

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 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. **Dec 11 corn has a prior top at \$6.60, recent high was \$6.58. We are watching to see if this can be taken out or if we should use it as a resistance and sales point.**

Next USDA Reports: Thursday April 21, 2011 Cattle on Feed & Cold Storage
Wednesday May 11, 2011 WASDE & Crop Production

Market Talk: Eastern corn basis at some locations is now .15-.20 over CBOT with physical corn becoming very difficult to source.

Rising water is likely to force the closure of at least four locks on the Upper Mississippi River by the end of this week, a spokesman with the U.S. Army Corps of Engineers said Monday. The Corps expects to close locks 12, 13 and 16 on Friday, and lock 17 on Saturday, said Ron Fournier, a spokesman for the U.S. Army Corps of Engineers Rock Island District. Lock 12 is located at Bellevue, Iowa, south of Dubuque, and lock 17 is at New Boston, Illinois. The Mississippi River is above flood stage at numerous locations between St. Paul, Minnesota, and St. Louis.

Up to half of Australia's forecast 2010/11 wheat exports of 16.2 million tonnes had been downgraded to below milling wheat quality, which growers were forced to sell at a discount of up to \$30 per tonne versus U.S. corn, making Australian feed wheat among the cheapest in the world, traders said. However, they are having difficulty finding buyers who have additional room in the feed ration to include more feed quality wheat in the livestock ration.

China's Ministry of Commerce on Tuesday revised its estimate for the country's soybean imports in April to 4.28 million tonnes, up from an earlier forecast of 3.42 million tonnes. If realized, that would represent a 1.9 percent increase from the same period last year, and a 22 percent rise from March.

South America: Mainly dry weather dominated the South American growing regions yesterday, with a few showers bringing totals of generally less than .25" to Mato Grosso, Goias and Minas Gerais. Temps were in the 70's in Argentina, with 70's and 80's in most of the Brazilian growing regions. Harvest weather in S. America looks be pretty good in the next week to ten days, although some rains will fall in both Argentina and Brazil.

Outside Markets:

U.S. Dollar Index	74.975	-0.307	-0.41%
CRB CCI Index	672.00p	-2.00	-0.3%
Gold	1464.5	-2.9	-0.2%
Silver	40.440	-0.164	-0.4%
DJIA	12321p	-5	-0.04%
S&P 500 Index	1311.00	-8.60	-0.65%
Nasdaq 100	2293.50	-14.50	-0.63%
Russell 1000 Growth	603.80p	-2.10	-0.35%
MSCI Emi Index	0.00	-1190.80	-100%
Nikkei 225	9560.00	-90.00	-0.93%
Brazilian Real	0.63095p	-0.00335	-0.53%
Euro FX	1.44910	+0.00830	+0.58%
Canadian Dollar	1.04170	-0.00180	-0.17%
Japanese Yen	1.18990	+0.00830	+0.7%
Australian Dollar	1.04280	+0.00130	+0.12%
Chinese Renminbi	0.153070p	-0.000080	-0.05%
Mexican Peso	0.085200s	0.000000	-
1-Month Libor	99.7875p	0.0000	-
T-Bond	119-01	+0-17	+0.45%
3-Month T-Bill	99.2700s	0.0000	-
5-Year T-Note	118-7.5	+0-280	+0.75%
10-Year T-Note	118-305	+0-160	+0.42%
Ethanol Futures	May 11	2.730p	+0.004
Gasoline RBOB (E)	May 11	3.2005p	-0.0602
Diesel Gulf (Ulsd)	May 11	3.3149s	-0.0645
Heating Oil (E)	May 11	3.2525p	-0.0672
Crude Oil Brent (E)	May 11	124.81	+0.83
Natural Gas (E)	May 11	4.108s	+0.067
Polypropylene	May 11	0.8500s	0.0000
Polyethylene	May 11	0.6500p	+0.0100
Rme Biodiesel	Apr 11	1506.190p	+1.190
Coal Futures	May 11	74.22p	-0.83
Uranium	Apr 11	59.00s	0.00

Weather: Yesterday temperatures in the Midwest were in the 60's in the west and with 70's in the east with dry weather prevailing in most of the region. Better chances for rains are seen for KS in the short term, with above average precip still seen to hamper fieldwork activities in the Midwest as well as portions of the northern Plains. For the weekend widespread and moderate to heavy precip is expected in NE, SD and most of the Midwest.

