



## MORNING COMMENTS

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Thursday, April 14, 2011

**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 9<sup>th</sup>.

**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 had a prior top at \$6.60, Monday night's 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:** Corn in export position appears to have gone into cardiac arrest yesterday as no FOB market was established yesterday afternoon in Louisiana Ports and CIF values were 6 cents lower. Argentina corn is priced 40 cents below US values. This provides those looking for reasons for the corn market to fall apart a couple of reasons to tout their position. Corn export numbers this morning very good With 848 old crop and 254 new crop. Trade estimates were 350 to 600 old crop and 200 to 350 new crop.

Soybeans down about 30 cents in China overnight. Soybean exports somewhat disappointing this morning at 130 mmt however, soy products numbers were good. Brazil soybean basis about 20 weaker again yesterday.

### Outside Markets:

<a href="#">U.S. Dollar Index</a>	75.165	-0.025	-0.03%	<a href="#">Euro FX</a>	1.43990	-0.00210	-0.15%	<a href="#">Ethanol Futures</a>	<a href="#">May 11</a>	2.658p	-0.002
<a href="#">CRB CCI Index</a>	662.00p	+1.00	+0.15%	<a href="#">Canadian Dollar</a>	1.03430	-0.00300	-0.29%	<a href="#">Gasoline RBOB (E)</a>	<a href="#">May 11</a>	3.2424p	+0.0783
<a href="#">Gold</a>	1457.7	+2.8	+0.19%	<a href="#">Japanese Yen</a>	1.20540	+0.01220	+1.02%	<a href="#">Diesel Gulf (Ulsd)</a>	<a href="#">May 11</a>	3.2745s	+0.0338
<a href="#">Silver</a>	41.185	+0.950	+2.36%	<a href="#">Australian Dollar</a>	1.04280	+0.00100	+0.1%	<a href="#">Heating Oil (E)</a>	<a href="#">May 11</a>	3.2028p	+0.0302
<a href="#">DJIA</a>	12199p	+6	+0.05%	<a href="#">Chinese Renminbi</a>	0.153140p	+0.000160	+0.1%	<a href="#">Crude Oil Brent (E)</a>	<a href="#">May 11</a>	122.88p	+1.96
<a href="#">S&amp;P 500 Index</a>	1301.30	-7.40	-0.57%	<a href="#">Mexican Peso</a>	0.084950s	+0.000325	+0.38%	<a href="#">Natural Gas (E)</a>	<a href="#">May 11</a>	4.141s	+0.043
<a href="#">Nasdaq 100</a>	2294.50	-14.00	-0.61%	<a href="#">1-Month Libor</a>	99.7900p	0.0000	-	<a href="#">Polypropylene</a>	<a href="#">May 11</a>	0.8500s	0.0000
<a href="#">Russell 1000 Growth</a>	601.20p	+2.70	+0.45%	<a href="#">T-Bond</a>	120-07	+0-13	+0.34%	<a href="#">Polyethylene</a>	<a href="#">May 11</a>	0.6550p	0.0000
<a href="#">MSCI Emi Index</a>	1175.90	-2.30	-0.2%	<a href="#">3-Month T-Bill</a>	99.2700s	0.0000	-	<a href="#">Rme Biodiesel</a>	<a href="#">Apr 11</a>	1501.381p	+9.857
<a href="#">Nikkei 225</a>	9575.00	-20.00	-0.21%	<a href="#">5-Year T-Note</a>	117-7.5	+0-2.5	+0.43%	<a href="#">Coal Futures</a>	<a href="#">May 11</a>	73.73p	0.00
<a href="#">Brazilian Real</a>	0.62695p	-0.00175	-0.28%	<a href="#">10-Year T-Note</a>	119-225	+0-100	+0.26%	<a href="#">Uranium</a>	<a href="#">Apr 11</a>	58.50s	-0.50

**Weather:** Dry weather dominated the Plains and most of the Midwest yesterday, with a few rain showers bringing trace amounts to southern MN, most of IA, southern WI and northern IL. Temps continue to run on the warm side of average in both the Plains and Midwest as well. Highs in the HRWW belt were in the 70's and 80's, with lows in the 40's and 50's. Temps in the Midwest were in the 60's in most cases, with some 70's in the south. Rains still look to impact most of KS, NE and SD as well as all of the Midwest in the next several days, with rains also seen for much of the HRWW belt and Midwest again by next week, although the rains for SW KS and the panhandles continue to get pushed back in time.

