



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

Carry Out	2010-11	USDA Grain Carry Out Estimates (billions/bu)			
	USDA Apr 10/11	Average Trade Est.	Range of Trade Est.	USDA Mar 10/11	USDA 09/10
Corn		0.586	0.515-0.650	0.675	1.708
Soybeans		0.137	0.120-0.157	0.140	0.151
Wheat		0.857	0.835-0.893	0.843	0.976

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.

Sales thoughts: We will use this rally to add to new crop sales stay tuned.

Market Talk: **Nearby corn exceeded \$7.65 the previous high on the continuation charts and reached \$7.70 ¼ Tuesday to set a new high water mark on the nearby corn continuation charts.** Another firm session with old / new inverses widening further and 2010-crop futures settling at all-time highs. The market appears to be continuing to adjust to last week's smaller than expected March 1 corn stocks.

Soybean exports seem to be grinding to a halt as South America prices are more competitive. Soybean exporters are having difficulty moving meal through the export channels. Both the US and South American basis levels remain under pressure. The US seeing only routine summer buying interest, while interest for South American beans has also been limited with China believed to be nearly 80% covered for April-July shipment. China is showing a bit of buying interest in the July/August positions from Argentina, but volume is limited.

Informa projected Brazil soybean production at 71.5 MMT, up 0.1 MMT from their March projection. They left their Argentina projection unchanged at 52 MMT. They increased their Paraguay projection by 0.5 MMT to 8 MMT. Trade estimates are mostly 70-72 MMT in Brazil, 48-52 MMT in Argentina, and 7.5-8 MMT in Paraguay, so they are near the upper end of the range in all 3 countries.

Informa's US and world wheat crop estimates were larger than expected. Informa estimated the US wheat crop at 2.177 bln bu, 200 mln bu nearly 100 larger than USDA's Feb Outlook Forum estimate and vs 2.208 bln harvested in 2010.

HRW-area weather forecasts were more or less unchanged.

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 set a new high of \$7.70 ¼ 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.** Dec 11 corn reached a prior high of \$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

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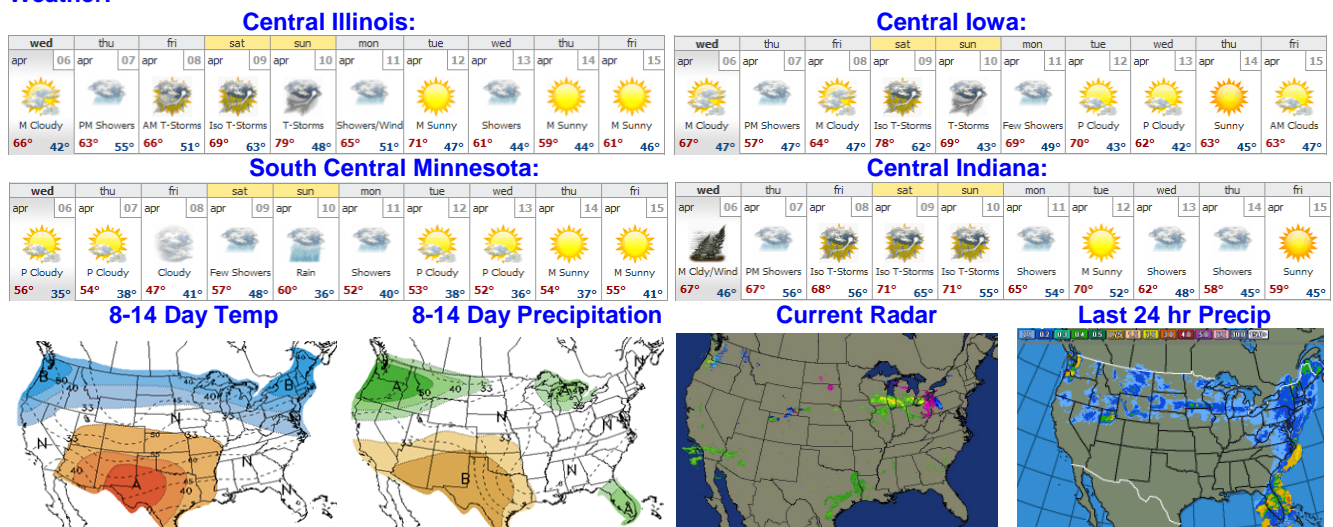
Soybean Futures Historical High Prices – Each month is individually ranked for the high prices occurring in that month’s futures. See the soybean continuation charts on the last page.

