



MORNING COMMENTS

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Tuesday, April 5, 2011

Next USDA Reports: Friday April 8, 2011 WASDE & Crop Production

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.

What to watch: For July corn HTA's we watching the basis to set it on the 20% that is open. We are targeting the time frame when planting is in full swing to potentially set the basis. Old crop corn is estimated to have unprecedented tight stocks and it is expected that the market needs to work higher, some think \$8.00 to \$8.50 is going to be necessary to slow usage. Soybeans prices are being tempered from South American new soybean stocks being available and the final supply is still somewhat up in the air but it is a good crop. New crop corn & soybeans have set new rally high's in anticipation of continued tightness of the 2011/12 S&D.

Market Talk: Nearby corn reached \$7.65 the previous high on the continuation charts.

Chinese bank raises interest rates by 25 basis points. JP Morgan exec has China taking 20% more beans this calendar year.

Hard Red Winter Wheat condition is lowest since 2002 when the yield was 38.5 bushels per acre with poor Kansas and Oklahoma crop conditions. However, it doesn't appear that any winter wheat in the eastern corn belt is likely to get worked up and planted to other crops.

Corn Futures Historical High Prices – Tables below show each futures month and is individually ranked for the high prices occurring in that month's futures. It is a challenge to pin point price targets as goals. **Nearby corn reached \$7.65 the previous high on the continuation charts, however, the all time corn futures high was \$8.26 in the July 2009 futures contract on June 27, 2008.** See corn continuation charts on last page. Based on prior highs Dec 11 corn reached \$6.60 in 2008 but Dec futures has a all time high of \$7.99 ¼

May 2008 Corn	627	5/9/2008	5th highest	JUL 2008 Corn	765	6/27/2008	3rd highest
May 2009 Corn	822	6/27/2008	Record	JUL 2009 Corn	826	6/27/2008	Record
May 2010 Corn	714	6/16/2008	3rd highest	JUL 2010 Corn	720.5	6/16/2008	4th highest
May 2011 Corn	765	4/4/2011	2nd highest	Jul 2011 Corn	771.5	4/4/2011	2nd highest
May 2012 Corn	660.75	4/4/2011	4th highest	Jul 2012 Corn	663.75	4/4/2011	5th highest
May 2013 Corn	590.5	3/31/2011	6th highest	Jul 2013 Corn	600	4/1/2011	6th highest

SEP 2008 Corn	779	6/27/2008	Record	DEC 2008 Corn	799.25	6/27/2008	Record
SEP 2009 Corn	764	6/26/2008	2nd highest	DEC 2009 Corn	707	6/17/2008	2nd highest
SEP 2010 Corn	484	6/2/2009	6th highest	DEC 2010 Corn	705	6/16/2008	3rd highest
SEP 2011 Corn	701	4/4/2011	3rd highest	DEC 2011 Corn	660	7/15/2008	4th highest
SEP 2012 Corn	602.25	4/4/2011	4th highest	DEC 2012 Corn	581	4/1/2011	5th highest
SEP 2013 Corn	587	3/31/2011	5th highest	DEC 2013 Corn	580	4/1/2011	6th highest

Soybean Futures Historical High Prices – Each month is individually ranked for the high prices occurring in that month's futures. See the soybean continuation charts on the last page.

JAN 2008 Soybeans	1320	1/14/2008	5th highest	MAY 2008 Soybeans	1586.25	3/3/2008	2nd highest
JAN 2009 Soybeans	1648	7/3/2008	Record	MAY 2009 Soybeans	1644.5	7/3/2008	record
JAN 2010 Soybeans	1344	8/21/2008	3rd highest	MAY 2010 Soybeans	1340	8/25/2008	4th highest
JAN 2011 Soybeans	1426	1/13/2011	2nd highest	MAY 2011 Soybeans	1467.5	2/9/2011	3th highest
JAN 2012 Soybeans	1328	1/13/2011	4th highest	MAY 2012 Soybeans	1395	3/31/2011	5th highest
JAN 2013 Soybeans	1234.5	12/31/2010	6th highest	MAY 2013 Soybeans	1320.25	3/31/2011	6th highest

