



# MORNING COMMENTS

[david@mnwestag.com](mailto:david@mnwestag.com)

Office 1-877-365-3744

[www.mnwestag.com](http://www.mnwestag.com)

Tuesday, June 28, 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 30, 2011 Planted Acres & Grain Stocks

Trade estimates for Thurs Acreage report for Corn range from 89.5 to 91.5 mln acres with an average at 90.7. This compares to USDA March intentions at 92.2 and the recent June WASDE at 90.7. Trade expects soybean acreage near 76.53 million acres, down only slightly from the last USDA estimate of 76.61 million bushels. Two estimates for all wheat planted area were 56.61 and 56.67 mln acres with a combined range of 55.00 to 57.70 mln acres.

Trade estimates for Thurs' June 1 Stocks report for Corn range from 2998 to 3915 mil bus with an average estimate at 3324. Trade expects June 1 soybean stocks to be reported near 590 million bushels. Average estimates of June 1<sup>st</sup> wheat stocks were 825 and 826 mln bu in a range of 791 to 878 mln bu. June 1 ,2010 stocks were 976 mln bu. Other- Spring planted area averages were 13.32 and 13.35 mln acres, ranging from 12.50 to 14.0 mln acres as compared to 13.70 yr-ago. Durum planting averages were 1.98 and 2.03 mln acres with a range 1.31 to 2.80 vs 2.57 yr-ago.

**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** Report from So MI and N Ohio indicates that perhaps 200,000 acres went unplanted. Region near Kokomo IN reports 27,000 acres unplanted in one county and 19,000 acres in neighboring county as unplanted. Comments were that there may be a county with even more unplanted acres in Indiana. Great spring wheat crop from Bismark ND to Red River, expectations of 90-100 Bu are common.

I am hearing comments from some who have driven through Renville county MN talking of very small corn in many fields, only 2-3" tall or less.... All or at least most of that is Sweet Corn as Renville county is the largest producer of Sweet Corn in the U.S. Quite a few unplanted fields are around and most of them will be planted to sweet corn this week. The last of the field corn was planted late, during the 1<sup>st</sup> week of June and has a short height of 6-8"

**Crop Progress:** Corn condition rated at 70% good to excellent as compared to 67% on average and 73% last year. Corn Belt states with lower corn condition ratings were most notable in IL, IA, MN, OH, and ND.

97% of the Soybean crop is planted vs. 96% last year and average (basically only the double crop beans remain unplanted). 92% of the soybean crop has emerged, identical to last year and equal to the average. Nationally, 65% of the Soybean crop is rated as G/E, down from 68% last week and 67% last year. Conditions dropped in 9 of the 18 major states, held steady in IN, and improved in 8. Iowa, Illinois, Arkansas, Minnesota, North Dakota, and North Carolina showed notable condition declines. Louisiana showed a significant improvement (thanks to better rainfall last week) while Kentucky, Tennessee, Michigan, Nebraska and South Dakota also showed notably better conditions.

Crop Condition										
	Corn Crop					Soybean Crop				
	% of Crop USDA estimates condition as Good or Excellent									
	Last Year	Last Week	This Week	Average		Last Year	Last Week	This Week	Average	
U.S.	73%	70%	70%	67.0%	U.S.	67%	67%	65%	63.0%	
Wisconsin	84%	80%	83%	73.0%	Nebraska	79%	75%	80%	74.0%	
Iowa	72%	84%	80%	73.0%	Iowa	66%	82%	76%	72.0%	
Nebraska	81%	74%	79%	77.0%	S Dakota	71%	72%	69%	72.0%	
Missouri	46%	62%	79%	55.0%	Minnesota	83%	76%	67%	71.0%	
Minnesota	90%	79%	70%	77.0%	Missouri	43%	65%	65%	50.0%	
S Dakota	74%	77%	76%	75.0%	Kansas	69%	57%	62%	65.0%	
Illinois	67%	69%	64%	58.0%	Illinois	62%	66%	60%	54.0%	
Kansas	71%	58%	61%	66.0%	Ohio	60%	72%	59%	58.0%	
Indiana	65%	54%	57%	56.0%	Indiana	62%	55%	57%	54.0%	
Ohio	62%	72%	52%	62.0%	Arkansas	50%	42%	45%	48.0%	

USDA reported spring wheat planting up 4% to 95% and emergence up 6% to 89% (both vs 100% avg-for-date.) Percent of the to-be-

(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.

