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Services

Grain Market Outlook

For Thursday, March 10, 2011 *as of 12:40 pm*

Today's Futures Closes:

Mar 11 Corn	\$6.8525	-9.75	Mar 11 Soybeans	\$13.57	+13.0	Mar 11 Chi Wheat	\$7.1975	-12.5
May 11 Corn	\$6.91	-10.0	May 11 Soybeans	\$13.61	+12.0	July 11 Chi Wheat	\$7.725	-18.5
July 11 Corn	\$6.97	-10.0	July 11 Soybeans	\$13.6825	+11.0	Sep 11 Chi Wheat	\$8.075	-18.75
Sep 11 Corn	\$6.4075	-13.5	Nov 11 Soybeans	\$13.225	+2.5	Mar 11 KC Wheat	\$8.485	-5.0
Dec 11 Corn	\$5.945	-15.75	Nov 12 Soybeans	\$12.18	-1.5	July 11 KC Wheat	\$8.48	-16.0
Mar 12 Corn	\$6.035	-15.5	Dec 11 SB Meal	\$344.3	+1.7	Mar 11 Minn Wheat	\$8.785	-13.5
Dec 12 Corn	\$5.3675	-10.75	Dec 11 SB Oil	\$57.95	+0.03	Sep 11 Minn Wheat	\$8.875	-22.0
Mar 11 Oats	\$3.56	-6.0	May 11 Cotton	\$201.27	-3.14	Mar Dollar Index	77.190	+0.471
Apr 11 Cattle	117.525	+2.725	Dec 11 Cotton	\$127.60	+1.00	Apr Crude Oil	\$103.28	-1.10
Mar 11 Feeds	132.200	+1.025	Nov 11 Rice	\$1433.0	-50.0	Apr Gold	\$1414.0	-15.6
Apr 11 Hogs	89.750	+0.625	Nov 11 Rapeseed	\$553.3	+1.8	Mar Dow Futures	11975	-199

(Futures contracts highlighted in **green** were the bull leaders today; futures prices highlighted in **red** were the bear leaders today.)

USDA didn't change much in today's Supply/Demand Report, but that didn't keep the markets from having another big volatility day. US Ending Stocks and average farm prices were pegged as follows:

