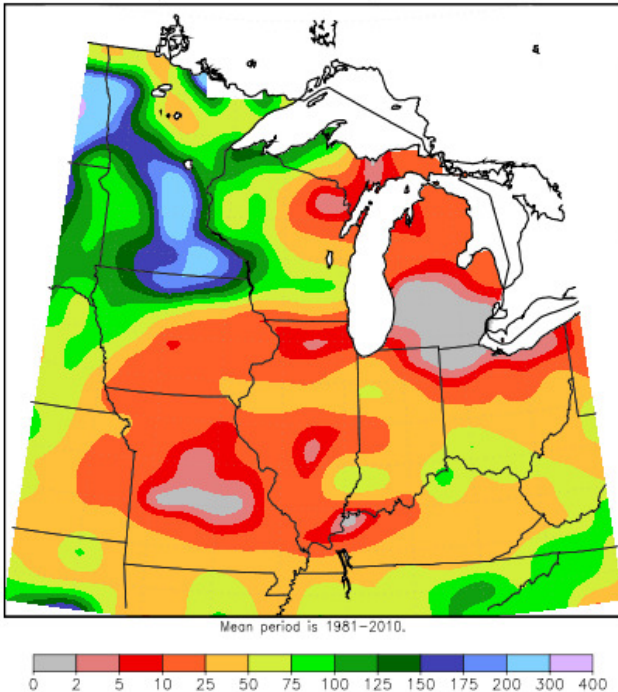


Corn: Corn closed mixed in very choppy trade as the July contract had a wide range of over 17 cents today. Once again \$6.60-6.61 remains a resistance point for the nearby contract while the Dec saw some support from liquidation/profit taking of old/new spreads after the Jly/Dec hit \$1.40 overnight. Tonight's

Accumulated Precipitation: Percent of Mean
May 13, 2013 to May 19, 2013

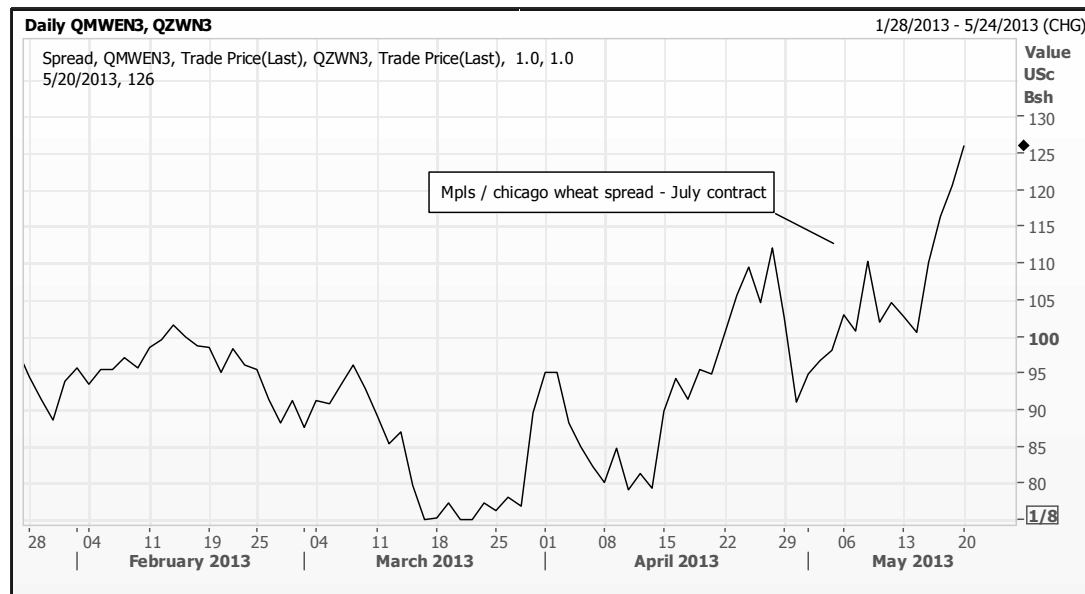


planting progress of 71% was bigger than avg trade guess (5 year avg is 79%) as farmers took advantage of last week's dry window of opportunity (see map at left where it was dry in IL, MO, and eastern IA). This should put the concerns about planting progress behind us now. The next issue that needs to be monitored is with so much of the corn planted in a short period of time, the pollination window will see a larger amount of acres at risk for adverse weather rather than spreading out the acres over a wider pollination window.

Farmer selling remains generally light as they focus on field work. Unlike the soybeans, the interior corn basis is holding strong in light of positive ethanol margins (though down slightly from last week). Weekly export inspections were a little better than expected at 14.7 mln bu but right on the money of where we need to be to hit the USDA number. USDA announced 2 cargoes of new crop corn was sold to unknown destinations.

