



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Thursday, May 5, 2011

New recommendations were made on Wednesday May 4, 20011 to add to sales. See email previously sent.

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	90% sold-20% basis open July	50% sold HTA	30% sold HTA
Soybeans	90% sold with basis set	50% sold HTA	20% 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. New crop corn & soybeans have set new rally high's in anticipation of continued tightness of the 2011/12 S&D.

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

Market Talk: Continued talk of corn prices some 80 cents lower this fall being a motivated factor for importers to be patient and wait to make additional bookings and to cancel existing bookings.

The Continuous CRB was down 2% yesterday. Above normal rainfall has caused flooding in the eastern Corn Belt to the point that the Core of Engineers took drastic measures to preserve communities by blowing a dike and flooding farmland and homes in less populated areas. Secretary of Ag Vilsack assures those who suffered the consequences of the decision will be covered by crop and disaster insurance. A risk of flooding is still expected downstream where the Mississippi is expected to rise to the highest level since the 1920s in some locations. Corn acres will likely be lost to natural and man-made-limit-disaster flooding. There is the possibility that if the flooded acres dry out and there is still growing season left, some type of crop could be planted.

Wide spread MN corn planting yesterday. Considerable corn has been planted near Windom and the surrounding area. Lots of activity in Cottonwood, Murray, Redwood, Renville, Brown, Swift and many other counties. Some with over 25% of the corn planted.

South America: As of Sunday 95% of the Brazilian crop had been harvested and 62% had been sold. The U.S. dollar ended unchanged on the day after trading on both sides of the market. A record 72.55 MMT of soybeans expected in this years Brazilian harvest according to analysts surveyed by Celeres. Oil World bumped their 2011 Brazilian bean production estimate to 72.5 million tonnes, in line with recent trade estimates from Conab at 72.2 MMT. The USDA is now next to the low end of estimates at 72.0 MMT, even after increasing that figure from 70.0 MMT in the April S&D report; only Informa has a lower estimate just 71.5 MMT and are expected to provide another estimate later this week.

Wheat Tour: Day one of the 2011 Wheat Quality Council's HRWW Crop Tour reported the average Kansas wheat yield at 40.0 bu/acre, down from last year's 40.7 bu/acre estimate which was above the average estimate from a Reuters poll of 11 analysts at 35.8 bu/acre. The southern Kansas yields came in at 33.4 bu/acre, down from 39.9 bu/acre last year, and the lowest 2002. The USDA has rated the Kansas winter wheat crop at 21% good/excellent, two % lower this week as compared to a whopping 70% good/excellent last year.

Ethanol Legislation: Senator Grassley and other Midwest lawmakers have introduced a bill that would cut the ethanol tax credit to 20 cents/gal in 2012 and 15 cents in 2013, followed by linking to the price of crude oil after 2013—anywhere from a 30-cent credit with crude under \$30/bbl, to zero if crude is over \$90/bbl. Incentives would also be provided for infrastructure, such as blender pumps.

Outside Markets:

U.S. Dollar Index	73.215	+0.002	-	Euro FX	1.48200	-0.00130	-0.09%	Ethanol Futures	Jun 11	2.640	-0.002
CRB CCI Index	654.00p	-11.00	-1.65%	Canadian Dollar	1.03420	-0.00910	-0.87%	Gasoline RBOB (E)	Jun 11	3.3225p	-0.0069
Gold	1504.1	-10.8	-0.71%	Japanese Yen	1.25400	+0.01300	+1.05%	Diesel Gulf (Ulsd)	Jun 11	3.2006s	-0.0483
Silver	37.950	-1.433	-3.64%	Australian Dollar	1.06150	-0.00840	-0.79%	Heating Oil (E)	Jun 11	3.1430p	-0.0478
DJIA	12672p	-77	-0.6%	Chinese Renminbi	0.154270s	+0.000070	+0.05%	Crude Oil Brent (E)	Jun 11	118.22	-2.97
S&P 500 Index	1338.10	-4.90	-0.36%	Mexican Peso	0.085975s	-0.000250	-0.29%	Natural Gas (E)	Jun 11	4.577p	-0.093
Nasdaq 100	2376.50	-7.50	-0.31%	1-Month Libor	99.7975p	0.0000	-	Polypropylene	Jun 11	0.9050s	-0.0050
Russell 1000 Growth	616.60s	-4.20	-0.68%	T-Bond	123-31	+0-14	+0.35%	Polyethylene	Jun 11	0.6813p	0.0000
MSCI Eml Index	0.00	-1160.60	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	May 11	1472.750p	-14.250
Nikkei 225	9785.00	-70.00	-0.71%	5-Year T-Note	119-2.5	+0-100	+0.26%	Coal Futures	Jun 11	77.52p	-0.60
Brazilian Real	0.61955s	-0.00750	-1.2%	10-Year T-Note	121-270	+0-065	+0.17%	Uranium	May 11	56.50p	+0.50

