



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

HTA Basis Targets: For those with 2011 Dec corn HTA's that need a fall delivery and have not set the basis you should be talking to your elevator and negotiating the basis. Many So MN elevators have a Oct/Nov basis of -.45 with a few as wide as -.60 depending on their location and local market. Soybean basis remains slightly wider than many years but given the futures value seem somewhat reasonable. For 2011 Soybean HTA's that need a delivery you may need to accept a basis near -.80 if you need to have the cash flow, otherwise you could roll the Nov Soybean HTA out to Jan or March and wait to see if a more normal basis of near -.65 occurs. When futures have been over \$12.00 we have had limited opportunity for -.70 or better basis in Jan-Mar of 2010 and also in 2008.

Next Major USDA Report: Monday September 12, 2011 WASDE & Crop Production ;

	Year-End Carryout Stocks		
	USDA August	Pre-Report Estimates	
		Range	Average
2010-11 Crop	Million Bushels		
Corn	0.940	0.880-1.080	0.956
Soybeans	0.230	0.200-0.240	0.226
2011-12 Crop			
Corn	0.714	0.460-0.777	0.636
Soybeans	0.155	0.116-0.188	0.151
Wheat	0.671	0.620-0.705	0.663

	2011 Yield and Total Crop		
	USDA August	Pre-Report Estimates	
		Range	Average
2011-12 Crop	Million Bushels		
Corn Yield	153.0	143.3-152.5	149.1
Soybean Yield	41.4	40.0-42.9	41.4
Corn Crop	12.519	11.913-12.862	12.491
Soybean Crop	3.032	2.924-3.250	3.376

Source: Reuters

The largest expected decline is for corn stocks which analysts expect to fall by 78 million bushels. Should the average analyst estimates be correct, 2012 year end stocks for both corn and soybeans will be one-third smaller than at the end of the 2010-11 marketing year on August 31.

Remember 911: US Exchanges will have trade will be halted 4 times for a moment of silence in remembrance of September 11, 2001. The times are 7:46 am, 8:03 am, 8:59 am, and 9:29 am Central Time.

Market Talk Most of today's session will be spent getting final positions in place ahead of next Monday's supply and demand report. Trade emphasis is on corn, with many analysts expecting sizable reductions to yield, crop size, and carryout on that grain. In August corn yield was estimated at 153 bushels per acre for a national average, but private analysts have reduced this from 5 to 10 bushels in their estimates. History does not support corn yield reductions this large though, as not even in the similar year of 1995 did we see yield drop that hard.

Corn harvest continues in So IN, So IL and NW Kentucky with reports of 150-170 bu /acre and some talk of near 200 bu in isolated fields. Early corn yields reported near Greenville OH are 160-170 with 20% moisture. This was in an area that had very little early planted corn and a lot of June planted corn. Central IN reports 20% moisture corn and yield similar to last year but down some from longer term historical yields. A handful of guys have tried corn near Champaign IL with moistures between 20-30% with them bypassing the wetter varieties. Their yields are reportedly better than they were expecting with fears of 40-50 bu lower yields than last year , however, yields have been down slightly from last year. It is very hard to get a good handle on what these yield reports may suggest for the national average but they don't indicate a huge disaster. With so much of the crop being late planted, it may be a long time before the trade is comfortable with what the many field reports indicate.

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.**

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Outside Markets:

U.S. Dollar Index	76.595	+0.243	+0.32%	Euro FX	1.38270	-0.00610	-0.44%	Ethanol Futures	Oct 11	2.775p	-0.034
CRB CCI Index	649.00	-1.50	-0.23%	Canadian Dollar	1.00770	-0.00310	-0.31%	Gasoline RBOB (E)	Oct 11	2.8852p	-0.0228
Gold	1830.0	-24.4	-1.32%	Japanese Yen	1.28550	-0.00540	-0.42%	Diesel Gulf (ULSD)	Oct 11	3.0801s	-0.0355
Silver	41.555	-0.924	-2.18%	Australian Dollar	1.05210	-0.00490	-0.46%	Heating Oil (E)	Oct 11	3.0443p	-0.0313
DJIA	11293p	-122	-1.07%	Chinese Renminbi	0.156600	+0.000010	+0.01%	Crude Oil Brent (E)	Oct 11	114.55p	-1.25
S&P 500 Index	1185.70p	-13.30	-1.11%	Mexican Peso	0.079325	-0.000575	-0.72%	Natural Gas (E)	Oct 11	3.980p	+0.040
Nasdaq 100	2216.75p	-5.25	-0.24%	1-Month Libor	99.7700	-0.0050	-0.01%	Polypropylene	Oct 11	0.8425s	-0.0200
Russell 1000 Growth	556.70s	-6.40	-1.14%	T-Bond	141-02	-0-09	-0.2%	Polyethylene	Oct 11	0.6100s	0.0000
MSCI EMI Index	995.00	-7.60	-0.76%	3-Month T-Bill	992.7000s	0.0000	-	RME Biodiesel	Sep 11	1496.864p	-4.863
Nikkei 225	8675.00	-60.00	-0.69%	5-Year T-Note	123-255	-0-7.5	-0.04%	Coal Futures	Oct 11	75.22p	+0.07
Brazilian Real	0.59820s	-0.00175	-0.29%	10-Year T-Note	131-015	-0-060	-0.14%	Uranium	Sep 11	50.45p	0.00

Weather Rains again fell across IN and OH and spread into eastern IL as well. Totals in most cases were under .40" and dry weather dominated the rest of the Midwest yesterday. Temps were below average in most of the region, with highs in the 70's in most cases, with some 60's under the clouds and rain and some low 80's in the northwest. Lows were in the 50's. **The forecast sees** mainly dry weather to remain in place across most of the Midwest for the rest of this week and weekend. Some showers will remain possible in IL, IN and OH today and will gradually dissipate tomorrow. Additional totals with that activity look to be less than .35" in most cases. A cold front will then work through most of the region by the first half of next week, but looks to produce totals of around .35" or less in most cases. Dry weather is then seen to return to the region for the remainder of next week and the following weekend. Temps will remain mild through the weekend then cool to below average, including some 30's and **possibly even a touch of frost for portions of MN and northern IA by around Thursday of next week.** Although freezing temps do not look to be a good likelihood. A return to mild temps is seen by the following weekend.

Central Illinois:

fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
09	10	11	12	13	14	15	16	17	18
Sct T-Storms	Sct T-Storms	Iso T-Storms	Sunny	P Cloudy	Sunny	P Cloudy	Sunny	Cloudy	Showers
73° 59°	77° 60°	81° 60°	86° 63°	89° 55°	75° 51°	71° 51°	74° 59°	77° 59°	77° 54°

Central Iowa:

fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
09	10	11	12	13	14	15	16	17	18
Iso T-Storms	M Sunny	Sunny	Sunny	P Cloudy	M Sunny	P Cloudy	Sunny	Showers	Showers
81° 58°	81° 58°	83° 62°	87° 66°	73° 50°	69° 51°	70° 53°	74° 60°	71° 58°	75° 53°

South Central Minnesota:

fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
09	10	11	12	13	14	15	16	17	18
Sunny	Sunny	Sunny	Sunny	P Cloudy	P Cloudy	Sunny	Sunny	Sct Showers	Few Showers
86° 58°	86° 60°	88° 63°	88° 53°	71° 44°	64° 42°	65° 53°	68° 52°	72° 53°	68° 43°

Central Indiana:

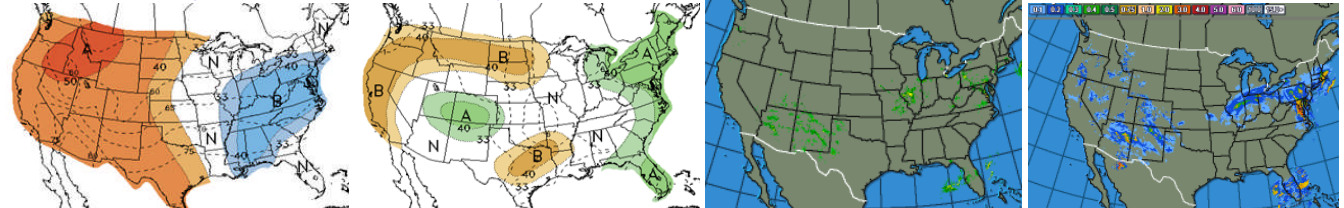
fri	sat	sun	mon	tue	wed	thu	fri	sat	sun
09	10	11	12	13	14	15	16	17	18
Sct T-Storms	Sct T-Storms	Sct T-Storms	Sunny	M Sunny	P Cloudy	Few Showers	Sunny	P Cloudy	Sct T-Storms
73° 57°	76° 59°	78° 59°	85° 62°	89° 59°	75° 53°	72° 53°	78° 58°	77° 58°	80° 57°

