

# MIDWEST MARKET SOLUTIONS, INC.

*"THE LEADING EDGE IN COMMODITIES"*

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## THE MARKET INSIDER NEWSLETTER

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# WHEAT



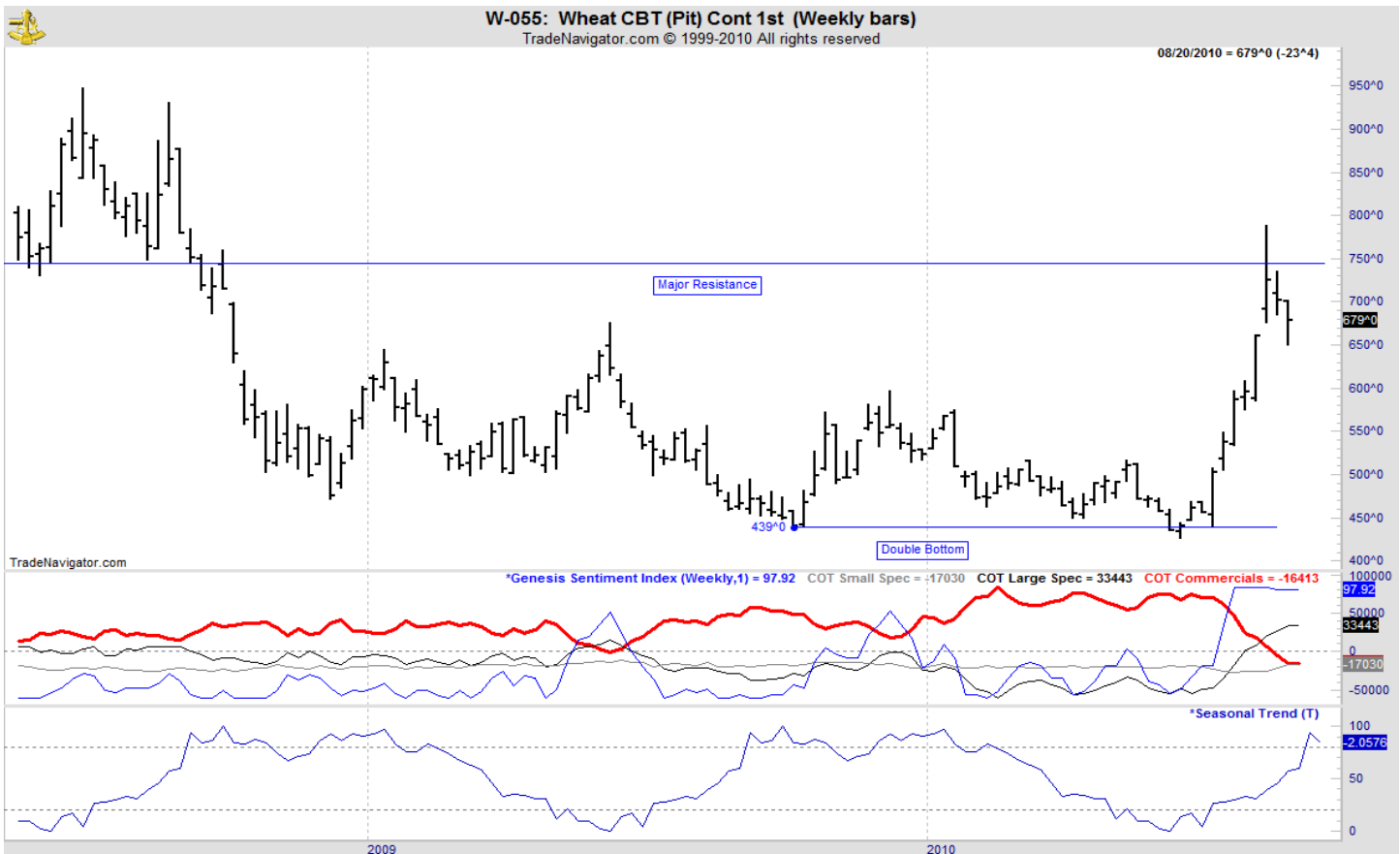
## ANALYSIS

For the week, Chicago wheat closed \$.23 1/2 lower; Kansas City wheat \$.18 lower and Minneapolis wheat \$.14 3/4 lower. Last week, Egypt purchased 240,000 mts from France and Canada and also 55,000 mts of wheat from the United States. The USDA also reported a 165,000 mts sale of HRW to an unknown destination. Stats Canada's first forecast of crop production based on a farmer survey exceeded the grain trade's expectations. The 22.659 million-tonnes crop would still be the smallest in three years due to excess spring moisture. Statscan's all-wheat harvest forecast exceeded the average estimate of 21.2 mt and was up 8 percent from the Canadian agriculture department's July 8 estimate of 20.9 million tonnes. The USDA reported the U.S. spring wheat harvest has now advanced to 34% completed, 10% behind the average pace of 44%. The weekly export sales report showed net sales of 1,412,500 MT for the 2010/11 marketing year were up 6 percent from the previous week and 63 percent from the prior 4-week average. Increases were primarily for Egypt (594,000 MT, including 275,000 MT switched from unknown destinations), Canada (275,200 MT), Mexico (173,900 MT). While wheat did not have the same top tier historic weekly sales seen by corn and soybeans, it's cumulative old-crop/new-crop weekly export sales were still a record high for the current marketing year and ranked as the 21st highest weekly total amount since 1990 with 1.41 mt. This year's exports stand at 400 mb vs. the USDA forecast of 1.200 bb. This rally was done on massive volume and considering the technical resistance levels were hit, this certainly looks like a potential, long term high.

## STRATEGY & OUTLOOK

Producers should be using this rally as an opportunity to continue to make hedges/sales using deferred contracts like March or May 2011. Basis levels are currently wide, but will likely to improve during the winter months allowing this strategy to reward producers. Producers should also look to use this rally to make sales for the 2011/12 marketing year as price levels are becoming profitable again.

