



MORNING COMMENTS

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Wednesday, June 1, 2011

Prevented Planting Notice must be given with 72 hours after: Final Plant date (May 31st for corn in MN and June 10 for Soybeans in MN) if no intention to plant during the late plant period, or if Insured determines they will be unable to plant within any applicable late plant period. The late plant period is 25 days after the final plant date. See the Late Plant / Prevented Plant Guide previously provided.

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 MNWestAg price targets have all been exceeded.

Goldman Sachs cut their three-month corn price forecast to \$8/bushel and lowered their Soybean forecast from \$15 to \$14 per bushel, with the six and 12-month soybean price forecasts also down from \$15.75 to \$14.75 per bushel.

Thoughts for 2012 crop, the only price floor we have today for 2012 is loan rate of \$1.85 corn and \$4.90 soybeans

Next Major USDA Reports: Thursday June 9, 2011 WASDE & Crop Production, Thursday June 30, 2011 Planted Acres & Grain Stocks

Market Talk Improved weather expectations for most of the Corn Belt coupled with increased global economic worries applied market pressure yesterday. Even though many commodities have stabilized in price recently, not many analysts are bullish the market. Reasons they would cite are the state of the world economy and how the expectation of a reduction in commodity demand in the near future. They also cite that the U.S. dollar appears to be making a correction as well, which would only depress commodities even further. However, a factor that could easily change this outlook is if the U.S. grain production would appear to short-fall of supply.

The analytical firm Oil World believes that record soybean exports will come out of Brazil this year. The firm is projecting Brazil's soybean exports at 31.1 million metric tons, up 3 mmt from last year. Oil World is also forecasting increased soybean exports for Paraguay, along with a small reduction in Argentine sales. They expect that a majority of the South American soybean exports will go to China, who not only needs to cover current needs, but rebuild its inventory from depleted government stocks.

The International Grains Council has revised their estimates upward on China's corn crop. The IGC now puts China's corn crop at 170 million metric tons, up 3% increase from the previously. As a result, China is only forecast to import 2 mmt of corn this year. The firm is quick to point out this estimate is based on planting conditions, weather forecasts and yield trends, all of which can change between now and the fall harvest.

Planting Progress: The trade was expecting corn planting progress in USDA's Planting Progress report to be around 85-90% planted vs last week's 79%. The number came in at 86%, up 7 points from last week and 9 points below average with Ohio and Indiana the main laggards. The trade was expecting USDA's Soybean Planting Progress report to be around 55-65% planted vs. last week's 41% and the number came in at 51%, still 20% below average and last year. The trade was expecting Spring Wheat planting progress to be around 65-68% planted vs last weeks 54%. It came in at 68% which was still below average by 27 points.

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.	97%	79%	86%	95.0%		U.S.	71%	41%	51%	71.0%	
Iowa	99%	98%	99%	98.0%		Iowa	89%	78%	87%	88.0%	
Nebraska	99%	94%	97%	98.0%		Nebraska	82%	68%	78%	84.0%	
Kansas	95%	93%	97%	97.0%		Illinois	69%	47%	59%	64.0%	
Illinois	99%	90%	94%	93.0%		Kansas	50%	46%	56%	54.0%	
Missouri	94%	88%	94%	91.0%		Arkansas	70%	39%	48%	64.0%	
Minnesota	100%	81%	88%	98.0%		Minnesota	93%	38%	53%	89.0%	
S Dakota	90%	73%	86%	92.0%		Missouri	44%	33%	36%	49.0%	
Wisconsin	95%	63%	80%	92.0%		S Dakota	59%	21%	34%	65.0%	
Indiana	93%	49%	59%	87.0%		Indiana	67%	17%	25%	62.0%	
Ohio	93%	11%	19%	93.0%		Ohio	62%	4%	7%	75.0%	

Crop Emergence: Corn Emerged is at 66%, down from the average of 78% by 12%. Soybeans are 27% emerged as compared to 39% on average. Spring wheat emerged was at 40%, down 41% from an average of 81%.

