



MORNING COMMENTS

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Monday, June 20, 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

Hedge: a means of protection against something, especially a means of guarding against financial loss

Speculate: to form a conjecture on the basis of incomplete facts or information, to engage in financial transactions that have an element of risk.

Market Talk: Talk circulating of demand destruction in the corn market as exports have slowed to a crawl, one or two ethanol plants have closed, and a small amount of feed demand has been replaced by new crop soft red winter wheat. Then on Friday the cattle on feed numbers were also lower than expected.

Crop condition rating later today. This time of the year would usually provide a high water mark for Good/Excellent ratings for corn as it has yet to experience the true heat of summer, moisture uptake concerns from shallow roots, pressure from pests, or tasseling difficulties. Human nature would be to project the best possible potential of the corn crop at this time of the year. As a result recent seasonals show a turn lower in prices until some sort of production threat is realized.

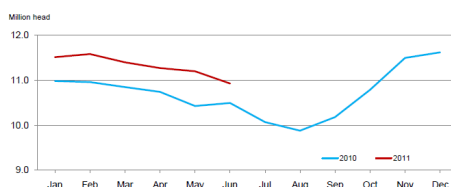
Informa estimates of US crop yields were a robust 163.8 bushels/acre for corn and 44.1 bushels/acre for soybeans.

Greece debt crisis continues to weigh on the world markets. We may continue to see a flight to safety even though this has been an issue for a very long time. EU officials have delayed another round of funding for Greece until they pass reforms. Italy may also be up for an additional negative rating later this week. Goldman outlook is for lower US GDP output. US Treasury pushing for a raise in the debt ceiling.

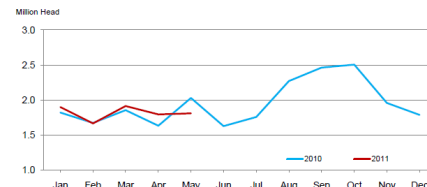
United States Cattle on Feed

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.9 million head on June 1, 2011. The inventory was 4 percent above June 1, 2010. **Placements** in feedlots during May totaled 1.81 million, 11 percent below 2010. Net placements were 1.73 million head. During May, placements of cattle and calves weighing less than 600 pounds were 415,000, 600-699 pounds were 355,000, 700-799 pounds were 480,000, and 800 pounds and greater were 560,000. **Marketings** of fed cattle during May totaled 2.00 million, 7 percent above 2010. **Other disappearance** totaled 80,000 during May, 18 percent below 2010.

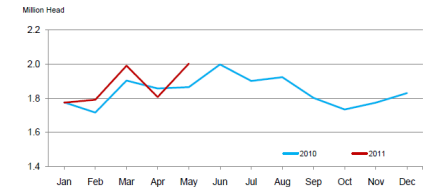
Cattle on Feed Inventory on 1,000+ Capacity
Feedlots - United States



Number of Cattle Placed on 1,000+ Capacity
Feedlots - United States



Number of Cattle Marketed on 1,000+ Capacity
Feedlots - United States



Outside Markets:

U.S. Dollar Index	75.770	+0.309	+0.41%	Euro FX	1.41960	-0.00800	-0.56%	Ethanol Futures	Jul 11	2.641p	+0.007
CRB CCI Index	633.50p	+2.00	+0.32%	Canadian Dollar	1.01400	-0.00370	-0.36%	Gasoline RBOB (E)	Jul 11	2.9460p	-0.0034
Gold	1535.2	-3.4	-0.22%	Japanese Yen	1.24630	-0.00350	-0.28%	Diesel Gulf (Ulsd)	Jul 11	3.0503s	-0.0201
Silver	35.739p	+0.186	+0.52%	Australian Dollar	1.04000	-0.00920	-0.88%	Heating Oil (E)	Jul 11	2.9833p	-0.0205
DJIA	11938p	+39	+0.33%	Chinese Renminbi	0.154660p	+0.000350	+0.23%	Crude Oil Brent (E)	Jul 11	117.20s	0.00
S&P 500 Index	1258.20	-7.80	-0.62%	Mexican Peso	0.083900s	+0.000675	+0.81%	Natural Gas (E)	Jul 11	4.325p	-0.087
Nasdaq 100	2179.75	-10.50	-0.48%	1-Month Libor	99.7900	0.0000	-	Polypropylene	Jul 11	0.8200s	0.0000
Russell 1000 Growth	579.30s	+0.50	+0.09%	T-Bond	127.27	+0.21	+0.52%	Polyethylene	Jul 11	0.6100p	-0.0100
MSCI Emi Index	1088.80	-12.00	-1.09%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Jun 11	1520.864p	-2.227
Nikkei 225	9355.00	-25.00	-0.27%	5-Year T-Note	121.250	+0.150	+0.39%	Coal Futures	Jul 11	76.75p	+0.03
Brazilian Real	0.62350p	+0.00470	+0.76%	10-Year T-Note	125-210	+0.090	+0.22%	Uranium	Jul 11	54.50p	-0.50

Weather Showers and thunderstorms occurred across much of the Midwest over the weekend, with the heaviest totals falling across MO and the southern 1/2 of IL, IN and OH. Heavier totals of 4.0" to 7.0" of rainfall in southern IN, western OH, and northern Kentucky.

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Amounts elsewhere were in the .10-.50" range, with some isolated heavier totals- especially in eastern NE and central IA, where some strong storms have occurred overnight, but have not yet been reported. Temps were average to a bit below average, with highs in the 70's and 80's.

Central Illinois:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 20	jun 21	jun 22	jun 23	jun 24	jun 25	jun 26	jun 27	jun 28	jun 29
Strong Tsms	Strong Tsms	Iso T-Storms	P Cloudy	Iso T-Storms	Iso T-Storms	M Sunny	P Cloudy	M Sunny	
88° 71°	87° 67°	77° 61°	73° 59°	76° 59°	77° 62°	78° 62°	81° 64°	81° 65°	

Central Iowa:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 20	jun 21	jun 22	jun 23	jun 24	jun 25	jun 26	jun 27	jun 28	jun 29
Strong Tsms	Strong Tsms	Showers	P Cloudy	P Cloudy	Sct T-Storms	P Cloudy	M Sunny	Sct T-Storms	P Cloudy
88° 73°	77° 63°	70° 61°	75° 62°	75° 63°	78° 66°	79° 65°	81° 65°	81° 66°	81° 67°

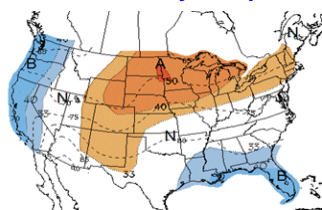
South Central Minnesota:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 20	jun 21	jun 22	jun 23	jun 24	jun 25	jun 26	jun 27	jun 28	jun 29
Strong Tsms	T-Storms	Showers	P Cloudy	P Cloudy	P Cloudy	M Sunny	Showers	Few Showers	AM Clouds
76° 66°	70° 59°	63° 57°	72° 57°	74° 60°	76° 61°	74° 62°	74° 61°	73° 60°	77° 60°

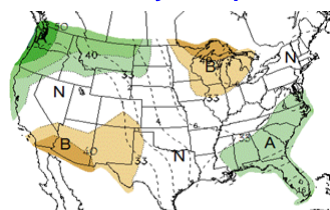
Central Indiana:

mon	tue	wed	thu	fri	sat	sun	mon	tue	wed
jun 20	jun 21	jun 22	jun 23	jun 24	jun 25	jun 26	jun 27	jun 28	jun 29
T-Storms	Strong Tsms	Strong Tsms	P Cloudy	Iso T-Storms	Iso T-Storms	Iso T-Storms	Sunny	Iso T-Storms	M Sunny
87° 72°	90° 70°	80° 65°	75° 62°	73° 61°	77° 63°	78° 64°	82° 65°	82° 66°	82° 66°