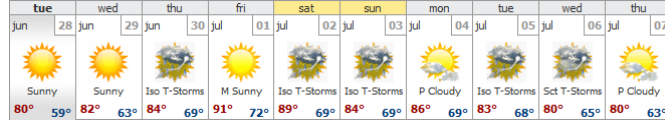
planted area that has been seeded is probably almost 100% at this point – how quickly intended-to-planted area that has been weather-blocked is recognized as abandoned is in question. Winter wheat harvest was 31% week-ago and 44% as of Sunday, June 26. That was 7% ahead of avg-for-date harvest progress – TX @89%, OK @96% and KS @55% were 23%, 16% and 11% ahead of normal. MO reported 63% (vs 56% 5-yravg.) AR @98% is almost done but IL, @43% was 8% behind avg-for-date harvest.

### Outside Markets:

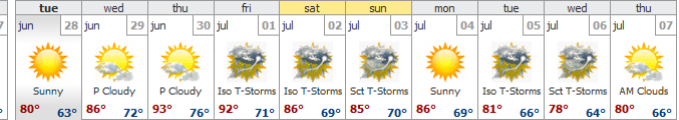
U.S. Dollar Index	75.615	-0.213	-0.28%	Euro FX	1.42850	+0.00520	+0.37%	Ethanol Futures	Jul 11	2.613	+0.003
CRB CCI Index	619.10p	-0.90	-0.15%	Canadian Dollar	1.01290	+0.00180	+0.18%	Gasoline RBOB (E)	Jul 11	2.8075p	+0.0309
Gold	1502.5	+6.5	+0.43%	Japanese Yen	1.23800	+0.00140	+0.11%	Diesel Gulf (Ulsd)	Jul 11	2.8727s	+0.0092
Silver	33.915	+0.330	+0.98%	Australian Dollar	1.03840	+0.00670	+0.65%	Heating Oil (E)	Jul 11	2.7649p	+0.0146
DJIA	11990p	+109	+0.92%	Chinese Renminbi	0.154370p	-0.000180	-0.12%	Crude Oil Brent (E)	Aug 11	106.80	+0.81
S&P 500 Index	1281.10	+4.80	+0.38%	Mexican Peso	0.084025s	-0.000025	-0.03%	Natural Gas (E)	Aug 11	4.264p	+0.014
Nasdaq 100	2255.50	+6.50	+0.29%	1-Month Libor	99.8000	+0.0100	+0.01%	Polypropylene	Jul 11	0.7838s	0.0000
Russell 1000 Growth	588.20p	+7.20	+1.24%	T-Bond	125-05	-0-11	-0.27%	Polyethylene	Jul 11	0.5900p	0.0000
MSCI Emi Index	1116.30p	+12.80	+1.16%	3-Month T-Bill	99.2700s	0.0000	-	Rme Biodiesel	Jun 11	1506.682p	-2.682
Nikkei 225	9690.00	+10.00	+0.1%	5-Year T-Note	121-2.5	-0-200	-0.51%	Coal Futures	Aug 11	76.88p	+0.58
Brazilian Real	0.62570p	+0.00270	+0.43%	10-Year T-Note	124-045	-0-095	-0.21%	Uranium	Jul 11	54.50p	-0.25