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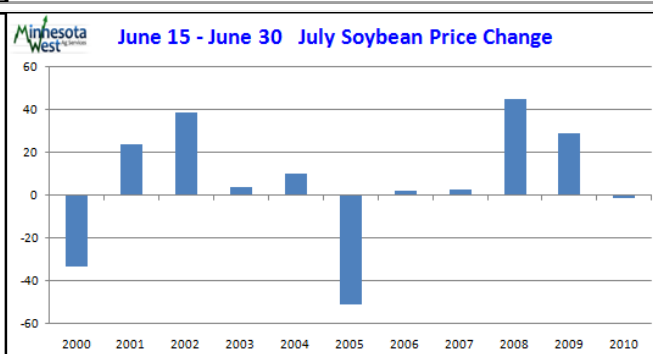
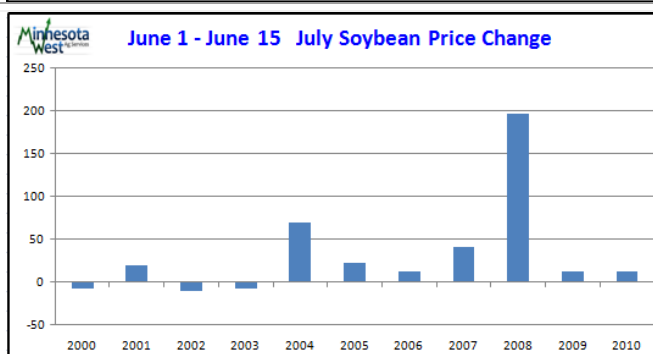
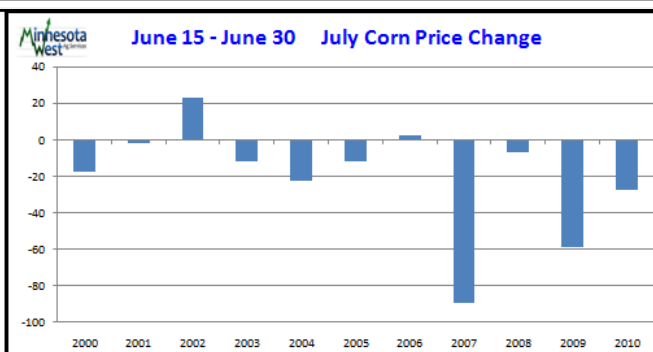
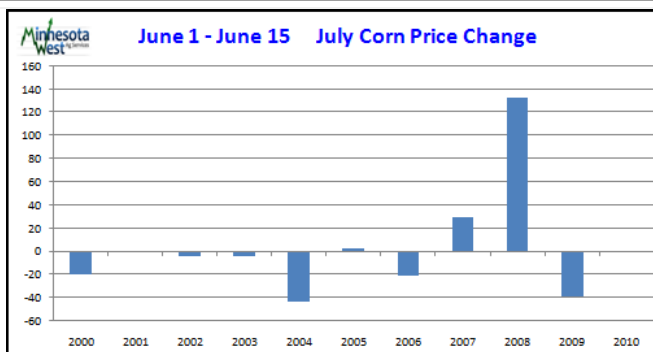
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Crop Emergence									
Corn Crop					Soybean Crop				
	% of Crop USDA estimates has Emerged								
	Last Year	Last Week	This Week	Average		Last Year	Last Week	This Week	Average
U.S.	83%	45%	66%	78.0%	U.S.	43%	12%	27%	39.0%
Iowa	93%	74%	90%	85.0%	Illinois	46%	12%	30%	36.0%
Missouri	80%	69%	86%	76.0%	Arkansas	51%	25%	37%	47.0%
Kansas	78%	62%	75%	81.0%	Iowa	57%	21%	52%	50.0%
Illinois	93%	56%	80%	79.0%	Nebraska	39%	20%	43%	45.0%
Nebraska	76%	55%	77%	83.0%	Missouri	21%	13%	25%	27.0%
Indiana	85%	20%	42%	71.0%	Kansas	22%	13%	28%	26.0%
Minnesota	92%	23%	54%	82.0%	Indiana	49%	3%	13%	36.0%
S Dakota	62%	18%	46%	60.0%	Minnesota	55%	1%	12%	45.0%
Wisconsin	72%	14%	39%	66.0%	Ohio	45%	1%	3%	44.0%
Ohio	80%	2%	9%	74.0%	S Dakota	19%	1%	8%	22.0%