July corn for now remains stuck in a \$6.25-\$6.60 range while Dec corn should find support toward \$5.00-5.10 but strong resistance back toward \$5.40-5.44 area.

WHEAT: Wheat closed higher with Mpls and KC wheat leading the way. Interesting to note that Mpls/Chicago wheat spread has rallied 50 cents/bu since March, see chart below. Spring wheat plantings at 67% complete vs



76% avg. Spring wheat is just 22% emerged vs 49% avg. Winter wheat G/E ratings slipped again by 1% to just 31%. Harvest is getting underway in Texas on HRW.

Weekly wheat export inspections were solid at 21.1 mln bu and above the 17 mln bu we need to reach the USDA number.

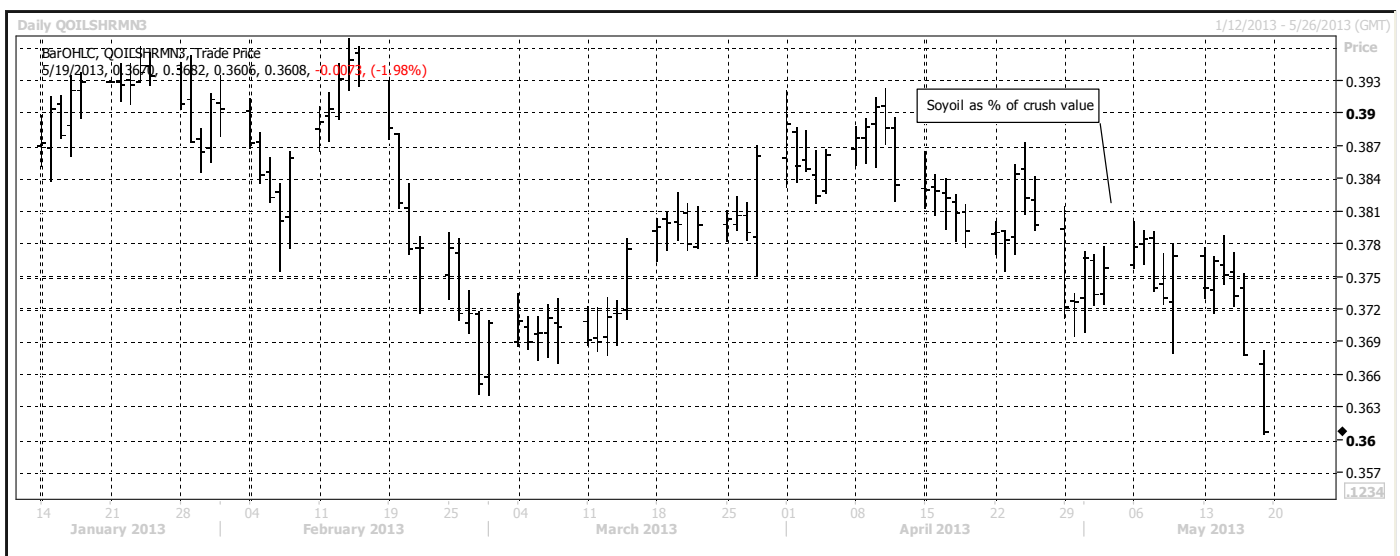
IKAR did increase their estimate of Russian wheat crop by 1.3 mmt to 53.8 mmt and increased their total grain estimate to 92

