



MORNING COMMENTS

david@mnwestag.com

Office 1-877-365-3744

www.mnwestag.com

Monday, May 16, 2011

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 with basis set	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: Thursday June 9, 2011 WASDE & Crop Production, Thursday June 30, 2011 Planted Acres & Grain Stocks

Market Talk Average corn planting progress as of May 15th would be 75%. Last week's huge progress in Iowa can't be repeated, wettest ECB areas planted little but there were areas in between that made and are making big progress this week. This afternoon's corn planting progress should be about 60% completed vs. 40% last week.

US soybean basis levels continue to appreciate. Processors are having a difficult time replacing crush, particularly in the Western Corn Belt. South American basis levels were also slightly firmer on Friday. All of this supported old/new spreads as the session progressed. We expect US processors will continue to struggle to buy soybeans for the balance of the marketing year.

Outside Markets:

U.S. Dollar Index	75.825	-0.113	-0.15%	Euro FX	1.41340	+0.00340	+0.24%	Ethanol Futures	Jun 11	2.503p	+0.011
CRB CCI Index	629.00p	-1.00	-0.16%	Canadian Dollar	1.02620	-0.00590	-0.57%	Gasoline RBOB (E)	Jun 11	3.0744p	+0.0105
Gold	1489.7	-3.7	-0.25%	Japanese Yen	1.23720	+0.00010	+0.01%	Diesel Gulf (Ulsd)	Jun 11	3.0195s	+0.0329
Silver	34.375	-0.636	-1.82%	Australian Dollar	1.05220	-0.00210	-0.2%	Heating Oil (E)	Jun 11	2.9422p	+0.0285
DJIA	12556p	-116	-0.92%	Chinese Renminbi	0.154100p	-0.000090	-0.06%	Crude Oil Brent (E)	Jun 11	113.83p	+0.85
S&P 500 Index	1330.60	-3.40	-0.25%	Mexican Peso	0.084900	-0.000075	-0.09%	Natural Gas (E)	Jun 11	4.246p	+0.052
Nasdaq 100	2365.00	-5.00	-0.21%	1-Month Libor	99.8075	+0.0025	-	Polypropylene	Jun 11	0.9000s	0.0000
Russell 1000 Growth	614.90p	-6.60	-1.06%	T-Bond	124-24	+0-10	+0.25%	Polyethylene	Jun 11	0.6813p	0.0000
MSCI Emi Index	1126.10	-3.60	-0.32%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	May 11	1467.500p	+1.650
Nikkei 225	9560.00	-30.00	-0.31%	5-Year T-Note	119-2.5	+0-7.5	+0.28%	Coal Futures	Jun 11	72.53p	-0.60
Brazilian Real	0.61035p	-0.00365	-0.59%	10-Year T-Note	122-215	+0-055	+0.14%	Uranium	May 11	58.00p	0.00

Weather Showers and thunderstorms fell across much of the Midwest over the weekend. Locally we received a total of just over 1.00" between the start on Friday and early Sunday morning. Some of the heaviest amounts falling across eastern IA and then most of IL, IN, MI and OH. Totals there were in the .50-1" range, with some isolated heavier totals occurring as well. Amounts elsewhere across the region were generally less than .35". Coverage across all of the Midwest was around 85%. Temps were below average, with highs dropping into the 50's and 60's.

Central Illinois:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
may 16	may 17	may 18	may 19	may 20	may 21	may 22	may 23	may 24	may 25
Sunny	Sunny	P Cloudy	M Cloudy	Showers	Sct T-Storms	Sct T-Storms	Sct T-Storms	Sct T-Storms	Few Showers
66° 32°	69° 40°	74° 53°	73° 59°	77° 62°	79° 61°	83° 62°	80° 65°	81° 61°	76° 54°

Central Iowa:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
may 16	may 17	may 18	may 19	may 20	may 21	may 22	may 23	may 24	may 25
Sunny	M Sunny	Cloudy	P Cloudy	P Cloudy	Showers	Sct T-Storms	Sct T-Storms	P Cloudy	P Cloudy
60° 33°	62° 45°	63° 50°	70° 52°	76° 56°	75° 60°	79° 60°	78° 63°	83° 64°	80° 57°