**Weather** Things will be quiet across the majority of the Midwest today and remain that way for the rest of the week and weekend as some ridging builds into the central US. By the weekend, a weak system looks to ride along the top of the ridge and will flatten it out some. This will bring some rain chances to the far northern Midwest, but most of the meaningful rains with that system look to fall too far to the north to impact the growing regions. Any rains that do fall in the growing regions look to be under .50" and coverage around 45%- favoring the north. By the first half of next week, a stronger system looks to break down the ridge and replace the flow with one out of the NW. At this point, rains look to be fairly limited as the ridge breaks down early next week, with generally less than .50" in most cases and around 65% coverage, but that is still far enough out to put a ton of faith into. Temps will cool significantly with the NW flow. Temps this week will be climbing their way through the 80's and into the 90's in much of the Midwest. Most temps will remain at or below 95, although some 95 degree + readings are possible in the far western Midwest by the end of the week. Temps will then cool into the 70's and 80's as we work into the first half of next week.

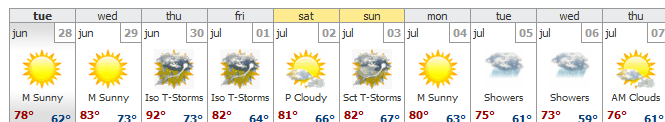
### Central Illinois:



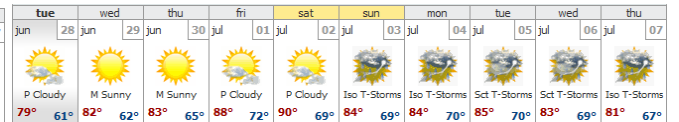
### Central Iowa:



### South Central Minnesota:



### Central Indiana:

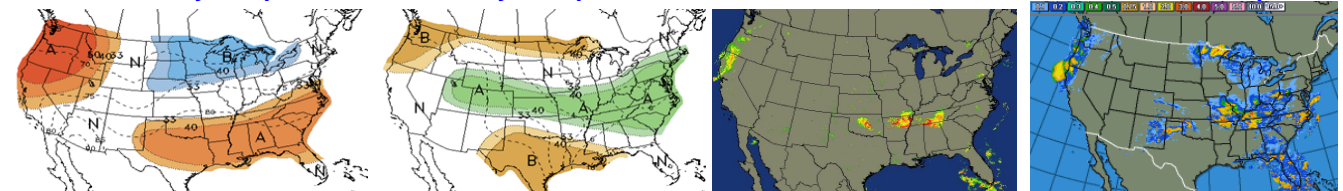


### 8-14 Day Temp

### 8-14 Day Precipitation

### Current Radar

### Last 24 hr Precip

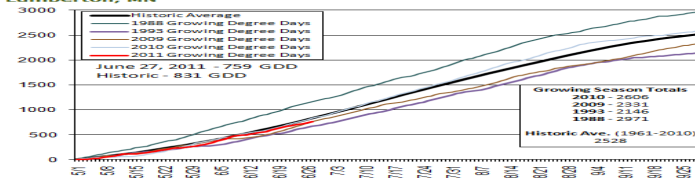


## Official Weather Station -2011

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

Monday, June 27	
<b>Air Temperature</b>	Max = 75; Min = 62
<b>Soil Temperature</b>	
2 inch	Max = 99; Min = 75; Ave = 87
4 inch	Max = 74; Min = 62; Ave = 68
8 inch	Max = 67; Min = 63; Ave = 65
<b>Daily Precipitation</b>	0.07"

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



(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.