Central Illinois:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 12	apr 13	apr 14	apr 15	apr 16	apr 17	apr 18	apr 19	apr 20	apr 21
Sunny	P Cloudy	T-Showers	Showers/Wind	Showers/Wind	P Cloudy	P Cloudy	Showers	Showers	Showers
64° 41°	66° 49°	66° 47°	55° 44°	44° 32°	54° 39°	56° 42°	57° 50°	58° 53°	62° 48°

South Central Minnesota:

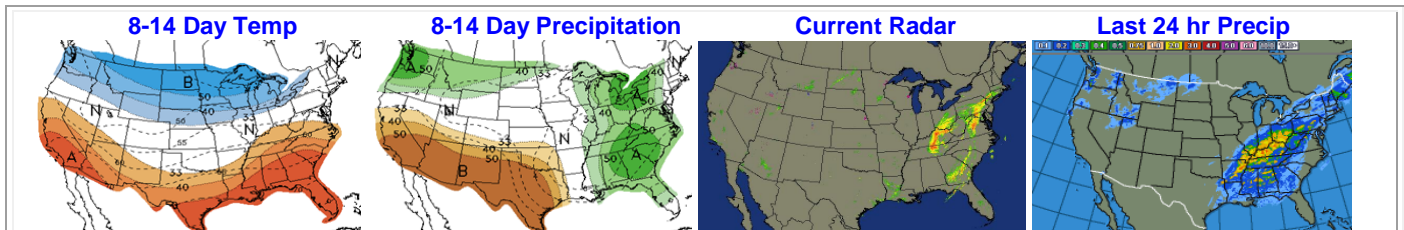
tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 12	apr 13	apr 14	apr 15	apr 16	apr 17	apr 18	apr 19	apr 20	apr 21
P Cloudy	Showers	P Cloudy	Snow Shwrs	Cloudy	P Cloudy	M Sunny	Showers	Showers	Showers
67° 45°	48° 34°	48° 31°	38° 30°	44° 32°	47° 34°	50° 38°	48° 40°	49° 37°	53° 38°

Central Iowa:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 12	apr 13	apr 14	apr 15	apr 16	apr 17	apr 18	apr 19	apr 20	apr 21
Sunny	PM Showers	T-Showers	Showers/Wind	R/S Showers	M Cloudy	P Cloudy	Showers	Showers	Showers
69° 49°	70° 49°	54° 35°	43° 33°	46° 34°	53° 35°	57° 44°	58° 48°	63° 45°	61° 46°

Central Nebraska:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 12	apr 13	apr 14	apr 15	apr 16	apr 17	apr 18	apr 19	apr 20	apr 21
P Cloudy	P Cloudy	Few Showers	T-Storms	Showers	P Cloudy	P Cloudy	Showers	Showers	Showers
62° 40°	66° 46°	67° 49°	58° 44°	48° 37°	54° 44°	54° 44°	58° 51°	61° 57°	65° 49°



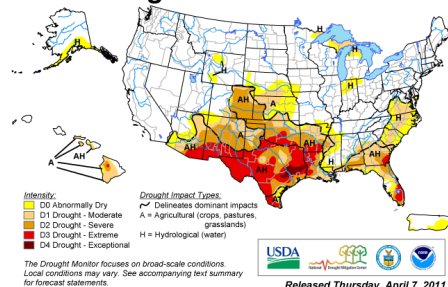
Official Weather Station -2011

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

	Monday, April 4	Tuesday, April 5	Wednesday, April 6	Monday, April 11
Air Temperature	Max = 55; Min = 33	Max = 43; Min = 28	Max = 60; Min = 30	Max = 52; Min = 39
Soil Temperature				
2 inch	Max = 54; Min = 39; Ave = 46	Max = 48; Min = 34; Ave = 41	Max = 54; Min = 34; Ave = 44	Max = 53; Min = 41; Ave = 47
4 inch	Max = 47; Min = 38; Ave = 42	Max = 44; Min = 34; Ave = 39	Max = 48; Min = 34; Ave = 41	Max = 51; Min = 42; Ave = 46
8 inch	Max = 43; Min = 38; Ave = 41	Max = 41; Min = 36; Ave = 39	Max = 43; Min = 36; Ave = 39	Max = 47; Min = 43; Ave = 45