Weather Locally we received .60" rainfall overnight. South Eastern MN may have been somewhat dryer with some reporting less than .10" of rainfall. Dry weather dominated most of the Midwest yesterday, with just a few showers across OH. Most totals there were generally under .10". Temps were in the 60's in most cases and some 50's across IN and OH. Some light rains will fall today

(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.

and again Saturday. Rain showers will continue to move through the region in the next 24 hours, producing mainly light and somewhat scattered results. A larger system will develop rains in much of the region for Sunday and early Monday and the same system looks to bring more rains to the Midwest for Wednesday and Thursday. Amounts with the Sunday and the Wed/Thur activity look to be heavy enough to stall fieldwork for a day or two. Mainly dry looks to return for Friday and the following weekend.

Central Illinois:

thu	fri	sat	sun	mon	tue	wed	thu	fri	sat
may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12	may 13	may 14
63° 45°	69° 51°	67° 54°	76° 60°	80° 62°	78° 61°	77° 54°	71° 54°	68° 50°	67° 47°

Central Iowa:

thu	fri	sat	sun	mon	tue	wed	thu	fri	sat
may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12	may 13	may 14
68° 44°	73° 53°	75° 56°	78° 63°	79° 63°	78° 61°	70° 54°	69° 51°	71° 49°	68° 47°

South Central Minnesota:

thu	fri	sat	sun	mon	tue	wed	thu	fri	sat
may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12	may 13	may 14
63° 41°	67° 48°	65° 51°	65° 54°	64° 53°	65° 48°	56° 47°	58° 46°	61° 42°	61° 41°

Central Nebraska:

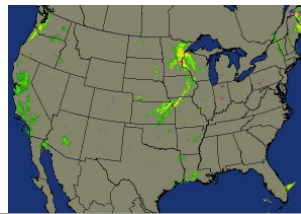
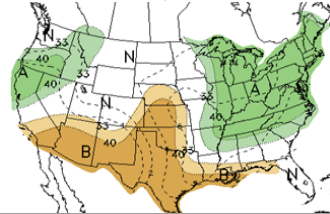
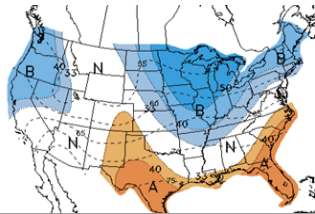
thu	fri	sat	sun	mon	tue	wed	thu	fri	sat
may 05	may 06	may 07	may 08	may 09	may 10	may 11	may 12	may 13	may 14
64° 49°	67° 50°	64° 56°	73° 63°	77° 66°	79° 65°	77° 56°	70° 57°	68° 54°	68° 48°

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, May 2	Tuesday, May 3	Wednesday, May 4
Air Temperature	Max = 51; Min = 30	Max = 46; Min = 29	Max = 60; Min = 34
Soil Temperature			
2 inch	Max = 50; Min = 37; Ave = 43	Max = 51; Min = 36; Ave = 43	Max = 64; Min = 36; Ave = 50
4 inch	Max = 46; Min = 38; Ave = 42	Max = 46; Min = 37; Ave = 42	Max = 55; Min = 37; Ave = 46
8 inch	Max = 45; Min = 40; Ave = 43	Max = 45; Min = 40; Ave = 42	Max = 51; Min = 39; Ave = 45
Daily Precipitation	0.00"	0.00"	0.00"