8-14 Day Temp

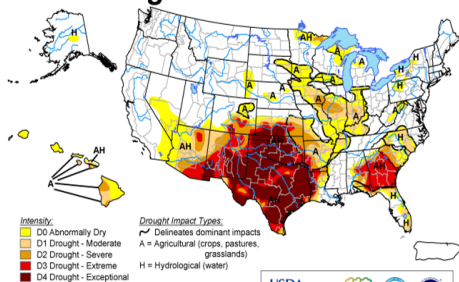
8-14 Day Precipitation

Current Radar

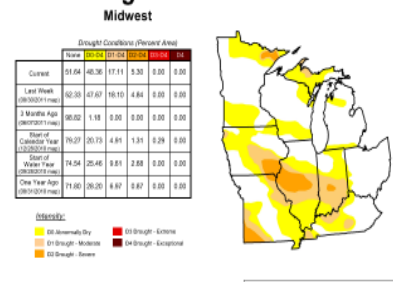
Last 24 hr Precip



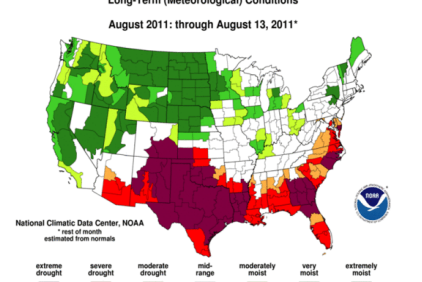
U.S. Drought Monitor September 6, 2011



U.S. Drought Monitor September 6, 2011



Palmer Drought Index



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MORNING COMMENTS

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Friday, September 9, 2011

Corn: Morning: Sept 11 Corn is at \$7.25 ½ , up 2 ¼ cents, Dec 11 Corn closed at \$ 7.37 , up 3 cents, Mar 11 corn closed at \$7.49 , up 2 ¼ cents, July 12 Corn is at \$7.61 ½ , up 3 cents, Yesterday's Close: Sep 11 Corn closed at \$7.23 ¼ , down 13 ¼ cents, Dec 11 Corn closed at \$7.34, down 14 cents, Mar 12 Corn closed at \$7.46 ¾ , down 14 cents Dec 12 Corn closed at \$6.59, down 4 ¾ cents
Corn futures closed lower on pre-report jockeying and a higher dollar while other outside markets were fairly bland. Markets are awaiting President Obama's economic stimulus speech tonight and the USDA reports due out Monday morning. Another big report will be the stocks report out due at the end of the month. The average trade estimate for Corn production in the Bloomberg survey is 12.554 billion bushels with an average yield estimate of 149.2 BPA. The Dow Jones survey shows 12.505 billion at 148.8 bushels. USDA Export sales will be out tomorrow morning and are expected to be 800-1000 TMT, based on a Reuters poll. Monthly ethanol exports for July were record large at 127.4 million gallons. Cumulative exports for the year through July 31 are 588.5 million gallons, equivalent to about 206 million bushels of corn.

