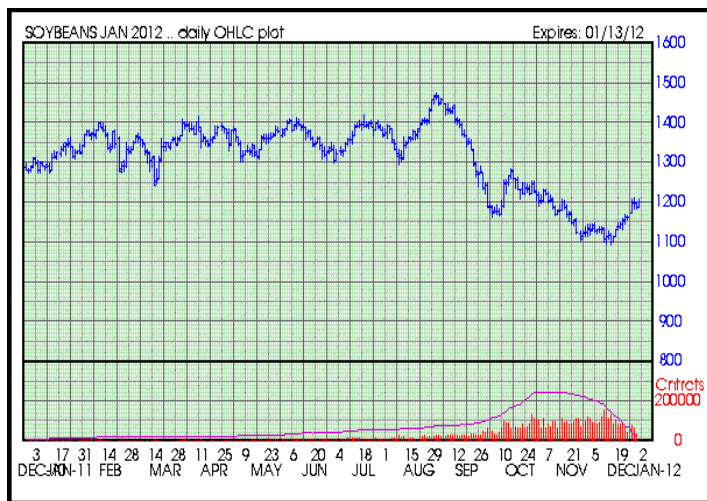


<u>What to Sell</u>	<u>Cash Only</u>		<u>Future Hedgers</u>	
<u>Week's Rank</u>	'11	'12	'11	'12
1. HRS Wheat	90%	70%	90%	70%
2. Durum				
3. Pinto Beans	-50%			
4. Navy Beans	-50%			
5. Flax				
6. Canola	-50%		-50%	
7. Malt Barley				
8. Sunflowers	-50%		-50%	
9. Feed Barley	-150%			
10. Soybeans	100%	80%	100%	80%
11. Corn	100%	90%	100%	90%



Soybeans: South American Weather Supportive

Soybeans traded with big gains to start and end the short trading week but struggled during the middle of the week. Support was due weather concerns in SA as well as from technical buying. Gains were limited by increasing chances for rain in the long term forecasts. For the week ending Thursday, Jan soybeans were up 24.5 cents while Nov soybeans gained 21.5 cents.

Soybeans started the short trading week with decent gains, gaining 2.9% for the session. Support was due to concerns towards SA weather forecasts. The current forecast in SA remains hot and dry for the next 10-12 days with temperatures expected in the 90's and low 100's. Soybeans went above their 50-day moving averages, easily breaking through technical resistance. Additional support came from fund buying as it appears the funds are rebalancing portfolios before the end of the year.

Wednesday's session had soybean opening higher and trading to their highest level since November 7 before ending slightly lower. Prices were pushed down in part by profit taking, breaking an eight session streak of gains. Continued concerns about South American weather prevented prices from falling farther. The primary soy producing regions of both Brazil and Argentina are expected to get little to no rain in the next two weeks. A strong American dollar and weak crude oil market also added pressure to the soybean market.

Soybeans opened lower Thursday, falling in part to continued profit taking. The dry weather continues in South America, but some new forecasts are calling for much-needed rain in southern Brazil and Argentina, though not until the second week of January. Signs the market was overbought and a strong dollar provided pressure. Additional selling pressure was due to the approaching of first notice day for the Jan contracts. Traders holding long Jan positions were forced to liquidate or roll positions to further out contracts or face the chance of delivery.

USDA reported last week's soybean export inspections pace at 38.2 MB. This brings the year to date export shipments pace for soybeans to 529.0 MB compared to 778.1 MB for last year at this time. Last week's soybean export sales pace was estimated at 24.3 MB. This brings the year to date export sales pace for soybeans to 875.9 MB compared to 1.283 BB last year at this time. With 36 weeks left in soybean's marketing year, shipments need to average 21.4 MB and sales need to average 11.8 MB to make USDA's 1.3 BB projection.

HEDGERS: Friday Progressive Ag recommended catch up sales as the market seems to have reached resistance levels and trade will be thin during the holiday. Progressive Ag is 100 percent sold 2011 crop and 80 percent sold 2012, so hedgers should make catch up sales.

