



**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 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, Recent 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.**

**Corn plantings** again fell short of trade expectations at just 9% complete this week, while not a record slow number, as we were just 7% planted in 2008 and a very slow 4% pace back in 1995, thoughts are circulating that planting could reach record slow levels in the coming weeks if forecasts hold.

Planting Progress									
	Corn Crop					Soybean Crop			
	% of Crop USDA estimates has been Planted								
	This Week	Last Week	Last Year	Average		This Week	Last Week	Last Year	Average
U.S.	9%	7%	46%	23.0%	U.S.	0%	0%	0%	0.0%
Kansas	29%	17%	30%	27.0%	Indiana	0%	0%	0%	0.0%
Missouri	28%	26%	65%	41.0%	Arkansas	0%	0%	0%	0.0%
Illinois	10%	9%	67%	27.0%	Ohio	0%	0%	0%	0.0%
Iowa	3%	2%	61%	28.0%	Illinois	0%	0%	0%	0.0%
Nebraska	3%	5%	20%	15.0%	Nebraska	0%	0%	0%	0.0%
Indiana	2%	2%	50%	15.0%	Iowa	0%	0%	0%	0.0%
Ohio	1%	0%	39%	14.0%	Kansas	0%	0%	0%	0.0%
Minnesota	0%	0%	56%	22.0%	Minnesota	0%	0%	0%	0.0%
Wisconsin	0%	0%	18%	7.0%	Missouri	0%	0%	0%	0.0%
S Dakota	0%	0%	12%	5.0%	S Dakota	0%	0%	0%	0.0%

USDA reported US spring wheat as only 6% planted compared to 39% a year-ago and 25% for the 5 year average.

USDA is expected to provide a national soybean planting progress report next week. Some southern state reports showed individual state progress as of April 24. MS reports that 26% of soybeans are planted vs. 19% last week and 58% last year, and pace of 49% on average. AR reports having 14% planted compared to 11% last week, 23% last year, and 15% on average. The average national soybean planting progress for May 1 is 8% completed.

**Market Talk:** Leadership in the old crop corn and soybean contracts yesterday appeared to reflect that planting concerns and delays may be the most severe in the southern 1/3 of the Corn Belt and the Ohio Valley...this is the area that was expected to have larger volumes of new crop corn mature in Aug and early Sept which would have helped to ease the old crop tightness. The later than normal planting may have trade re-thinking some of their assumptions on the timing of new crop availability.

Trade remembers that a need for nearly 60% of the crop to be planted by the second week of May is needed to maintain trend yield potential or better. A few in the trade have fears of a repeat of the 2008 price action when corn values exploded over \$1.00 a bushel in a short period of time with the fear that 10 million acres would be unplanted at the end of that year.

Some ethanol plants now deep in the red. The overseas market for ethanol has dried up and may be causing stocks to build in the U.S. putting pressure on the market place. Eastern ethanol plants reporting problems moving product into the market.

Argentine government has reported that the soybean harvest is now 52 percent complete as of last Thursday, with 18% of the crop harvested last week, also reporting corn harvest at 49% done, with another 9% harvested last week; both crops were running 2% slower than last year's pace.

Celeres has reported the Brazilian soybean harvest at 91% complete, up from 85% last week and still ahead of the five-year average of 80%, yet remaining behind 94% last year rapid pace. Buenos Aires Grain Exchange raised the final production estimate at 49.2M tons, up

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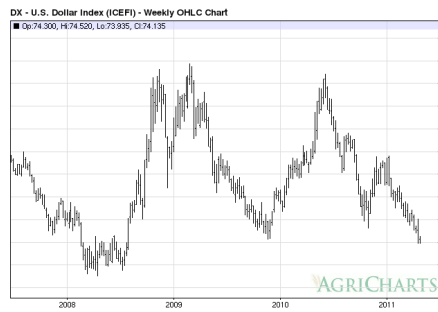
400,000 from earlier reports with farmer selling reported at 36%.

The Trade is expecting that India's government will announce next week if it will allow wheat exports this year; it appears that officials are split on the decision as they are weighing high local food inflation against the benefit to producer from exports at current prices.

