



## MORNING COMMENTS

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Tuesday, May 10, 2011

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

**Set Basis July Corn HTA's:** For July corn HTA's we were watching the basis to set it on the 20% that the basis is open. We were targeting the time frame when planting is in full swing to potentially set the basis. **Some locations now offering a -.38 basis for June corn and -.36 basis for July corn.** We are recommending that you set the basis as it is an acceptable level and with the rain delay you have time to address it. We don't wish to have you distracted once planting resumes and we see little potential benefit from waiting. At the time we placed the HTA the basis was a -.75 for forward contracts so we have gained \$.39 less the HTA fee from decoupling the futures price and basis.

**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.

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

Carry Out	2010-11	USDA Grain Carry Out Estimates (billions/bu)				Carry Out	2011-12	USDA Grain Carry Out Estimates (billions/bu)			
	USDA May 10/11	Average Trade Est.	Range of Trade Est.	USDA Apr 10/11	USDA 09/10		USDA May 11/12	Average Trade Est.	Range of Trade Est.	USDA Apr 11/12	
Corn		0.661	0.565-0.700	0.675	1.708	Corn		0.808	0.574-1.025	NA	
Soybeans		0.153	0.138-0.180	0.140	0.151	Soybeans		0.167	0.122-0.210	NA	
Wheat		0.845	.831-.868	0.839	0.976	Wheat		0.658	0.432-0.800	NA	

**Corn Planting Progress** report showing 40% planted, up 27 % from last week. Trade estimates ran from 28 to 35%. This is still 19 % behind average and 40% behind last year's fast pace. Iowa planting advanced a torrid 61% this past week to 69% which equals their average.

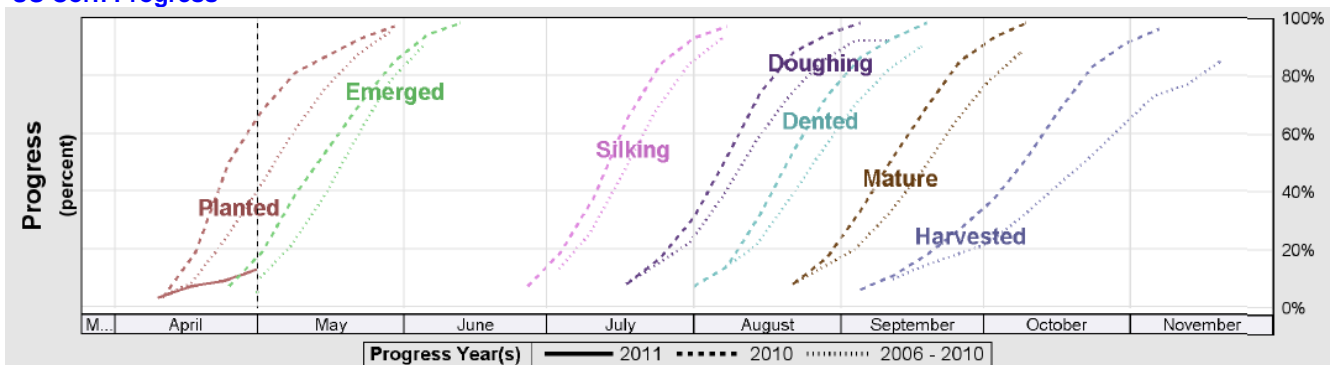
Soybean Planting Progress report showing 7% planted, down 10 % below average.

Spring wheat 22% planted, up 12 % from last week, and 39 % below average.

Winter wheat condition was at 33% good/ex, down a point from last week.

Planting Progress									
Corn Crop					Soybean Crop				
% of Crop USDA estimates has been Planted									
	Last Year	Last Week	This Week	Average		Last Year	Last Week	This Week	Average
U.S.	80%	13%	40%	59.0%	U.S.	28%	0%	7%	17.0%
Iowa	92%	8%	69%	69.0%	Arkansas	40%	0%	21%	30.0%
Kansas	69%	41%	66%	61.0%	Nebraska	23%	0%	15%	14.0%
Missouri	82%	32%	59%	60.0%	Kansas	13%	0%	11%	6.0%
Nebraska	74%	15%	57%	62.0%	Iowa	40%	0%	10%	18.0%
Illinois	93%	10%	34%	62.0%	Missouri	13%	0%	7%	9.0%
Minnesota	93%	1%	28%	65.0%	Minnesota	37%	0%	2%	18.0%
S Dakota	45%	2%	17%	33.0%	Illinois	30%	0%	2%	14.0%
Wisconsin	66%	1%	16%	45.0%	S Dakota	4%	0%	1%	10.0%
Indiana	80%	2%	4%	49.0%	Ohio	33%	0%	1%	4.0%
Ohio	74%	1%	2%	54.0%	Indiana	33%	0%	0%	17.0%

