



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	100% sold with basis set	50% sold HTA	30% sold HTA
Soybeans	100% sold with basis set	50% sold HTA	20% sold HTA
Wheat	100% sold with basis set	50% sold HTA	none

Next Major USDA Reports: Monday September 12, 2011 WASDE & Crop Production ;
Friday September 30, 2011 Quarterly Grain Stocks

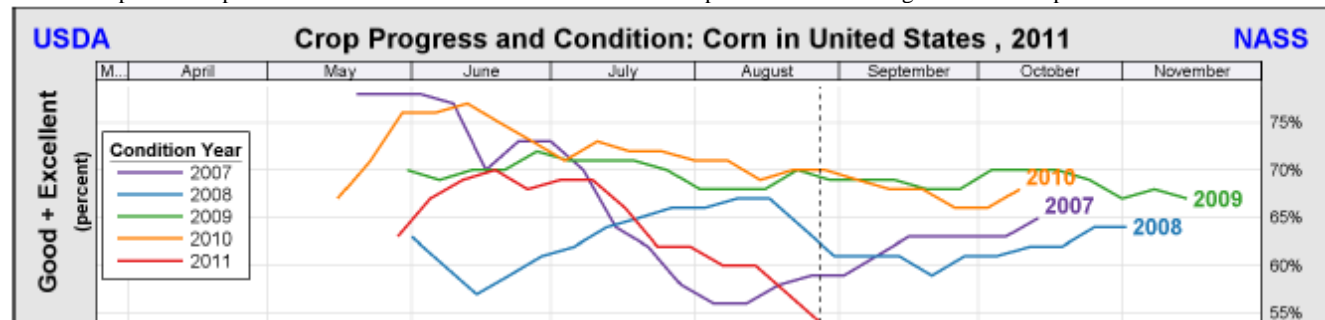
Hedge: a means of protection against something, especially a means of guarding against financial loss

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

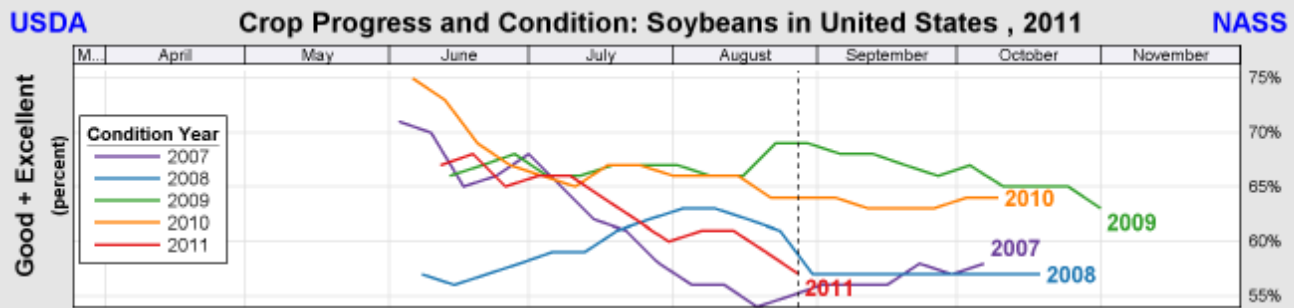
Market Talk More private analysts released their crop estimates today ahead of next week's U.S.D.A. update. One of these was Informa, who predicted corn yield at 151 bushels per acre, and soybeans at 41 bushels per acre. Informa cut their estimate for the 2011 corn crop to 12.711 billion bushels from 13.353 billion. Informa projected US soybean yield at 41.5 bpa, 0.1 bpa above the August USDA projection. Their production estimate of 3061 million bushels is 6 million above USDA.

Trend Adjusted APH is a New Crop Insurance Pilot Program: Just approved last week for 2012, producers will have the ability to utilize a new Pilot program that will be available in 14 states called "Trend Adjusted APH" for corn and soybeans. It is designed for situations where a producer's yearly yield has exceeded their APH history. RMA will publish a county trend adjust number that more accurately reflects long term trends that can be used for a producers yield for certain years. It would apparently work similar to a plug yield for those who qualify allowing for an additive upward adjustment to yields that reflect the long term trend. Producers with at least 1 year of production history are eligible to use 1, 2, 3 or 4 years of actual history will be allowed to use 25%, 50%, 75% or 100% increments, respectively, of the difference between their APH and the adjusted trend yields. The newly established trend yield cannot exceed the producer's highest actual yield from their historical data base. We will have more information once RMA releases it to the crop insurance companies. **Please keep us in mind for your 2012 crop insurance needs.**