2011 Sales: 100% Sold

20% Nov 11 FF at \$10.68 on 9/29/10
20% Nov 11 FF at \$10.81 on 10/1/10
20% Nov 11 FF at \$10.50 on 10/4/10
25% Nov 11 FF at \$12.00 on 12/02/10
15% Nov 11 FF at \$13.45 on 3/18/11 (average price \$11.42) Rolled out of Nov 2011 soybean FF positions at \$12.02 into Jan 2012 FF positions at \$12.125 on 11/02/11

2012 Sales: 80% Sold

35% Nov 12 FF at \$11.50 on 12/03/10
20% Nov 12 FF at \$12.35 on 3/18/11
25% Nov 12 FF at \$13.20 on 7/7/11

2013 Sales: 50% Sold

20% Nov 13 FF at \$11.98 on 3/18/11
30% Nov 13 FF at \$12.60 on 7/7/11





WHEAT: *Continuing To Follow*

Wheat traded higher for most of the week. Most wheat's strength came from spill over buying from the other grains, which are seeing support from weather concerns in SA. For the short week ending Thursday March Mpls gained 10.75 cents, March Chicago increased 23.25 cents, and March KC gained 23.0 cents.

Wheat started the short trading week higher and traded with decent gains throughout the session. Early support came from a sloppy trading session in the US dollar while additional support spilled over from the other grains. Technical buying was also seen supporting the market. Fund buying was also seen as the funds appear to be re allocating their position holdings ahead of year end. The funds have been holding record short positions in wheat and many had expected the funds to reduce their short wheat position by year end.

Wheat opened and traded Wednesday's session with gains due to short covering and profit taking. Technical buying also added strength as wheat continues to rally off of support. Wheat is also continuing to see support from the rebalancing of fund portfolios. Wheat seems to be running out of steam due to negative fundamentals. Wheat needed to see a bounce but with abundant global wheat supplies, wheat's rally will be limited.

Wheat opened higher and followed the other grains lower during Thursday's session. A strong U.S. dollar pressed wheat. Wheat has rallied the past few weeks after trading to strong support lines. But the market felt heavy as most of the wheat exchanged traded to minor resistance. Technically wheat is overbought and in need of a correction. Wheat felt pressure from a sell-off of soybeans as new South American forecasts show more rain than previously. Wheat continues to have the abundant global supply black

cloud over its head, which added to the selling pressure and will limit any potential rally.

USDA reported last week's wheat's export inspections pace at 13.5 MB. This brings the year to date export shipments pace for wheat to 580.3 MB compared to 643.4 MB for last year. Last week's wheat export sales pace was estimated at 15.8 MB. This brings the year to date export sales pace for wheat to 715.0 MB compared to 940.1 MB last year. With 23 weeks left in wheat's marketing year, shipments need to average 15.0 MB and sales need to average 9.1 MB to make USDA's projection of 925 MB.

HEDGERS: Consider using "covered calls" to catch up 2012 spring wheat sales to 70% of production. Selling the \$9.50 Sep Mpls call option for \$0.25 will add 25 cents to the bottom line, with risk above \$9.75 Sep.

2011 Sales: 90% Sold

25% sold Sept 11 Chi contract at \$7.6675 (08/06/10).

25% sold Sept 11 Chi contract at \$7.14 (08/09/10).

Rolled out of Sept 11 Chi at \$7.15 on 09/07/11.

25% sold Sept 11 MWE contract at \$8.40 (12/02/10).

15% sold Sept 11 MWE contract at \$8.95 (3/24/11).

Rolled out of Sept 11 MWE at \$9.70 on 09/07/11.

Repositioned wheat sales in Dec MWE at \$9.35 on 09/07/11.