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

Outside Markets:

U.S. Dollar Index	75.840	-0.271	-0.36%	Euro FX	1.42800	+0.00750	+0.53%	Ethanol Futures	May 11	2.719p	+0.019
CRB CCI Index	677.65p	+2.50	+0.37%	Canadian Dollar	1.04110	+0.00450	+0.43%	Gasoline RBOB (E)	May 11	3.2013p	+0.0325
Gold	1459.9	+8.1	+0.56%	Japanese Yen	1.17410	-0.00520	-0.44%	Diesel Gulf (Ulsd)	May 11	3.2605s	+0.0196
Silver	39.535	+0.360	+0.92%	Australian Dollar	1.03010	+0.00480	+0.47%	Heating Oil (E)	May 11	3.1850p	+0.0136
DJIA	12327p	-10	-0.08%	Chinese Renminbi	0.152960p	+0.00020	+0.01%	Crude Oil Brent (E)	May 11	122.60	+0.38
S&P 500 Index	1335.50	+8.80	+0.66%	Mexican Peso	0.084650s	+0.000275	+0.33%	Natural Gas (E)	May 11	4.231s	-0.058
Nasdaq 100	2341.50	+18.25	+0.79%	1-Month Libor	99.7750	+0.0025	-	Polypropylene	May 11	0.8000s	0.0000
Russell 1000 Growth	609.20s	+0.40	+0.07%	T-Bond	119-28	+0-01	+0.03%	Polvethylene	May 11	0.6425p	0.0000
MSCI Emi Index	0.00	-1198.60	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Apr 11	1504.000p	+1.000
Nikkei 225	9680.00	+10.00	+0.1%	5-Year T-Note	117-2.5	0-000	-	Coal Futures	May 11	77.00p	-0.58
Brazilian Real	0.61955p	+0.00190	+0.31%	10-Year T-Note	118-230	-0-015	-0.04%	Uranium	Apr 11	59.00s	0.00

Weather:



Corn: Morning: May 11 corn closed at \$7.66 ¼ , down ½ cents, July 11 Corn is at \$7.73 ¼ , down ½ cents, Sept 11 Corn is at \$7.04 ½ , up ¾ cents, Dec 11 Corn closed at \$6.46 ¼ , down ½ cents.
 Yesterday's Close: May 11 Corn closed at \$7.66 ¾ , up 6 ½ cents, Jul 11 Corn closed at \$7.73 ¾ , up 6 ¼ cents, Sep 11 Corn closed at \$7.03 ¾ , up 2 ¾ cents Dec 11 Corn closed at \$6.46 ¾ , up 1 ¼ cents
 Spot May corn futures closed above the 2008 high on the weekly continuation chart by 1 3/4 cents reaching \$7.70 3/4 as a daily high, a new all time high for corn. Futures gains were mostly on the old crop. Analysts are anticipating the next USDA supply demand report will show

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MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

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corn ending stocks at 589 million bushels for the U.S. and 120.30 MMT for the world, both numbers would be down from the March WASDE report. 76 percent of the U.S. corn crop has already been marketed with nearly half of the marketing year left. That might make for good negotiation for those still holding corn. Corn stocks at export terminals and elevators were up 2.435 million bushels from last week. The first of the year corn planting progress reports will begin next Monday, April 11th. Cash basis levels were mixed with some farmer selling in both old and new crop. Private exporters announced the sale of 101,600 MT of corn to an unknown destination for 2011/12 delivery.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.83 $\frac{1}{4}$, up 10 cents, Jul 11 Soybeans closed at \$13.94 $\frac{1}{4}$, up 9 $\frac{1}{2}$ cents, Sept 11 Soybeans closed at \$13.92 $\frac{3}{4}$, up 9 $\frac{3}{4}$ cents, Nov 11 Soybeans closed at \$13.88, up 9 $\frac{1}{4}$ cents, Yesterday's Close: May 11 Soybeans closed at \$13.73 $\frac{1}{4}$, down 10 $\frac{3}{4}$ cents, Jul 11 Soybeans closed at \$13.84 $\frac{3}{4}$, down 10 $\frac{1}{2}$ cents, Nov 11 Soybeans closed at \$13.78 $\frac{3}{4}$, down 10 $\frac{1}{4}$ cents, May 11 Soybean Meal closed at \$353.60, down \$3.40, May 11 Soybean Oil closed at \$58.85, down \$0.03