### US Corn Progress



Source: National Agricultural Statistics Service (NASS), Crop Progress Report

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### Sugarbeets Planted - Selected States

[These 4 States planted 84% of the 2010 sugarbeet acreage]

State	Week ending			2006-2010 Average
	May 8, 2010 (percent)	May 1, 2011 (percent)	May 8, 2011 (percent)	
Idaho .....	98	63	90	97
Michigan .....	100	17	45	95
Minnesota .....	100	2	17	68
North Dakota .....	99	1	14	68
4 States .....	99	15	33	77

**Market Talk:** Summer weather forecast by well respected meteorologist looks to be extremely favorable for producing a record corn yield. Still need to get it in the ground.

Trade rumblings that some are looking at similarities to previous years when the corn carryout was forecasted to shrink to minimal levels. The most recent time this happened was in 2004 and then the initial corn carryout estimate was for 741 million bushels. Price rationing developed which cut into projected demand and as a result, actual corn ending stocks that year totaled 2.1 billion bushels.

### Outside Markets:

<a href="#">U.S. Dollar Index</a>	74.885	-0.015	-0.02%	<a href="#">Euro FX</a>	1.43400	+0.00160	+0.11%	<a href="#">Ethanol Futures</a>	<a href="#">Jun 11</a>	2.560p	+0.038
<a href="#">CRB CCI Index</a>	642.20	+3.70	+0.58%	<a href="#">Canadian Dollar</a>	1.04080	+0.00480	+0.46%	<a href="#">Gasoline RBOB (E)</a>	<a href="#">Jun 11</a>	3.2784p	+0.1883
<a href="#">Gold</a>	1502.9p	+11.7	+0.78%	<a href="#">Japanese Yen</a>	1.24130	-0.00370	-0.3%	<a href="#">Diesel Gulf (Ulsd)</a>	<a href="#">Jun 11</a>	3.0329s	+0.1235
<a href="#">Silver</a>	38.300	+1.190	+3.21%	<a href="#">Australian Dollar</a>	1.07490	+0.00300	+0.28%	<a href="#">Heating Oil (E)</a>	<a href="#">Jun 11</a>	2.9618p	+0.1161
<a href="#">DJIA</a>	12631p	+62	+0.49%	<a href="#">Chinese Renminbi</a>	0.154130s	-0.000060	-0.04%	<a href="#">Crude Oil Brent (E)</a>	<a href="#">Jun 11</a>	114.61	-1.29
<a href="#">S&amp;P 500 Index</a>	1348.70	+6.00	+0.45%	<a href="#">Mexican Peso</a>	0.085850s	+0.000125	+0.15%	<a href="#">Natural Gas (E)</a>	<a href="#">Jun 11</a>	4.154p	-0.081
<a href="#">Nasdaq 100</a>	2399.75	+13.25	+0.56%	<a href="#">1-Month Libor</a>	99.8025p	0.0000	-	<a href="#">Polypropylene</a>	<a href="#">Jun 11</a>	0.9050s	0.0000
<a href="#">Russell 1000 Growth</a>	618.60s	+4.60	+0.75%	<a href="#">T-Bond</a>	124-08	-0-06	-0.15%	<a href="#">Polyethylene</a>	<a href="#">Jun 11</a>	0.6813p	0.0000
<a href="#">MSCI Emi Index</a>	0.00	-1165.40	-100%	<a href="#">3-Month T-Bill</a>	99.2700s	0.0000	-	<a href="#">Rme Biodiesel</a>	<a href="#">May 11</a>	1450.350p	+7.700
<a href="#">Nikkei 225</a>	9870.00	+70.00	+0.71%	<a href="#">5-Year T-Note</a>	119-050	-0-100	-0.26%	<a href="#">Coal Futures</a>	<a href="#">Jun 11</a>	74.78p	+0.98
<a href="#">Brazilian Real</a>	0.61560p	+0.00010	+0.02%	<a href="#">10-Year T-Note</a>	122-105	-0-045	-0.11%	<a href="#">Uranium</a>	<a href="#">May 11</a>	56.50p	0.00

**Weather** Locally dry overnight. The forecast calls for highs in the mid 80's today and sunshine this afternoon. High's in the 70 tomorrow and mid 60's Thursday with slight chance of showers both days.

