



MORNING COMMENTS

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Monday, April 25, 2011

Next USDA Reports: Wednesday May 11, 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 price target of near \$16.00 soybeans. Recent high of \$14.55 was made on Feb 9th.

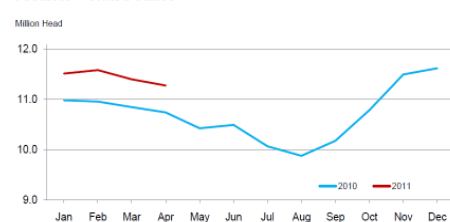
What to watch: For July corn HTA's we watching the basis to set it on the 20% that is open. We are targeting the time frame when planting is in full swing to potentially set the basis. Old crop corn is estimated to have unprecedented tight stocks and it is expected that the market needs to work higher, 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 had a prior top at \$6.60, Last week's high was \$6.84. New crop Nov 11 soybeans high on April 11 of 14.11 1/4, we'd like to see that high taken out to add to new crop sales.**

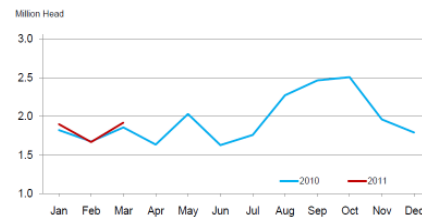
US Cattle on Feed Up 5 Percent

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.3 million head on April 1, 2011. The inventory was 5 percent above April 1, 2010. The inventory included 7.12 million steers and steer calves, up 7 percent from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 4.10 million head, up 2 percent from 2010. **Placements** in feedlots during March totaled 1.92 million, 3 percent above 2010. Net placements were 1.87 million head. During March, placements of cattle and calves weighing less than 600 pounds were 380,000, 600-699 pounds were 360,000, 700-799 pounds were 588,000, and 800 pounds and greater were 590,000. **Marketings** of fed cattle during March totaled 1.99 million, 4 percent above 2010. This is the second highest fed cattle marketings for the month of March since the series began in 1996.

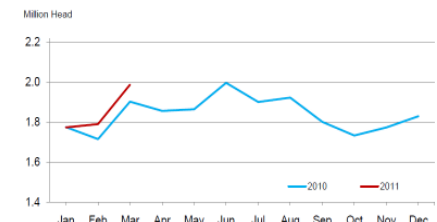
Cattle on Feed Inventory on 1,000+ Capacity Feedlots - United States



Number of Cattle Placed on 1000+ Capacity Feedlots - United States



Number of Cattle Marketed on 1,000+ Capacity Feedlots - United States



Market Talk: Planting progress is a concern, especially for corn. If delays continue beyond the next 10-14 days the trade will start to get very nervous. Trend line yields are possible if 60% or more of the US corn crop is planted by the 2nd week of May. Beyond that date we have never exceeded trend line type yields.

The International Grains Council has increased its new crop grain deficiency forecast from its previous estimate. The IGC now pegs world grain production at 1.8 billion metric tons for the 2011/12 crop year, which is 4.5% greater than their previous outlook. Even with this increased production, the group believes world grain demand will be 10 million metric tons greater. Corn for grain has the most interest by the IGC because as even with record high values, consumption has not been significantly reduced.

Outside Markets:

U.S. Dollar Index	74.130	-0.050	-0.07%	Canadian Dollar	1.05030	+0.00120	+0.11%	Ethanol Futures	May 11	2.586p	+0.017
CRB CCI Index	681.05	+6.05	+0.9%	Japanese Yen	1.21920	-0.00400	-0.33%	Gasoline RBOB (E)	May 11	3.3086p	+0.0313
Gold	1511.1	+7.9	+0.53%	Australian Dollar	1.06790	-0.00020	-0.02%	Diesel Gulf (Ulsd)	May 11	3.2577p	0.0000
Silver	49.100	+3.038	+6.6%	Chinese Renminbi	0.154020s	+0.000210	+0.14%	Heating Oil (E)	May 11	3.1992p	-0.0222
DJIA	12434p	+38	+0.31%	Mexican Peso	0.086000s	+0.000075	+0.09%	Crude Oil Brent (E)	Jun 11	124.69	+0.70
S&P 500 Index	1334.20	+3.20	+0.24%	1-Month Libor	99.7875p	0.0000	-	Natural Gas (E)	May 11	4.412p	+0.102
Nasdaq 100	2381.75	+6.25	+0.26%	T-Bond	121-08	+0-07	+0.18%	Polypropylene	May 11	0.8700s	0.0000
Russell 1000 Growth	614.60s	+3.20	+0.52%	3-Month T-Bill	99.2700s	0.0000	-	Polyethylene	May 11	0.6600p	0.0000
MSCI Emi Index	1212.20s	+8.60	+0.71%	5-Year T-Note	118-7.5	+0-2.5	+0.22%	Rme Biodiesel	Apr 11	1503.619p	-1.571
Nikkei 225	9685.00	+20.00	+0.21%	10-Year T-Note	120-040	+0-045	+0.12%	Coal Futures	May 11	78.47p	+1.14
Brazilian Real	0.63445p	-0.00440	-0.69%	Lumber	231.00p	-3.10	-1.32%	Uranium	May 11	56.25p	0.00
Euro FX	1.45800	+0.00250	+0.17%								

