



MORNING COMMENTS

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Tuesday, June 21, 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 US corn crop rated as 70% good/excellent condition ratings up 1% from last week in the report. The report showed good/excellent up a point, in line with trade expectations and down 5% as compared to last year. US soybeans rated in the USDA Crop Progress report as 68% good/excellent, in line with estimates. Soybean planting up 7 % from last week at 94% planted, in line with estimates and 1% ahead of last year. USDA Crop progress report indicated that winter wheat headed was at 90%, down 4 points from average, harvested was at 31%, 9 points ahead of average and condition was 36% good/excellent. Condition was up a point from last week but down 29% from last year. Spring wheat planted was at 91%, down 9 points from average. It is getting very late to plant spring wheat.

Outside Markets:

U.S. Dollar Index	75.180	-0.320	-0.42%	Euro FX	1.43360	+0.00690	+0.48%	Ethanol Futures	Jul 11	2.666p	+0.025
CRB CCI Index	633.00p	-0.50	-0.08%	Canadian Dollar	1.02250	+0.00380	+0.37%	Gasoline RBOB (E)	Jul 11	2.9115p	-0.0345
Gold	1545.4	+3.9	+0.25%	Japanese Yen	1.24930	+0.00320	+0.26%	Diesel Gulf (Ulsd)	Jul 11	2.9959s	-0.0544
Silver	36.065p	+0.326	+0.91%	Australian Dollar	1.04740	+0.00200	+0.19%	Heating Oil (E)	Jul 11	2.9320p	-0.0513
DJIA	12013p	+75	+0.63%	Chinese Renminbi	0.154480p	-0.000180	-0.12%	Crude Oil Brent (E)	Jul 11	117.20s	0.00
S&P 500 Index	1280.60	+6.80	+0.53%	Mexican Peso	0.084175s	+0.000275	+0.33%	Natural Gas (E)	Jul 11	4.317p	-0.008
Nasdaq 100	2212.25	+12.25	+0.56%	1-Month Libor	99.8000	+0.0075	+0.01%	Polypropylene	Jul 11	0.8200s	0.0000
Russell 1000 Growth	582.50p	+3.20	+0.55%	T-Bond	126-30	-0-05	-0.12%	Polyethylene	Jul 11	0.6100p	0.0000
MSCI Emi Index	1112.00	+14.00	+1.28%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Jun 11	1523.273p	+2.409
Nikkei 225	9485.00	+40.00	+0.42%	5-Year T-Note	121-7.5	-0-005	-0.01%	Coal Futures	Jul 11	76.47p	-0.28
Brazilian Real	0.62550p	+0.00200	+0.32%	10-Year T-Note	125-075	-0-025	-0.06%	Uranium	Jun 11	54.50p	0.00

Weather Locally we received 1.00" of rainfall since Monday morning. Showers and thunderstorms across the central US with totals mostly of .30-1" in eastern NE, most of IA, southern MN, northern IL and the northern 1/2 of IN. Fairly quiet both to the north and south of those rains. Temps were a bit above average in MO, IA and IL, with mid to upper 80's occurring and a bit below average elsewhere, with highs in the 70's and 80's. The forecast sees rains to continue to occur across the region through tomorrow, with the heaviest amounts to occur to the north of I-80. Things will then quiet down as we head through Thursday and look to remain quiet through the weekend and early part of next week. Ideas become mixed as we head into the second half of next week, with the European and Canadian indicating some ridging to bring dry weather and above average temps.