8-14 Day Temp



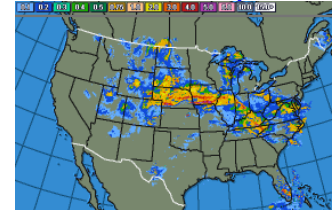
8-14 Day Precipitation



Current Radar



Last 24 hr Precip



Official Weather Station -2011

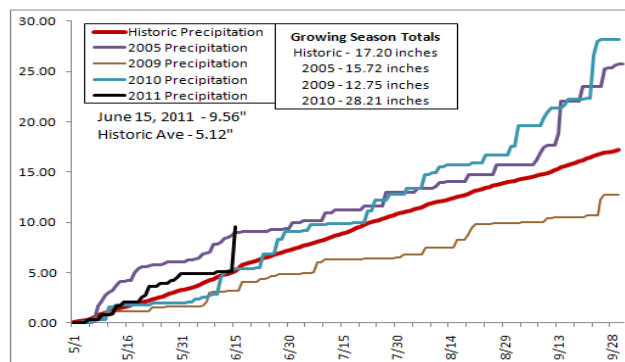
SW Research and Outreach Center
University of Minnesota
Lamberton, MN 56152

	Monday, June 13	Tuesday, June 14	Wednesday, June 15
Air Temperature	Max = 71; Min = 54	Max = 77; Min = 57	Max = 70; Min = 58
Soil Temperature			
2 inch	Max = 79; Min = 61; Ave = 70	Max = 81; Min = 61; Ave = 71	Not Available
4 inch	Max = 73; Min = 60; Ave = 67	Max = 73; Min = 60; Ave = 67	Max = 83; Min = 58; Ave = 71
8 inch	Max = 67; Min = 61; Ave = 64	Max = 68; Min = 61; Ave = 64	Max = 64; Min = 60; Ave = 62
Daily Precipitation	0.01"	0.00"	4.42"

	Thursday, June 16	Friday, June 17
Air Temperature	Max = 73; Min = 56	Max = 85; Min = 62
Soil Temperature		
2 inch	Not Available	Not Available
4 inch	Max = 71; Min = 60; Ave = 65	Max = 81; Min = 59; Ave = 70
8 inch	Max = 66; Min = 60; Ave = 63	Max = 74; Min = 61; Ave = 68
Daily Precipitation	0.33"	0.00"

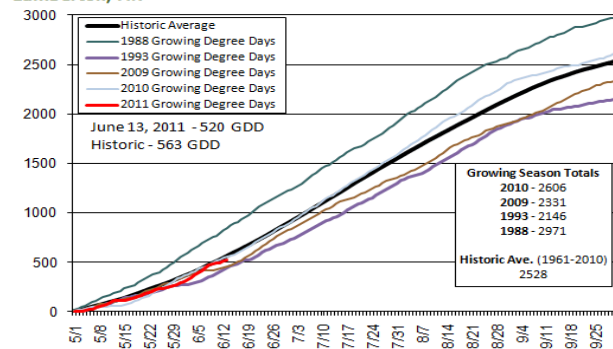
Growing Season Precipitation

2005-2011 Growing Season Precipitation Totals vs. Historic Average
May 1 - September 30
Southwest Research and Outreach Center
Lamberton, MN



GDD Growing Season

1988, 1993, 2009-2011 Growing Degree Totals vs. Historic Average
Growing Season: May 1 - September 30
Historic Average: 1961-2010
Southwest Research & Outreach Center
Lamberton, MN