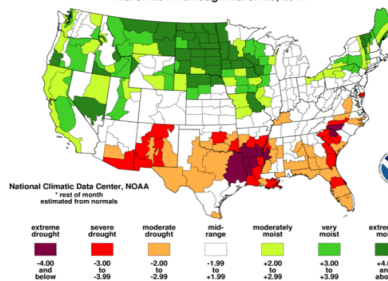
U.S. Drought Monitor

April 5, 2011
Valid 9 a.m. EDT



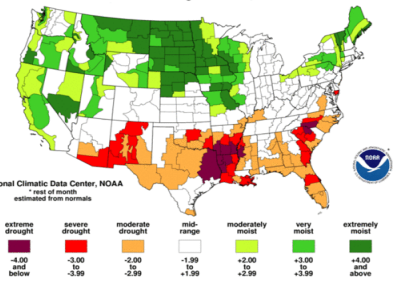
Palmer Drought Index Long-Term (Meteorological) Conditions

March 2011: through March 26, 2011*

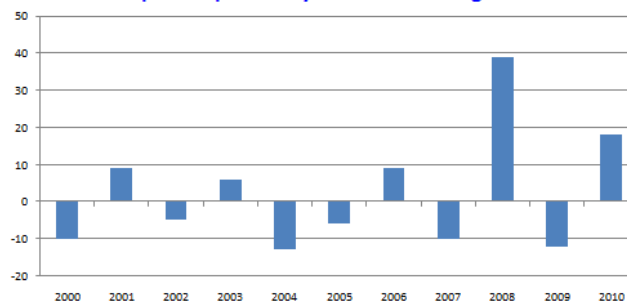


Palmer Hydrological Drought Index Long-Term (Hydrological) Conditions

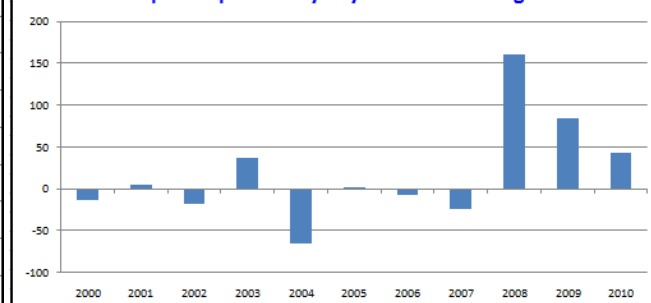
March 2011: through March 26, 2011*



Apr 1 - Apr 15 May Corn Price Change



Apr 1 - Apr 15 May Soybean Price Change



Corn: Morning: May 11 corn closed at \$7.69 1/2, dn 6 1/2 cents, July 11 Corn is at \$7.75, dn 6 1/4 cents,

Sept 11 Corn is at \$7.12, dn 6 1/2 cents, Dec 11 Corn closed at \$6.51, dn 5 1/2 cents.

Yesterday's Close: May 11 Corn closed at \$7.76, up 8 cents, Jul 11 Corn closed at \$7.81 1/4, up 7 1/4 cents, Sep 11 Corn closed at \$7.18 1/2, up 7 1/2 cents Dec 11 Corn closed at \$6.57 1/4, up 4 1/4 cents

Corn futures closed higher, shaking off last weeks USDA report and expected fast planting. The USDA export inspections report this morning showed 38,796 million bushels inspected for export for the week ending 4/7, with a total increase of 37.435 million bushels from last week after revisions to prior data. A Reuters poll put trade expectations for this afternoons planting progress report at 4.5% planted for corn but the USDA Crop Progress report put it at 3%, on track with the 5 year average pace.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.59 3/4, dn 8 3/4 cents, Jul 11 Soybeans closed at \$13.70 3/4, dn 9 cents, Sept 11 Soybeans closed at \$13.71 3/4 dn 10 cents, Nov 11 Soybeans closed at \$13.70 1/2, dn 9 3/4 cents,

Yesterday's Close: May 11 Soybeans closed at \$13.68 1/2, down 23 3/4 cents, Jul 11 Soybeans closed at \$13.79 3/4, down 24 cents, Nov 11

Soybeans closed at \$13.80 ¼, down 15 ¾ cents, May 11 Soybean Meal closed at \$349.70, down \$7.50, May 11 Soybean Oil closed at \$58.82, down \$0.95

Soybean futures closed lower on a report out of China from Cofco that China may cancel soybean shipments. Chinese first quarter GDP growth was negative for the first time in several years, as the anti-inflation campaign appears to be working in some sectors. Crush margins in China are not attractive. The USDA export inspections report this morning showed 20.825 million bushels inspected for export for the week ending 4/7, with a total increase of 19.156 million bushels from last week after revisions to prior data.

