



MORNING COMMENTS

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Monday, June 6, 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 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 China markets closed today, on holiday. Grains traded higher most of the night but closed lower thought to be influenced by lower outside markets and European rains.

The trade appears to expect US corn planting progress at about 95% in today's USDA report. Some think that USDA may adjust planted acres down slightly in Thursday's WASDE Report. Some traders now believe USDA has been underestimating corn plantings and over estimating soybean acres all spring.

Flooding along the Missouri River is expected to get worse all week as the Army Corps of Engineers has to increase water releases from upstream dams. The increased flows mean lost corn and bean acres, particularly if any of the downstream levees fail or are overtopped.

Eastern corn belt basis is now .30 to .50 over CBOT as users are having trouble sourcing physical corn.

Nearby cash grain prices remain well above last year at this time. Cash corn is nearly \$4.00 per bushel higher than last year and new crop is \$4.25 cents higher. Soybeans are \$4.50 higher in the spot market, and are almost \$5.00 higher for new crop.

Much of the OH area that was delayed in planting now has the corn planted. Still are some isolated areas that have not finished. They received .7" of rainfall but expect to be back in the fields in a day or so. Good planting progress in Northern Indiana, however storms Saturday evening between 1.0" and as much as 4.0" of rainfall and very strong winds with reports of grain bins being demolished with even some concrete damage. Much of the corn has been planted and some of the soybeans. Emergence concerns are widespread. A wet area east of Springfield IL towards the IN state line also got the heavy rainfall as did a region about 50 miles south of Springfield IL. Much of Iowa is in very good shape with corn as tall as 12" and growing fast.

Outside Markets:

U.S. Dollar Index	73.875	+0.068	+0.09%	Euro FX	1.46050	-0.00170	-0.12%	Ethanol Futures	Jul 11	2.649p	-0.014
CRB CCI Index	654.00p	+1.00	+0.15%	Canadian Dollar	1.02060	-0.00240	-0.23%	Gasoline RBOB (E)	Jul 11	2.9931p	+0.0254
Gold	1543.3	+1.6	+0.1%	Japanese Yen	1.24670	+0.00070	+0.06%	Diesel Gulf (Ulsd)	Jul 11	3.1178s	+0.0109
Silver	36.730	+0.543	+1.5%	Australian Dollar	1.07380	+0.00170	+0.16%	Heating Oil (E)	Jul 11	3.0567p	+0.0128
DJIA	12125p	-113	-0.92%	Chinese Renminbi	0.154120	+0.000120	+0.08%	Crude Oil Brent (E)	Jul 11	114.90	-0.94
S&P 500 Index	1297.30	+1.00	+0.08%	Mexican Peso	0.085525	-0.000225	-0.26%	Natural Gas (E)	Jul 11	4.707p	-0.087
Nasdaq 100	2290.00	+2.50	+0.11%	1-Month Libor	99.8075	+0.0025	-	Polypropylene	Jul 11	0.8650s	0.0000
Russell 1000 Growth	596.80p	-8.50	-1.4%	T-Bond	126-06	-0-12	-0.3%	Polyethylene	Jul 11	0.6625p	0.0000
MSCI Emi Index	0.00	-1153.90	-100%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Jun 11	1535.500p	-1.091
Nikkei 225	9410.00	-50.00	-0.53%	5-Year T-Note	121-180	-0-030	-0.08%	Coal Futures	Jul 11	76.70p	-0.05
Brazilian Real	0.63225p	+0.00210	+0.33%	10-Year T-Note	124-195	-0-040	-0.1%	Uranium	Jun 11	57.00p	0.00
				Lumber	227.00p	-4.00	-1.73%				

Weather Locally hot and dry over the weekend. A few scattered showers and thunderstorms occurred across the central Midwest over the weekend, with totals generally in the .25-.75" range and coverage around 40%. Temps were well above average, with highs in the 80's and 90's.

Central Illinois:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 06	jun 07	jun 08	jun 09	jun 10	jun 11	jun 12	jun 13	jun 14	jun 15
P Cloudy	Sunny	M Sunny	Sct T-Storms	Sct T-Storms	Sct T-Storms	Iso T-Storms	Sct T-Storms	P Cloudy	P Cloudy
93° 71°	94° 72°	94° 69°	82° 60°	77° 59°	82° 67°	86° 65°	82° 67°	80° 65°	80° 65°

Central Iowa:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 06	jun 07	jun 08	jun 09	jun 10	jun 11	jun 12	jun 13	jun 14	jun 15
M Sunny	Sunny/Wind	Iso T-Storms	Sct T-Storms	Sct T-Storms	Iso T-Storms	P Cloudy	Sct T-Storms	Sct T-Storms	Sct T-Storms
96° 73°	94° 74°	93° 63°	71° 62°	72° 61°	75° 66°	82° 67°	83° 69°	81° 70°	79° 68°

South Central Minnesota:

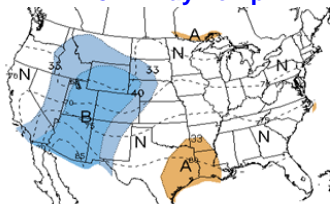
mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 06	jun 07	jun 08	jun 09	jun 10	jun 11	jun 12	jun 13	jun 14	jun 15
M Sunny	P Cldy/Wind	P Cloudy	P Cloudy	T-Showers	Sct T-Storms	P Cloudy	Sct T-Storms	Showers	Few Showers
95° 71°	95° 68°	77° 53°	67° 52°	70° 58°	67° 57°	75° 60°	76° 62°	76° 59°	73° 59°

Central Indiana:

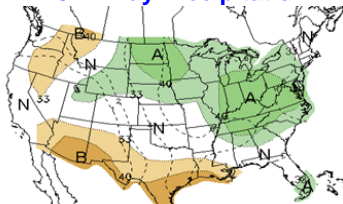
mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 06	jun 07	jun 08	jun 09	jun 10	jun 11	jun 12	jun 13	jun 14	jun 15
Iso T-Storms	M Sunny	Sct T-Storms	Sct T-Storms	Sct T-Storms	Sct T-Storms	Sct T-Storms	P Cloudy	P Cloudy	AM Clouds
89° 70°	93° 72°	95° 72°	84° 66°	83° 67°	85° 69°	85° 66°	83° 68°	84° 65°	83° 67°

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8-14 Day Temp



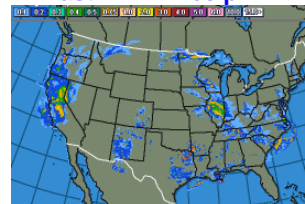
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



Official Weather Station -2011

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

	Monday, May 30	Tuesday, May 31	Wednesday, June 1
Air Temperature	Max = 66; Min = 55	Max = 90; Min = 59	Max = 69; Min = 47
Soil Temperature			
2 inch	Max = 63; Min = 59; Ave = 61	Max = 74; Min = 60; Ave = 67	Max = 69; Min = 56; Ave = 62
4 inch	Max = 62; Min = 56; Ave = 59	Max = 71; Min = 59; Ave = 65	Max = 63; Min = 55; Ave = 59
8 inch	Max = 57; Min = 56; Ave = 57	Max = 64; Min = 56; Ave = 60	Max = 63; Min = 57; Ave = 60
Daily Precipitation	0.31"	0.36"	0.00"

	Thursday, June 2	Friday, June 3
Air Temperature	Max = 77; Min = 56	Max = 87; Min = 64
Soil Temperature		
2 inch	Max = 72; Min = 57; Ave = 65	Max = 76; Min = 62; Ave = 69
4 inch	Max = 66; Min = 55; Ave = 61	Max = 71; Min = 59; Ave = 65
8 inch	Max = 64; Min = 56; Ave = 60	Max = 67; Min = 59; Ave = 63
Daily Precipitation	0.00"	0.06"

Corn: Morning: July 11 Corn is at \$7.46 , down 8 cents, Sept 11 Corn is at \$7.23 , down 8 cents,

Dec 11 Corn closed at \$6.76 ¼ , down 10 cents. Mar 11 corn closed at \$6.87 , down 10 cents

Friday's Close: Jul 11 Corn closed at \$7.54, down 12 ½ cents, Sep 11 Corn closed at \$7.31, down 10 1/2 cents, Dec 11 Corn closed at \$6.86 ¼ , down 8 ¾ cents Dec 11 Corn closed at \$6.86 ¼ , down 8 ¾ cents

Corn futures closed lower on pre-weekend profit taking after a strong up day on Thursday and with December posting new contract highs yesterday. Expectations for warm dry weather in some of the areas that had delayed planting also weighed on prices today. The dollar was sharply lower, heading down to re-test recent lows. Nearby corn closed 4 1/2 cents lower for the week or .6%. Lanworth suggests that nearly all of the Mississippi River flooded areas are drying out and will be planted. They didn't address the flooding on the Missouri or in the Morganza spillway though. The Disaggregated Futures and Options Report showed Managed Money adding net longs as of Tuesday.

Soybean Complex: Morning: Jul 11 Soybeans closed at \$14.06 , down 8 ¾ cents , Sept 11 Soybeans closed at \$13.95 ¼ , dn 6 ¼ cents, Nov 11 Soybeans closed at \$13.89 , down 8 cents, Jan 11 Soybeans closed at \$14.06 ½ , up 2 cents

Friday's Close: Jul 11 Soybeans closed at \$14.14 ½ , up 7 1/2 cents, Aug 11 Soybeans closed at \$14.07 ½ , up 7 cents, Nov 11 Soybeans closed at \$13.97, up 4 ¼ cents, Jul 11 Soybean Meal closed at \$368.40, up \$2.40, Jul 11 Soybean Oil closed at \$58.73, down \$0.18

Soybean futures closed higher, supported by a lower dollar. Concerns about lower than expected soybean acreage have been supportive. Nearby soybeans closed 34 3/4 cents higher for the week or 2.52%. Chinese price caps on veg oils were allowed to expire on May 31. Wet conditions are still hampering planting in some key soybean growing areas. Some Ohio acreage is being planted, but other areas will take another week to dry out. The Disaggregated Futures and Options Report released on Friday night showed Managed Money (large specs) adding to net long positions in the reporting week ending May 31.