Corn: Morning: July 11 Corn is at \$7.02 ¼, up 2 cents, Sept 11 Corn is at \$6.86 ½, down ½ cents, Dec 11 Corn closed at \$6.59 ¼, down ¾ cents. Mar 11 corn closed at \$6.71, down ¾ cents
Yesterday's Close: Jul 11 Corn closed at \$7.00 1/4, down 1 1/4 cents, Sep 11 Corn closed at \$6.87, up 2 1/2 cents,

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Dec 11 Corn closed at \$6.60, up 7 cents, Dec 11 Corn closed at \$6.60, up 7 cents

Corn futures ended lower on old crop and slightly higher on new crop for the day but were down 86 3/4 cents on the July from last Friday's close. There was a lot of ethanol business on the Senate floor this week. Senator Coburn's amendment that is considered not fiscally responsible was voted down, Senator Feinstein's amendment Thursday passed for the most part on the voting Senators fiscal resolve and then Senator McCain's amendment to prevent any federal funds to be used for blender pumps was defeated 59-41. The countries energy policy includes a reduction of oil imports by one-third by 2025 reducing the U.S. dependence on foreign oil. Evidently everyone is on a different page on how to accomplish that. Today's CFTC Commitment of Traders report showed an increase in net longs for Managed Money and Index Funds as of Tuesday, which probably changed as the week progressed. Cash basis levels were steady to weak in the east and steady in the west. South Korea bought 138,000 ton of corn from Cargill at \$349.99 to \$351/ton taking advantage of the lower dollar today and the drop in corn prices this week.

Soybean Complex: Morning: Jul 11 Soybeans closed at \$13.34, up 1 cents, Sept 11 Soybeans closed at \$13.33 3/4, up 1/4 cents, Nov 11 Soybeans closed at \$13.34 1/2, up 1 1/4 cents, Jan 11 Soybeans closed at \$13.44, up 1 1/4 cents
Yesterday's Close: Jul 11 Soybeans closed at \$13.33, down 17 1/2 cents, Aug 11 Soybeans closed at \$13.33 1/2, down 16 1/2 cents, Nov 11 Soybeans closed at \$13.33 1/4, down 17 cents, Jul 11 Soybean Meal closed at \$349.00, down \$4.70, Jul 11 Soybean Oil closed at \$55.92, down \$0.40, Jul 11 Soybean Oil is at \$56.05, down \$0.27
Soybean futures ended lower on the day and were down 54 1/4 cents for the week. Funds were liquidating today and Managed Money showed a decrease in their net long position as of Tuesday by 17,872 contracts from the previous Tuesday. Declining crude oil prices also contributed to the drop in soybeans. Spot crude oil prices were at the lowest level since February on today's close. The crop progress report Monday could be favorable to the crop progress with improving growing conditions for soybeans in many areas of the Midwest although some areas still remain behind. The southeast has been under some heat stress recently however which could impact progress in those areas. Cash basis levels were firm at processing plants in NE, IN and IA.

Wheat: Morning: Jul 11 CBOT Wheat closed at \$6.72 1/4, unchanged, Jul 11 MGEX Wheat is at \$9.02 3/4, up 5 1/2 cents
Yesterday's Close: Jul 11 CBOT Wheat closed at \$6.72 1/4, down 1 cent, Jul 11 KCBT Wheat closed at \$8.04 1/2, up 6 1/2 cents, Jul 11 MGEX Wheat closed at \$8.97 1/4, down 3 cents
Wheat futures ended mixed on the day and were down hard for the week. CBOT wheat was down 87 cents, KCBT wheat was down 63 cents and MGEX wheat was down \$1.02 for the week. There does not seem to be a break in the weather for the Northern Plains with above normal rainfall and below normal temperatures predicted until June 28th. Canada has also had a wet and cool planting season and will not plant at least 6 million acres. Hard Red Winter wheat harvest has moved as far north as Ottawa County Kansas, located along US-81, six miles north I-70. Yield reports and protein levels are mixed, depending on the county but overall production will be down from last year. South Korea bought 165,000 ton of feed wheat from Cargill at \$289 to \$297/ton.