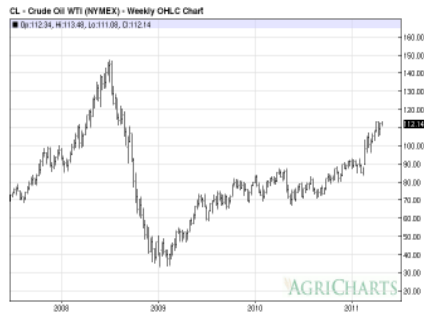
**Outside Markets:**

<a href="#">U.S. Dollar Index</a>	74.385	+0.204	+0.28%	<a href="#">Euro FX</a>	1.45090	-0.00580	-0.4%	<a href="#">Ethanol Futures</a>	May 11	2.631s	+0.045
<a href="#">CRB CCI Index</a>	674.00s	-1.00	-0.15%	<a href="#">Canadian Dollar</a>	1.04530	-0.00140	-0.13%	<a href="#">Gasoline RBOB (E)</a>	May 11	3.3229s	+0.0143
<a href="#">Gold</a>	1501.5	-7.1	-0.47%	<a href="#">Japanese Yen</a>	1.22280	-0.00030	-0.02%	<a href="#">Diesel Gulf (Ulsd)</a>	May 11	3.2577s	0.0000
<a href="#">Silver</a>	45.970	-1.181	-2.5%	<a href="#">Australian Dollar</a>	1.06160	-0.00410	-0.38%	<a href="#">Heating Oil (E)</a>	May 11	3.1820s	-0.0172
<a href="#">DJIA</a>	12427s	-7	-0.06%	<a href="#">Chinese Renminbi</a>	0.153920s	-0.000100	-0.06%	<a href="#">Crude Oil Brent (E)</a>	Jun 11	123.66p	-0.33
<a href="#">S&amp;P 500 Index</a>	1330.80	0.00	-	<a href="#">Mexican Peso</a>	0.085975s	-0.000025	-0.03%	<a href="#">Natural Gas (E)</a>	May 11	4.389s	-0.023
<a href="#">Nasdaq 100</a>	2377.50	0.00	-	<a href="#">1-Month Libor</a>	99.7875s	0.0000	-	<a href="#">Polypropylene</a>	May 11	0.8700s	0.0000
<a href="#">Russell 1000 Growth</a>	614.70s	+0.10	+0.02%	<a href="#">T-Bond</a>	121-19	+0-03	+0.08%	<a href="#">Polyethylene</a>	May 11	0.6600s	0.0000
<a href="#">MSCI EmI Index</a>	0.00	-1202.20	-100%	<a href="#">3-Month T-Bill</a>	99.2700s	0.0000	-	<a href="#">Rme Biodiesel</a>	Apr 11	1503.895s	+0.276
<a href="#">Nikkei 225</a>	9590.00	-80.00	-0.83%	<a href="#">5-Year T-Note</a>	118-7.5	+0-005	+0.01%	<a href="#">Coal Futures</a>	May 11	79.13s	+0.66
<a href="#">Brazilian Real</a>	0.63815p	+0.00370	+0.58%	<a href="#">10-Year T-Note</a>	120-105	0-000	-	<a href="#">Uranium</a>	May 11	56.00s	-0.25

**US Dollar Index**



**Crude Oil**



**Gold**



**Weather:** Locally we received .27" of rainfall overnight. The forecast calls for continued cool and wet weather in the upper Midwest for most of the remainder of the week.

**Central Illinois:**

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04	may 05
AM Showers	Rain	Showers/Wind	P Cloudy	T-Storms	Sct T-Storms	M Sunny	P Cloudy	M Sunny	P Cloudy
66° 47°	59° 40°	58° 42°	68° 52°	69° 48°	59° 42°	60° 44°	65° 48°	66° 49°	65° 47°

**Central Iowa:**

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04	may 05
Rain	AM Clouds	M Sun/Wind	M Cloudy	Showers	P Cldy/Wind	M Sunny	Sunny	P Cloudy	P Cloudy
53° 41°	56° 41°	67° 42°	72° 54°	62° 43°	60° 43°	63° 45°	68° 53°	69° 50°	65° 46°

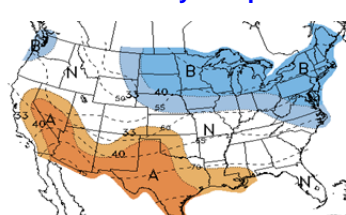
**South Central Minnesota:**

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04	may 05
Rain/Wind	R/S Showers	P Cloudy	P Cloudy	Showers	Rr/Snw/Wind	M Sunny	P Cloudy	P Cloudy	P Cloudy
46° 38°	45° 38°	60° 40°	67° 47°	52° 35°	46° 36°	52° 38°	56° 43°	56° 44°	53° 39°