Central Illinois:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
21 jun	22 jun	23 jun	24 jun	25 jun	26 jun	27 jun	28 jun	29 jun	30 jun
Strong Tsms	Sct T-Storms	Showers	P Cloudy	M Cloudy	Iso T-Storms	P Cloudy	Sct T-Storms	M Sunny	P Cloudy
85° 68°	74° 60°	68° 58°	76° 61°	78° 62°	79° 64°	81° 66°	81° 65°	81° 65°	80° 64°

Central Iowa:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
21 jun	22 jun	23 jun	24 jun	25 jun	26 jun	27 jun	28 jun	29 jun	30 jun
Iso T-Storms	Showers	AM Showers	P Cloudy	Sct T-Storms	P Cloudy	Iso T-Storms	Sct T-Storms	P Cloudy	Sunny
79° 63°	67° 59°	72° 60°	78° 65°	77° 68°	79° 67°	81° 69°	80° 66°	82° 66°	81° 67°

South Central Minnesota:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
21 jun	22 jun	23 jun	24 jun	25 jun	26 jun	27 jun	28 jun	29 jun	30 jun
T-Storms	Showers	Few Showers	M Sunny	Iso T-Storms	Iso T-Storms	Iso T-Storms	Sunny	M Sunny	Sunny
72° 60°	62° 55°	67° 56°	76° 59°	74° 62°	75° 63°	78° 63°	75° 60°	74° 61°	78° 64°

Central Indiana:

tue	wed	thu	fri	sat	sun	mon	tue	wed	thu
21 jun	22 jun	23 jun	24 jun	25 jun	26 jun	27 jun	28 jun	29 jun	30 jun
Strong Tsms	Iso T-Storms	T-Showers	P Cloudy	P Cloudy	Iso T-Storms	P Cloudy	Sct T-Storms	Sct T-Storms	P Cloudy
84° 69°	79° 64°	72° 61°	75° 61°	78° 64°	79° 65°	81° 66°	83° 67°	82° 67°	82° 67°

8-14 Day Temp

8-14 Day Precipitation

Current Radar

Last 24 hr Precip

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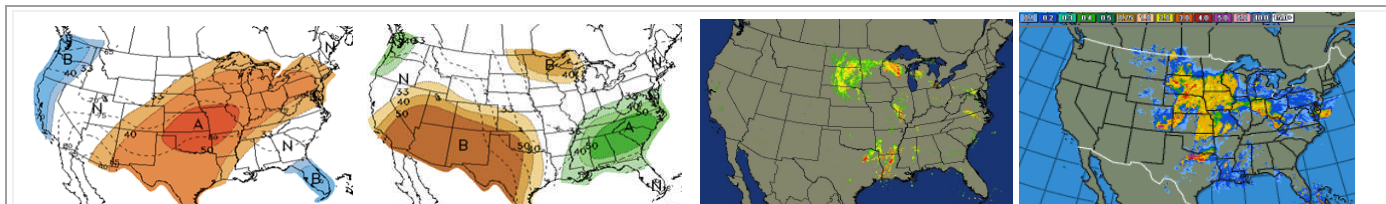
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Official Weather Station -2011

SW Research and Outreach Center
University of Minnesota
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	Monday, June 13	Tuesday, June 14	Wednesday, June 15		Thursday, June 16	Friday, June 17		Monday, June 20
Air Temperature	Max = 71; Min = 54	Max = 77; Min = 57	Max = 70; Min = 58	Air Temperature	Max = 73; Min = 56	Max = 85; Min = 62	Air Temperature	Max = 81; Min = 62
Soil Temperature				Soil Temperature			Soil Temperature	
2 inch	Max = 79; Min = 61; Ave = 70	Max = 81; Min = 61; Ave = 71	Not Available	2 inch	Not Available	Not Available	2 inch	Max = 91; Min = 73; Ave = 82
4 inch	Max = 73; Min = 60; Ave = 67	Max = 73; Min = 60; Ave = 67	Max = 83; Min = 58; Ave = 71	4 inch	Max = 71; Min = 60; Ave = 65	Max = 81; Min = 59; Ave = 70	4 inch	Max = 79; Min = 63; Ave = 71
8 inch	Max = 67; Min = 61; Ave = 64	Max = 68; Min = 61; Ave = 64	Max = 64; Min = 60; Ave = 62	8 inch	Max = 66; Min = 60; Ave = 63	Max = 74; Min = 61; Ave = 68	8 inch	Max = 72; Min = 64; Ave = 68
Daily Precipitation	0.01"	0.00"	4.42"	Daily Precipitation	0.33"	0.00"	Daily Precipitation	0.00"

