



MORNING COMMENTS

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Tuesday, May 3, 2011

Watch for recommendations that we may be making soon to add to sales.

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.

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.

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 in 2008, a week ago Wednesday's high was \$6.84 and last Tuesday also posted a high of \$6.84 to leave a double top formation on the charts. Dec 11 corn closed this morning at \$6.70. This is a potential change of direction signal.

New crop Nov 11 soybeans high on April 11 of 14.11 ¼, prices this morning at \$13.64 ¾ we'd would have liked to see that high taken out to add to new crop sales but doubt that we want to wait that long.

Next USDA Reports: Wednesday May 11, 2011 WASDE & Crop Production

Planting Progress

Trade estimates for the USDA Planting Progress Report were in the 15 to 19% range and USDA reported 13% up 4 points from last week, this compares to 40.0% on average for this date.

Corn emerged was 5%, 4 points below average and well behind last year.

Planting Progress									
	Corn Crop				Soybean Crop				
	% of Crop USDA estimates has been Planted								
	Last Year	Last Week	Last Week	Average		Last Year	Last Week	This Week	Average
U.S.	66%	9%	13%	40.0%	U.S.	0%	0%	0%	0.0%
Kansas	47%	29%	41%	43.0%	Indiana	0%	0%	0%	0.0%
Missouri	72%	28%	32%	52.0%	Arkansas	0%	0%	0%	0.0%
Illinois	85%	10%	10%	46.0%	Ohio	0%	0%	0%	0.0%
Iowa	82%	3%	8%	48.0%	Illinois	0%	0%	0%	0.0%
Nebraska	44%	5%	15%	35.0%	Nebraska	0%	0%	0%	0.0%
Indiana	69%	2%	2%	31.0%	Iowa	0%	0%	0%	0.0%
Ohio	61%	1%	1%	33.0%	Kansas	0%	0%	0%	0.0%
Minnesota	84%	0%	1%	46.0%	Minnesota	0%	0%	0%	0.0%
Wisconsin	47%	0%	1%	23.0%	Missouri	0%	0%	0%	0.0%
S Dakota	28%	0%	2%	15.0%	S Dakota	0%	0%	0%	0.0%

USDA's Planting Progress Report showed spring wheat planting progress at 10%, up 4% from last week and 33% below average. Winter wheat headed was at 33%, up 10% from last week and 4% from last year with a condition of 34% good/excellent, down 1% from last week and 34% from last year.

Market Talk Indications are that demand for U.S. soybeans in the world market is over-stated. Current global demand projections for U.S. soybeans are being based on a smaller South American soybean crop than what has been realized. If we decrease the Chinese demand and use this year's larger South American soybean crop, we could easily see larger global ending stocks. The greatest concern for the U.S. is if China continues to delay delivery of old crop soybean bookings, as that could double our carryover.

Outside Markets:

U.S. Dollar Index	73.375	+0.236	+0.32%	Euro FX	1.47760	-0.00540	-0.36%	Ethanol Futures	May 11	2.614p	-0.035
CRB CCI Index	673.00p	-6.00	-0.88%	Canadian Dollar	1.04700	-0.00510	-0.48%	Gasoline RBOB (E)	Jun 11	3.3479p	-0.0505
Gold	1547.0	-9.7	-0.62%	Japanese Yen	1.23840	+0.00740	+0.6%	Diesel Gulf (Ulsd)	Jun 11	3.3144s	-0.0231
Silver	43.880	-2.198	-4.77%	Australian Dollar	1.08170	-0.00850	-0.78%	Heating Oil (E)	Jun 11	3.2521p	-0.0237
DJIA	12764p	+8	+0.06%	Chinese Renminbi	0.154310s	-0.000010	-0.01%	Crude Oil Brent (E)	Jun 11	123.80	-1.32
S&P 500 Index	1352.90	-4.80	-0.35%	Mexican Peso	0.086775s	-0.000050	-0.06%	Natural Gas (E)	Jun 11	4.693p	-0.005
Nasdaq 100	2396.50	-5.00	-0.21%	1-Month Libor	99.7950	+0.0025	-	Polypropylene	Jun 11	0.9200s	+0.0700
Russell 1000 Growth	624.40p	-1.00	-0.16%	T-Bond	122-31	+0-12	+0.31%	Polyethylene	Jun 11	0.6813p	+0.0100
MSCI Emi Index	0.00	-1206.50	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	May 11	1497.000p	+4.000
Nikkei 225	9935.00	-55.00	-0.55%	5-Year T-Note	119-160	+0-7.5	+0.23%	Coal Futures	Jun 11	79.50p	+0.17
Brazilian Real	0.62660	-0.00740	-1.17%	10-Year T-Note	121-145	+0-070	+0.18%	Uranium	May 11	55.25p	0.00

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Weather Locally it was a cool day yesterday until late afternoon, no rainfall. However, rains fell across the SE Midwest yesterday and were continuing as of this morning. Totals as of midnight to the SE of a line from St Louis to Cleveland were in the .10-.50" range, with some isolated heavier amounts along the OH River. Dry weather dominated the rest of the Midwest and temps were below average in most of the region, with highs in the 40's in the north and 50's in the south.