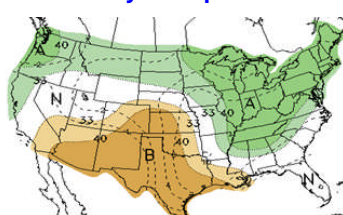
**Central Nebraska:**

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
apr 26	apr 27	apr 28	apr 29	apr 30	may 01	may 02	may 03	may 04	may 05
Strong Tlms	Rain/Thunder	Few Showers	M Sunny	Iso T-Storms	Sct T-Storms	P Cloudy	M Sunny	M Sunny	P Cloudy
73° 60°	66° 46°	57° 45°	64° 52°	71° 54°	66° 47°	61° 48°	65° 50°	65° 52°	65° 50°

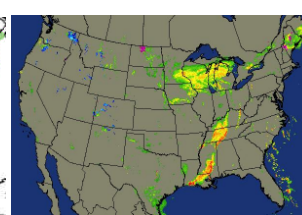
**8-14 Day Temp**



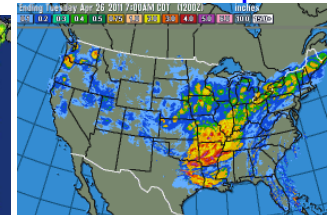
**8-14 Day Precipitation**



**Current Radar**



**Last 24 hr Precip**



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**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	Monday, April 25
<b>Air Temperature</b>	Max = 45; Min = 30	Max = 45; Min = 34	Max = 40; Min = 33	Max = 44; Min = 29	Max = 47; Min = 32	Max = 62; Min = 33
<b>Soil Temperature</b>						
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	Max = 60; Min = 36; Ave = 48
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	Max = 53; Min = 35; Ave = 45
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	Max = 48; Min = 38; Ave = 43
<b>Daily Precipitation</b>	0.14"	0.05"	0.12"	0.00"	0.28"	0.00"

**Corn:** Morning: May 11 corn closed at \$7.57 ½ , down 5 cents, July 11 Corn is at \$7.64 ¼ , down 4 ¼ cents, Sept 11 Corn is at \$7.19 ¼ , down 4 ¾ cents, Dec 11 Corn closed at \$6.75 ½ , down 6 cents.  
Yesterday's Close: May 11 Corn closed at \$7.62 ½ , up 25 ¼ cents, Jul 11 Corn closed at \$7.68 ½ , up 24 cents, Sep 11 Corn closed at \$7.24, up 19 ¾ cents Dec 11 Corn closed at \$6.81 ½ , up 16 cents  
Corn futures closed higher on planting concerns due to continued cool wet conditions in the Eastern Corn Belt which do not support corn planting. There is still sufficient time to get the crop in the ground if conditions improve, but planting delays do make the crop more vulnerable to high summer temperatures during pollination, if such temps should occur. The price trend remains up technically. The USDA export inspections report this morning showed 33.235 million bushels inspected for export for the week ending 4/21, with a total increase of 40.346 million bushels from last week after revisions to prior data. This is ahead of last year's pace during this period. The CFTC Disaggregated Futures and Options Report out Friday showed Managed Money increasing net longs through last Tuesday. The USDA Crop progress report as of April 24th showed 9% of the US crop planted, 2 points ahead of last week, 37 points behind last year and 14 points behind average.

**Soybean Complex:** Morning: May 11 Soybeans closed at \$13.80 down 9 ½ cents, Jul 11 Soybeans closed at \$13.87 down 9 ½ cents , Sept 11 Soybeans closed at \$13.79 , down 9 ¼ cents, Nov 11 Soybeans closed at \$13.74 ½ , down 8 cents,  
Yesterday's Close: May 11 Soybeans closed at \$13.89 ½ , up 9 cents, Jul 11 Soybeans closed at \$13.96 ½ , up 6 ¾ cents, Nov 11 Soybeans closed at \$13.82 ½ , unchanged , May 11 Soybean Meal closed at \$361.10, up \$2.30, May 11 Soybean Oil closed at \$58.21, down \$0.06  
Soybean futures closed mixed on some corn/soybean spreading because concerns about planting corn could mean a possible switch to soybeans. The USDA export inspections report this morning showed 8.336 million bushels inspected for export for the week ending 4/21, with a total increase of 10.112 million bushels from last week after revisions to prior data. This is just slightly behind last year's pace during this period. The CFTC Disaggregated Futures and Options Report out Friday showed Managed Money decreasing net longs through last Tuesday. USDA is not yet reporting soybean planting progress at the national level.