JUL 1973 Soybeans	1,290	6/5/1973	7th highest	NOV 2008 Soybeans	1636.75	7/3/2008	Record
JUL 2008 Soybeans	1663	7/3/2008	record	NOV 2009 Soybeans	1557.5	7/3/2008	2nd highest
JUL 2009 Soybeans	1650	7/3/2008	2nd highest	NOV 2010 Soybeans	1555.5	7/3/2008	3rd highest
JUL 2010 Soybeans	1570	7/3/2008	Tied - 3rd highest	NOV 2011 Soybeans	1550.5	7/3/2008	4th highest
JUL 2011 Soybeans	1570	7/3/2008	Tied - 3rd highest	NOV 2012 Soybeans	1408.75	3/31/2011	5th highest
JUL 2012 Soybeans	1390	3/31/2011	5th highest	NOV 2013 Soybeans	1283.5	4/1/2011	6th highest
JUL 2013 Soybeans	1318.5	3/31/2011	6th highest	NOV 2014 Soybeans	1280	4/1/2011	7th highest

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Outside Markets:

U.S. Dollar Index	76.159s	+0.076	+0.1%	Euro FX	1.41980s	-0.00180	-0.13%	Ethanol Futures	Apr 11	2.715s	+0.035
CRB CCI Index	675.15s	+4.80	+0.72%	Canadian Dollar	1.03200s	-0.00290	-0.28%	Gasoline RBOB (E)	May 11	3.1688s	+0.0175
Gold	1432.2s	+4.1	+0.29%	Japanese Yen	1.18980s	+0.00010	+0.01%	Diesel Gulf (Ulsd)	May 11	3.2409s	+0.0294
Silver	38.484s	+0.747	+1.98%	Australian Dollar	1.02670s	-0.00300	-0.29%	Heating Oil (E)	May 11	3.1714s	+0.0369
DJIA	12337s	+19	+0.15%	Chinese Renminbi	0.152940s	+0.000090	+0.06%	Crude Oil Brent (E)	May 11	121.06s	+2.36
S&P 500 Index	1330.30	+1.10	+0.08%	Mexican Peso	0.084375s	-0.000150	-0.18%	Natural Gas (E)	May 11	4.289s	-0.073
Nasdaq 100	2342.00	+1.50	+0.06%	1-Month Libor	99.7675s	+0.0025	-	Polypropylene	May 11	0.8000s	0.0000
Russell 1000 Growth	608.00	-0.40	-0.07%	T-Bond	120-12s	0-00	-	Polyethylene	May 11	0.6425s	+0.0075
MSCI Emi Index	1198.80	+10.80	+0.91%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Apr 11	1503.000s	+8.000
Nikkei 225	9755.00	+10.00	+0.1%	5-Year T-Note	118-090s	+0-2.5	+0.56%	Coal Futures	May 11	77.58s	+0.20
Brazilian Real	0.61765s	+0.00225	+0.37%	10-Year T-Note	119-070s	+0-080	+0.21%	Uranium	Apr 11	59.00s	0.00

Weather:

Central Illinois:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 05	apr 06	apr 07	apr 08	apr 09	apr 10	apr 11	apr 12	apr 13	apr 14
M Sunny	M Cloudy	Showers	P Cloudy	Iso T-Storms	Sct T-Storms	Showers/Wind	P Cloudy	P Cloudy	Showers
55° 42°	67° 45°	63° 54°	78° 57°	77° 61°	73° 50°	54° 39°	57° 42°	58° 45°	57° 43°

Central Iowa:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 05	apr 06	apr 07	apr 08	apr 09	apr 10	apr 11	apr 12	apr 13	apr 14
P Cloudy	AM Showers	Showers	P Cloudy	Iso T-Storms	Sct T-Storms	Few Showers	Sunny	Few Showers	P Cloudy
66° 46°	66° 47°	61° 50°	69° 52°	68° 52°	77° 42°	57° 39°	62° 43°	62° 44°	60° 42°

