



Next USDA Reports: Tomorrow, 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 and now exceeded with new highs being made.

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: Trade talk continues that soybean futures should stabilize near current levels, particularly given the explosive potential of the corn market. Some early corn planting was underway in MO northern Kentucky and south IL, however, rains have curtailed planting.

Local reports from the eastern belt indicate that their winter wheat crop is in very good shape perhaps an 8 on a scale up to 10 with about 95% that has had the fertilizer applied. They have high hopes of double cropping soybeans.

CONAB estimated the Brazilian corn crop at 55.6 mmt vs 55 previously. The last USDA estimate was 53 mmt. Conab raised their Brazil soybean production estimate to 72.2 MMT, up 1.9 MMT from their March estimate. Trade estimates continue to work higher, with many now in that 71-72.5 MMT range. We'd estimate soybean harvest progress to be 75-80% complete in Brazil and 20-25% complete in Argentina by the end of the week. South American basis levels remain weak in the April/May positions but have bounced a bit in the July/August positions.

US Ethanol plants are now in the red, however blenders are believed to be making as much as 90 cents. DDG demand for China typically increases in the summer, DDG's are believed to be competitive with PRC domestic corn. Traders believe that China will be back in the US market looking to book additional DDG's.

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. **Nearly corn set a new high of \$7.73 ¼ on the continuation charts last night, however, the all time corn futures high was \$8.26 in the July 2009 futures contract on June 27, 2008. See corn 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	2nd highest	DEC 2008 Corn	799.25	6/27/2008	Record
SEP 2009 Corn	764	6/26/2008	3rd highest	DEC 2009 Corn	707	6/17/2008	2nd highest
SEP 2010 Corn	848	6/2/2009	Record	DEC 2010 Corn	705	6/16/2008	3rd highest
SEP 2011 Corn	701	4/4/2011	4th highest	DEC 2011 Corn	645.5	4/4/2011	4th highest
SEP 2012 Corn	602.25	4/4/2011	5th highest	DEC 2012 Corn	581	4/1/2011	5th highest
SEP 2013 Corn	587	3/31/2011	6th 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

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

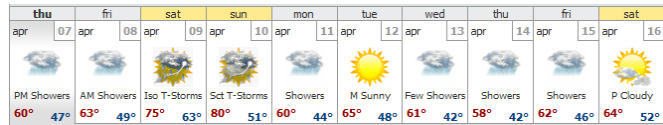
Outside Markets:

U.S. Dollar Index	75.905	+0.148	+0.2%	Euro FX	1.42640	-0.00500	-0.35%	Ethanol Futures	May 11	2.700p	-0.019
CRB CCI Index	675.00p	-2.65	-0.39%	Canadian Dollar	1.04110	+0.00020	+0.02%	Gasoline RBOB (E)	May 11	3.1929p	-0.0084
Gold	1459.2	+1.5	+0.1%	Japanese Yen	1.17320	+0.00190	+0.16%	Diesel Gulf (Ulsd)	May 11	3.2684s	+0.0079
Silver	39.535	+0.151	+0.38%	Australian Dollar	1.04050	+0.00550	+0.53%	Heating Oil (E)	May 11	3.1912p	+0.0062
DJIA	12357p	+30	+0.24%	Chinese Renminbi	0.152980p	+0.000020	+0.01%	Crude Oil Brent (E)	May 11	121.60	-0.70
S&P 500 Index	1332.00	+3.10	+0.23%	Mexican Peso	0.084800s	+0.000150	+0.18%	Natural Gas (E)	May 11	4.146s	-0.085
Nasdaq 100	2329.75	+4.25	+0.18%	1-Month Libor	99.7750p	+0.0025	-	Polypropylene	May 11	0.8000s	0.0000
Russell 1000 Growth	608.40p	-0.80	-0.13%	T-Bond	118-17	-0-14	-0.37%	Polyethylene	May 11	0.6425p	0.0000
MSCI Emi Index	0.00	-1202.10	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Apr 11	1506.000p	+2.000
Nikkei 225	9850.00	-25.00	-0.26%	5-Year T-Note	116-7.5	-0-2.5	-0.17%	Coal Futures	May 11	75.30p	-1.70
Brazilian Real	0.61990p	+0.00035	+0.06%	10-Year T-Note	118-055	-0-085	-0.17%	Uranium	Apr 11	59.00s	0.00