2012 Sales: 70% Sold

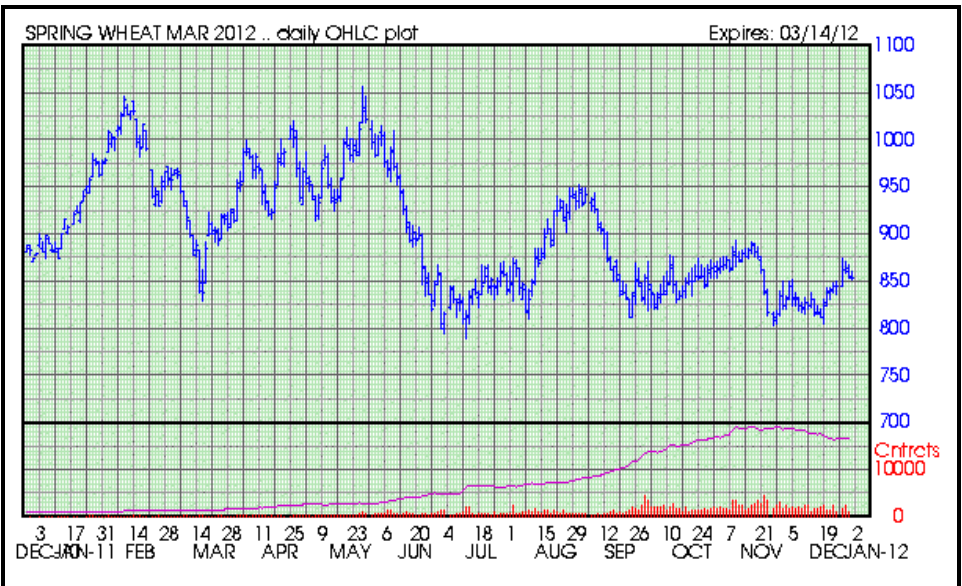
25% sold July 12 Chi contract at \$7.25 (08/09/10).

35% sold July 12 Chi contract at \$7.90 (12/02/10).

10% sold Sep 12 MWE contract at \$8.62 (3/24/11).

2013 Sales: 10% Sold

10% sold July 13 Chi contract at \$8.08 (3/24/11).





CORN: Year-End Positioning Supports

Corn found support this week from the continued dry weather in Argentina and most forecasts have it remaining dry until the second week of January. For the week corn gained 25 cents.

To start the week on Tuesday, corn opened higher and quickly moved to post sharp gains early in the session, due to the market being pushed into buy stops which accelerated gains. Disappointing weekend rain in SA and a dry forecast for the next 10 days in Argentina supported the market. The early SA planted crop is starting to pollinate and some trade analysts are starting to reduce their production estimates. The market also found support at midday from a friendly export inspection report.

Corn opened higher Wednesday and traded with green numbers for the session, ending higher for the 8th session in a row. Support continued to come from weather concerns in SA. Traders are also expecting a lower stocks number in USDA's January 12 report. The funds have also been active buyers on this recent push. The upside was limited by the weakness in the soybean complex and from negative outside markets.

On Thursday, corn opened lower and struggled for the session. Profit taking and year end positioning pressured the market. The weather in Argentina remains dry for the next 6 to 10 days, but there is moisture in the extended forecast. Support continues to be found with the SA weather as their crop starts to pollinate and their calendar time frame is the same as ours for the first part of July. The downside was limited by another excellent ethanol report and a record for weekly production.

Ethanol production for the week ending December 23 averaged 962,000 barrels/day. This is up 2% from last week and up 5.4% from last year, also is a new weekly record high. Total

Ethanol production for the week was 6.734 million barrels, also a record. Corn used in last week's production is estimated at 102.47 MB as compared with an average of 95.5 MB needed per week to meet this crop year's USDA estimate. Stocks were 17.674 million barrels.

USDA's Export Inspection Report was friendly for corn. There were 39.7 MB of corn reported shipped, above the 30.2 MB needed to meet USDA's projection of 1.6 BB. This was above the pre-report estimates of 33 to 38 MB. The Export Sales Report for corn was at 13.5 MB, which was below the 17.7 MB that was needed to meet USDA projection of 1.6 BB. This was below the estimates of 15.7 MB to 23.6 MB and bearish for corn. Total shipments this week were at 37.3 MB and above the 30.2 MB needed this week.

2011 Sales:

100% Sold:

Liquidated December 11 FF positions

(12-05-11) at \$5.84 for a \$1.11 loss. Fixed basis on 30% turning them to cash and rolled 70% to the March 12 FF contract at \$5.95.