## WEEKLY CHICAGO



# CHICAGO WHEAT



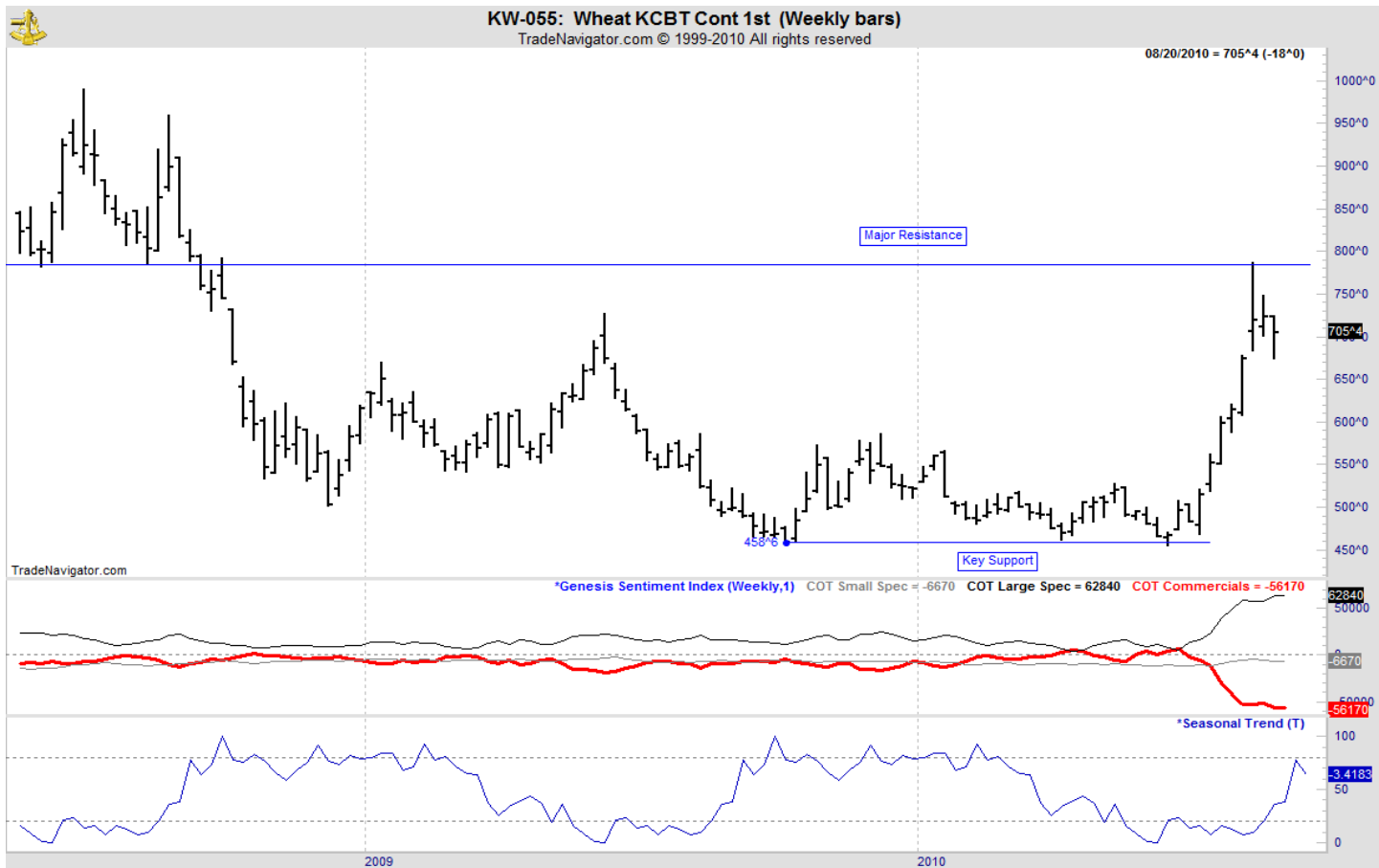
# OATS



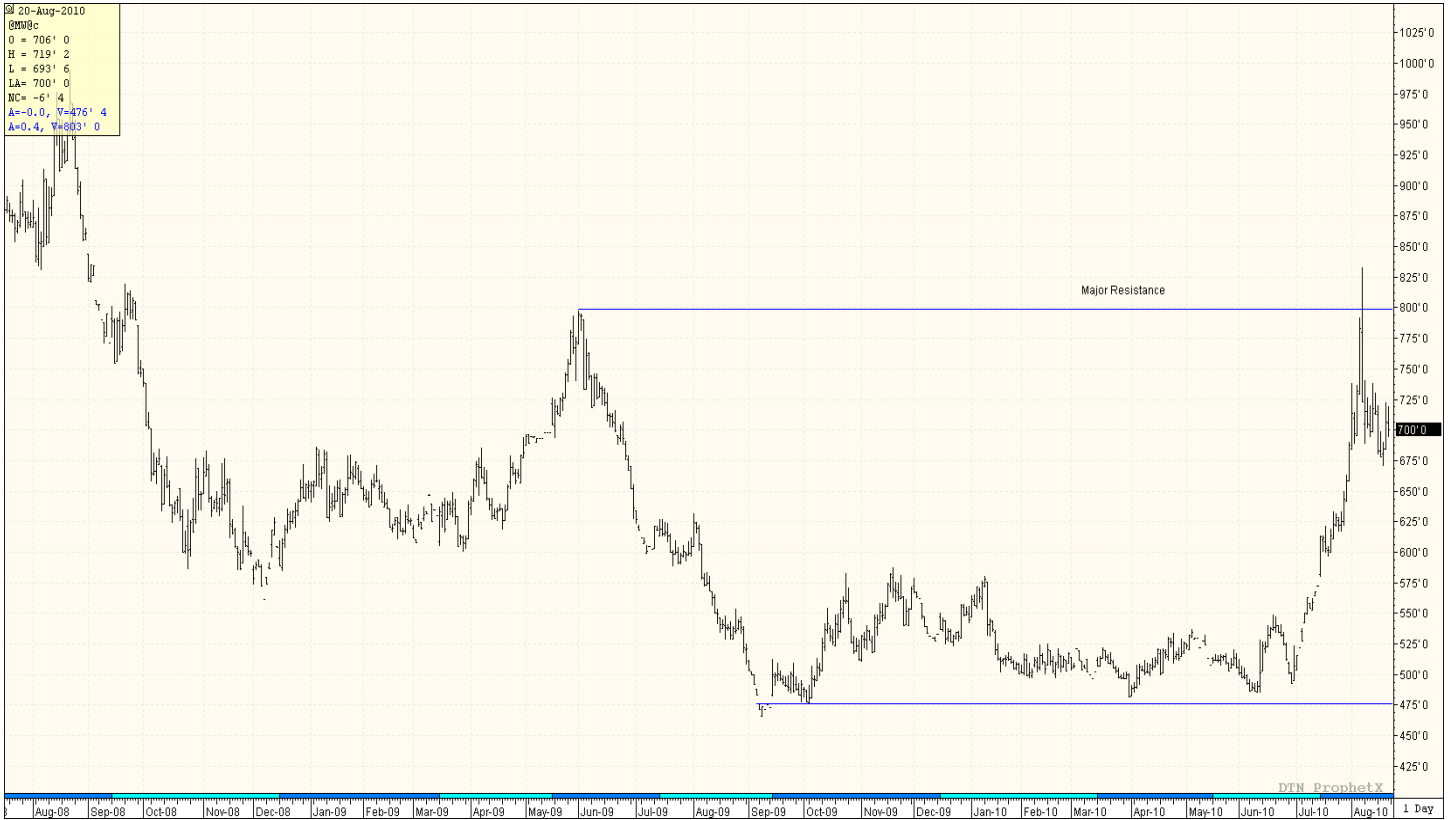
# KANSAS CITY WHEAT



## WEEKLY KANSAS CITY



# MINNEAPOLIS WHEAT



# WEEKLY MINNEAPOLIS