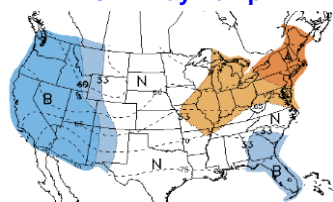
### Central Illinois:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 10	may 11	may 12	may 13	may 14	may 15	may 16	may 17	may 18	may 19
P Cloudy	Iso T-Storms	Sct T-Storms	Showers	Showers	Showers	Few Showers	Few Showers	P Cloudy	AM Clouds
88° 66°	83° 65°	86° 59°	73° 56°	66° 53°	65° 51°	66° 49°	65° 50°	69° 50°	69° 52°

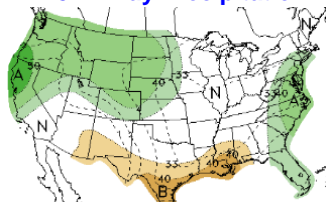
### South Central Minnesota:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 10	may 11	may 12	may 13	may 14	may 15	may 16	may 17	may 18	may 19
P Cloudy	Strong Tstms	Sct T-Storms	Few Showers	Few Showers	P Cloudy	M Sunny	Sunny	M Sunny	P Cloudy
87° 59°	79° 59°	60° 47°	51° 46°	56° 45°	62° 48°	64° 48°	65° 47°	66° 46°	66° 50°

### 8-14 Day Temp



### 8-14 Day Precipitation



### Central Iowa:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 10	may 11	may 12	may 13	may 14	may 15	may 16	may 17	may 18	may 19
M Sunny	Strong Tstms	Sct T-Storms	Few Showers	Few Showers	P Cloudy	M Sunny	P Cloudy	M Cloudy	AM Clouds
93° 69°	85° 65°	79° 54°	62° 50°	64° 50°	69° 48°	69° 48°	70° 52°	76° 52°	70° 52°

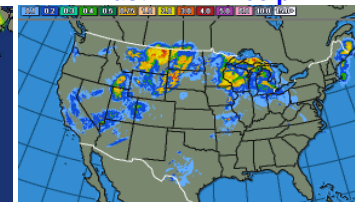
### Central Nebraska:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
may 10	may 11	may 12	may 13	may 14	may 15	may 16	may 17	may 18	may 19
Iso T-Storms	Iso T-Storms	Sct T-Storms	Rain/Thunder	Rain	Showers	Few Showers	Showers	Few Showers	Sunny
82° 65°	84° 66°	82° 62°	76° 57°	69° 54°	67° 56°	65° 53°	68° 53°	68° 51°	69° 53°

### Current Radar



### Last 24 hr Precip



*Official Weather Station -2011*

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

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**Tuesday, May 10, 2011**

	Monday, May 2	Tuesday, May 3	Wednesday, May 4		Thursday, May 5	Friday, May 6		Monday, May 9
<b>Air Temperature</b>	Max = 51; Min = 30	Max = 46; Min = 29	Max = 60; Min = 34	<b>Air Temperature</b>	Max = 68; Min = 41	Max = 63; Min = 41	<b>Air Temperature</b>	Max = 71; Min = 53
<b>Soil Temperature</b>				<b>Soil Temperature</b>			<b>Soil Temperature</b>	
2 inch	Max = 50; Min = 37; Ave = 43	Max = 51; Min = 36; Ave = 43	Max = 64; Min = 36; Ave = 50	2 inch	Max = 61; Min = 43; Ave = 52	Max = 63; Min = 46; Ave = 54	2 inch	Max = 66; Min = 55; Ave = 61
4 inch	Max = 46; Min = 38; Ave = 42	Max = 46; Min = 37; Ave = 42	Max = 55; Min = 37; Ave = 46	4 inch	Max = 54; Min = 42; Ave = 48	Max = 57; Min = 45; Ave = 51	4 inch	Max = 59; Min = 53; Ave = 56
8 inch	Max = 45; Min = 40; Ave = 43	Max = 45; Min = 40; Ave = 42	Max = 51; Min = 39; Ave = 45	8 inch	Max = 50; Min = 44; Ave = 47	Max = 53; Min = 46; Ave = 50	8 inch	Max = 56; Min = 52; Ave = 54
<b>Daily Precipitation</b>	0.00"	0.00"	0.00"	<b>Daily Precipitation</b>	0.22"	0.00"	<b>Daily Precipitation</b>	0.46"

**Corn:** Morning: May 11 corn closed at \$7.12 , up 7 ½ cents, July 11 Corn is at \$7.15 , up 7 ½ cents, Sept 11 Corn is at \$6.90 , up 4 cents, Dec 11 Corn closed at \$6.59 ¼ , up 1 ¾ cents.

Yesterday's Close: May 11 Corn closed at \$7.04 ½ , up 21 ¾ cents, Jul 11 Corn closed at \$7.07 ½ , up 21 ¼ cents, Sep 11 Corn closed at \$6.86, up 17 ¾ cents Dec 11 Corn closed at \$6.57 ½ , up 17 ¼ cents

Corn futures closed double digits higher, accelerating into the close. The USDA export inspections report this morning showed 27.777 million bushels inspected for export for the week ending May 5th with a total increase of 31.689 million bushels from last week after revisions to prior data. This is behind last year's pace during this period by about 7.4 million bushels. Rains continue to plague the eastern Corn Belt but planting is progressing rapidly in Iowa, Nebraska, Kansas and Missouri. Cash movement has slowed down seasonally.