Corn: Morning: May 11 corn closed at \$7.19 ¾ , down 6 ¾ cents, July 11 Corn is at \$7.22 ½ , down 7 cents, Sept 11 Corn is at \$6.98 ½ , down 5 cents, Dec 11 Corn closed at \$6.63 ¾ , down 1 ½ cents.
Yesterday's Close: May 11 Corn closed at \$7.26 ½ , up 7 ½ cents, Jul 11 Corn closed at \$7.29 ½ , up 5 ¾ cents, Sep 11 Corn closed at \$7.03 ½ , up 4 ¾ cents Dec 11 Corn closed at \$6.65 ¼ , up 3 cents
Corn futures closed higher with old crop leading the rally. Cool and wet weather remains in the forecast for the eastern Corn Belt through May 17th.. Corn stocks at select export elevators and terminals were down 2.427 million bushels from last week. Rumors were circulating that China is in the market for more corn. Weekly export sales estimates range from 350 to 650 thousand MT.

Soybean Complex: Morning: May 11 Soybeans closed at \$13.43 , down 7 ½ cents, Jul 11 Soybeans closed at \$13.41 , down 11 cents , Sept 11 Soybeans closed at \$13.31 ½ , down 12 cents, Nov 11 Soybeans closed at \$13.26 ½ , down 12 cents,
Yesterday's Close: May 11 Soybeans closed at \$13.50 ½ , down 8 ¾ cents, Jul 11 Soybeans closed at \$13.52, down 11 ¾ cents, Nov 11 Soybeans closed at \$13.38 ½ , down 15 ¾ cents, May 11 Soybean Meal closed at \$347.60, down \$1.90, May 11 Soybean Oil closed at \$56.76, down \$0.51

Soybean futures were unable to rally and closed lower on the day. Most of the weather focus has been on the inability to plant corn and a possible shift to soybean acres in the U.S. Weather news from Germany is discussing the prolonged dry weather there that has begun to damage grain and rapeseed crops. That could temper world oil seed production some offsetting an additional 2.4 million acres of canola planted in Canada this year. Weekly export sales will be reported in the morning. Trade estimates range from 100 to 300 thousand MT. Soybean exports have dwindled seasonally with the onset of the South American crop.

(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Thursday, May 5, 2011

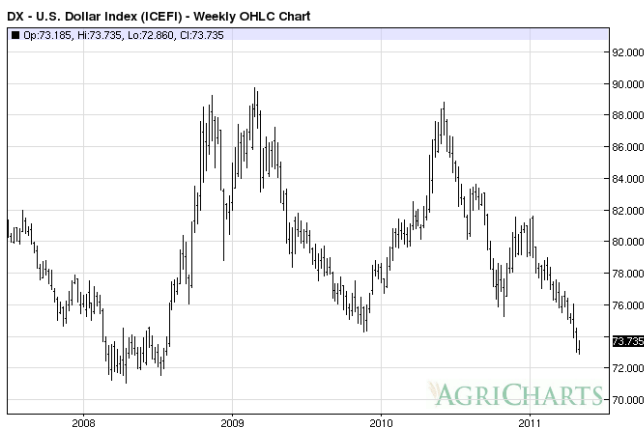
Wheat: Morning: May 11 CBOT Wheat closed at \$7.32 ¾, down 8 ¼ cents, July 11 MGEX Wheat is at \$9.09 ¾, down 5 ½ cents Yesterday's Close: May 11 CBOT Wheat closed at \$7.41, down 19 ¾ cents, May 11 KCBT Wheat closed at \$8.67 ¾, down 21 ¼ cents, May 11 MGEX Wheat closed at \$9.23, down 20 ½ cents
Wheat futures closed lower on all three exchanges. Volume was limited on the spot months with activity shifting to the July contract. The annual Wheat Quality Tour should wrap up Friday. As expected wheat yields are dropping as the tour moves further west over the HRW Wheat Belt. Lack of adequate moisture for the wheat crop has been the culprit in lower expected production. Wheat abandonment is expected to be high moving to the south because there is not enough production to warrant the expense of harvesting. Spring wheat is having the opposite problem of HRW with above normal rainfall preventing planting not just in the U.S. but also in Canada. Traders are looking for U.S. wheat export sales to come in tomorrow between 300 and 600 thousand MT.