South Central Minnesota:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 05	apr 06	apr 07	apr 08	apr 09	apr 10	apr 11	apr 12	apr 13	apr 14
P Cloudy	AM Showers	M Cloudy	Few Showers	Few Showers	Showers	Showers	M Sunny	M Sunny	Few Showers
55° 35°	55° 37°	52° 37°	50° 36°	50° 35°	49° 38°	48° 38°	53° 38°	56° 38°	49° 35°

Central Indiana:

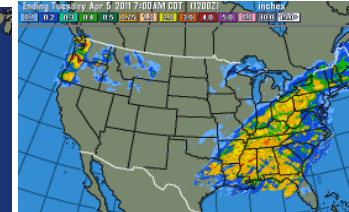
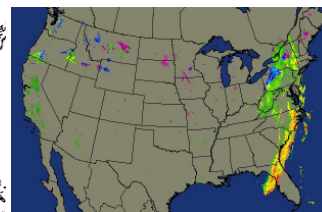
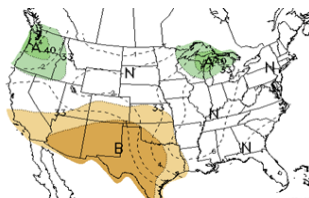
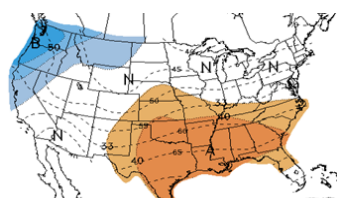
tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 05	apr 06	apr 07	apr 08	apr 09	apr 10	apr 11	apr 12	apr 13	apr 14
P Cloudy	M Cloudy	Few Showers	Iso T-Storms	Sct T-Storms	Sct T-Storms	Few Showers	M Cloudy	M Sunny	Showers
53° 42°	66° 48°	66° 58°	73° 61°	74° 64°	74° 57°	59° 42°	54° 44°	58° 46°	55° 45°

8-14 Day Temp

8-14 Day Precipitation

Current Radar

Last 24 hr Precip



Corn: Morning: Mar 11 corn closed at \$7.55 ¾, down 4 ½ cents, July 11 Corn is at \$7.62 ¾, down 4 ¾ cents, Sept 11 Corn is at \$6.95, down 6 cents, Dec 11 Corn closed at \$6.39 ¾, down 5 ¾ cents.

Yesterday's Close: May 11 Corn is at \$7.60 ¼, up 24 ¼ Jul 11 Corn is at \$7.67 ½, up 24 1/2 Sep 11 Corn is at \$7.01, up 19 ½ cents Dec 11 Corn is at \$6.45 ½, up 8 cents

Corn futures traded higher all day, with buying focused on old crop contracts. July futures continued to gain on the December contract, with the inverse now close to that seen back at the peak in February. Weekly export inspections for last week were 39.124 million bushels.

Cumulative shipments for the year lag last year by 18 million bushels. Spotty cash sales have been reported in locations where that cash price is above \$7 per bushel.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.74 ½, dn 9 ½ cents, Jul 11 Soybeans closed at \$13.85 ¾, dn 9 ¾ cents, Sept 11 Soybeans closed at \$13.85, down 7 ¾ cents, Nov 11 Soybeans closed at \$13.82, down 7 cents,

Yesterday's Close: May 11 Soybeans are at \$13.84, down 9 ¾ cents, Jul 11 Soybeans are at \$13.95 ¼, down 9 cents, Nov 11 Soybeans are at \$13.89, down ¼ cent, May 11 Soybean Meal is at \$357.00, down \$3.90, May 11 Soybean Oil is at \$58.88, up 20 points.