Corn: Morning: July 11 Corn is at \$7.14 , up 13 ½ cents, Sept 11 Corn is at \$7.02 , up 14 ½ cents, Dec 11 Corn closed at \$6.75 ¾ , up 15 ¼ cents. Mar 11 corn closed at \$6.87 , up 14 cents
Yesterday's Close: Jul 11 Corn closed at \$7.00 1/2, up 1/4 cent, Sep 11 Corn closed at \$6.87 1/2, up 1/2 cent, Dec 11 Corn closed at \$6.60 1/2, up 1/2 cent, Dec 12 Corn closed at \$6.09, up 9 cents
Corn futures closed fractionally higher, getting support from soybeans earlier in the session before flattening out. The symbolic ethanol votes generated a lot of talk but the real focus is getting July contract open interest down before deliveries and/or making deliveries more attractive. July options also expire this Friday. The USDA Export Inspections report this morning showed 42.978 million bushels inspected for export for the week ending June 16th with a total increase of 46.792 million bushels from last week after revisions to prior data. This is 17.25 million bushels ahead of last years weekly pace.

Soybean Complex: Morning: Jul 11 Soybeans closed at \$13.47 ½ , up 11 ¾ cents , Sept 11 Soybeans closed at \$13.44 ¾ , up 11 ¼ cents, Nov 11 Soybeans closed at \$13.47 , up 11 ½ cents, Jan 11 Soybeans closed at \$13.58 ¾ , 13 ½ cents
Yesterday's Close: Jul 11 Soybeans closed at \$13.35 3/4, up 2 3/4 cents, Aug 11 Soybeans closed at \$13.36, up 2 1/2 cents, Nov 11 Soybeans closed at \$13.35 1/2, up 2 1/4 cents, Jul 11 Soybean Meal closed at \$350.00, up \$1.00, Jul 11 Soybean Oil closed at \$56.02, up \$0.10
Soybean futures closed marginally higher, supported by rain delays hindering planting. Meal futures were \$1/ton higher, supporting the higher bean values. The USDA Export Inspections report this morning showed 4.182 million bushels inspected for export for the week ending June 16th with a total increase of 5.379 million bushels from last week after revisions to prior data. This is 3.9 million bushels behind last years weekly pace for this week.

Wheat: Morning: Jul 11 CBOT Wheat closed at \$6.67 ½ , up 8 ¼ cents, Jul 11 MGEX Wheat is at \$9.11 ¾ , up 11 ¼ cents
Yesterday's Close: Jul 11 CBOT Wheat closed at \$6.59 1/4, down 13 cents, Jul 11 KCBT Wheat closed at \$8.01, down 3 1/2 cents, Jul 11 MGEX Wheat closed at \$9.00 1/2, up 3 1/4 cents
Wheat futures closed mostly lower, with July MPLS the firmest. The USDA Export Inspections report this morning showed 20.918 million bushels inspected for export for the week ending June 16th with a total increase of 21.769 million bushels from last week after revisions to prior data. This is 8 million bushels ahead of last years weekly pace. European wheat prices were at the lowest levels in six weeks on improved rain, a stronger euro and skittish markets overall. The Greek debt situation could drag out for weeks.

Cattle: Yesterday's Close: Jun 11 Cattle closed at \$111.825, up \$2.075, Aug 11 Cattle closed at \$111.975, up \$1.775, Oct 11 Cattle closed at \$117.800, up \$1.675, Aug 11 Feeder Cattle closed at \$135.500, up \$2.850
Sep 11 Feeder Cattle closed at \$136.575, up \$3.000, Oct 11 Feeder Cattle closed at \$137.050, up \$2.750
Cattle futures closed strong again today on the heels of a bullish USDA Cattle on Feed report and having been beaten down from record highs. Packer margins are still in the black. The report showed an industry much more current than expected. Boxed beef prices were higher with Choice beef \$1.90 higher at \$174.84 and Select beef \$1.81 higher at \$170.08. As extremely dry conditions in Texas persist, cattle are being forced to slaughter a little lighter. Pasture condition was 53% good/excellent, on par with last week and 18 points below last year.