A few showers yesterday in the southern Argentine growing regions, with totals of generally less than .20" in La Pampa and BA. Dry weather dominated the southern growing regions of Brazil yesterday, some showers of generally less than .20" to the northern growing regions of Brazil. High temperatures were in the 80's in both Argentina and the Brazilian growing regions. Overall, the harvest weather across S. America looks to remain pretty good in the next week to ten days, although some rains will fall in both Argentina and Brazil.

### Central Illinois:

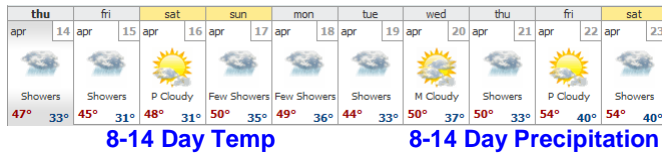
thu	fri	sat	sun	mon	tue	wed	thu	fri	sat
apr 14	apr 15	apr 16	apr 17	apr 18	apr 19	apr 20	apr 21	apr 22	apr 23
M Cloudy	PM T-Storms	Showers	M Cloudy	Showers	Sct T-Storms	Showers	Showers	Cloudy	Showers
69° 44°	61° 47°	51° 40°	67° 49°	66° 48°	58° 45°	58° 42°	56° 45°	62° 47°	65° 46°

### Central Iowa:

thu	fri	sat	sun	mon	tue	wed	thu	fri	sat
apr 14	apr 15	apr 16	apr 17	apr 18	apr 19	apr 20	apr 21	apr 22	apr 23
Sct T-Storms	Rain/Wind	P Cldy/Wind	Few Showers	Few Showers	Showers	M Cloudy	Showers	Few Showers	Few Showers
62° 47°	51° 37°	61° 42°	62° 46°	65° 43°	59° 43°	58° 42°	58° 42°	61° 47°	67° 46°

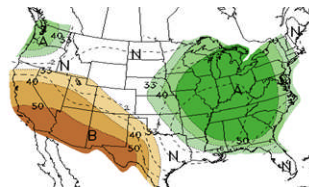
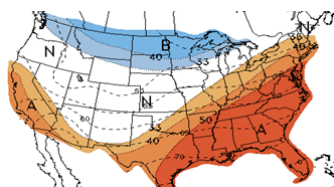
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## South Central Minnesota:

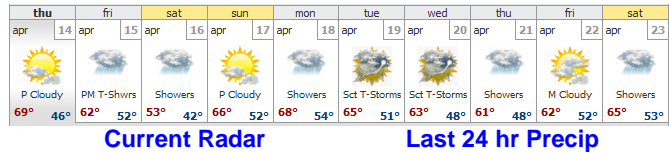


### 8-14 Day Temp

### 8-14 Day Precipitation

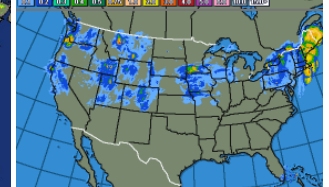
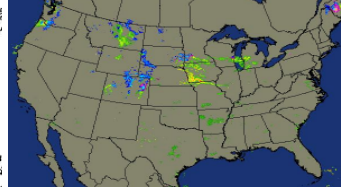