**Soybean Complex:** Morning: May 11 Soybeans closed at \$13.43 ½ , up 8 ½ cents, Jul 11 Soybeans closed at \$13.44 ½ , up 9 ½ cents , Sept 11 Soybeans closed at \$13.31 , up 4 ¾ cents, Nov 11 Soybeans closed at \$13.31 ¼ , up 11 ¾ cents, Yesterday's Close: May 11 Soybeans closed at \$13.35, up 10 cents, Jul 11 Soybeans closed at \$13.35, up 9 cents, Nov 11 Soybeans closed at \$13.19 ½ , up 11 cents, May 11 Soybean Meal closed at \$345.90, up \$1.00, May 11 Soybean Oil closed at \$55.98, up \$0.61 Soybean futures closed higher with support from wheat and corn. The USDA export inspections report this morning showed 6.018 million bushels inspected for export for the week ending May 5th with a total increase of 9.126 million bushels from last week after revisions to prior data. This is ahead of last year's pace during this period by about 2.2 million bushels. Shipments need to run ahead of year ago if we are to meet USDA's forecast for the year. South American prices remain favorable when compared the U.S., driving importers of US grain to the Southern Hemisphere.

**Wheat:** Morning: May 11 CBOT Wheat closed at \$7.65 ¾ , up 6 ½ cents, Jul 11 MGEX Wheat is at \$9.65 , up 20 ¼ cents Yesterday's Close: May 11 CBOT Wheat closed at \$7.59 ¼ , up 34 ¾ cents, May 11 KCBT Wheat closed at \$9.10, up 42 cents, May 11 MGEX Wheat closed at \$9.60, up 49 ¼ cents Wheat futures closed much higher. The USDA export inspections report this morning showed 34.625 million bushels inspected for export for the week ending May 5th with a total increase of 34.990 million bushels from last week after revisions to prior data. This is ahead of last year's pace during this period by about 11.7 million bushels. USDA will issue projected production on Wednesday, along with global supply & demand balance sheets. Cash basis levels are steady for HRW wheat with little cash grain movement as farmers focus on production of other crops.

**Cattle:** Yesterday's Close: Jun 11 Cattle closed at \$109.00, down \$0.85, Aug 11 Cattle closed at \$110.87, down \$0.70, Oct 11 Cattle closed at \$116.85, down \$0.10, May 11 Feeder Cattle closed at \$128.00, down \$1.12 Aug 11 Feeder Cattle closed at \$132.30, down \$0.47 Sep 11 Feeder Cattle closed at \$133.10, down \$0.50 Cattle futures closed lower, weighed by falling boxed beef prices. The bull argument is that traders are nibbling at the long side because of the steep multi-week decline. Futures are at a substantial discount to cash cattle. Choice was down \$.05 at \$177.20 and Select was down \$.23 at \$170.25. The USDA released the Weekly Crop Conditions report this afternoon showing pasture condition at 48% good/ex, up a point from last week and 16 points below last year.

**Hogs:** Yesterday's Close: May 11 Hogs closed at \$92.72, down \$0.62, Jun 11 Hogs closed at \$92.65, up \$0.27 Jul 11 Hogs closed at \$93.20, up \$0.60 Lean Hog futures closed mixed as May futures are pulled towards the lean hog index and cattle continued their decline. May hogs expire May 13th. Packers should be ramping up soon for the Memorial Day grilling volume. IA/MN hogs were higher: up \$.29 at an average weighted price of \$89.05, WCB were \$.59 higher and ECB were \$.35 lower. The CME Lean Hog Index was at \$92.17, down \$0.25 as of May 5th.

**Cotton:** Yesterday's Close: Jul 11 Cotton closed at 145.40, down 16 points, Oct 11 Cotton closed at 133.28, down 28 points Dec 11 Cotton closed at 123.78, up 149 points Cotton closed mixed. Chinese farmers are planting faster than normal, at about 90% planted, due to the price and growing conditions according to Bloomberg. Industry estimates have USDA showing about a 6% increase in Chinese planted acreage this year. USDA's next WASDE update is on Wednesday morning. USDA Weekly Planting Progress report showing cotton planted at 26%, up 8 %s from last week.

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### May 11 Corn Daily Chart

ZCK11 - Corn (CBOT) - Daily OHLC Chart



### Dec 11 Corn Daily Chart

ZCC11 - 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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