The forecast is for some rains in much of the Midwest in the next 10 days, although most cases rainfall will be light enough to allow for fieldwork to progress. Temperatures look to be below average for this week and then average to slightly above for the 6-10 day period.

Central Illinois:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 03	may 04	may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12
56° 37°	63° 44°	63° 45°	66° 52°	71° 51°	69° 53°	73° 53°	68° 53°	70° 51°	68° 52°

Central Iowa:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 03	may 04	may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12
61° 39°	69° 50°	65° 45°	74° 54°	72° 51°	71° 59°	73° 56°	71° 52°	69° 50°	68° 51°

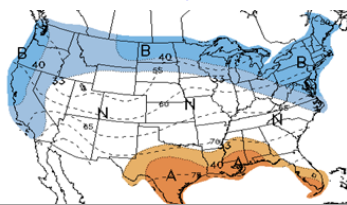
South Central Minnesota:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 03	may 04	may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12
59° 38°	63° 43°	61° 43°	62° 46°	61° 47°	64° 49°	64° 44°	59° 46°	61° 42°	59° 45°

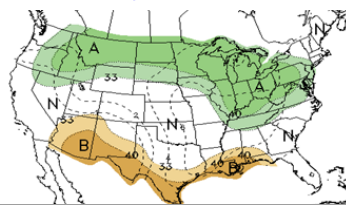
Central Nebraska:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 03	may 04	may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12
53° 39°	60° 41°	63° 48°	64° 51°	70° 53°	68° 52°	70° 56°	70° 54°	71° 51°	70° 53°

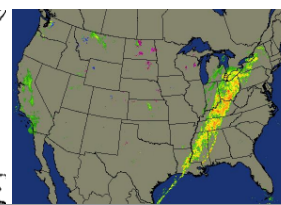
8-14 Day Temp



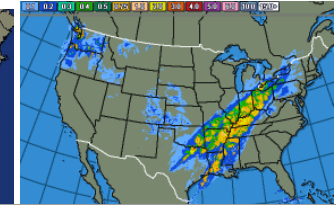
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



Official Weather Station -2011

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

	Monday, April 25	Tuesday, April 26	Wednesday, April 27		Thursday, April 28	Friday, April 29		Monday, May 2
Air Temperature	Max = 62; Min = 33	Max = 62; Min = 38	Max = 45; Min = 35	Air Temperature	Max = 56; Min = 38	Max = 61; Min = 40	Air Temperature	Max = 51; Min = 30
Soil Temperature				Soil Temperature			Soil Temperature	
2 inch	Max = 60; Min = 36; Ave = 48	Max = 56; Min = 40; Ave = 48	Max = 48; Min = 40; Ave = 44	2 inch	Max = 55; Min = 41; Ave = 48	Max = 61; Min = 43; Ave = 52	2 inch	Max = 50; Min = 37; Ave = 43
4 inch	Max = 53; Min = 35; Ave = 45	Max = 51; Min = 40; Ave = 46	Max = 45; Min = 40; Ave = 43	4 inch	Max = 50; Min = 40; Ave = 45	Max = 54; Min = 41; Ave = 48	4 inch	Max = 46; Min = 38; Ave = 42
8 inch	Max = 48; Min = 38; Ave = 43	Max = 47; Min = 41; Ave = 44	Max = 45; Min = 41; Ave = 43	8 inch	Max = 47; Min = 41; Ave = 43	Max = 50; Min = 42; Ave = 46	8 inch	Max = 45; Min = 40; Ave = 43
Daily Precipitation	0.00"	0.53"	0.07"	Daily Precipitation	0.00"	0.00"	Daily Precipitation	0.00"

Corn: Morning: May 11 corn closed at \$7.26 ¼, down 4 ½ cents, July 11 Corn is at \$7.32, down 2 ½ cents, Sept 11 Corn is at \$7.06 ¼, up 2 ¾ cents, Dec 11 Corn closed at \$6.70, up 8 ¾ cents.