Soybean futures lagged the feed grains all day, and closed a nickel off of their lows. Beans were the short leg of inter-commodity spreads, due to the large South American supply being made available to the global market. US weekly soybean export loadings for last week were 23.073 million bushels, just 37 million bushels above last year at this time. Harvest is wrapping up in the main Brazilian production state of Mato Grosso, with more than 90% of the crop now out of the field in MG and also in Goias. Generally dry weather is favoring harvest activity in Parana and Rio Grande do Sul, but Mato Grosso do Sul is seeing some very wet weather. Brazilian harvest overall is 67% complete, according to Celeres.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.90 ¾, up ¾ cents, May 11 MGEX Wheat is at \$9.63 ½, up 2 cents

Yesterday's Close: May 11 CBOT Wheat is at \$7.90, up 30 1/2 cents, May 11 KCBT Wheat is at \$9.48, up 41 1/2 cents May 11 MGEX Wheat is at \$9.61 1/2, up 39 cents

Wheat futures rallied hard, and tacked on extra gains into the close. USDA export inspections for the year to date now total 997 million

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bushels, with 2 months remaining in the marketing year. KC futures are seeing particular buying interest due to ongoing dry conditions in SW KS, OK and TX. Producers believe some of the dry land wheat is being forced to early maturity by the combination of warmer temps and limited moisture. After the close, USDA put 37% of the US winter wheat crop in good/ex condition, vs. 65% during the same week of 2010. They put 32% in poor/VP condition.

Cattle: Yesterday's Close: Apr 11 Cattle are at \$122.37, up 30 cents, Jun 11 Cattle are at \$120.90, down \$0.35, Aug 11 Cattle are at \$122.125, down \$0.475, May 11 Feeder Cattle are at \$138.40, down \$1.00 Aug 11 Feeder Cattle are at \$141.40, down \$0.475 Cattle futures closed mixed on Monday. Wholesale prices were up sharply, helping to justify aggressive packer buying of cash cattle last week. Choice cutout value was up \$1.90 from Friday. The quoted increase in select boxes was \$2.00. Activity consisted mainly of collection of show lists, although some clean up trade was reported in NE at \$125.50. Asking prices in the country appear to be in the \$128-129 range.

Hogs: Yesterday's Close: Apr 11 Hogs are at \$94.20, down \$0.02, May 11 Hogs are at \$103.30, up \$.225 Jun 11 Hogs are at \$103.85, up \$0.27

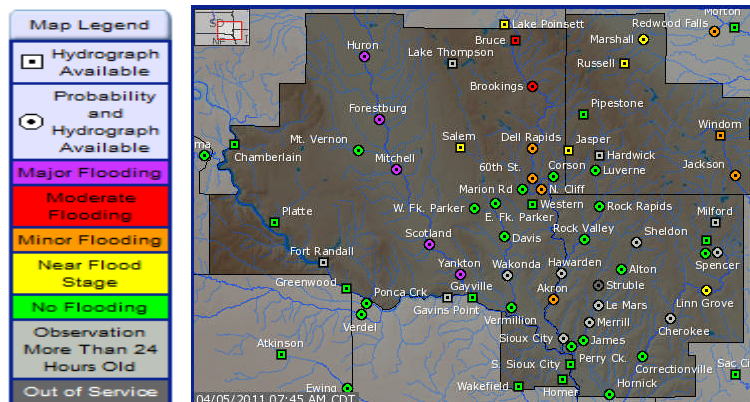
Hog futures were mostly higher by the close, reversing midday weakness as cattle held their ground. Pork trading was fairly light, but didn't follow through on Friday's weakness. The pork carcass value was quoted 18 cents higher compared to Friday. Cash hogs were firmer, with the national base up 42 cents at \$88.84 and a range of \$79 to \$95.91.

Cotton: Yesterday's Close: May 11 Cotton is at 195.55, UNCH Jul 11 Cotton is at 187.27, down 83 points Dec 11 Cotton is at 136.09, up 391 points