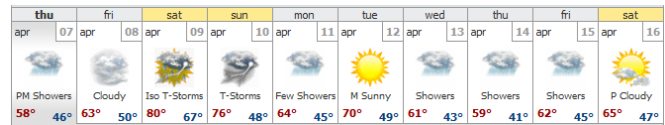
Weather: Dry weather again dominated the majority of the Plains and Midwest yesterday, with a few light rain showers finishing up in WI, MI and northern sections of IL, IN and OH. Most totals from that activity were under .10", with some heavier amounts to .50" in MI. Forecast call for 85% of the Midwest to get good rains, with the exception of the far north west corn belt (including the NW part of MN) that may have a run of 7-9 days of warmer and dry weather.

Southern plains are forecast to have scattered thundershowers and likely will not solve the drought issues with the western winter wheat crop.

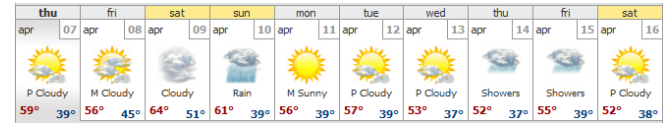
Central Illinois:



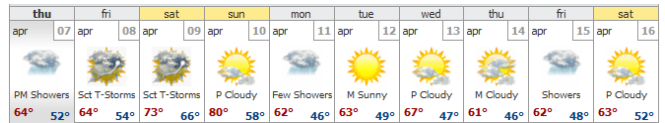
Central Iowa:



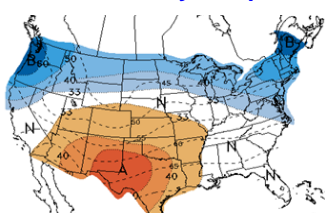
South Central Minnesota:



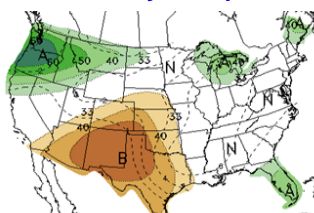
Central Nebraska:



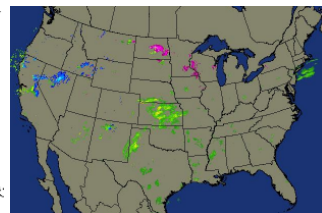
8-14 Day Temp



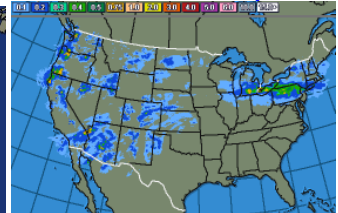
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