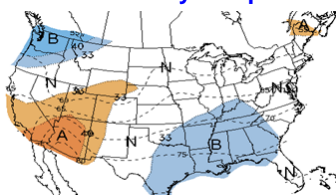
South Central Minnesota:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
may 16	may 17	may 18	may 19	may 20	may 21	may 22	may 23	may 24	may 25
Sunny	Sunny	M Sunny	P Cloudy	Few Showers	T-Showers	Sct T-Storms	P Cloudy	Showers	Showers
65° 39°	66° 36°	68° 52°	69° 57°	67° 59°	72° 57°	78° 57°	76° 59°	75° 49°	71° 46°

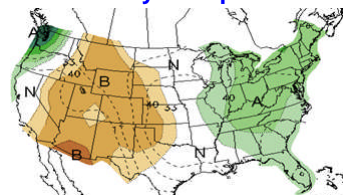
Central Nebraska:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
may 16	may 17	may 18	may 19	may 20	may 21	may 22	may 23	may 24	may 25
P Cloudy	PM Showers	Showers	Few Showers	P Cloudy	Few Showers	Sct T-Storms	Showers	P Cloudy	Iso T-Storms
60° 42°	57° 48°	63° 55°	71° 56°	74° 58°	75° 62°	78° 62°	77° 64°	81° 65°	81° 63°

8-14 Day Temp



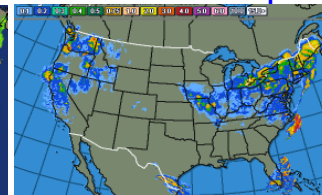
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



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Monday, May 16, 2011

Official Weather Station -2011

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

	Monday, May 9	Tuesday, May 10	Wednesday, May 11		Thursday, May 12	Friday, May 13
Air Temperature	Max = 71; Min = 53	Max = 70; Min = 54	Max = 89; Min = 58	Air Temperature	Max = 78; Min = 53	Max = 53; Min = 41
Soil Temperature				Soil Temperature		
2 inch	Max = 66; Min = 55; Ave = 61	Max = 67; Min = 56; Ave = 61	Max = 75; Min = 56; Ave = 66	2 inch	Max = 75; Min = 59; Ave = 67	Max = 60; Min = 49; Ave = 54
4 inch	Max = 59; Min = 53; Ave = 56	Max = 60; Min = 53; Ave = 57	Max = 67; Min = 53; Ave = 60	4 inch	Max = 65; Min = 57 Ave = 61	Max = 57; Min = 48; Ave = 53
8 inch	Max = 56; Min = 52; Ave = 54	Max = 57; Min = 53; Ave = 55	Max = 62; Min = 53; Ave = 58	8 inch	Max = 62; Min = 56 Ave = 59	Max = 57; Min = 51; Ave = 54
Daily Precipitation	0.46"	0.00"	0.01"	Daily Precipitation	0.07"	0.79"
Cumm Precip Beginning 1/1/11	7.53"	7.53"	7.54"	Cumm Precip Beginning 1/1/11	7.61"	8.40"
Cumm GDD Beginning 5/1/11	61	73	95	Cumm GDD Beginning 10/1/10	110	112

Corn: Morning: July 11 Corn is at \$6.93 , up 11 cents, Sept 11 Corn is at \$6.63 , up 9 ¼ cents, Dec 11 Corn closed at \$6.32 ¾ , up 5 ¾ cents, Mar 11 Corn is at \$6.44 , up 5 ¾ cents.
Friday's Close: May 11 Corn closed at \$6.79, down 2 ¼ cents, Jul 11 Corn closed at \$6.82, up 1 ½ cents, Sep 11 Corn closed at \$6.53 ¾ , up ¾ cent Dec 11 Corn closed at \$6.27, down 3 ½ cents
Corn futures ended the day mixed with the expiring May contract lower as well as new crop December. Corn was down 4 cents for the week. Private exporters announced the sale of 271,200 MT of corn to an unknown destination for 2011/12 delivery and South Korea bought 269,000 MT of optional origin corn for August delivery. Weather continues to disrupt corn planting in different regions of the country. Planting progress was at the five year average or slightly better for 6 of the 18 corn producing states. Ten of the states were significantly behind the five year average and the remaining two states were behind but making progress as of last Sunday. There was some progress made this past week and expectations are for a 57 to 58% completed rating on Mondays USDA progress report versus the 75% average. The CFTC reported a net reduction in corn longs of 34,937 contracts between Money Managers and Index Funds.