US corn crop ratings declined again to 11 (12) exc, 41 (42) good 27 (27) fair, 13 (12) poor, and 8 (7) very poor. All of the major Corn Belt states showed moderate declines in ratings. Harvest in the southern portions of the Corn Belt is underway with IL 3% harvested vs 6 last year. MO is 11 vs 15 last year and KS 14...unch from year ago. In the mid-South, harvest is noticeably later than last year with KY 7% harvested vs 30 year ago, TN 24 vs 46, and AR 49 vs 86. The slower pace of harvest this year may make it a bit easier for the USDA to estimate Sep 1 old crop corn stocks...as there won't be as much new crop harvest to commingle with old crop stocks.



US Soybean Crop conditions reported after the close were in line with expectations. Nationally, soybeans in the G/E category dropped 1% to 56% G/E. The condition index declined by 4 points and is now the lowest for this date since 2005. Conditions declined in 15 of the 18 major states, with declines in IN, TN, KY, and KS notable while most other declines were minor. Conditions only improved in LA, MS, and NC. LA and MS could be in response to better than expected yields while NC was due to rainfall last week. Conditions declined in IA which is a bit of a surprise given the rainfall over the past seven days.....maybe the weekend rains were not fully reflected in this week's report. Conditions are at or near 5-year lows in IA, IL, IN and MO. It is interesting to note that only 6% of the crop nationally is dropping leaves vs. 17% last year and 13% avg. This suggests weekend rains were helpful and any additional rainfall this week will still benefit the majority of the crop. USDA is not releasing national harvest progress yet, but LA (34% vs. 28% avg), MS (14% vs. 8% avg) and AR (4% vs. 8% avg) are reporting.



Outside Markets:

U.S. Dollar Index	75.725	-0.332	-0.44%	Euro FX	1.40430	+0.00570	+0.41%	Ethanol Futures	Oct 11	2.816p	-0.009
CRB CCI Index	646.55	-0.45	-0.07%	Canadian Dollar	1.01220	+0.00250	+0.25%	Gasoline RBOB (E)	Oct 11	2.8226p	-0.0170
Gold	1828.5	-41.4	-2.21%	Japanese Yen	1.29530	+0.00710	+0.55%	Diesel Gulf (ULSD)	Oct 11	3.0498s	+0.0137
Silver	40.810	-1.008	-2.41%	Australian Dollar	1.05980	+0.01270	+1.21%	Heating Oil (E)	Oct 11	3.0102p	+0.0128
DJIA	11128p	-80	-0.71%	Chinese Renminbi	0.156500	+0.000040	+0.03%	Crude Oil Brent (E)	Oct 11	113.23	+0.34
S&P 500 Index	1176.70	+12.20	+1.05%	Mexican Peso	0.080225	+0.000525	+0.66%	Natural Gas (E)	Oct 11	3.938p	+0.066
Nasdaq 100	2190.50	+25.25	+1.17%	1-Month Libor	99.7700	+0.0075	+0.01%	Polypropylene	Oct 11	0.8625s	0.0000
Russell 1000 Growth	547.50p	-1.50	-0.27%	T-Bond	141-16	-0.17	-0.37%	Polyethylene	Oct 11	0.6100s	0.0000
MSCI EMI Index	1009.00	+11.90	+1.19%	3-Month T-Bill	992.7000s	0.0000	-	RME Biodiesel	Sep 11	1481.045p	-12.819
Nikkei 225	8780.00	+50.00	+0.57%	5-Year T-Note	123-230	-0.75	-0.04%	Coal Futures	Oct 11	75.05p	-0.60
Brazilian Real	0.59850s	-0.00495	-0.82%	10-Year T-Note	131-030	-0.040	-0.1%	Uranium	Sep 11	50.45p	0.00

Weather

Central Illinois:

Day	07	08	09	10	11	12	13	14	15	16
Weather	Sunny	PM Showers	Sct T-Storms	Sct T-Storms	P Cloudy	P Cloudy	M Sunny	Sunny	Sct Showers	Sct T-Storms
Temp	75° 54°	73° 59°	73° 59°	76° 60°	82° 60°	86° 60°	78° 55°	76° 58°	77° 59°	80° 61°

Central Iowa:

Day	07	08	09	10	11	12	13	14	15	16
Weather	Sunny	M Sunny	Iso T-Storms	Sunny	Sunny	Sunny	M Sunny	Sunny	Cloudy	P Cloudy
Temp	75° 54°	80° 57°	78° 56°	79° 59°	81° 61°	82° 58°	77° 58°	74° 60°	73° 57°	77° 58°