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MORNING COMMENTS

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Thursday, April 7, 2011

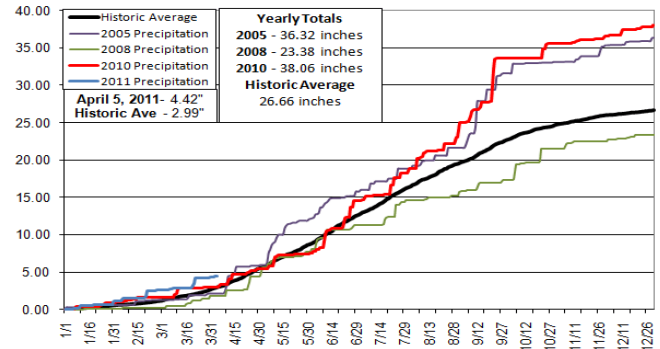
Official Weather Station -2011

SW Research and Outreach Center
University of Minnesota
Lamberton, MN 56152

Date	Air Temp (F)		Historic Air Temp		Precip Daily in.	Cumm. Precip for 2011 (in.)		Daily Snow in.	Soil Temp (F) Daily Average			Cumm. HDD (since 10/1)	
	Max	Min	Max	Min		Current	Historic		2"	4"	8"	Current	Historic
3-29	38	24	46	28	0.00	4.19	2.48	0.00	33	33	7256	6883	
3-30	40	25	49	28	0.00	4.19	2.52	0.00	36	34	7290	6910	
3-31	42	27	50	30	0.00	4.19	2.62	0.00	40	36	7323	6936	
4-1	44	33	50	29	0.18	4.37	2.70	0.00	41	40	7356	6961	
4-2	50	31	49	29	0.00	4.37	2.79	0.00	44	40	7386	6988	
4-3	55	32	50	29	0.00	4.37	2.86	0.00	46	42	7413	7014	
4-4	55	33	47	26	0.05	4.42	2.93	0.00	46	42	7437	7041	

Readings are recorded at 8am for the previous 24-hour period

2005-2011 Yearly Precipitation Totals vs. Historic Average
Southwest Research and Outreach Center
Lamberton, MN



Corn: Morning: May 11 corn closed at \$7.70 ½ , up 7 ½ cents, July 11 Corn is at \$7.77 ¾ , up 7 ¼ cents, Sept 11 Corn is at \$7.09 , up 5 ½ cents, Dec 11 Corn closed at \$6.48 ½ , up 1 cents.

Yesterday's Close: May 11 Corn closed at \$7.63, down 3 ¾ cents, Jul 11 Corn closed at \$7.70 ½ , down 3 ¼ cents, Sep 11 Corn closed at \$7.03 ½ , down ¼ cent Dec 11 Corn closed at \$6.47 ½ , up ¾ cent

Corn futures saw new crop bids rally back to the positive side before the close. Old crop May saw some profit taking selling, along with index funds rolling longs out of the May and into the July. The Goldman roll also begins. Argentina is negotiating with China to export up to 2 MMT of corn in the 2011/12 marketing year. One issue between the two countries is the 80% of GMO corn that makes up the Argentine crop. The Argentine GMO varieties are not yet approved for import into China, although in many cases they are the same genetics in approved US varieties. The trade is looking for USDA to show modest corn weekly export sales in the morning, with ideas between 550-850,000 MT.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.79 ½ , up 3 cents, Jul 11 Soybeans closed at \$13.91 ¼ , up 3 cents , Sept 11 Soybeans closed at \$13.89 ¼ , up 3 ½ cents, Nov 11 Soybeans closed at \$13.80 ¾ , up 3 ½ cents,

Yesterday's Close: May 11 Soybeans closed at \$13.76 ½ , up 3 ¼ cents, Jul 11 Soybeans closed at \$13.88 ¼ , up 3 ½ cents, Nov 11 Soybeans closed at \$13.76 ¼ , down 2 ½ cents, May 11 Soybean Meal closed at \$355.60, up \$2.00, May 11 Soybean Oil closed at \$58.78, down \$0.07

Soybean futures closed mixed, with new crop soybean futures losing a little ground on ideas that weather will delay corn planting and result in more total bean area. It is way too early to make that determination, since the US has shown that it can plant 40% of the entire crop in a week under favorable conditions. Most farmers have made a decision on what they will plant this year but an extended wet spring could change those plans and lead to more soybean acres. Drier weather in Brazil and Argentina will allow harvest to continue to move forward and production is expected to exceed last year in those countries. U.S. cash basis levels are mostly steady at Midwest terminals but have firmed at river and gulf locations because of thin pipeline supplies and good demand from exporters. USDA weekly export sales through March 31 are expected to be 300,000 to 450,000 MT.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.88 , up 5 ¾ cents, May 11 MGEX Wheat is at \$9.58 ½ , up 4 cents