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Weather: Rains fell across all of the Midwest over the weekend. The heaviest amounts fell across MO and the southern part of IL, IN and OH, where totals of .50-1", with areas of 1"+ fell as of midnight Sunday, with more rains falling since. Total elsewhere in the region were in the .20-.60" range and coverage in all of the Midwest was near 100%. Temps ran a bit below average in the north, with highs in the 40's and low 50's and above average in the south, with highs in the 70's.

Dry weather across most of the Argentine and Brazilian growing regions over the weekend. Some rains did fall in the southern Brazil. Totals there were in the 1" range in most cases, with as much as 4" from west central RGDS. The forecast sees harvest weather in S. America to remain pretty good in the next week to ten days. Mainly dry weather across both Argentina and much of the Brazilian growing regions through most of this week.

Central Illinois:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
apr 25	apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04
T-Showers	M Cloudy	Few Showers	P Clidy/Wind	P Cloudy	T-Storms	Showers	P Cloudy	Sunny	Few Showers
66° 54°	62° 45°	54° 39°	60° 43°	68° 53°	70° 51°	62° 43°	60° 47°	64° 49°	65° 52°

Central Iowa:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
apr 25	apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04
PM Rain	Light Rain	AM Clouds	P Cloudy	M Cloudy	Showers	Few Showers	M Sunny	Sunny	P Cloudy
57° 48°	53° 40°	54° 40°	68° 44°	72° 57°	69° 44°	60° 44°	63° 46°	65° 52°	66° 49°

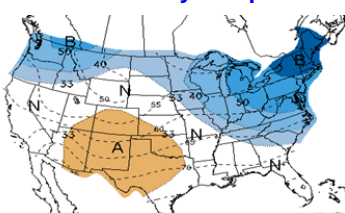
South Central Minnesota:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
apr 25	apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04
PM Showers	Rain	R/S Showers	P Cloudy	M Cloudy	Rain	Showers/Wind	Sunny	Sunny	Showers
61° 45°	46° 38°	49° 38°	61° 40°	61° 49°	56° 40°	47° 38°	54° 39°	57° 47°	58° 44°

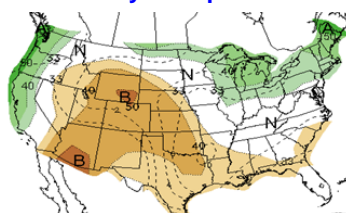
Central Nebraska:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
apr 25	apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04
T-Storms	Strong Tstms	T-Storms	Few Showers	M Sunny	Iso T-Storms	Showers	Showers	P Cloudy	Showers
69° 62°	74° 57°	60° 43°	57° 45°	66° 52°	71° 56°	65° 47°	63° 48°	60° 52°	66° 52°

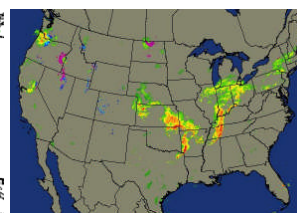
8-14 Day Temp



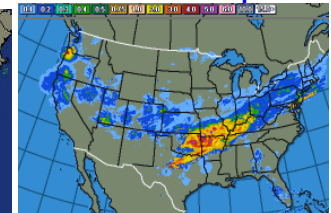
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



Official Weather Station -2011

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

	Monday, April 18	Tuesday, April 19	Wednesday, April 20	Thursday, April 21	Friday, April 22
Air Temperature	Max = 45; Min = 30	Max = 45; Min = 34	Max = 40; Min = 33	Max = 44; Min = 29	Max = 47; Min = 32
Soil Temperature					
2 inch	Max = 51; Min = 34; Ave = 43	Max = 50; Min = 39; Ave = 44	Max = 47; Min = 39; Ave = 43	Max = 47; Min = 35; Ave = 41	Max = 47; Min = 36; Ave = 41
4 inch	Max = 45; Min = 35; Ave = 40	Max = 46; Min = 39; Ave = 42	Max = 43; Min = 40; Ave = 42	Max = 44; Min = 35; Ave = 40	Max = 44; Min = 35; Ave = 40
8 inch	Max = 43; Min = 36; Ave = 39	Max = 43; Min = 39; Ave = 41	Max = 42; Min = 39; Ave = 40	Max = 42; Min = 37; Ave = 41	Max = 41; Min = 37; Ave = 39
Daily Precipitation	0.14"	0.05"	0.12"	0.00"	0.28"