## MORNING COMMENTS

[david@mnwestag.com](mailto:david@mnwestag.com)

Office 1-877-365-3744

[www.mnwestag.com](http://www.mnwestag.com)

Tuesday, June 28, 2011

**Corn:** Morning: July 11 Corn is at \$6.68 ½, up 7 ¾ cents, Sept 11 Corn is at \$6.52 ¼, up 8 cents, Dec 11 Corn closed at \$6.34, up 7 ¼ cents. Mar 11 corn closed at \$6.46 ½, up 6 cents  
Yesterday's Close: Jul 11 Corn closed at \$6.60 ¾, down 9 ¼ cents, Sep 11 Corn closed at \$6.44 ¼, down 12 ¾ cents, Dec 11 Corn closed at \$6.26 ¾, down 5 ¼ cents Dec 12 Corn closed at \$5.85 ¼, down 5 ¾ cents  
Corn futures closed lower, weighed down by broad commodity weakness. New crop futures were held down by warmer and drier forecasts for the central US through July 4. The USDA Export Inspections report this morning showed 28.866 million bushels inspected for export for the week ending June 23rd with a total increase of 29.546 million bushels from last week after revisions to prior data. This is 10.148 million bushels behind last years weekly pace.

**Soybean Complex:** Morning: Jul 11 Soybeans closed at \$13.43 ¼, up 13 ½ cents, Sept 11 Soybeans closed at \$13.28, up 11 ¼ cents, Nov 11 Soybeans closed at \$13.27, up 12 cents, Jan 11 Soybeans closed at \$13.35 ¾, up 10 ¾ cents  
Yesterday's Close: Jul 11 Soybeans closed at \$13.29 ¾, up 9 ½ cents, Aug 11 Soybeans closed at \$13.22 ¾, up 7 ¾ cents, Nov 11 Soybeans closed at \$13.15, up 5 ¾ cents, Jul 11 Soybean Meal closed at \$343.00, up \$3.10, Jul 11 Soybean Oil closed at \$54.91, down \$0.31. Soybean futures closed higher, reversing their earlier action, supported by a lower dollar and bullish export inspections. The USDA Export Inspections report this morning showed 8.732 million bushels inspected for export for the week ending June 23rd with a total increase of 9.063 million bushels from last week after revisions to prior data. This is 4.421 million bushels ahead of last years weekly pace. The average trade estimate in a Bloomberg survey put March 1 stocks at 592 million bushels. Malaysian palm oil exports for June 1-25 were up 15.1% from the same period in May according to an SGS cargo survey.

**Wheat:** Morning: Jul 11 CBOT Wheat closed at \$6.32, up 9 ¼ cents, Jul 11 MGEX Wheat is at \$8.13 ¾, up 8 cents  
Yesterday's Close: Jul 11 CBOT Wheat closed at \$6.22 ¾, down 13 cents, Jul 11 KCBT Wheat closed at \$7.28 ½, down 20 cents, Jul 11 MGEX Wheat closed at \$8.05 ¾, down 20 ¼ cents  
Wheat futures closed lower. Paris wheat futures traded at new lows today. Traders there were blaming US weakness, while US traders were blaming the EU weakness! Both blamed the Russians for undercutting the market. The Greek austerity measures vote this week is also making EU traders nervous. The USDA Export Inspections report this morning showed 20.611 million bushels inspected for export for the week ending June 23rd with a total increase of 20.699 million bushels from last week after revisions to prior data. This is 2.386 million bushels ahead of last years figure for this week. In USDA's Crop progress report winter wheat headed was at 94%, down 4 points from average, harvested was at 44%, 7 points ahead of average and condition was 35% good/excellent. Condition was down a point from last week and 29% from last year. Spring wheat planted was at 95%, down 5 points from average.

**Cattle:** Yesterday's Close: Jun 11 Cattle closed at \$111.500, down \$1.550, Aug 11 Cattle closed at \$111.375, down \$2.125, Oct 11 Cattle closed at \$117.775, down \$1.975, Aug 11 Feeder Cattle closed at \$137.225, down \$1.375 Sep 11 Feeder Cattle closed at \$138.250, down \$1.275 Oct 11 Feeder Cattle closed at \$138.400, down \$1.300  
Cattle futures closed lower, weighed down by hogs. No cash trade was reported today. Initial asking prices for this week are thought to be in the \$114-115 range. Choice beef is \$0.29 higher at \$178.48 and Select beef is \$0.55 lower at \$172.96. The USDA Crop Progress report showed pasture condition at 53% good/excellent, on par with last week and still 13 points behind last year.