Outside Markets:

U.S. Dollar Index	74.535	-0.161	-0.22%	Euro FX	1.44220	+0.00430	+0.3%	Ethanol Futures	Jun 11	2.642p	-0.018
CRB CCI Index	657.00p	+3.50	+0.54%	Canadian Dollar	1.03120	-0.00060	-0.06%	Gasoline RBOB (E)	Jul 11	3.0503p	+0.0190
Gold	1533.9	-2.0	-0.13%	Japanese Yen	1.23610	+0.00880	+0.72%	Diesel Gulf (Ulsd)	Jul 11	3.1189s	+0.0496
Silver	37.910	-0.393	-1.03%	Australian Dollar	1.07220	+0.00760	+0.71%	Heating Oil (E)	Jul 11	3.0530p	+0.0516
DJIA	12558p	+130	+1.05%	Chinese Renminbi	0.154380p	+0.000270	+0.18%	Crude Oil Brent (E)	Jul 11	116.73p	+1.70
S&P 500 Index	1339.00	-4.90	-0.36%	Mexican Peso	0.086300	-0.000025	-0.03%	Natural Gas (E)	Jul 11	4.666p	+0.148
Nasdaq 100	2369.75	-2.00	-0.08%	1-Month Libor	99.8025p	-0.0025	-	Polypropylene	Jul 11	0.8575s	0.0000
Russell 1000 Growth	618.80p	+7.00	+1.14%	T-Bond	126-17	+0-12	+0.3%	Polyethylene	Jul 11	0.6625p	0.0000
MSCI Emi Index	1170.20p	+21.20	+1.85%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Jun 11	1523.000p	+15.000
Nikkei 225	9660.00	-75.00	-0.77%	5-Year T-Note	121-035	+0-130	+0.34%	Coal Futures	Jul 11	77.08p	+0.11
Brazilian Real	0.62925p	+0.00875	+1.41%	10-Year T-Note	124-095	+0-085	+0.21%	Uranium	Jun 11	57.50p	0.00

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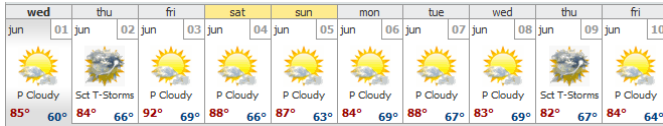
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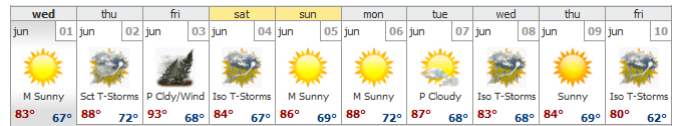
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Weather A few showers worked across the northern Midwest yesterday, the rainfall activity was light and scattered, with most totals under .25" and coverage around 55-65%. Temps were above average in most of the region, with highs in the 80's and even a few low 90's in the south. The Forecast has no major changes. Some ridging in the upper air flow will produce limited rains and above average temps in the Midwest for the next week to ten days, allowing for much better planting weather than has been seen and pretty optimal conditions for germination and early growth.

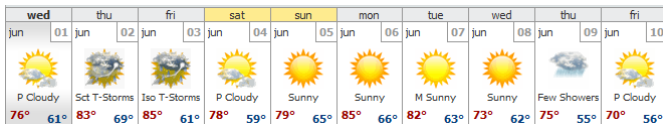
Central Illinois:



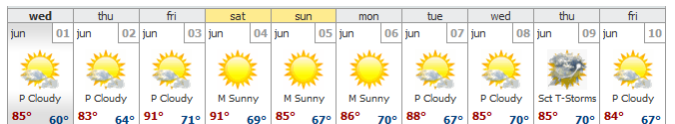
Central Iowa:



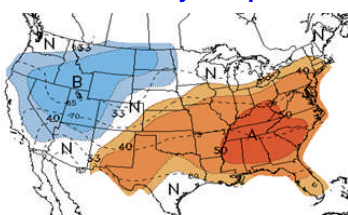
South Central Minnesota:



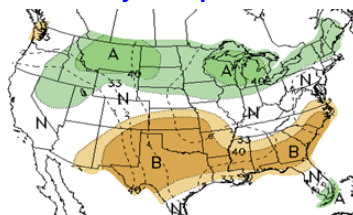
Central Indiana:



8-14 Day Temp



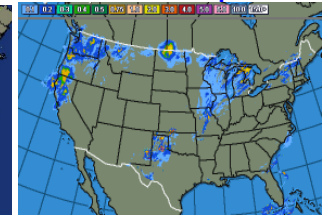
8-14 Day Precipitation



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		Thursday, May 5	Friday, May 6		Monday, May 30	Tuesday, May 31
Air Temperature	Max = 51; Min = 30	Max = 46; Min = 29	Max = 60; Min = 34	Air Temperature	Max = 68; Min = 41	Max = 63; Min = 41	Air Temperature	Max = 66; Min = 55	Max = 90; Min = 59
Soil Temperature				Soil Temperature			Soil Temperature		
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 = 63; Min = 59; Ave = 61	Max = 74; Min = 60; Ave = 67
4 inch	Max = 46; Min = 36; 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 = 62; Min = 56; Ave = 59	Max = 71; Min = 59; Ave = 65
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 = 57; Min = 56; Ave = 57	Max = 64; Min = 56; Ave = 60
Daily Precipitation	0.00"	0.00"	0.00"	Daily Precipitation	0.22"	0.00"	Daily Precipitation	0.31"	0.36"

Corn: Morning: July 11 Corn is at \$7.45 ³/₄, down 1 ³/₄ cents, Sept 11 Corn is at \$7.14 ¹/₂, down 3 cents, Dec 11 Corn closed at \$6.68 ¹/₄, down 4 ³/₄ cents. Mar 11 corn closed at \$6.79 ¹/₂, down 4 ¹/₂ cents
Yesterday's Close: Jul 11 Corn closed at \$7.47 ¹/₂, down 11 cents, Sep 11 Corn closed at \$7.17 ¹/₂, down 10 ³/₄ cents, Dec 11 Corn closed at \$6.73, down 11 cents Dec 11 Corn closed at \$6.73, down 11 cents
Corn futures closed lower with new crop leading the pack lower on a percentage basis, weighed down by wheat. There are still some delays in planting in the ECB and in the Dakotas, with some producers looking to shorter maturity corn, which still pencils in to be higher revenue than other crops. The USDA export inspections report this morning showed 35.639 million bushels inspected for export for the week ending May 26th with a total increase of 35.888 million bushels from last week after revisions to prior data. This is 13 million bushels behind last year's weekly pace.

Soybean Complex: Morning: Jul 11 Soybeans closed at \$13.75 ¹/₂, down ¹/₂ cents, Sept 11 Soybeans closed at \$13.65 down 2 ¹/₂ cents, Nov 11 Soybeans closed at \$13.62 ¹/₄, down 1 ¹/₄ cents, Jan 11 Soybeans closed \$13.75, up 2 cents
Yesterday's Close: Jul 11 Soybeans closed at \$13.76, down 3 ³/₄ cents, Aug 11 Soybeans closed at \$13.72, down 3 ³/₄ cents, Nov 11 Soybeans closed at \$13.63 ¹/₂, down 5 cents, Jul 11 Soybean Meal closed at \$355.30, down \$0.30, Jul 11 Soybean Oil closed at \$58.49, down \$0.12
Soybean futures closed lower after a good start earlier with wheat weighing on the grains. The USDA export inspections report this morning showed 10.322 million bushels inspected for export for the week ending May 26th with a total increase of 11.620 million bushels from last week after revisions to prior data. This is 5.77 million bushels ahead of last year's pace. China and Mexico were the main buyers.