Soybean Complex: Morning: Jul 11 Soybeans closed at \$13.33 ½ , up 4 cents, Sept 11 Soybeans closed at \$13.17 ¼ , up 3 ¼ cents, Nov 11 Soybeans closed at \$13.14 , up 3 ¼ cents, Jan 11 Soybeans closed at \$13.28 ½ , up 9 cents ,
Friday's Close: May 11 Soybeans closed at \$13.37, down 8 ¼ cents, Jul 11 Soybeans closed at \$13.29 ½ , down 13 ¼ cents, Nov 11 Soybeans closed at \$13.10 ¾ , down 15 ½ cents, May 11 Soybean Meal closed at \$343.10, down \$6.00, May 11 Soybean Oil closed at \$55.75, down \$0.46
Soybean futures closed lower on the day but were up 12 cents for the week. Weather conditions that have delayed corn planting could add soybean acres while soybean export sales are declining. Argentina announced that a deal had been reached for China to import 500,000 MT of Argentine soybean oil. This is expected to offset some palm oil imports, but could also curb imports from Brazil and the US. Cash basis levels were firm in the Midwest with farmer selling at a near standstill. River bids were lower although barge freight rates had declined. Gulf basis levels were higher on slow farmer selling and high water on the Mississippi. The Smithland lock is expected to reopen May 19th.

Wheat: Morning: Jul 11 CBOT Wheat closed at \$7.37 ¼ , up 9 ½ cents, Jul 11 MGEX Wheat is at \$9.12 ¼ , up 12 cents
Friday's Close: May 11 CBOT Wheat closed at \$6.96, down 4 ½ cents, May 11 KCBT Wheat closed at \$8.58 ¾ , down 10 ¼ cents, May 11 MGEX Wheat closed at \$9.11 ¾ , down 7 ½ cents
Wheat futures reversed earlier direction to close lower on the day and finished down 4 cents (CBOT), 29 cents (KCBT) and 9 cents (MGEX) for the week. May wheat contracts expired today. Weekly export sales remain strong continuing to outpace the last couple of years on both old and new crop sales. U.S. Farm exports have reached an all time high of \$75 billion during the first half of fiscal year 2011. (the U.S. fiscal year began October 1st of 2010) Global wheat production is projected to increase but not keep pace with demand, resulting in a minor decrease in global ending stocks. Russia, Kazakhstan and the Ukraine are expected to resume wheat exporting with projections at 26 MMT. The world awaits the resumption of exports from Russia. Cash basis levels are steady. Syria issued an optional origin tender for 27,000 MT of soft baking wheat.

Cattle: Friday's Close: Jun 11 Cattle closed at \$109.000, down \$0.850, Aug 11 Cattle closed at \$110.550, down \$0.875, Oct 11 Cattle closed at \$115.500, down \$1.050, May 11 Feeder Cattle closed at \$128.700, down \$0.825 Aug 11 Feeder Cattle closed at \$132.450, down \$1.475 Sep 11 Feeder Cattle closed at \$133.025, down \$1.475

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Cattle futures closed lower on the day and were down 85 cents for the week. June and August cattle closed basically on the Fibonacci 38% support. Feeder cattle were also lower on the close and down 43 cents for the week. Beef exports are at historically high levels at 256,977 MT so far this year compared to 178,578 MT for the same week last year. Cash cattle trade was basically at a standstill in Southern and Northern Plains. The WCB trade was limited on light demand. Cash cattle trade yesterday was \$1 lower in NE with the bulk of the cattle selling at \$114. TX and KS cattle were \$3 lower at \$112. Cash is still above the futures with first notice day three weeks away. Boxed beef ended the day slightly higher and was down \$2.57 from last Friday on the Choice.