Cattle: Yesterday's Close: Jun 11 Cattle closed at \$109.750, up \$2.550, Aug 11 Cattle closed at \$110.200, up \$2.350, Oct 11 Cattle closed at \$116.125, up \$2.100, Aug 11 Feeder Cattle closed at \$132.650, up \$2.675
Sep 11 Feeder Cattle closed at \$133.575, up \$2.325, Oct 11 Feeder Cattle closed at \$134.300, up \$2.150
Cattle futures ended up near limit for the second day. The strong cash cattle market led the way. Cattle actively traded in NE at \$111 to \$112 yesterday, up \$4.50 to \$5.00 from last week. Dressed cattle sold for \$178 in NE, up \$4 to \$6 from last week. Cattle in TX and KS sold for \$108 with some trade at \$109, \$3 to \$4 higher than last week. This week total head count is 132,828 with 125,292 sold yesterday. The USDA monthly Cattle on Feed report released after the close would be considered bullish although some of the report could have been built into the futures price the last couple of days. The June 1 on feed number was 104 percent of last year with estimates averaging 105.4%. May placements were 89 percent with the average trade guess at 92.2%. May Marketing's were 107 percent with trades estimates at 103.2% on average. Boxed beef prices ended higher. Choice beef is \$0.78 higher at \$172.94 and Select beef is \$1.19 higher at \$168.27.

Hogs: Yesterday's Close: Jul 11 Hogs closed at \$95.650, up \$0.150, Aug 11 Hogs closed at \$94.850, down \$0.375
Oct 11 Hogs closed at \$87.900, down \$0.325
Lean Hogs ended the day lower on all but the July contract. July Lean Hogs were up \$2.42 from last Friday and have rallied almost \$9 since June 7th. Cash hogs also had a good week with IA/MN hogs up \$2.99 at \$95.33, WCB hogs up \$1.73 at \$95.05 and ECB hogs \$0.69 higher at \$93.28 on the day. IA/MN hogs were up \$3.92, WCB hogs were up \$3.95 and ECB hogs were up \$3.10 for the week. Packers are gearing up for 4th of July demand which could help current weak margins improve. Pork trading was slow with mostly moderate demand and very light to light offerings. The Carcass was higher on the day. According to today's CFTC report Index Funds and Managed Money showed an increase in net long Lean Hog contracts from the previous week.

Cotton: Yesterday's Close: Jul 11 Cotton closed at 145.18, down 78 points, Oct 11 Cotton closed at 129.61, up 215 points
Dec 11 Cotton closed at 123.77, up 359 points
Cotton futures closed mixed with July down slightly and Dec higher as we come down to first notice next Friday. Texas is still hot and dry, with even irrigated acres under pressure as producers face limits for irrigation in such a dry year. For the week July cotton was 485 points lower or 3.23%. According to the CFTC Disaggregated Futures and Options report managed money was seen adding net longs as of Tuesday.

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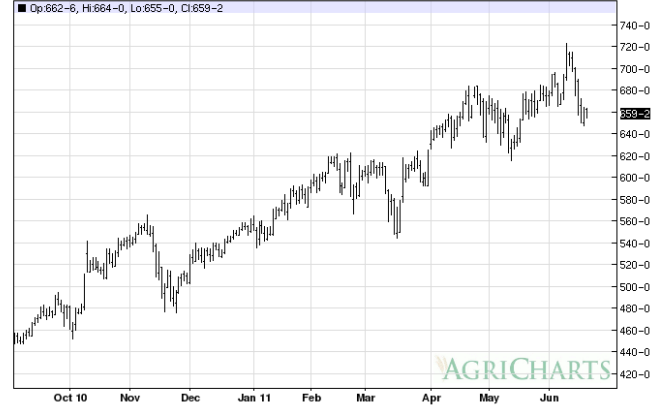
July 11 Corn Daily Chart

ZCN11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCZ11 - 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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