Soybean futures remained under pressure to close lower on the day. Analysts are estimating U.S. soybean ending stocks at 136 million bushels and world ending stocks at 58.42 MMT, on average a slight increase in U.S. supplies and a slight decrease in world supplies from the last WASDE report. Clearing weather in Brazil and Argentina will allow harvest to continue to move forward adding more soybeans to the global pipeline. There has been some estimated crop damage to the Brazilian soybeans due to significant rains recently but better yields in Parana, Reo Grande do Sul and northeast Brazil are expected to offset those losses. Oil World estimated the 2011 Brazilian soybean crop at 70.5 MMT but said rain damage could lower production by 1 MMT, which would still be an increase from the 68.6 MMT raised in 2010. Cash soybean bids were firm on slow farmer selling. Soybean stocks at select export elevators and terminals were down 2.860 million bushels from last week.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.88, up 1 $\frac{3}{4}$ cents, May 11 MGEX Wheat is at \$9.65, up 2 $\frac{3}{4}$ cents Yesterday's Close: May 11 CBOT Wheat closed at \$7.86 $\frac{1}{4}$, down 3 $\frac{3}{4}$ cents, May 11 KCBT Wheat closed at \$9.50, up 2 cents, May 11 MGEX Wheat closed at \$9.62 $\frac{1}{4}$, up $\frac{3}{4}$ cent

Wheat futures finished mixed. The CBOT wheat was lower and KCBT and MGEX wheat was slightly higher. Analysts are forecasting the U.S. wheat ending stocks at 8565 million bushels on average and world wheat ending stocks at 181.55 MMT. That's a 1.6 percent increase in stocks from the March WASDE report for the U.S. The world number is down slightly. Wheat is cheap enough to feed instead of corn, but that doesn't mean the wheat market wants to lose a lot of bushels to that application. Wheat stocks at select export elevators and terminals were down 1.967 million bushels from last week. Wheat condition ratings for the first reporting of the season were 32% poor/very poor and 37% good/excellent. Rain is expected to be light and to the north of the driest spots in the Southern Plains bringing little relief to the HRW wheat crop and the 6 to 10 day forecast is not promising any relief but weather models are conflicting. Northern Plain's snow is in the melting stage and warm dry weather is needed to allow the soil to dry for spring wheat planting.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$121.75, down \$0.62, Jun 11 Cattle closed at \$120.00, down \$0.90, Aug 11 Cattle closed at \$121.17, down \$0.95, Apr 11 Feeder Cattle closed at \$137.10, down \$0.65 May 11 Feeder Cattle closed at \$137.67, down \$0.72 Aug 11 Feeder Cattle closed at \$141.35, down \$0.05

Cattle futures prices closed lower for 2011 and 2012 contracts after hitting all time highs in the last few days. Prices tested support and closed in the upper portion of the daily trading range. Cash cattle sales today were reported at \$125.50 in the live and \$202.00 in the dressed on light numbers so far. Feeder steers and heifers were steady to \$4.00 higher at the Oklahoma City feeder cattle auction Monday. Boxed beef prices were higher. Choice boxes were up \$0.28 at \$191.96 and Select loads were up \$0.34 per hundred at \$187.54. This supports the higher cash cattle trade.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$93.70, down \$0.50, May 11 Hogs closed at \$102.95, down \$0.35 Jun 11 Hogs closed at \$103.25, down \$0.60

Hog futures closed lower but on the upper end of the days trading range after testing price support on the front months. Wide swings in prices are expected at these price levels. Demand for pork has kept the market firm along with the belief that there is no expansion in the herd because of high corn prices. The CME Lean Hog Index is at \$89.49, narrowing the spread to the nearby April Lean hog contract to just over \$4 from the previous \$10. Pork trading today was slow to moderate with light to moderate demand and offerings. Carcass prices are higher with cuts higher across the board except for unchanged Bellies.

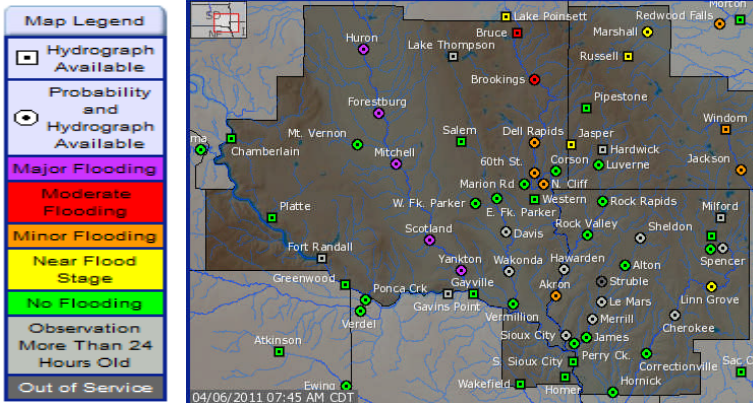
Cotton: Yesterday's Close: May 11 Cotton closed at 201.06, up 551 points, Jul 11 Cotton closed at 191.39, up 412 points Dec 11 Cotton closed at 137.76, up 167 points

Cotton closed higher on the old and new crop even though China raised interest rates again. May options expiration is Friday which has created volatility in the past. Cotton trade is looking to Thursday's export sales report and Friday's World Supply and Demand Estimates.