Hogs: Yesterday's Close: Jul 11 Hogs closed at \$97.550, up \$1.900, Aug 11 Hogs closed at \$96.675, up \$1.825
Oct 11 Hogs closed at \$89.400, up \$1.500
Lean Hogs closed higher, supported by higher cash prices last week and higher cattle prices. IA/MN hogs were up \$.41 today, WCB hogs

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were up \$.40, ECB were up \$.43. Packers are wrapping up 4th of July transactions at the wholesale level this week, which could help current margins improve. Pork trading was slow with moderate demand and offerings. The Carcass cutout value was higher on the day, up \$.88. The CME lean hog index was at \$93.68, up \$1.17. July futures are anticipating further advances.

Cotton: Yesterday's Close: Jul 11 Cotton closed at 148.73, up 355 points, Oct 11 Cotton closed at 129.29, down 32 points

Dec 11 Cotton closed at 124.07, up 30 points

Cotton closed higher with July taking the lead into the close. Certificated stocks are at 65,803 bales. This is still extremely low and we are not even to the point where they are usually at their lowest. Texas is still hot and dry but could see some partial relief from a tropical disturbance. The WTO fight is heating up again as Brazil turns up the rhetoric again after the agreed upon payments to them were threatened by the House of Representatives vote to withdraw the funding. The Crop Progress report showed Cotton Condition down 2 points at 26% good/excellent. This is down 36% from last year. Squaring was seen at 21%, down 4 points from average.

Nearby Corn Weekly

ZC - Corn (CBOT) - Weekly OHLC Chart



Nearby Soybean Weekly

ZS - Soybeans (CBOT) - Weekly OHLC Chart



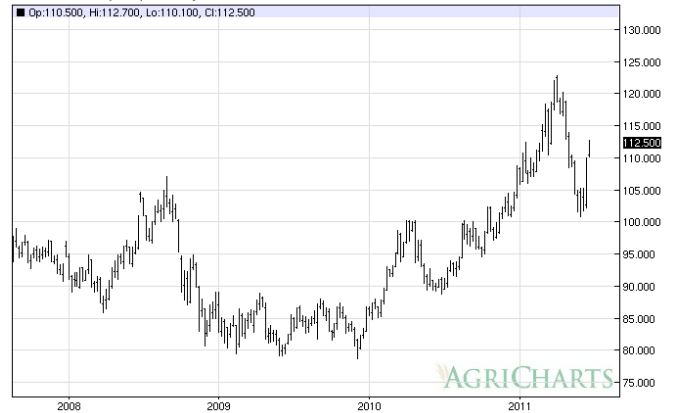
Nearby Lean Hogs Weekly

HE - Lean Hogs (CME) - Weekly OHLC Chart



Nearby Live Cattle Weekly

LE - Live Cattle (CME) - Weekly OHLC Chart



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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



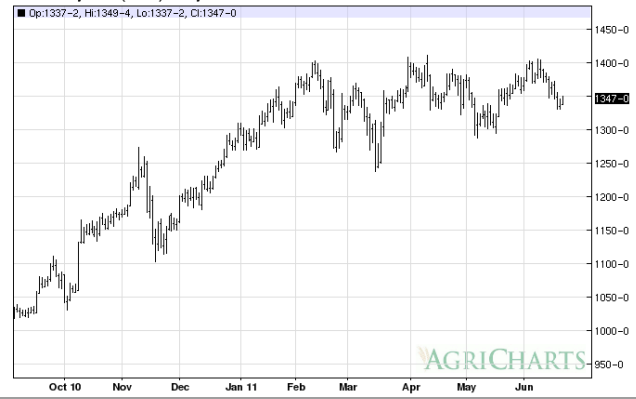
July 11 Soybean Daily Chart

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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