Corn: Morning: May 11 corn closed at \$7.52 1/2, up 15 1/4 cents, July 11 Corn is at \$7.60, 15 1/2 cents, Sept 11 Corn is at \$7.17, up 12 3/4 cents, Dec 11 Corn closed at \$6.75 3/4, 10 1/4 cents.
Thursday's Close: May 11 Corn closed at \$7.37 1/4, up 4 1/2 cents, Jul 11 Corn closed at \$7.44 1/2, up 4 cents, Sep 11 Corn closed at \$7.04 1/4, up 7 cents Dec 11 Corn closed at \$6.65 1/2, up 10 cents
Corn futures closed higher on the day but were down 5 cents for the week on the spot month and up 9 1/2 cents for the week on new crop December. Today is the last trading day for this week. The markets will be closed on Friday in observance of Good Friday and Passover. Corn planting was behind as of Sunday and the weather has not been very cooperative this week for the eastern Corn Belt. Crop planting progress is expected to be limited for the week in that region of the country. Indiana and Ohio were behind average last week and that is where much of the rain fell earlier this week. Illinois was on par with the five year average but they also had substantial rain early this week. There is still sufficient time to get the crop in the ground if conditions improve. Above normal precipitation is predicted for the eastern Corn Belt over the next week. The price trend remains up technically. Weekly export sales were in line with expectations. Sales for 2010/11 delivery were at 613, 400 MT and sales for 2011/12 delivery were 243,900 MT. Shipments at 934,300 were down 7 percent from the four week average. The lower dollar this week could benefit weekly exports.

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Soybean Complex: Morning: May 11 Soybeans closed at \$13.85 , up 4 ½ cents, Jul 11 Soybeans closed at \$13.94 ¼ , up 4 ½ cents , Sept 11 Soybeans closed at \$13.88 ¼ , up 3 cents, Nov 11 Soybeans closed at \$13.84 ½ , up 2 cents, Thursday's Close: May 11 Soybeans closed at \$13.80 ½ , up 22 ¾ cents, Jul 11 Soybeans closed at \$13.89 ¾ , up 20 1/2 cents, Nov 11 Soybeans closed at \$13.82 ½ , up 16 ½ cents, May 11 Soybean Meal closed at \$358.80, up \$9.60, May 11 Soybean Oil closed at \$58.27, up \$0.13

Soybean futures finished much higher on the day and up 49 cents for the week. Export sales were above trade estimates at 349,000 MT for 2010/11 delivery (a seven week high) and 206,300 MT for 2011/12 delivery. China was the main buyer for both marketing years. Shipments were near 2009/10 levels continuing the downward seasonal trend. Soybean meal and bean oil closed higher on the day and for the week. Cash soybean basis levels were higher on the river and at processors across the country. Technically soybeans closed above the forty day moving average for the week. Delays in corn planting could shift acres to soybeans if conditions don't improve over the next couple of weeks. The new crop soybean/corn ratio is at 2.08.

Wheat: Morning: May 11 CBOT Wheat closed at \$8.21 ¾ , up 22 ¼ cents, May 11 MGEX Wheat is at \$9.85 , up 33 ½ cents Thursday's Close: May 11 CBOT Wheat closed at \$7.99 ½ , up 14 ½ cents, May 11 KCBT Wheat closed at \$9.32 ½ , up 12 ½ cents, May 11 MGEX Wheat closed at \$9.51 ½ , up 12 ¾ cents

Wheat futures finished higher on the day and were up over 7% for the week on all three exchanges. Export sales for 2010/11 delivery were 134,800 MT and sales for 2011/12 delivery were 168,400 MT. Contributing to the less than expected sales were a decrease of 173,800 MT from an unknown, a decrease of 72,400 MT from Japan and a decrease of 21,500 MT from Panama. The EU granted export licenses for 281,000 MT of soft wheat this week bringing the year to date total for this marketing year to 16.2 MMT. The falling dollar this week could help weekly export sales reflected on next weeks report. South Korea and the Philippines have been increasing feed wheat usage because of tight corn supplies. Cash basis levels improved for Jun/Jul delivery at the Gulf. Weather in northern France is expected to remain dry and Germany needs rain adding to concerns for wheat production. Wheat supplies are at a surplus in India and the country is considering possible exports.