Wheat: Morning: Jul 11 CBOT Wheat closed at \$7.62 , down 11 ¾ cents, Jul 11 MGEX Wheat is at \$10.81 ½ , up 21 cents

Friday's Close: Jul 11 CBOT Wheat closed at \$7.73 ¾ , up 4 cents, Jul 11 KCBT Wheat closed at \$9.14 ¼ , up 5 ¼ cents, Jul 11 MGEX Wheat closed at \$10.60 ½ , up 41 cents

Wheat futures closed mostly higher on Friday, with MGEX leading the way. Nearby CBOT wheat closed 46 cents lower for the week or 5.61%. KCBT wheat closed 28 3/4 cents lower for the week or 3.05%. MGEX wheat closed 4 1/4 cents higher for the week or .4%. In a potential foreshadowing of the USDA report, Informa cut projected world wheat production 5.2 MMT from their previous figure due to various weather problems. The Disaggregated Futures and Options Report showed Managed Money adding net longs as of Tuesday.

Cattle: Friday's Close: Jun 11 Cattle closed at \$104.175, up \$1.575, Aug 11 Cattle closed at \$105.100, up \$1.425, Oct 11 Cattle closed at \$111.150, up \$1.200, Aug 11 Feeder Cattle closed at \$124.250, up \$0.375 Sep 11 Feeder Cattle closed at \$125.800, up \$0.900 Oct 11 Feeder Cattle closed at \$126.975, up \$0.875

Cattle futures closed higher, shaking off early week selling pressure and bringing a net positive week. Nearby live cattle closed 8 cents higher for the week or .07%. Choice boxed beef was down \$.28 on Friday at 177.48 and select was down \$0.95 at 171.29. Most of the cash cattle trade was done Wednesday. Hedges and put spreads put on a couple months ago have performed admirably, as have cattle crush spreads. USDA put weekly export sales for last week at 13.9 TMT. The Disaggregated Futures and Options Report showed Managed Money taking off net longs as of Tuesday.

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Hogs: Friday's Close: Jun 11 Hogs closed at \$89.225, up \$0.150, Jul 11 Hogs closed at \$87.850, down \$0.125 Aug 11 Hogs closed at \$89.475, down \$0.100

Lean Hog futures closed mixed. Nearby lean hogs closed 30 cents higher for the week or .34%. The lean hog index was at 91.45 for June 1. Cash hogs were \$2.76 lower in the WCB, \$.48 lower in ECB and \$2.85 lower in IA/MN. US unemployment rose to 9.1% in May, which will weigh on demand perceptions. Preliminary open interest for hogs was up 1,234 contracts on Thursday, reflecting some fresh money coming into the market, attracted by the sharp slide since April. The Disaggregated Futures and Options Report showed Managed Money taking off net longs as of Tuesday, so the buying interest is either new or temporary.

Cotton: Friday's Close: Jul 11 Cotton closed at 161.63, down 261 points, Oct 11 Cotton closed at 147.6, down 82 points Dec 11 Cotton closed at 138.7, down 53 points

Cotton futures closed lower after seeing some strength earlier in the session, weighed down by export cancellations and the disappointing recent economic data. Nearby cotton closed 896 points higher for the week or 5.87%, justifying some end of the week profit taking. Cert stocks were at 43,207 bales, scraping the bottom of the barrel already. That leaves spec shorts scrambling for receipts and mills with big on call positions in a bit of a pickle. USDA again showed old crop cancellations in the weekly export sales report, this time of 46K RB of Upland. There were new Pima sales of 28.2K RB. New upland sales were only 2.8K RB. The Disaggregated Futures and Options Report showed Managed Money adding net longs as of Tuesday.

US Dollar Index Weekly

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

Op:73.690, Hi:73.940, Lo:73.665, Cl:73.865



Crude Oil Weekly

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

Op:100.42, Hi:100.68, Lo:98.80, Cl:99.66



Lean Hog Weekly

HE - Lean Hogs (CME) - Weekly OHLC Chart

Op:89.475, Hi:91.100, Lo:88.350, Cl:89.225



Live Cattle Weekly

LE - Live Cattle (CME) - Weekly OHLC Chart

Op:104.675, Hi:105.200, Lo:100.750, Cl:104.175



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July 11 Corn Daily Chart

ZCN11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCX11 - Corn (CBOT) - Daily OHLC Chart



July 11 Soybean Daily Chart

ZSN11 - Soybeans (CBOT) - Daily OHLC Chart



Nov 11 Soybean Daily Chart

ZSX11 - Soybeans (CBOT) - Daily OHLC Chart



July 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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