Hogs: Friday's Close: May 11 Hogs closed at \$92.850, up \$0.225, Jun 11 Hogs closed at \$94.550, up \$0.350 Jul 11 Hogs closed at \$93.850, down \$0.300

Lean Hog futures closed mixed on the day and were down 50 cents for the week on the expired May contract. Hogs had rallied each day this week on the June contracts and closed above minor resistance. Pork trading was slow but retail demand was moderate to good. Ribs were up \$5.47 this afternoon and Loins were down a penny. Loins traded at the highest level since last August yesterday and were up nearly \$10 for the week. Ribs traded at \$156.70 today, the highest level since 2005 and up \$21 for the week. The Lean Hog Index was up \$.06 at \$91.77 for May 11th.

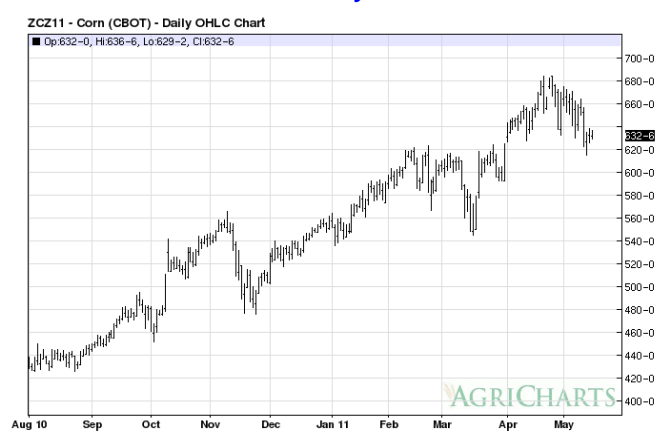
Cotton: Friday's Close: Jul 11 Cotton closed at 145.15, up 85 points, Oct 11 Cotton closed at 127.55, down 175 points Dec 11 Cotton closed at 115.61, down 358 points

Cotton closed mixed with July higher and Dec lower. Cotton was nearly flat for the week, up 17 points or .12%. Crop insurance coverage will be available for farmers affected by flooding in the Birds Point-New Madrid Floodway according to USDA FAS William J. Murphy. The situation was unavoidable and therefore a naturally occurring event insurable under the Basic Provisions portion of the Crop Insurance program. The disposal date is December 31, 2011. The CFTC Disaggregated Futures and Options report showed Managed Money adding net longs as of Tuesday.

May 11 Corn Daily Chart



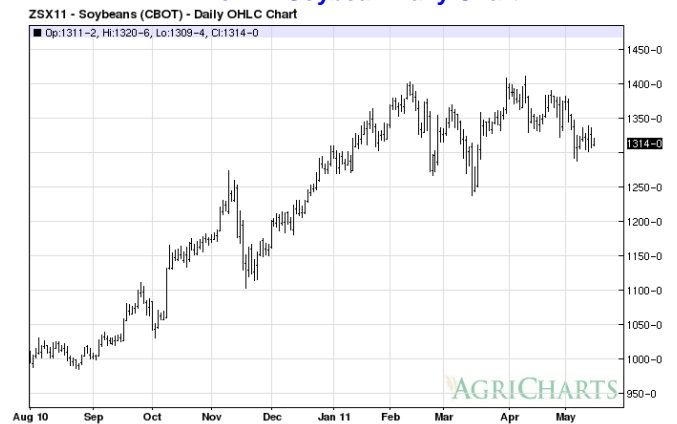
Dec 11 Corn Daily Chart



May 11 Soybean Daily Chart



Nov 11 Soybean Daily Chart



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May 11 Mpls Spring Wheat Daily Chart



Sept 11 Mpls Spring Wheat Daily Chart



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