Yesterday's Close: May 11 CBOT Wheat closed at \$7.82 ¼ , down 4 cents, May 11 KCBT Wheat closed at \$9.39 ½ , down 10 ½ cents, May 11 MGEX Wheat closed at \$9.54 ½ , down 7 ¾ cents

Wheat futures were lower on all three boards. U.S. wheat is cheaper compared to EU wheat because the lower U.S. dollar is exchange rates are relatively lower compared to the euro. These factors have allowed the rapid US export pace to continue. However, projected ending stocks are adequate and in fact the trade is looking for USDA to raise the projected June 1 number to 857 million bushels on Friday morning. Wheat prices, unlike corn and soybeans have failed to take out the February 2011 highs. Crop insurance adjusters are beginning to release failed wheat acreage to other crops, with projected yields in some KS fields only 1 to 5 bushels per acre. USDA weekly export sales for last week are expected to be 350-450,000 MT.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$120.87, down \$0.87, Jun 11 Cattle closed at \$118.25, down \$1.75, Aug 11 Cattle closed at \$119.35, down \$1.82, Apr 11 Feeder Cattle closed at \$135.70, down \$1.40 May 11 Feeder Cattle closed at \$136.45, down \$1.22 Aug 11 Feeder Cattle closed at \$139.80, down \$1.55

Cattle futures were down hard on Wednesday. Some cash cattle trade was reported in TX, KS and CO this morning, mostly at \$123-124.00. Packers are expected to pull back cash bids given the futures weakness today. Wholesale prices were modestly lower. Choice beef boxes were quoted at \$191.63, down 33 cents. Select was down 45 cents at \$187.09. Feeder cattle were also trading sharply lower. Ranges and pastures in TX were rated 10 percent good/excellent and 62 percent poor/very poor. OK pastures and ranges declined slightly from the

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previous week because of the existing drought. The cow/calf operator in those areas will most likely not consider expanding under these conditions, but there are rumors of expansion in areas with better grass. The October cattle crush is trading at \$124.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$93.97, up \$0.27, May 11 Hogs closed at \$102.10, down \$0.85 Jun 11 Hogs closed at \$101.50, down \$1.75

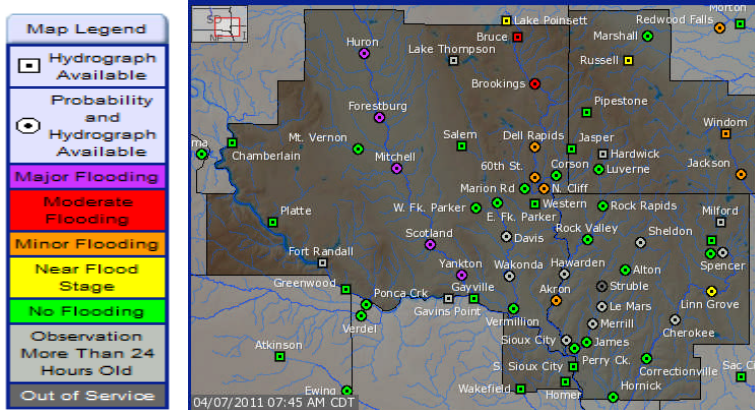
Hog futures closed lower with the exception of the spot month which was slightly higher. April continues to converge with the CME index, which rose to \$90.19. Near term demand is keeping nearby prices firm. Eastern Corn Belt hogs were bid higher with packers thought to be short bought for the week. Western plants were full leading to lower trade in IA/MN where the average weighted price was \$85.76, down \$1.40.