**Hogs:** Yesterday's Close: Jul 11 Hogs closed at \$94.150, down \$1.850, Aug 11 Hogs closed at \$92.350, down \$2.850 Oct 11 Hogs closed at \$86.575, down \$2.100  
Lean Hogs closed lower. The USDA Hogs & Pigs report put All Hogs on June 1 at 100.5% of year ago, with 100.3% for Breeding and 100.6% for Market hogs. These were slightly larger than expected, but farrowing intentions going forward were lower despite the larger breeding herd. That suggests either sow liquidation in the face of declining corn prices or eventual farrowings larger than the intentions. The Lean Hog Index was at \$100.98, up \$1.82 for June 23rd. Cash hog prices for WCB hogs were \$1.53 lower, with IA/MN \$1.36 lower, and ECB \$1.30 lower. This was a nice trick for the packers considering the pork carcass cutout value posted a new record high again today at \$100.74.

**Cotton:** Yesterday's Close: Jul 11 Cotton closed at 162, down 322 points, Oct 11 Cotton closed at 127.94, up 102 points Dec 11 Cotton closed at 121.99, up 7 points  
Cotton futures closed mixed, with old crop leading the way and sucking back most of its move to the downside. Chinese cotton futures at Zhengzhou were down more than 3% overnight. China is cutting import tariffs on some cotton goods to 6% from the previous 12%, effective July 1. This appears designed to put pressure on internal retail prices and could hurt raw cotton imports if it works. China is a net cotton importer. Certificated stocks were at 84,747. There were 29 delivery notices vs. July futures over the weekend after a merchant stopped more than 400 put out on Friday. The Crop Progress report showed Cotton Condition up a point at 27% good/excellent. This is down 35% from last year. Squaring was seen at 32%, down 7 points from average.

(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.



# MORNING COMMENTS

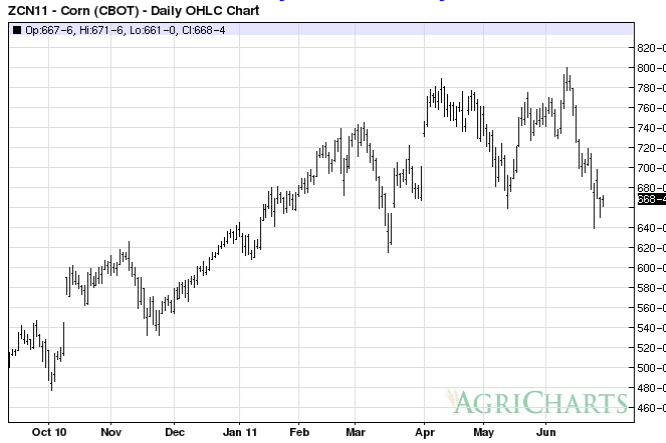
[david@mnwestag.com](mailto:david@mnwestag.com)

Office 1-877-365-3744

[www.mnwestag.com](http://www.mnwestag.com)