Cattle: Yesterday's Close: Jun 11 Cattle closed at \$110.550, down \$0.050, Aug 11 Cattle closed at \$112.950, down \$0.125, Oct 11 Cattle closed at \$118.225, up \$0.175, May 11 Feeder Cattle closed at \$129.275, down \$0.050 Aug 11 Feeder Cattle closed at \$132.925, down \$0.125 Sep 11 Feeder Cattle closed at \$134.200, down \$0.100
Cattle futures ended the day on both sides of steady, slightly down on the front months and slightly higher on the back months. The bulk of the cash cattle sales are most likely finished for the week. Scattered numbers are still coming in however and at lower money than earlier in the week. Sales were already \$1 to \$3 lower than last weeks \$116 to \$117. Beef production for the second and third quarters of 2011 is expected to show an increase compared to the rest of 2011. The USDA estimated second quarter beef production at 6.685 billion pounds and third quarter beef production at 6.695 billion pounds. Poultry production is also higher for those two quarters with pork production lower. More beef supplies could keep retail prices soft relative to pork which could lead to more domestic usage and the lower dollar could continue to support exports. Box beef prices continue to drive lower. Choice is down \$1.22 at \$180.94 and Select is down \$1.31 at \$175.02 this afternoon.

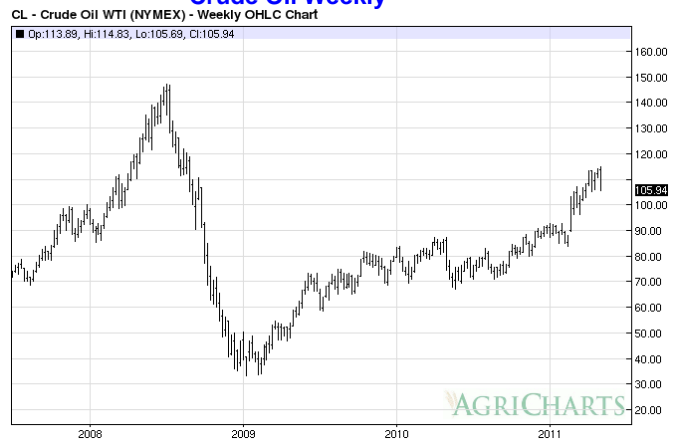
Hogs: Yesterday's Close: May 11 Hogs closed at \$90.600, down \$2.050, Jun 11 Hogs closed at \$92.150, down \$0.325 Jul 11 Hogs closed at \$92.875, down \$0.600
Lean Hog futures were lower on the front months and higher on the back months. Technically, the 38% Fibonacci has failed to support prices on the June contract. Spring and summer hog production is expected to be down relative to the rest of 2011 with production for competing animal protein higher. That could keep pork prices to the consumer higher and lead to less consumption of pork relative to other meats. Cash hog prices were lower again. IA/MN hogs were down \$0.49 at \$87.73, WCB hogs were down \$0.78 at \$87.35 and ECB hogs were down \$1.28 at \$87.25. Pork trading was slow with very light to light retail demand and moderate to heavy offerings. The Carcass came in lower with a mixed bag of prices for the cuts. The CME Lean Hog Index was at \$93.97, down .20 as of May 2nd.

Cotton: Yesterday's Close: May 11 Cotton closed at 173.19, down 602 points, Jul 11 Cotton closed at 151.51, down 600 points Dec 11 Cotton closed at 125.59, down 278 points
Cotton futures closed limit lower, weighed by a broad market selloff and continued concerns about excess supplies. The dollar was lower which would normally be supportive but the market didn't seem to take notice today. Tomorrow morning's export sales report is expected to be weak, as it has been lately due to cancellations by China.

US Dollar Index Weekly



Crude Oil Weekly



(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.