**Wheat:** Morning: May 11 CBOT Wheat closed at \$8.17 ¾ , down 8 ¼ cents, May 11 MGEX Wheat is at \$9.78 ¼ , down 2 ¼ cents  
Yesterday's Close: May 11 CBOT Wheat closed at \$8.26, up 26 ½ cents, May 11 KCBT Wheat closed at \$9.60 ¾ , up 28 ¼ cents, May 11 MGEX Wheat closed at \$9.80 ¾ , up 29 ¼ cents:  
Wheat futures closed higher on all three exchanges. Lousy weather conditions were the driver, because it is too dry in the southern US and too wet in the north and east. High protein wheat export sales have also been unusually active with just over a month left in the marketing year. The USDA export inspections report this morning showed 28,017 million bushels inspected for export for the week ending 4/21, with a total increase of 29.407 million bushels from last week after revisions to prior data. This is well ahead of last year's pace during this period. The CFTC Disaggregated Futures and Options Report out Friday showed Managed Money increasing net longs at Chicago and reducing net longs at Kansas City through last Tuesday. The USDA Crop progress report as of April 24th showed Winter wheat headed was 23% and winter wheat condition was 35% good/excellent.

**Cattle:** Yesterday's Close: Apr 11 Cattle closed at \$116.02, down \$2.37, Jun 11 Cattle closed at \$112.80, down \$2.42, Aug 11 Cattle closed at \$114.45, down \$2.22, May 11 Feeder Cattle closed at \$129.97, down \$3.00 Aug 11 Feeder Cattle closed at \$133.95, down \$3.00 Sep 11 Feeder Cattle closed at \$135.10, down \$3.00  
Cattle futures closed lower with feeders limit down, aside from the Cattle on Feed number coming in below estimates Thursday. Oklahoma City showed cash trade steady to \$3 higher for feeders. Choice beef was up \$.52 at \$186.35 and Select was up \$0.43 at \$179.46, recovering some of the value lost on Friday. There was some moderate cash cattle trade in KS at \$117 and a bit in IA around \$191. The average trade estimate for bears focused on the March placements, which were the largest in 3 years. March marketings were above expectations but that didn't count. March frozen beef stocks were at the highest level in at least the last 11 years, according to the monthly Cold Storage report and that raises pertinent questions about consumer resistance.

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**Hogs:** Yesterday's Close: May 11 Hogs closed at \$100.65, down \$1.40, Jun 11 Hogs closed at \$98.52, down \$1.52 Jul 11 Hogs closed at \$99.25, down \$1.07

Lean Hog futures closed lower. The lean hog index was at \$94.98 for April 21st, close to the all time high of \$96.74 in August of 2008. The spread between the spot futures contract and the Lean Hog Index narrowed to about \$7.07 at current prices. Cash hogs were \$2.90 lower in IA/MN, \$.91 lower in ECB and \$2.40 lower in the WCB reversing gains from late last week. Light slaughter runs on Friday and today was expected to be supportive to cutout values. They were not. The carcass cutout was at \$94.63, down \$.51.

**Cotton:** Yesterday's Close: May 11 Cotton closed at 188.08, up 141 points, Jul 11 Cotton closed at 166.39, down 112 points Dec 11 Cotton closed at 133.96, up 182 points

Cotton futures closed mixed with July the only contract lower on light volume. Indian production has been revised downward by more than 5% due to rains during harvest, potentially limiting exports to the 5.5 million bale cap set previously, according to Reuters. Certificated stocks were flat: likely due to the holiday as 52k bales are awaiting review. The CFTC Disaggregated Futures and Options Report out Friday afternoon showed Managed Money increasing net longs through last Tuesday. The USDA Crop progress report as of April 24th showed 13% planted, 4 points ahead of last week, 2 points behind last year and 3 points behind average.

