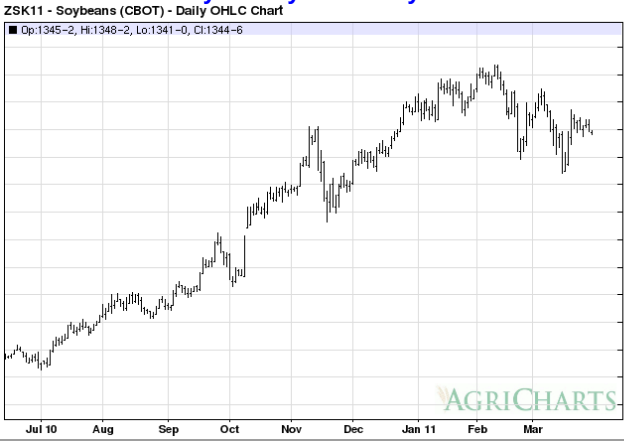
May 11 Corn Daily Chart



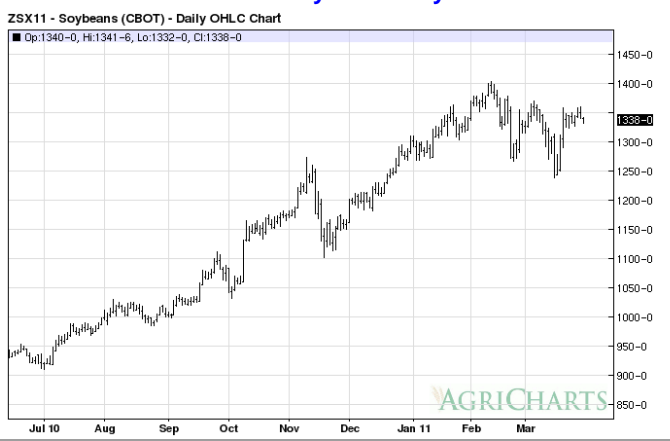
Dec 11 Corn Daily Chart



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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