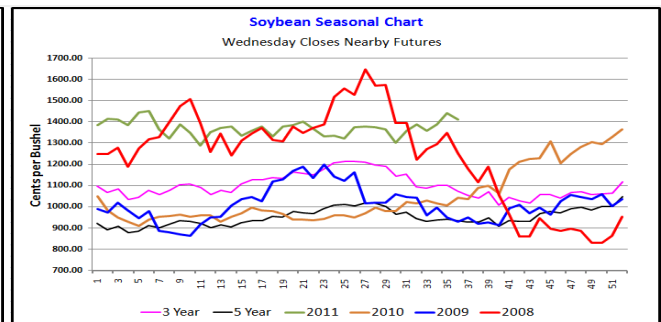
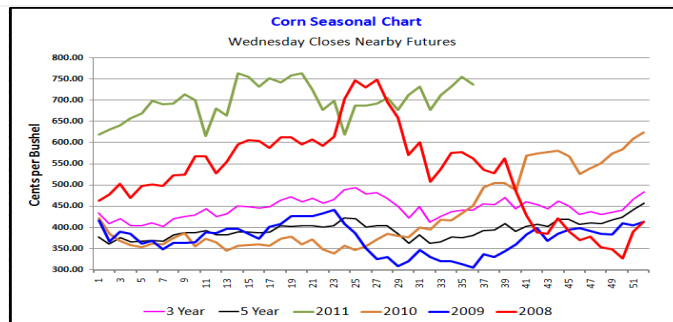
Soybean Complex: Morning: Sept 11 Soybeans closed at \$14.07 ¼ cents, Nov 11 Soybeans closed at \$14.24 ¾ , up 6 ½ cents, Jan 11 Soybeans closed at \$14.33 ½ , up 5 cents, Jul 12 Soybeans closed at \$14.47 , up 3 ¾ cents , Yesterday's Close: Sep 11 Soybeans closed at \$14.07 ¼ , down 3 ¾ cents, Nov 11 Soybeans closed at \$14.18 ¼ , down 2 ½ cents, Jan 12 Soybeans closed at \$14.28 ½ , down 3 cents, Nov 12 Soybeans closed at \$13.90 ½ , up ½ cent, Sep 11 Soybean Meal closed at \$365.50, down \$1.70, Sep 11 Soybean Oil closed at \$57.82, down \$0.36
Soybean futures closed mildly lower. The average analyst estimate for the USDA WASDE is for a 3.032 billion bushel crop with an average yield estimate of 41.1 BPA per Bloomberg. Export sales, reported tomorrow morning, have been sluggish so far and do not typically pick up for a few weeks. The estimates are 350-650 TMT for soybeans based on a Reuters poll.

Wheat: Morning: Dec 11 CBOT Wheat closed at \$7.37 ½ , dn ½ cents, Dec 11 MGEX Wheat is at \$9.11 ¾ , up 3 ½ cents
Yesterday's Close: Sep 11 CBOT Wheat closed at \$7.09 ¼ , down 5 ½ cents, Sep 11 KCBT Wheat closed at \$8.24, down 18 cents, Sep 11 MGEX Wheat closed at \$9.49 ½ , down 14 ¾ cents
Wheat futures closed lower, accelerating as the session progressed. The stronger US dollar and weakness in corn have both hurt wheat values. Russia and Ukraine continue to sell wheat at prices below US levels and in fact no US wheat was offered in the most recent Egyptian tender. EU issued export licenses this week for 415 TMT soft wheat. India will allow 2 MMT wheat and common rice for export due to ample stocks. Weekly Export sales as reported tomorrow are expected to be 350-450 TMT, according to Reuters trade estimates.

Cattle: Yesterday's Close: Oct 11 Cattle closed at \$118.825, up \$1.175, Dec 11 Cattle closed at \$119.050, up \$0.350, Feb 12 Cattle closed at \$122.250, up \$0.600, Sep 11 Feeder Cattle closed at \$133.950, up \$0.025 Oct 11 Feeder Cattle closed at \$135.650, up \$0.850 Nov 11 Feeder Cattle closed at \$136.650, up \$0.525
Cattle futures closed higher with front months taking the lead and back months up mildly. Cash business has yet to seriously develop with light trade in NE and IA. Feedlots are asking about \$117 which is about \$2 below futures currently. Wholesale beef prices were lower this afternoon. Choice boxed beef was down \$0.56 and Select beef was down \$0.34.

Hogs: Yesterday's Close: Oct 11 Hogs closed at \$86.800, up \$1.950, Dec 11 Hogs closed at \$83.125, up \$0.725 Feb 12 Hogs closed at \$88.725, up \$1.150
Lean hog futures closed sharply higher, reconsidering the recent sharp selloff and the big futures discount to cash. China pork prices continue to rise, driven by higher feed costs and strong consumer demand as disposable incomes rise. Cash hogs traded \$.83 higher in IA/MN, \$.93 lower in the ECB and \$.78 higher in the WCB. The Lean Hog Index was down \$1.72 as of September 6th. The carcass cutout value was up \$.03.