Yesterday's Close: May 11 Corn closed at \$7.30 ¾, down 23 ¼ cents, Jul 11 Corn closed at \$7.34 ½, down 22 cents, Sep 11 Corn closed at \$7.03 ½, down 12 ½ cents Dec 11 Corn closed at \$6.61 ¼, down 8 ¼ cents

Corn futures closed lower with the price of wheat remaining low on a relative basis and potentially siphoning off feed demand. The USDA export inspections report this morning showed 34.635 million bushels inspected for export for the week ending 4/28, with a total increase of 38.493 million bushels from last week after revisions to prior data. This is ahead of last years pace during this period by about 4.9 million bushels. Weather does continue to be an issue with below normal temperatures and above normal rainfall remaining in the forecast for the eastern Corn Belt through at least May 8th.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.78 ½, dn 11 ¾ cents, Jul 11 Soybeans closed at \$13.82 ¼, dn 10 ¾ cents, Sept 11 Soybeans closed at \$13.70 ¾, down 10 ¼ cents, Nov 11 Soybeans closed at \$13.64 ¾, down 9 cents, Yesterday's Close: May 11 Soybeans closed at \$13.90 ¼, down 2 ½ cents, Jul 11 Soybeans closed at \$13.93, down 1 cent, Nov 11 Soybeans closed at \$13.73 ¾, down ½ cent, May 11 Soybean Meal closed at \$356.80, down \$1.30, May 11 Soybean Oil closed at \$58.19, up \$0.06

Soybean futures closed lower, weighed by corn with soy oil squeaking out a tiny gain. The USDA export inspections report this morning showed 5.525 million bushels inspected for export for the week ending 4/28, with a total increase of 8.4 million bushels from last week after revisions to prior data. This is slightly behind last years pace during this period by about 18.9 million bushels.

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Wheat: Morning: May 11 CBOT Wheat closed at \$7.54 ½, down 5 ¼ cents, May 11 MGEX Wheat is at \$9.44, down 6 cents
Yesterday's Close: May 11 CBOT Wheat closed at \$7.59 ¾, down 9 ½ cents, May 11 KCBT Wheat closed at \$8.81 ½, down 11 ½ cents, May 11 MGEX Wheat closed at \$9.50, up 4 ¾ cents
Wheat futures closed mostly lower after a good start earlier in the session. The USDA export inspections report this morning showed 36.394 million bushels inspected for export for the week ending 4/28, with a total increase of 38.113 million bushels from last week after revisions to prior data. This is well ahead of last years pace during this period by about 18.9 million bushels. It was this stronger than expected shipping pace that boosted futures earlier in the day. The annual Wheat Quality Tour is also underway. Both bullish and bearish stories can be expected as the group travels its routes. Spring wheat planting continues to lag with snow in the Dakotas and into Minnesota over the weekend. There were 184 contract delivery notices vs. May Chicago futures over the weekend.

Cattle: Yesterday's Close: Jun 11 Cattle closed at \$111.95, down \$1.40, Aug 11 Cattle closed at \$114.52, down \$1.17, Oct 11 Cattle closed at \$119.62, down \$1.10, May 11 Feeder Cattle closed at \$131.05, down \$0.85 Aug 11 Feeder Cattle closed at \$134.82, down \$1.12 Sep 11 Feeder Cattle closed at \$136.20, down \$0.72
Cattle futures closed much lower. Cash cattle sales were staying in the \$116.50 to 117 price range last week. Asking prices are expected to start around \$119 and \$190. Wholesale prices were 2% lower last week, limiting what packers are willing to pay for cattle. Thus, demand is no longer the only issue. Some of this concern is already in the market as shown by the price break to date. Boxed beef was 24 cents lower for Choice at \$181.79 and up 32 cents for Select at \$176.38. The USDA Planting Progress Report showed pasture condition at 47% good/excellent, down 16 points from last year.

Hogs: Yesterday's Close: May 11 Hogs closed at \$95.65, up \$0.37, Jun 11 Hogs closed at \$95.47, up \$0.25 Jul 11 Hogs closed at \$96.47, up \$0.07
Lean Hog futures closed higher. June Lean hogs dropped over \$9 in April. Combined US and Canadian farrowings in last week's report were 3.56 million head, down 1% from 2010 and down 5% from 2009. The CME Lean Hog Index was at \$94.20 up .16 as of April 28th. Cash hogs were \$1.16 lower in IA/MN, \$1.99 lower in the WCB, and \$.59 lower in the ECB.

Cotton: Yesterday's Close: May 11 Cotton closed at 175.91, down 287 points, Jul 11 Cotton closed at 154.45, down 357 points Dec 11 Cotton closed at 127.06, down 387 points
Cotton futures closed lower. There were no delivery notices issued for tomorrow after the huge transfer of ownership. Cotton is still weighed down by supplies coming out of the Southern Hemisphere. Chinese markets were closed today. The USDA Planting Progress Report showed planting at 18% complete, up 5 points from last week and down 6 points from average.

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May 11 Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCZ11 - 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



May 11 Mpls Spring Wheat Daily Chart

MWK11 - Spring Wheat (MGEX) - Daily OHLC Chart



Sept 11 Mpls Spring Wheat Daily Chart

MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart



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