Wheat: Morning: May 11 CBOT Wheat closed at \$7.87 ¼, dn 11 cents, May 11 MGEX Wheat is at \$9.25, dn 10 ¾ cents

Yesterday's Close: May 11 CBOT Wheat closed at \$7.98 ¼, up ¾ cent, May 11 KCBT Wheat closed at \$9.19, down 13 ¾ cents, May 11 MGEX Wheat closed at \$9.35 ¾, down 17 ½ cents

Wheat closed mixed with the CBOT stronger than the other two. The USDA export inspections report this morning showed 28.279 million bushels inspected for export for the week ending 4/7, with a total increase of 28.326 million bushels from last week after revisions to prior data. USDA is assuming a big jump in SRW feeding as a substitute for corn, although they made no change in projected 4th quarter feed use (Mar-May). That would imply they expect the bulk of the replacement to be in the new crop Jun-August period. Winter wheat condition in the USDA weekly crop progress report showed a 1 point drop in condition from last week with 36% good/excellent. The Brugler500 Index at 291 is the lowest overall winter wheat rating for this date since 2002.

Cattle: Yesterday's Close: Apr 11 Cattle closed at \$119.025, up \$0.200, Jun 11 Cattle closed at \$116.900, down \$0.050, Aug 11 Cattle closed at \$118.725, up \$0.050, Apr 11 Feeder Cattle closed at \$133.875, down \$0.725 May 11 Feeder Cattle closed at \$134.875, down \$0.625 Aug 11 Feeder Cattle closed at \$137.625, down \$0.925

Cattle futures closed slightly higher. Choice beef boxes were quoted at \$190.10, down 49 cents. Select was down 1.76 cents at \$185.50. Those are resulting in somewhat limited buying interest. Asking prices for cash cattle this week appear to be around \$198 in the north and \$124 in the South. USDA showed beef production for the week last week was down 1.5% from the previous week, but 3.5% larger than the same week in 2010. Estimated carcass weights are still running 11 to 12 pounds above last year. Feeder futures were lower, squeezed between the higher corn market and the lack of strength in the cattle.

Hogs: Yesterday's Close: Apr 11 Hogs closed at \$93.25, up \$0.10, May 11 Hogs closed at \$101.50, up \$0.52 Jun 11 Hogs closed at \$101.05, up \$0.40

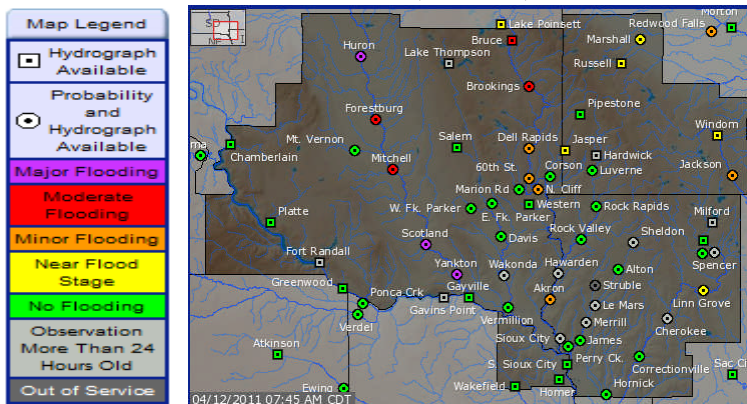
Hog futures closed mildly higher. Cash hogs were \$.08 lower in the ECB, \$.64 higher in the WCB and \$.80 higher in IA/MN. Brazil is going to start exporting pork to China. Feeder pig prices have come down about \$5 on a national average basis in recent days, down from nearly \$85. The pork cutout carcass was basically flat. USDA increased projected production for 2011 on Friday, but also bumped up projected per capita consumption.