2012 Sales:

90% Sold:

10% Dec 2012 FF \$4.55 (10-4-10)

35% Dec 2012 FF \$5.00 (12-2-10)

10% Dec 2012 FF \$5.60 (3-18-11)

25% Dec 2012 FF \$6.24 (6-21-11)

10% Dec 2012 FF \$6.09 (7-7-11)

2013 Sales:

60% Sold:

20% Dec 2013 FF \$5.57 (3-18-11)

30% Dec 2013 FF \$5.98 (6-21-11)

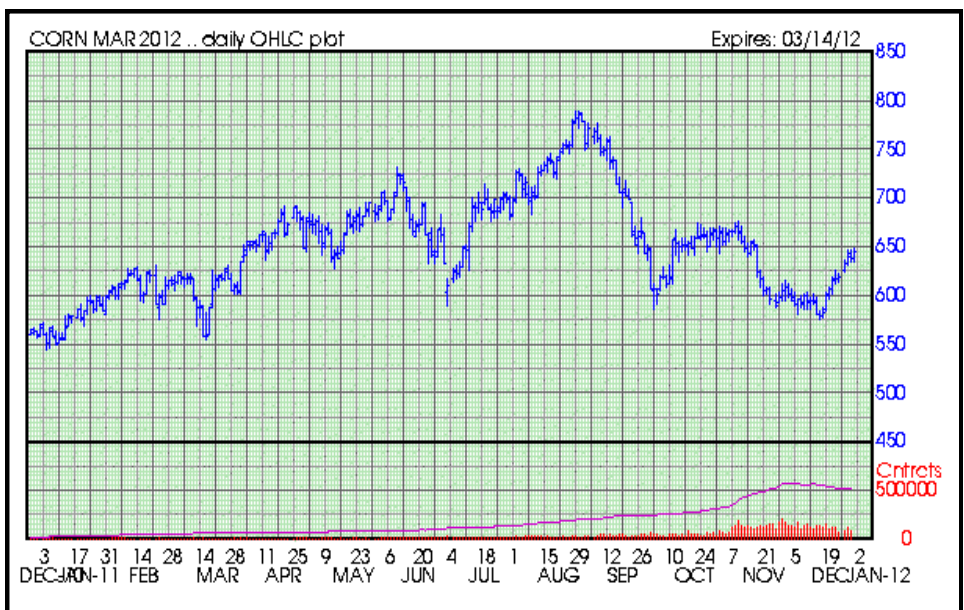
10% Dec 2013 FF \$5.87 (7-7-11)

2014 Sales:

60% Sold:

30% Dec 2014 FF \$5.98 (6-21-11)

30% Dec 2014 FF \$5.84 (7-7-11)





SPECIALTY CROPS

Barley

USDA reported no barley shipments for last week. This brings the year to date export shipments pace for barley to 5.6 MB compared to 4.5 MB for last year at this time. USDA reported no export sales for barley last week. This brings the year to date export sales pace for barley to 3.8 MB compared to 4.1 MB for last year at this time.

Canola

Canola futures on the Wpg exchange closed the week ending Thursday \$2.90 CD higher. The canola market was supported by fund buying as trader's position themselves ahead of the end of the year. Thursday's cash canola bids in Velva were at \$23.72.

Durum

USDA reported last week's durum export inspections at 853,000 bushels with the largest portion (757,000 bushels) going to Italy. USDA reported last week's durum export sales pace at 1.0 MB. This brings durum's export sales pace for durum to 14.8 MB compared to 28.9 MB for last year at this time. Producers should not be selling durum at this time, as bids are at a discount to spring wheat. Cash bids for milling quality durum are at \$8.00 in Berthold with Dickinson at \$7.90.

Sunflowers

Last week's soybean oil export sales pace was estimated at 2.3 TMT. This brings the year to date export sales pace for soybean oil to 163.0 TMT compared to 946.9 TMT for last year at this time. Thursday's cash sunflower bids in Fargo were at \$29.00.