Cattle: Thursday's Close: Apr 11 Cattle closed at \$118.40, down \$0.60, Jun 11 Cattle closed at \$115.22, down \$1.27, Aug 11 Cattle closed at \$116.67, down \$1.02, Apr 11 Feeder Cattle closed at \$132.27, down \$0.42 May 11 Feeder Cattle closed at \$132.97, down \$1.32 Aug 11 Feeder Cattle closed at \$136.95, down \$1.52

Cattle futures ended lower on the day but were up \$1.00 for the week. The cash cattle trade was mostly at \$119 yesterday with the range between \$118 and \$120. Sales this afternoon were mostly at \$119 in KS and TX and \$120 in NE for the live and \$190-\$193 in the dressed. Beef prices took a hit today after being up sharply on Tuesday in the Choice. Choice beef is down \$2.53 at \$186.36 and Select is down \$1.45 at \$181.92. The monthly cattle on feed report is considered slightly bullish. The average trade estimate for April 1 on feed was 105.2 percent and the USDA number is 1.0498. March placements were estimated at 104 percent and the USDA came in at 103.34. March marketings were expected to come in at 103.1 percent and USDA came in at 104.46. Beef exports were strong at 18,300 MT. March frozen beef stocks were at the highest level in the last 11 years tracked, according to the monthly Cold Storage report, mainly because March slaughter was at the second highest level on record. This could pave the way for more export business and provide supplies for the upcoming grilling season.

Hogs: Thursday's Close: May 11 Hogs closed at \$102.05, down \$0.85, Jun 11 Hogs closed at \$100.05, down \$1.35 Jul 11 Hogs closed at \$100.32, down \$0.85

Lean Hog futures ended the day lower and were down 37 cents for the week. The lean hog index was at \$94.48 for April 19th, approaching the all time high of \$96.74 made August of 2008. The spread between the spot futures contract and the Lean Hog Index narrowed to about \$7.50 at current prices. Cash hogs were \$1.09 higher in IA/MN, \$0.69 higher in the WCB and \$0.51 lower in the ECB. Slaughter is expected to be lower this week because of plants shutting down in observance of the holiday. Pork trading was slow with mostly light demand and light to moderate offerings. The monthly Cold Storage report showed total pork in cold storage at the end of March at 577,198,000 pounds. Bellies in cold storage were at 52,521,000 pounds, the lowest March total since 2003.

Cotton: Thursday's Close: May 11 Cotton closed at 186.67, up 350 points, Jul 11 Cotton closed at 167.51, up 45 points Dec 11 Cotton closed at 132.14, up 334 points

Cotton futures closed higher, shaking off a light export sales report on news out of China of continued drought in cotton areas. Delivery notices are expected to be issued tonight because first notice day is Monday and the market will be closed for the long weekend. Weekly export sales for all upland cotton were a net reduction of 38,500 RB for 2010/11 delivery (China decreased purchases by 45,100 RB) and sales for 2011/12 were at 65,800 RB with El Salvador, Mexico and China the main buyers. Shipments were down 19 percent from the four week average but up 10 percent from last week. East Texas is forecast to receive above normal rainfall in the 6 to 10 day forecast but the 8 to 14 day forecast is calling for above normal temps and below normal rainfall for the entire state. Weather conditions in the southeast region of the country are favorable for field preparation for the next couple of days.

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May 11 Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCX11 - Corn (CBOT) - Daily OHLC Chart



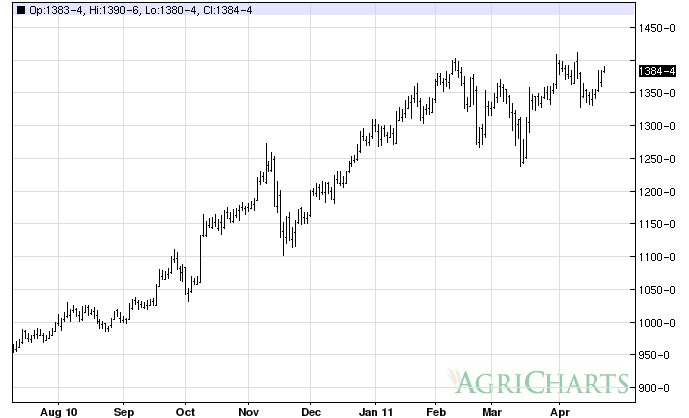
May 11 Soybean Daily Chart

ZSK11 - Soybeans (CBOT) - Daily OHLC Chart



Nov 11 Soybean Daily Chart

ZSX11 - Soybeans (CBOT) - Daily OHLC Chart



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