## Central Nebraska:



### Current Radar

### Last 24 hr Precip



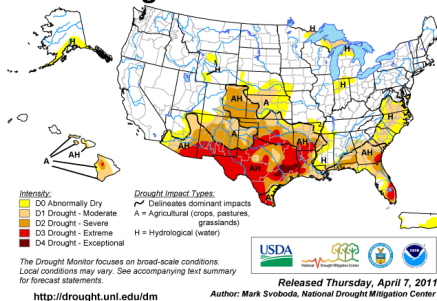
## Official Weather Station -2011

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

	Monday, April 4	Tuesday, April 5	Wednesday, April 6	Monday, April 11	Tuesday, April 12	Wednesday, April 13
<b>Air Temperature</b>	Max = 55; Min = 33	Max = 43; Min = 28	Max = 60; Min = 30	Max = 52; Min = 39	Max = 60; Min = 35	Max = 73; Min = 41
<b>Soil Temperature</b>						
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	Max = 59; Min = 40; Ave = 49	Max = 64; Min = 40; Ave = 52
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	Max = 54; Min = 41; Ave = 47	Max = 57; Min = 41; Ave = 49
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	Max = 49; Min = 42; Ave = 46	Max = 52; Min = 42; Ave = 47

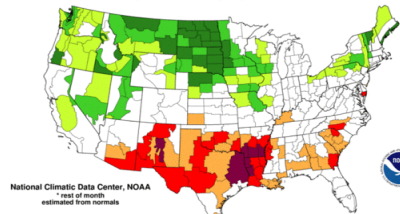
## U.S. Drought Monitor

April 5, 2011  
Valid 8 a.m. EDT



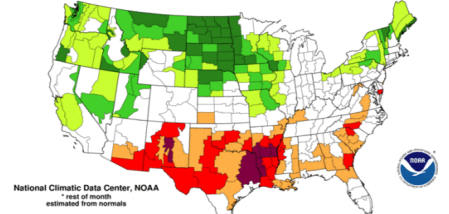
## Palmer Drought Index Long-Term (Meteorological) Conditions

April 2011: through April 9, 2011\*

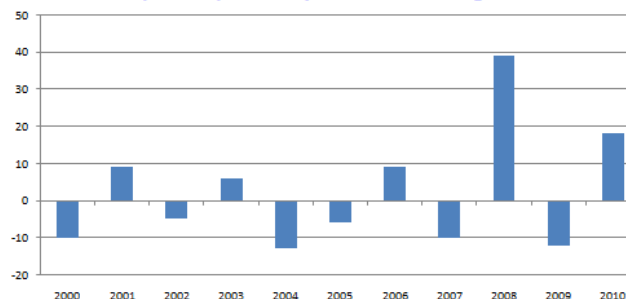


## Palmer Hydrological Drought Index Long-Term (Hydrological) Conditions

April 2011: through April 9, 2011\*



## Apr 1 - Apr 15 May Corn Price Change



## Apr 15 - Apr 30 May Corn Price Change



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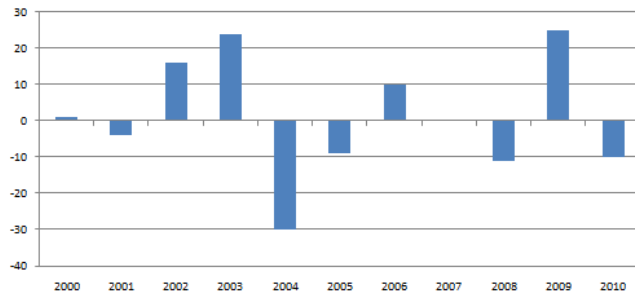
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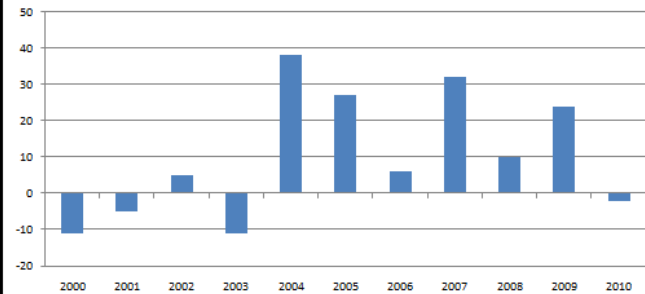
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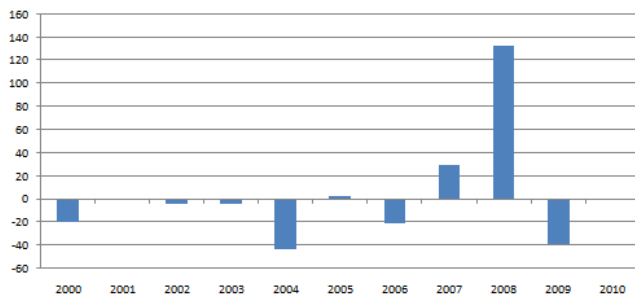
Apr 30 - May 15 May Corn Price Change