Cotton: Yesterday's Close: Oct 11 Cotton closed at 112.45, up 221 points, Dec 11 Cotton closed at 113.63, up 329 points Dec 12 Cotton closed at 100, up 127 points
Cotton futures closed higher, having broken out of the range they have been stuck in recently, hitting the highest levels since July 8th, supported by recent weather in the US and Pakistan. Certificated stocks were up at 18,037.



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MORNING COMMENTS

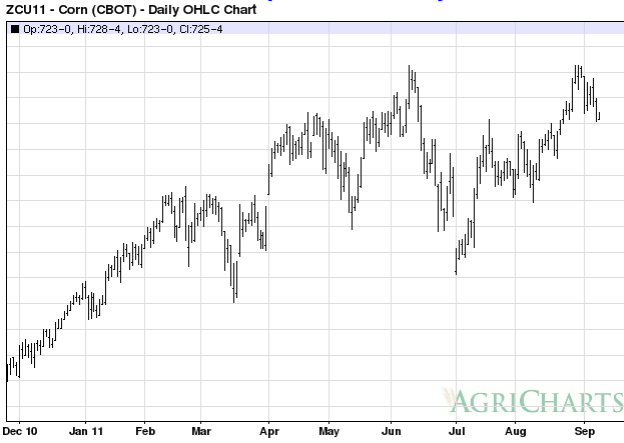
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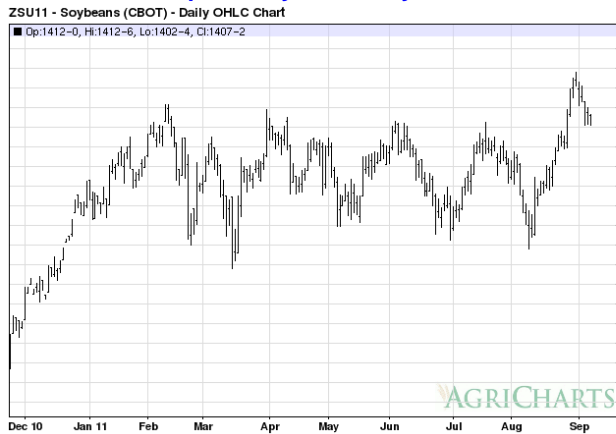
Sept 11 Corn Daily Chart



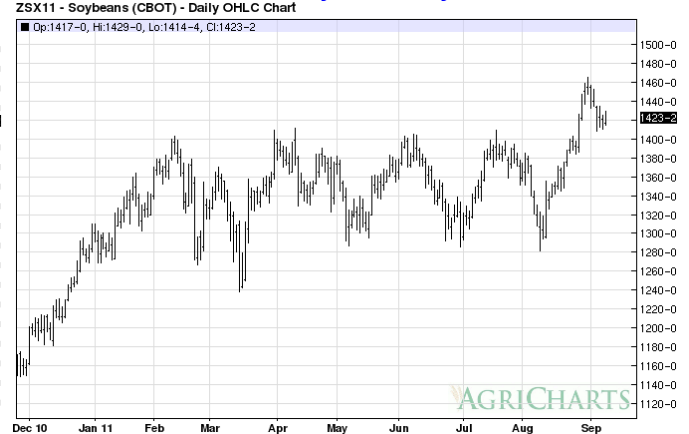
Dec 11 Corn Daily Chart



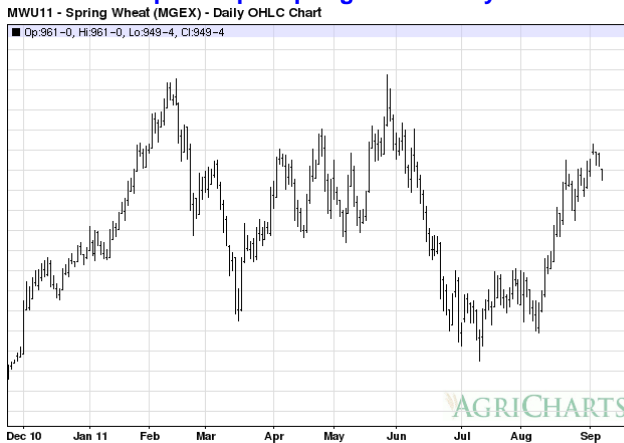
Sept 11 Soybean Daily Chart



Nov 11 Soybean Daily Chart



Sept 11 Mpls Spring Wheat Daily Chart



Dec 11 Mpls Spring Wheat Daily Chart



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