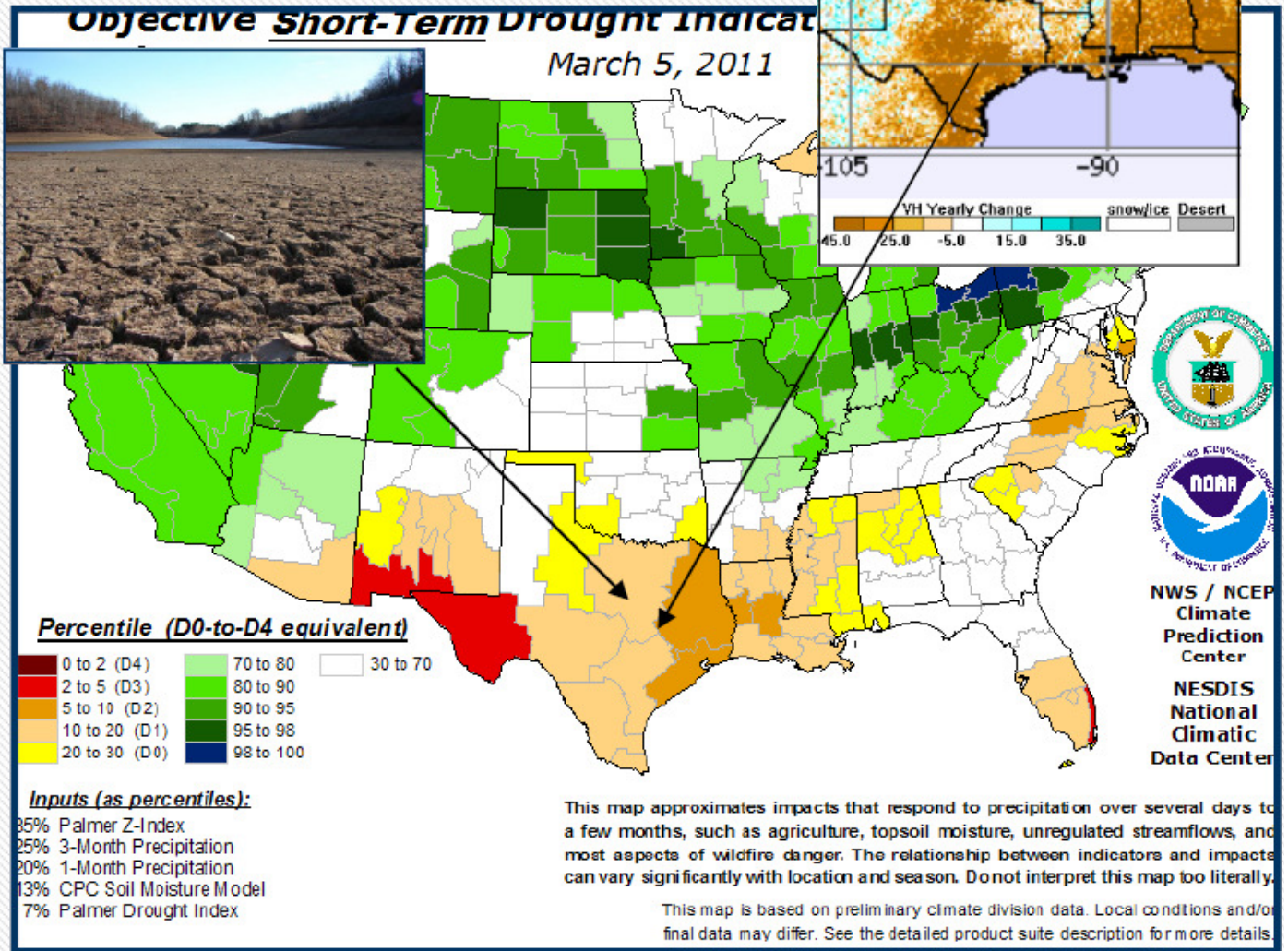
Corn	675 mln bu (unch)	\$5.15-5.65 (midpoint \$5.40, unch)
Soybeans	140 mln bu (unch)	\$11.10-12.10 (midpoint \$11.60, down 5 cents)
Wheat	843 mln bu (up 25 mln)	\$5.60-5.80 (midpoint \$5.70, unch)
Cotton	1.90 mln bales (unch)	80.0-83.0 (midpoint 81.50, unch)

USDA did raise its world wheat stocks estimate by 4.1 million tons, a big increase that was a bearish factor today. They also made small changes in production – Mexico corn down 2 mt, Brazil corn up 2 mt, Brazil soybeans up 1.5 mt, China soybeans up 0.8 mt – but the bottom lines for world corn and soybean stocks were little changed.

Today's markets were impacted strongly by the **rally in the Dollar**, which was triggered by the weaker Euro, which was triggered by Moody Investor Services lowering of Spain's credit rating. Today's market was reminiscent of a similar situation back in November, when the EU announced the restructuring of Ireland's debt. The Dollar rallied then for three weeks, which in turn lent to a sell-off in commodities. Here's the chart of the **March Dollar**.



Here's a short-term drought indicator map and a couple of Texas pics from **Allen Motew**. Texas corn planting is running at normal pace while sorghum planting is ahead of normal. This area will need to rain very soon to help emergence.



Crop Insurance Update:

Below are the **final average prices & volatility levels** for the states with a sales closing date of **March 15**:

	Corn	Soybeans	Spring Wheat
Base Avg Price	\$6.01	\$13.49	\$9.89
RP Vol	29%	23%	25%
GRIP Vol	29%	23%	25%

With all the variability in prices lately, revenue policies remain a sound way to incorporate these historically high price levels into a revenue guarantee for 2011. As of tonight's close, the soybean base price of \$13.49 is 29 cents above the current futures price, and the spring wheat base price of \$9.89 is 80 cents above the current futures price, giving you the opportunity to purchase an "in-the-money put option" on revenue for these two commodities right now. Visit with your DCIS agent soon to put your revenue floor in place for 2011!

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Diversified Services / Rich Morrison 1608 B West Lafayette Ave. Jacksonville, IL 62650 (217) 479-6012 rich.morrison@cgb.com