South Central Minnesota:

Day	07	08	09	10	11	12	13	14	15	16
Weather	Sunny	P Cloudy	M Sunny	Sunny	Sunny	Sunny	P Cloudy	Showers	Sunny	P Cloudy
Temp	81° 54°	83° 58°	86° 57°	83° 56°	85° 58°	77° 53°	72° 50°	69° 54°	70° 50°	72° 51°

Central Indiana:

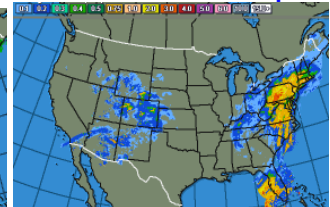
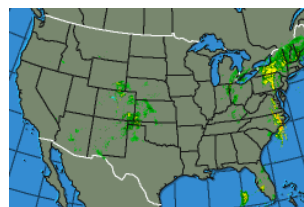
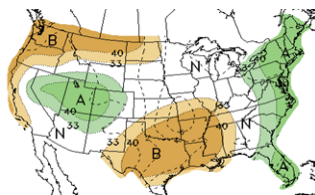
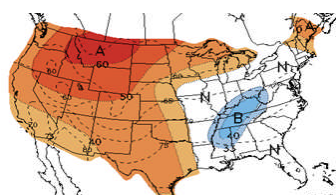
Day	07	08	09	10	11	12	13	14	15	16
Weather	Showers	Showers	Iso T-Storms	Sct T-Storms	Iso T-Storms	P Cloudy	P Cloudy	Sunny	Iso T-Storms	P Cloudy
Temp	65° 58°	67° 59°	73° 58°	76° 58°	78° 61°	81° 60°	75° 55°	75° 56°	77° 58°	81° 60°

8-14 Day Temp

8-14 Day Precipitation

Current Radar

Last 24 hr Precip



Corn: Morning: Sept 11 Corn is at \$7.50 , up 3 ¼ cents, Dec 11 Corn closed at \$ 7.62 ¼ , up 6 ½ cents, Mar 11 corn closed at \$7.75 ¼ , up 7 cents , July 12 Corn is at \$7.84 ¼ , up 5 ½ cents, Yesterday's Close: Sept 11 Corn closed at \$7.46 ¾ , down 3 ½ cents, Dec 11 Corn closed at \$7.55 ¾ , down 4 ¼ cents, Mar 12 Corn closed at \$7.68 ¼ , down 4 cents Dec 12 Corn closed at \$6.65 ¾ , up 6 ¾ cents
Corn futures closed lower today but finished in the upper portion of the trading range. The driver pushing prices lower was the sharp rally in the U.S. dollar on trouble overseas. Export inspections for corn were 40.089 million bushels or 61,477 MT, that's 6 million bushels less than last week which is also disappointing but in line with the three day rally in the dollar. Today's crop progress report delayed by the holiday, rated the corn condition 52% good/excellent compared with 54 last week and 69 a year ago. Informa cut their estimate for the 2011 corn crop to 12.711 billion bushels from 13.353 billion. Allendale projects a 12.466 billion bushel corn crop. Cash basis levels are mostly steady with processors a little higher and river terminals a little lower.

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MORNING COMMENTS

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Wednesday, September 7, 2011

Soybean Complex: Morning: Sept 11 Soybeans closed at \$14.20 ¼ , up 6 ¾ cents, Nov 11 Soybeans closed at \$14.30 , up 7 ½ cents, Jan 11 Soybeans closed at \$14.40 ¾ , up 8 ½ cents, Jul 12 Soybeans closed at \$14.51 , up 9 ½ cents , Yesterday's Close: Sep 11 Soybeans closed at \$14.13 ½ , down 22 ½ cents, Nov 11 Soybeans closed at \$14.22 ½ , down 23 ¼ cents, Jan 12 Soybeans closed at \$14.32 ¼ , down 23 ½ cents, Nov 12 Soybeans closed at \$13.86, down 5 cents, Sep 11 Soybean Meal closed at \$368.30, down \$9.50, Sep 11 Soybean Oil closed at \$57.56, down \$0.18
Soybean futures closed lower but ended about 10 cents off the session lows after retesting the break out of the 7 month channel on the charts. The dollar closed sharply higher and U.S. stocks ended lower along with stocks on some of the world trading centers driven by financial problems in Greece and Italy. Soybean inspections for export were up from last week at 9.134 million bushels or 248,587 MT. The USDA rated the soybean condition as of Sunday at 56 compared to 57 last week and 64 for the five year average. Informa cut their soybean yield estimate by a bushel to 41.5 BPA reducing their estimated soy production to 3.016 billion bushels from 3.139 billion. Allendale is projecting U.S. soybean production at 3.056 billion bushels with a yield estimate at 41.4 BPA.