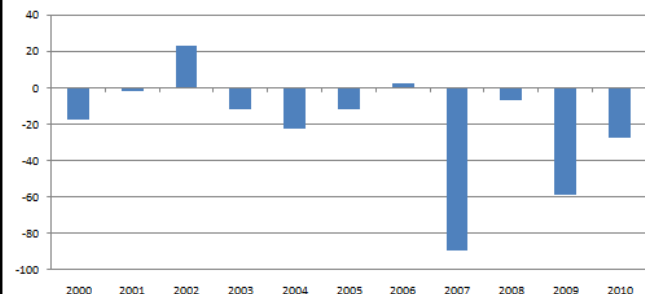
May 15 - May 31 July Corn Price Change



June 1 - June 15 July Corn Price Change



June 15 - June 30 July Corn Price Change



**Corn:** Morning: May 11 corn closed at \$    cents, July 11 Corn is at \$    cents, Sept 11 Corn is at \$    cents, Dec 11 Corn closed at \$    cents.

Yesterday's Close: May 11 Corn closed at \$7.55 1/2, up 3 cents, Jul 11 Corn closed at \$7.61, up 3 1/2 cents, Sep 11 Corn closed at \$7.02 1/2, up 6 cents Dec 11 Corn closed at \$6.45, up 8 1/2 cents

Corn futures closed higher as traders tried to shake off broad based commodity selling from the day before and looked to the possible delays in planting. USDA's Feed Outlook showed the details for second quarter use to get to the 6.523 billion bushel March 1 stocks number. Feed & Residual use was up 15.2% year/year. FSI use including ethanol was up 10%. Exports were down 5%. Feed use is expected to taper off in the 4th quarter with increased sorghum and lower quality wheat feeding in place of corn. Dow Jones combined export sales estimates for tomorrow's USDA weekly report are 550-950 TMT. Informa projects 575 million bushels ending stocks for corn.

**Soybean Complex:** Morning: May 11 Soybeans closed at \$    cents, Jul 11 Soybeans closed at \$    cents, Sept 11 Soybeans closed at \$    cents, Nov 11 Soybeans closed at \$    cents,

Yesterday's Close: May 11 Soybeans closed at \$13.33 1/2, up 3 3/4 cents, Jul 11 Soybeans closed at \$13.45, up 4 cents, Nov 11 Soybeans closed at \$13.51 1/2, up 7 1/4 cents, May 11 Soybean Meal closed at \$342.20, down \$0.20, May 11 Soybean Oil closed at \$57.36, up \$0.12 Soybean futures closed modestly higher, off of the earlier highs. The Chinese government confirmed that it will offer some reserve beans (potentially 3 MMT) to crushers at prices as much as 300 yuan/MT below the cash market price, in exchange for their further cooperation on capping veg oil prices. This keeps them using beans, but takes them out of the international market until they use up those beans. Dow Jones combined export sales estimates for tomorrow's report are 200-400 TMT. Reuters estimates NOPA's crush report for March due out tomorrow morning at 133 million bushels.