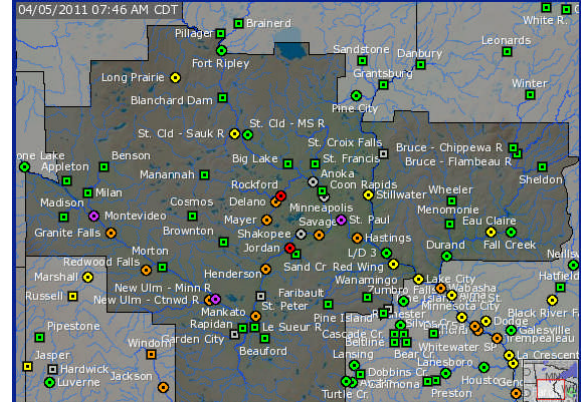
Cotton futures continued to collapse the inverse. Old crop May was UNCH for the day and July lost 83 points. However, December was up 391 points, and all of the other 2011 crop contracts were also triple digits higher. Chinese markets are closed today and tomorrow for the Tomb Sweeping holiday. USDA reported yesterday that 4% of the cotton crop has been planted to date in the 15 largest US cotton states. That compares to 6% last year, and a 5-year average pace of 5%.

National Weather Service Flood Warnings

E South Dakota, NW Iowa, SW Minnesota

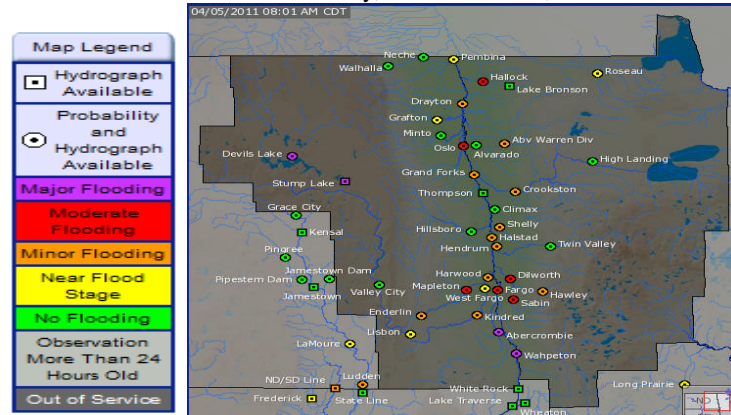


Southern Minnesota

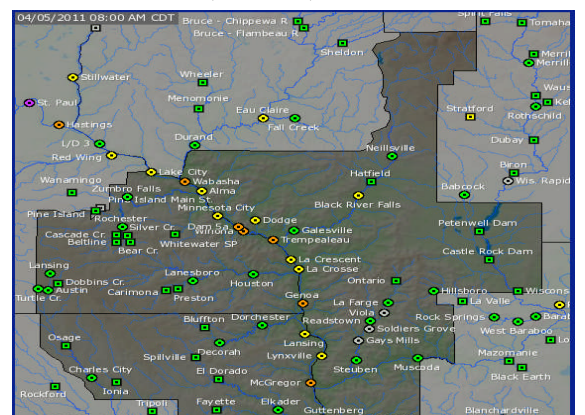


National Weather Service Flood Warnings

Red River Valley, E North Dakota, NW Minnesota



SE Minnesota, NE Iowa, SW Wisconsin



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Corn Weekly Chart

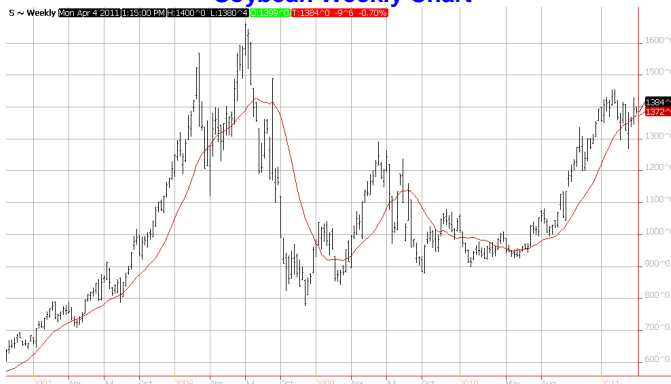
Nearby corn reached \$7.65 the previous high on the continuation charts.



Corn Monthly Chart



Soybean Weekly Chart



Soybean Monthly Chart



Mpls Spring Wheat Weekly Chart



Mpls Spring Wheat Monthly Chart



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