Wheat: Yesterday's Close: Sep 11 CBOT Wheat closed at \$7.16 ¼ , down 13 ¾ cents, Sep 11 KCBT Wheat closed at \$8.46, down 12 cents, Sep 11 MGEX Wheat closed at \$9.71, down 13 ¼ cents
Wheat futures closed lower continuing the minor downtrend that began August 29th. Export inspections were down 2.65 million bushels from last week at 21.156 million bushels. The dollar has closed higher for the past six days which could be impacting export sales. Spring wheat harvest is 68 complete as of Sunday compared to 81 percent for the five year average. Basis levels for wheat shipped by barge were mostly steady. Tropical Storm Lee disrupted Gulf transportation temporarily but shipping was back on line yesterday.

Cattle: Yesterday's Close: Oct 11 Cattle closed at \$116.975, up \$2.175, Dec 11 Cattle closed at \$118.275, up \$1.800, Feb 12 Cattle closed at \$121.300, up \$1.500, Sep 11 Feeder Cattle closed at \$133.800, up \$1.150 Oct 11 Feeder Cattle closed at \$134.475, up \$1.525 Nov 11 Feeder Cattle closed at \$135.600, up \$1.275
Cattle futures closed higher for the third day. Cash business was slow last week with sales in TX estimated at 13,000 head at \$1.00 higher. KS sales were also a \$1.00 higher on 15,000 head. NE estimates were between 30 and 35 thousand head at \$1.13 to \$1.14 and \$1.81 in the dressed. Total cattle sales for the week were confirmed at 98,476 head for the Five Area Direct Slaughter. Show lists are larger in TX and KS this week. Pasture conditions continue to deteriorate with ratings at 33 a drop of 3 points from last week and 12 points lower than the five year average. Boxed beef was lower. Choice beef was down \$0.08 and Select beef was down \$1.44.

Hogs: Yesterday's Close: Oct 11 Hogs closed at \$83.350, down \$2.450, Dec 11 Hogs closed at \$81.250, down \$1.850 Feb 12 Hogs closed at \$85.525, down \$1.725
Lean hog futures closed sharply lower challenging the May lows on the price charts with possible spreading against cattle taking place. Cash prices were under the most pressure in the ECB. Cash hogs in IA/MN were \$0.13 lower, WCB hogs were \$0.10 lower and ECB hogs were \$2.74 lower. Concerns over U.S. and European economies are applying some of the pressure too. Pork was 75 cents lower on the cutout Friday and the Carcass cutout was 77 cents lower today. Pork trading is slow with light demand and light to moderate offerings.

Cotton: Yesterday's Close: Oct 11 Cotton closed at 106.24, down 35 points, Dec 11 Cotton closed at 106.34, up 45 points Dec 12 Cotton closed at 97.73, down 39 points
Cotton futures closed mixed but mostly mildly lower with a sharply higher dollar and lower equity and commodity markets. Texas wild fires have cost agriculture 5.2 billion according to the Financial Times. Most of the Texas cotton is in the west and north although there is some in the Austin TX area. Certificated Stocks were unchanged at 16,321 bales. In this afternoon's Crop Progress report the USDA showed cotton bolls opening at 42%, 10% ahead of average. Harvested was at 7%, up a point from average. Condition was 28% good/excellent, down a point and 32 points below last year.

US Dollar Index Weekly



Gold Weekly



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Wednesday, September 7, 2011

Sept 11 Corn Daily Chart

ZCU11 - Corn (CBOT) - Daily OHLC Chart



Dec 11 Corn Daily Chart

ZCZ11 - Corn (CBOT) - Daily OHLC Chart



Sept 11 Soybean Daily Chart

ZSU11 - Soybeans (CBOT) - Daily OHLC Chart



Nov 11 Soybean Daily Chart

ZSX11 - Soybeans (CBOT) - Daily OHLC Chart



Sept 11 Mpls Spring Wheat Daily Chart

MWU11 - Spring Wheat (MGEX) - Daily OHLC Chart



Dec 11 Mpls Spring Wheat Daily Chart

MWZ11 - Spring Wheat (MGEX) - Daily OHLC Chart



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