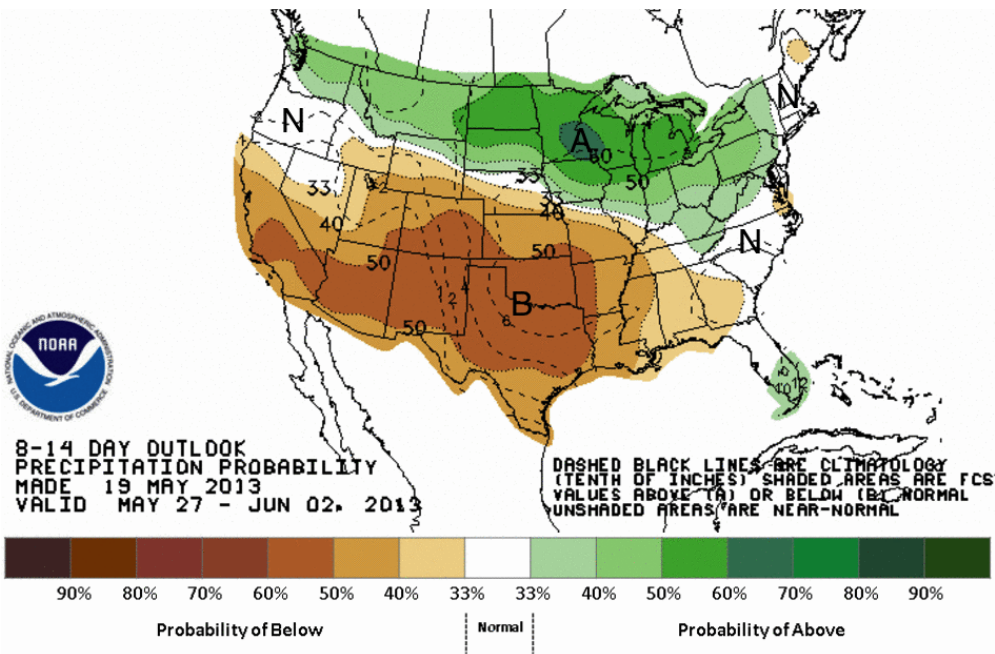
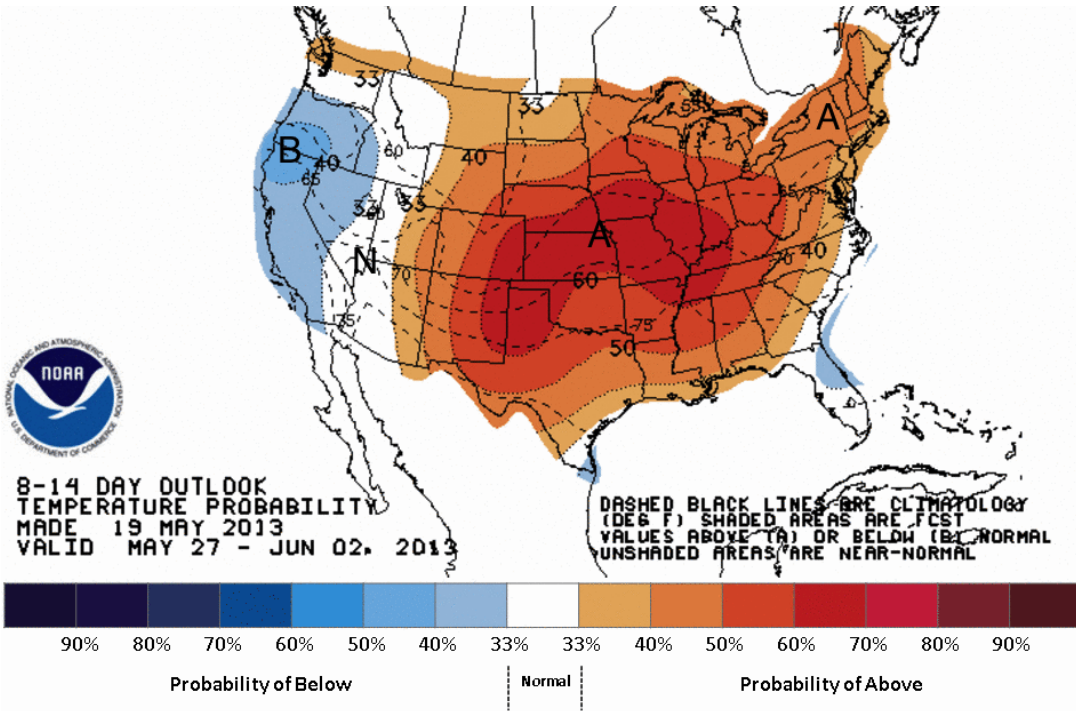
mmt. Weather forecast for Australian wheat areas calls for up to 1 inch of rain, which will help speed plantings along there. US HRW & SRW basis is steady today. Next support for WN at \$6.65.

SOY-COMPLEX: Old crop beans and soymeal continues to surge higher, making new contract highs on the old/new crop bean and meal spreads. While the board is running though soybean basis continues to free fall at interior bean plants with some dropping as much as 20 cents today. Country movement of soybeans are picking up as the July board rallies and processors are trying not to accumulate too much bean ownership in the face of a N/X \$2.40 inverse and as they labor to move soymeal. End users of soymeal are running hand to mouth as much as possible in face of the \$27 inverse to Aug and \$90 inverse to Dec. Vietnam reportedly booked 120k tons of US soybean for Sept-Nov shipment at +75Z to +80Z. Weekly export inspections on soybeans were just 3.3 mln bu when we need to avg 6.0 mln bu for the balance of the season to reach the USDA number. Note the main grain port of Rosario saw a strike by port workers that has stopped loadings there. Unclear if this is just a 1 day strike or will last a few days.



US soybean planting pace came in as expected at 24% planted vs 5 year avg of 42%. Wetter looking forecast into this weekend and in the 11-15 day forecast is giving a little support to Nov beans (or at least keeping them above \$12.00 for now). Next target for July soybeans remains toward \$15.00. Chart below shows the soyoil as % of crush value dropping to 36%...a level not seen since last September. Have a good night!





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