MORNING COMMENTS

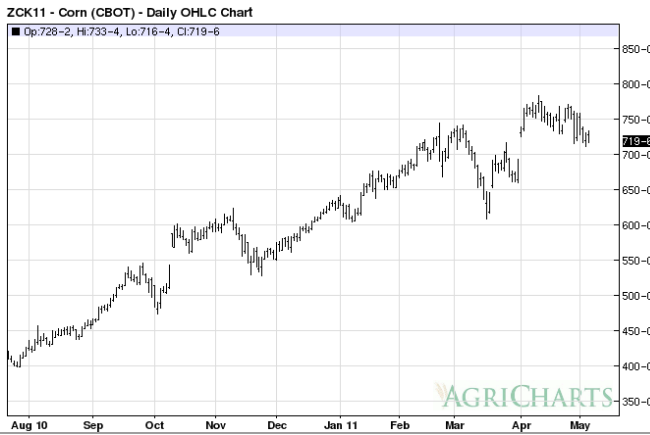
david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Thursday, May 5, 2011

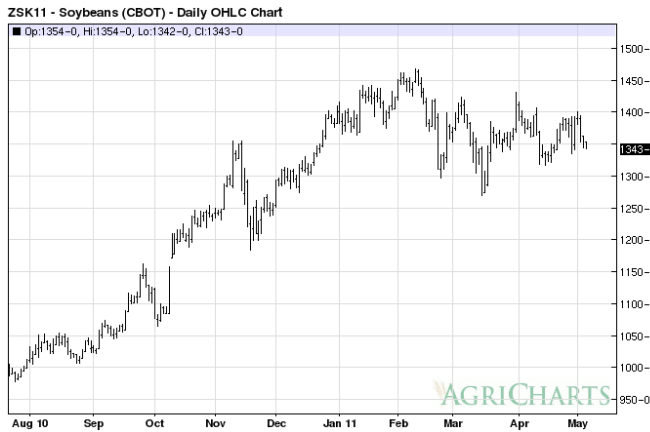
May 11 Corn Daily Chart



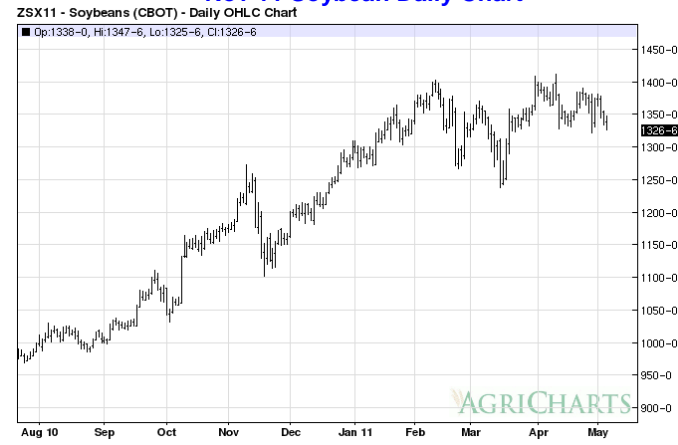
Dec 11 Corn Daily Chart



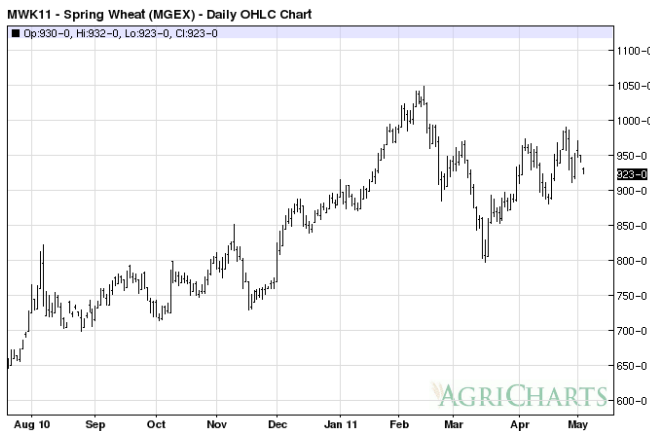
May 11 Soybean Daily Chart



Nov 11 Soybean Daily Chart



May 11 Mpls Spring Wheat Daily Chart



Sept 11 Mpls Spring Wheat Daily Chart



(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.