Tuesday, June 28, 2011

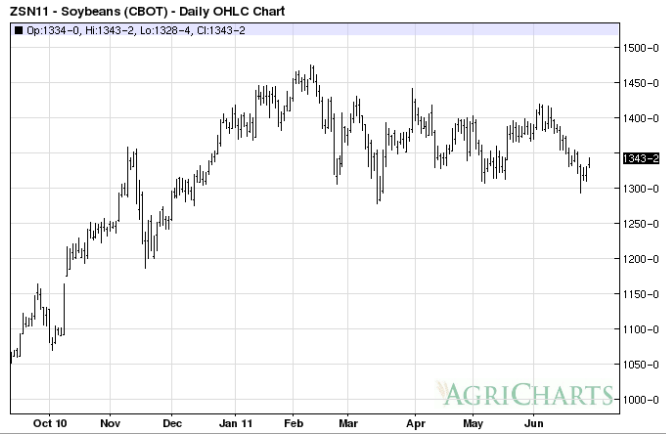
**July 11 Corn Daily Chart**



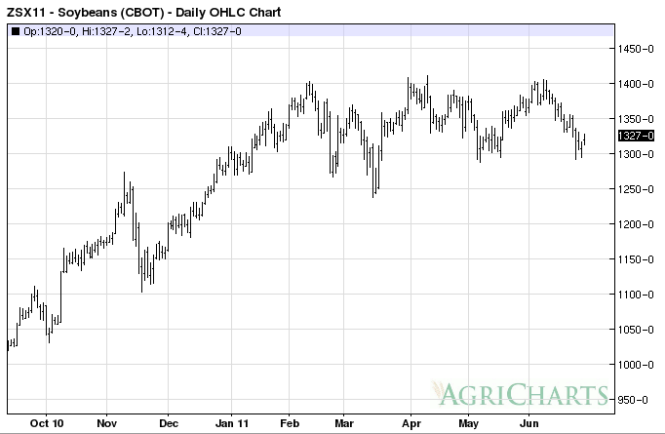
**Dec 11 Corn Daily Chart**



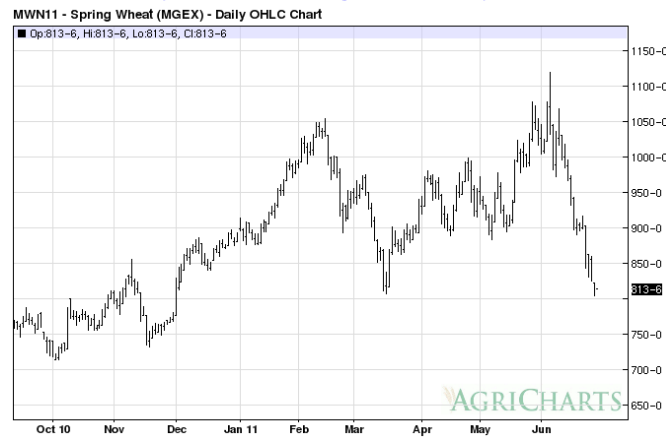
**July 11 Soybean Daily Chart**



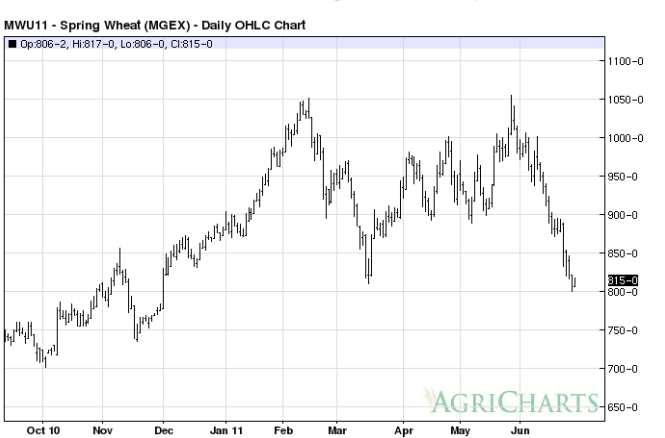
**Nov 11 Soybean Daily Chart**



**July 11 Mpls Spring Wheat Daily Chart**



**Sept 11 Mpls Spring Wheat Daily Chart**



(an equal opportunity provider) The information contained herein was obtained from sources believed to be reliable, but can not be guaranteed. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Commodity marketing and trading is risky. Trading and/or marketing decisions and any trading and/or marketing gains or losses are the responsibility of the commodity owner, producer, and/or account holder. Minnesota West Ag Services LLC and principals and employees assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.