Wheat: Morning: Jul 11 CBOT Wheat closed at \$7.70 ³/₄, down 11 ¹/₂ cents, Jul 11 MGEX Wheat is at \$10.34 ¹/₂, up 9 ¹/₂ cents

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Yesterday's Close: Jul 11 CBOT Wheat closed at \$7.82 1/4, down 37 1/2 cents, Jul 11 KCBT Wheat closed at \$9.08, down 35 cents, Jul 11 MGEX Wheat closed at \$10.25, down 31 1/4 cents

Wheat futures closed sharply lower on the news out of Russia but off of the lows. Russia announced on Saturday that grain exports would be allowed after July 1. The relaxation of the ban should allow trapped old crop Russian wheat in the southern export terminals to ship out. The USDA export inspections report this morning showed 26.212 million bushels inspected for export for the week ending May 26th with a total increase of 26.424 million bushels from last week after revisions to prior data. This is 13.85 million bushels ahead of last year's pace.

Cattle: Yesterday's Close: Jun 11 Cattle closed at \$103.75, down \$0.35, Aug 11 Cattle closed at \$105.37, up \$0.32, Oct 11 Cattle closed at \$111.07, up \$0.47, Aug 11 Feeder Cattle closed at \$124.37, up \$1.65 Sep 11 Feeder Cattle closed at \$125.97, up \$1.72 Oct 11 Feeder Cattle closed at \$126.95, up \$1.85

Cattle futures closed mostly higher. The question for this week is how much refilling of the pipeline is required? Show lists for this week are thought to be about equal to last week. Packers should be short bought, and it is a short kill week. That tends to support the beef market. Choice boxed beef was higher this afternoon at 177.46, up .31 and select was up .78 at 173.39. This afternoon's USDA Planting Progress report showed pasture condition at 55% good or excellent, down a point from last week and well below the 69% at this point in 2010.

Hogs: Yesterday's Close: Jun 11 Hogs closed at \$90.175, up \$1.250, Jul 11 Hogs closed at \$89.925, up \$1.325 Aug 11 Hogs closed at \$91.225, up \$1.000

Lean Hog futures closed higher, supported by a lower dollar. The Lean Hog Index for May 26th was at 93.78, down \$0.29. That index will be used to settle the June futures at expiration. The pork carlot carcass value was down \$.18 at \$89.86. Holiday weekend clearances will again be the subject of interest for Wednesday. Cash hog prices dropped, showing \$.06 lower in the WCB, \$.63 lower in ECB and \$.48 lower in IA/MN in contrast to what futures did. They had been rising last week while the futures were under pressure, so to a degree this is already built into the price structure.

Cotton: Yesterday's Close: Jul 11 Cotton closed at 158.67, up 600 points, Oct 11 Cotton closed at 146.94, up 508 points Dec 11 Cotton closed at 135.5, up 600 points

Cotton futures closed higher with old crop leading the way but new crop was close behind and on a percentage basis new crop actually led. Certificated stocks were slightly higher at 194,333. The US dollar is weaker vs. the euro as fears about the Greek debt situation ebb. That helped cotton and crude oil today. This afternoon's USDA Planting Progress report showed planting progress at 73%, up 16 points from last week and just 3 points behind last year.

US Dollar Index Weekly

DX - U.S. Dollar Index (ICEFI) - Weekly OHLC Chart



Crude Oil Weekly

CL - Crude Oil WTI (NYMEX) - Weekly OHLC Chart



Lean Hogs Weekly

HE - Lean Hogs (CME) - Weekly OHLC Chart



Live Cattle Weekly

LE - Live Cattle (CME) - Weekly OHLC Chart



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May 11 Corn Daily Chart

ZCN11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCZ11 - Corn (CBOT) - Daily OHLC Chart



May 11 Soybean Daily Chart

ZSN11 - Soybeans (CBOT) - Daily OHLC Chart



Nov 11 Soybean Daily Chart

ZSX11 - Soybeans (CBOT) - Daily OHLC Chart



May 11 Mpls Spring Wheat Daily Chart

MWN11 - Spring Wheat (MGEX) - Daily OHLC Chart



Sept 11 Mpls Spring Wheat Daily Chart

MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart



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