**Wheat:** Morning: May 11 CBOT Wheat closed at \$    cents, May 11 MGEX Wheat is at \$    cents

Yesterday's Close: May 11 CBOT Wheat closed at \$7.52 3/4, down 6 3/4 cents, May 11 KCBT Wheat closed at \$8.85, down 9 cents, May 11 MGEX Wheat closed at \$9.04, down 7 3/4 cents

Wheat closed lower after a higher start, due to forecasts of rain which would ease some concerns about dryness in HRW areas. USDA's Wheat Outlook showed projected exports for the year at 1.275 billion bushels. Fourth quarter exports are implied at 391 million bushels compared to 227 million last year. USDA shows no increase in Mar-June feed use compared to the previous estimate. A look at quarterly breakdowns shows that 4Q feed & residual is usually negative, i.e. they find back wheat previously thought to have been fed. Dow Jones

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export sales estimates for tomorrows weekly USDA export sales report are 300-750 TMT.

**Cattle:** Yesterday's Close: Apr 11 Cattle closed at \$118.27, up \$0.60, Jun 11 Cattle closed at \$115.77, up \$0.17, Aug 11 Cattle closed at \$117.67, up \$0.27, Apr 11 Feeder Cattle closed at \$131.97, up \$0.17 May 11 Feeder Cattle closed at \$133.02, up \$0.77 Aug 11 Feeder Cattle closed at \$136.57, up \$1.17

Cattle futures closed higher on good monthly beef export numbers. Census announced official data for February. Choice beef boxes were quoted at \$189.53, down 89 cents. Select was down 85 cents at \$186.32. Asking prices for cash cattle appear to be around \$191 in the north and \$121 in the South. Those are down sharply from earlier in the week. Very light trade was seen in NE and IA. Beef exports in February were seen 40 million lbs higher than last year at 197.4 million lbs. Major increases came from Canada, Japan and South Korea.

**Hogs:** Yesterday's Close: Apr 11 Hogs closed at \$93.95, up \$0.50, May 11 Hogs closed at \$103.00, up \$2.80 Jun 11 Hogs closed at \$101.45, up \$2.10

Hog futures closed higher with help from general commodity strength and pork exports. April expires Thursday, and needs to converge with the CME Index. The CME Index is at \$92.09. Cash hogs were \$2.13 higher in the WCB at 92.44, \$.35 lower in ECB and \$2.17 higher in IA/MN. Official Census pork exports in February were seen 26 million lbs higher than last year at 387.6 million lbs. Major increases came from South Korea, China, Japan and Russia. Major declines were seen from Hong Kong and the Philippines. The Carcass cutout was \$.28 higher in afternoon trading.

**Cotton:** Yesterday's Close: May 11 Cotton closed at 197.35, down 238 points, Jul 11 Cotton closed at 180.64, down 493 points Dec 11 Cotton closed at 134.7, down 86 points

Cotton futures closed lower after an earlier start. Bloomberg reported that China is reducing purchases of cotton as demand slows and mills delay orders. This is after reports came in last week about mills selling cotton back to the market for a profit. ICAC put world production at 126 million bales in 2011-12, a record and up from 112 in 2010-11. Trade estimates for US weekly export sales are in the 250,000-325,000 running bales range.

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### May 11 Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart

Op:757-4, Hi:760-2, Lo:745-0, Cl:746-6



### Dec 11 Corn Daily Chart

ZCZ11 - Corn (CBOT) - Daily OHLC Chart

Op:645-2, Hi:648-6, Lo:637-6, Cl:639-2



### May 11 Soybean Daily Chart

ZSK11 - Soybeans (CBOT) - Daily OHLC Chart

Op:1335-2, Hi:1337-6, Lo:1318-4, Cl:1321-4



### Nov 11 Soybean Daily Chart

ZSX11 - Soybeans (CBOT) - Daily OHLC Chart

Op:1353-0, Hi:1355-4, Lo:1335-4, Cl:1340-0



### May 11 Mpls Spring Wheat Daily Chart

MWK11 - Spring Wheat (MGEX) - Daily OHLC Chart

Op:904-6, Hi:911-6, Lo:891-4, Cl:891-4



### Sept 11 Mpls Spring Wheat Daily Chart

MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart

Op:917-4, Hi:921-6, Lo:901-0, Cl:902-0



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