Cotton: Yesterday's Close: May 11 Cotton closed at 208.06, up 700 points, Jul 11 Cotton closed at 195.42, up 403 points Dec 11 Cotton closed at 141.97, up 421 points

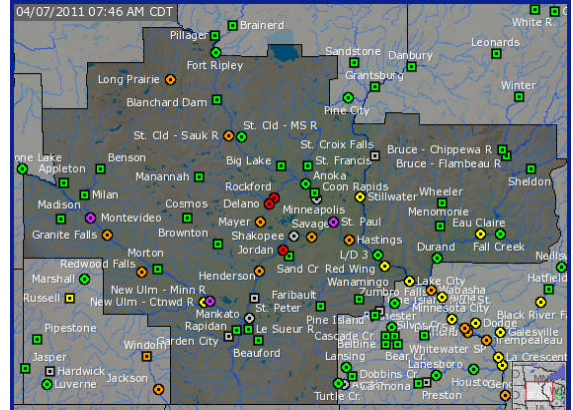
Cotton closed higher on the old and new crop on reports out of Australia that wetter weather may still affect harvesting. The lower dollar and higher crude oil was also supportive. Australia is the 4th largest exporter, and the Aussies recently raised their production estimate based on better than expected salvaging of previously flooded cotton. New crop Dec futures were hitting new contract highs for the 3rd day in a row on follow through buying after the Planting Intentions Report and support from old crop. A Reuters survey shows the trade looking for 300,000 to 400,000 running bales in the morning's USDA weekly Export Sales report.