Cotton: Yesterday's Close: May 11 Cotton closed at 204.58, up 161 points, Jul 11 Cotton closed at 190.91, up 101 points Dec 11 Cotton closed at 139.18, up 110 points

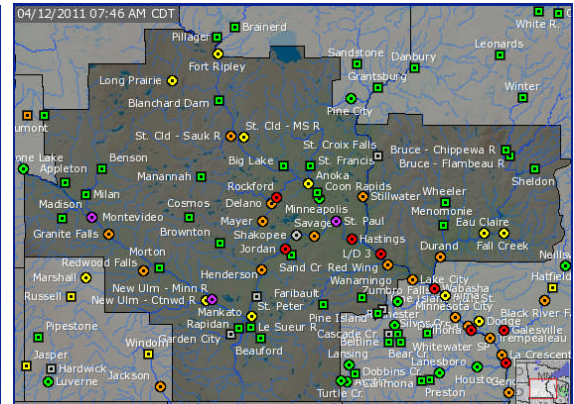
Cotton futures closed higher with old crop taking back the lead after new crop led the way earlier in the session. Certificated stocks are nearly flat and still low on a relative basis. The USDA crop progress report this afternoon showed 7% of intended US acreage planted. That is only up 1% for the week. Pakistan is planting cotton early to try and avoid the flooding they saw last year.

National Weather Service Flood Warnings

E South Dakota, NW Iowa, SW Minnesota

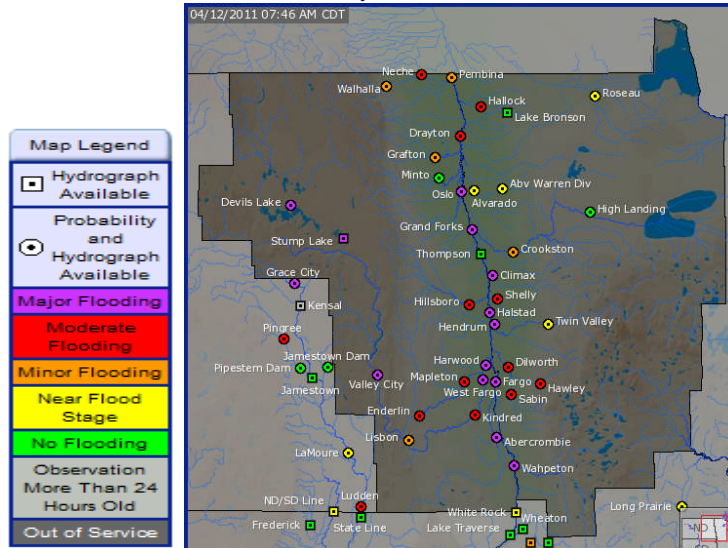


Southern Minnesota

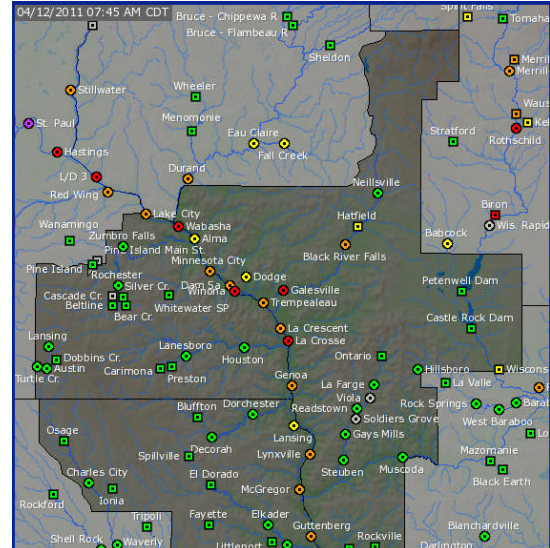


National Weather Service Flood Warnings

Red River Valley, E North Dakota , NW Minnesota



SE Minnesota , NE Iowa, SW Wisconsin



Dec11 Corn Daily Chart

ZCZ11 - Corn (CBOT) - Daily OHLC Chart



Weekly Corn Chart

ZC - Corn (CBOT) - Weekly OHLC Chart



Nov 11 Soybean Daily Chart

ZSX11 - Soybeans (CBOT) - Daily OHLC Chart



Weekly Soybean Chart

ZS - Soybeans (CBOT) - Weekly OHLC Chart





MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Tuesday, April 12, 2011

Sept 11 Mpls Spring Wheat Daily Chart

MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart



Weekly Mpls Spring Wheat Daily Chart

MW - Spring Wheat (MGEX) - Weekly OHLC Chart