**University of Illinois – Corn Balance Sheet**

Table 2. U.S. Corn Balance Sheets for the 2010-11 and 2011-12 Marketing Years

	2010-11	2011-12 Yield Scenario			
		Trend	Good Weather	Poor Weather	USDA
<b>Supply</b>					
Planted acreage (mil.)	88.2	92.0	92.0	92.0	92.0
Harvested acreage (mil.)	81.4	84.9	84.9	84.9	84.9
Yield (bu/ac.)	152.8	158	169	147	161.7
Production (mil. bu.)	12,447	13,414	14,348	12,480	13,730
Beginning stocks (mil. bu.)	1,708	675	675	675	675
Imports (mil. bu.)	20	10	10	20	20
Total (mil. bu.)	14,175	14,099	15,033	13,175	14,425
<b>Consumption</b>					
Exports (mil. bu.)	1,950	2,000	2,000	1,900	2,000
Feed and residual (mil. bu.)	5,200	5,125	5,300	4,500	5,150
Ethanol (mil. bu.)	4,950	4,900	5,100	4,800	5,000
Other processing (mil. bu.)	1,400	1,400	1,400	1,350	1,410
Total (mil. bu.)	13,500	13,425	13,800	12,550	13,560
<b>Ending stocks (mil. bu.)</b>	675	674	1,233	625	865
Stocks-to-use (%)	5.0	5.0	8.9	5.0	6.4
Average farm price (\$/bu.)	\$5.40	\$5.75	\$4.75	\$7.00	\$5.60

Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, March 2010

**Lean Hogs**



**Live Cattle**



**Feeder Cattle**



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**MORNING COMMENTS**

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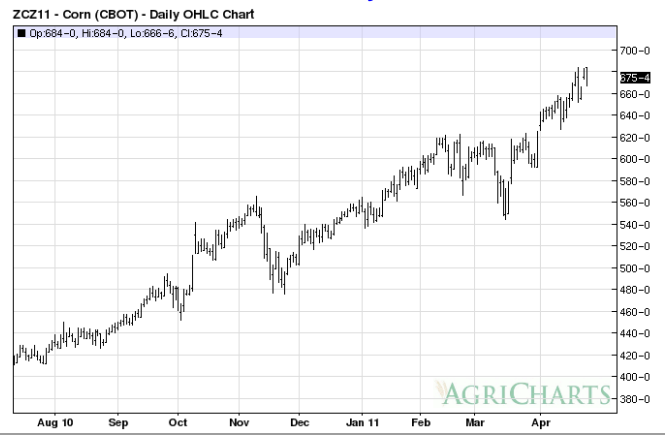
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**Tuesday, April 26, 2011**

**May 11 Corn Daily Chart**



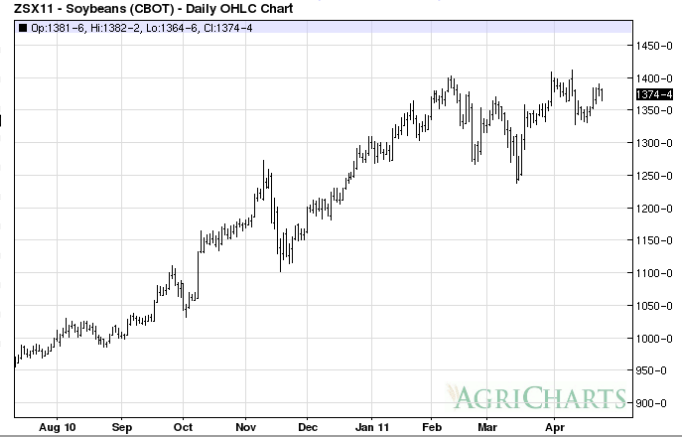
**Dec 11 Corn Daily Chart**



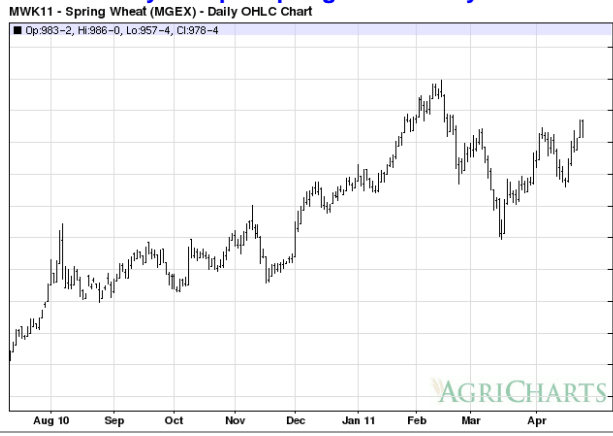
**May 11 Soybean Daily Chart**



**Nov 11 Soybean Daily Chart**



**May 11 Mpls Spring Wheat Daily Chart**



**Sept 11 Mpls Spring Wheat Daily Chart**



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