National Weather Service Flood Warnings

E South Dakota, NW Iowa, SW Minnesota

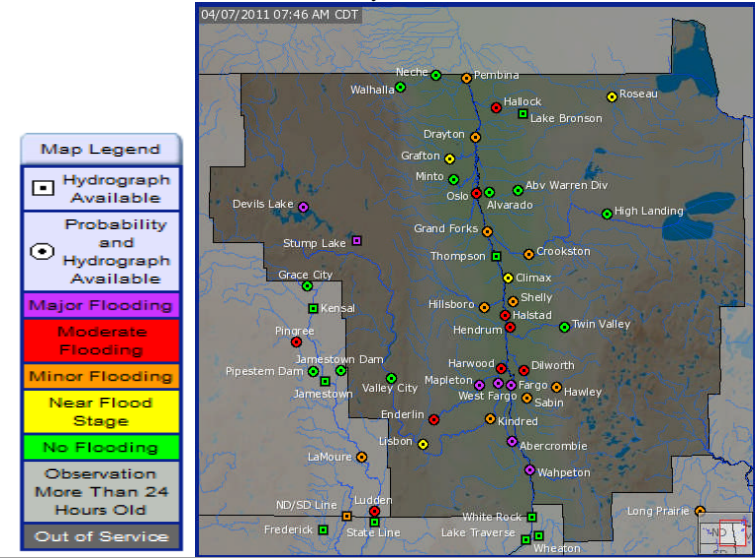


Southern Minnesota

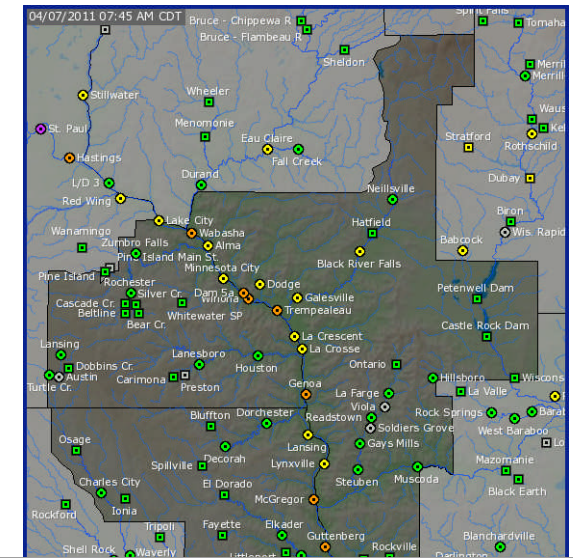


National Weather Service Flood Warnings

Red River Valley, E North Dakota, NW Minnesota



SE Minnesota, NE Iowa, SW Wisconsin



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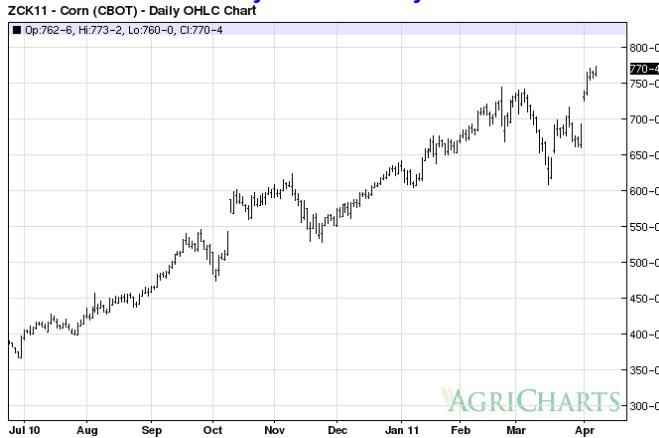
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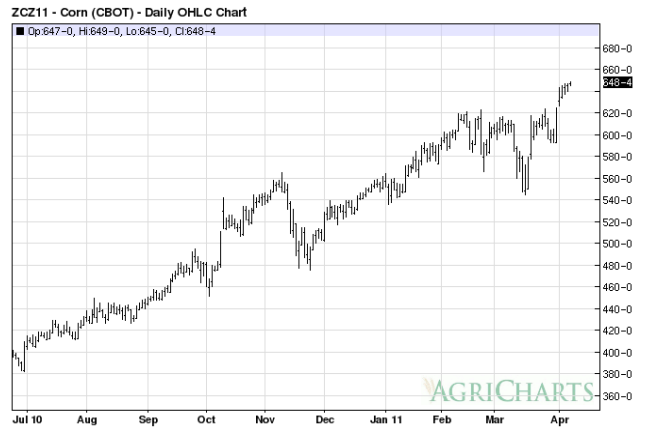
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Thursday, April 7, 2011

May 11 Corn Daily Chart



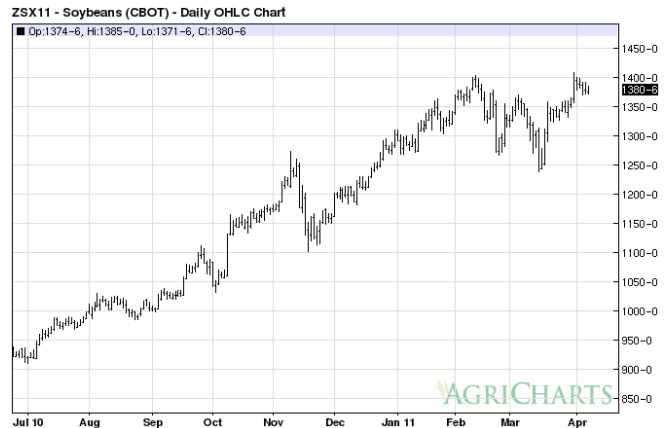
Dec 11 Corn Daily Chart



May 11 Soybean Daily Chart



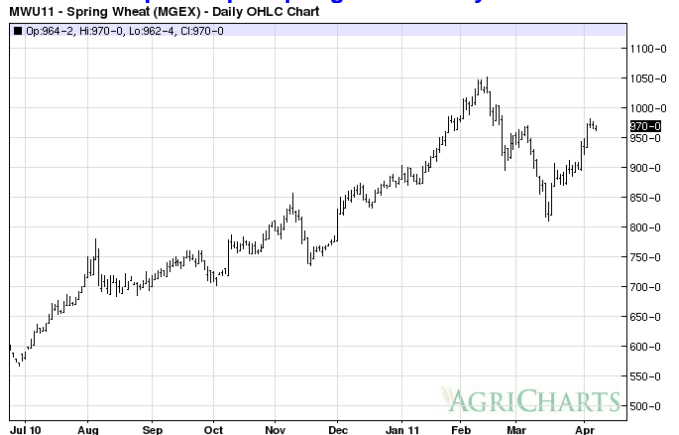
Nov 11 Soybean Daily Chart



May 11 Mpls Spring Wheat Daily Chart



Sept 11 Mpls Spring Wheat Daily Chart



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