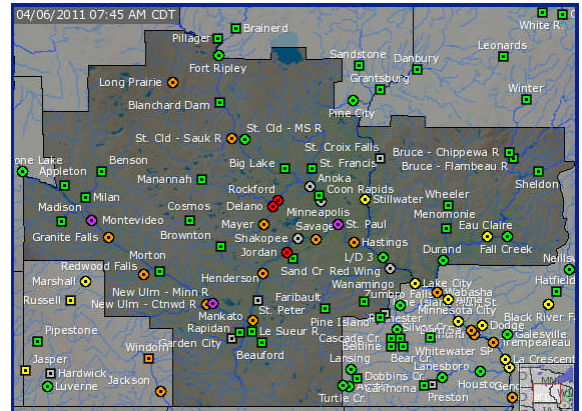
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National Weather Service Flood Warnings

E South Dakota, NW Iowa, SW Minnesota

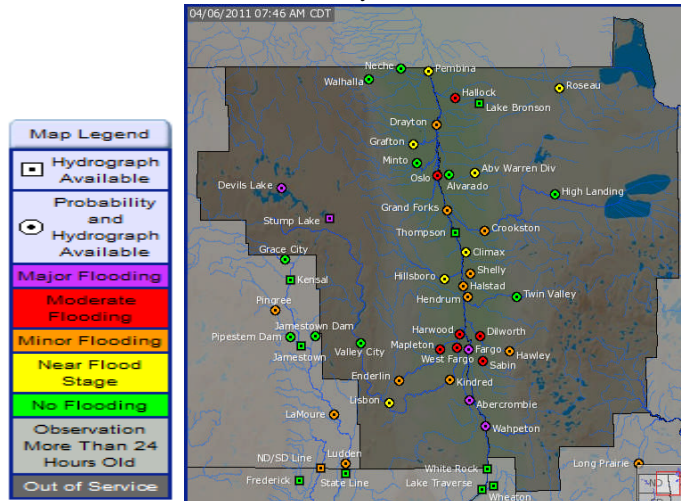


Southern Minnesota

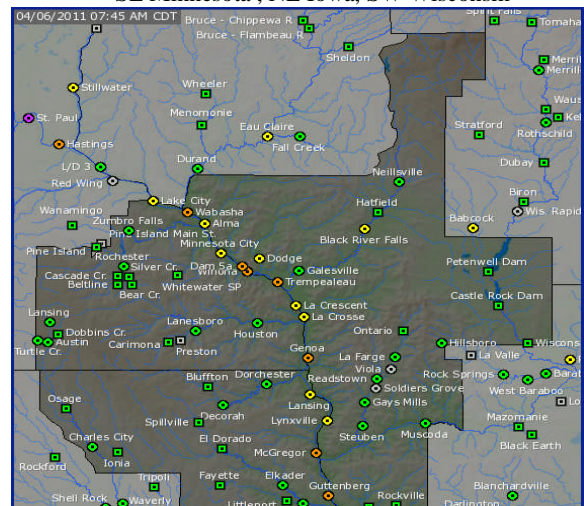


National Weather Service Flood Warnings

Red River Valley, E North Dakota , NW Minnesota



SE Minnesota , NE Iowa, SW Wisconsin



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Corn Weekly Chart

Nearby corn reached \$7.70 ¼ setting a new high on the continuation charts.



Corn Monthly Chart



Soybean Weekly Chart



Soybean Monthly Chart



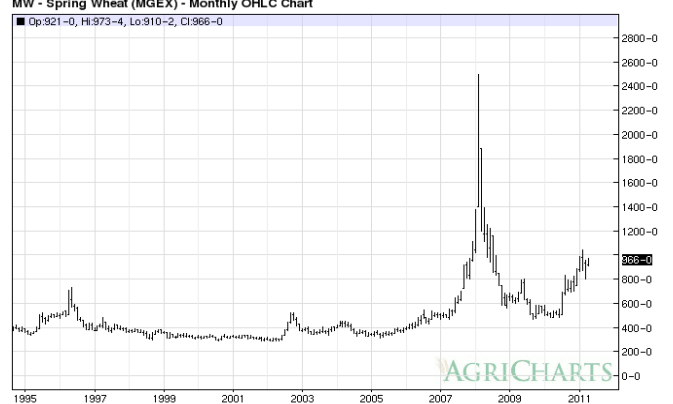
Mpls Spring Wheat Weekly Chart

MW - Spring Wheat (MGEX) - Weekly OHLC Chart



Mpls Spring Wheat Monthly Chart

MW - Spring Wheat (MGEX) - Monthly OHLC Chart



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