

Corn: Corn traded both sides overnight before continued cash strength and bullspreading took the July back towards early week highs. It managed to finish near those highs at \$6.52 3/4, up 11 1/4 cents. The new crop months were 4-5 cents lower, pressured by planting progress and the aforementioned bullspreading. The Dec settled at \$5.19 1/2; this marked the lowest settlement on Dec corn since June 15th of 2012. The July-Dec inverse went home at \$1.33 1/4, up 16 cents on the day and looks capable of retesting the March highs of \$1.50 1/2. The new crop spreads were mostly softer; the Dec-Mar walked out to 10 1/2 cents carry.

Informa estimated US corn plantings at 96.827 million acres compared to the latest USDA estimate of 97.3 million. They reduced their ideas for acres in North Dakota and Minnesota while looking for bigger acres in the ECB. In spite of the slow spring, they are looking for a national yield of 160.9 bu/acre (USDA 158.0). Their total crop production estimate was 14.398 billion, bigger than the USDA's 14.14.

US corn planting this week has been substantial. Scattered showers have popped up in the last 24 hours and are forecast to form into a heavy rain event by early next week which will again halt planting efforts. The trade is looking

for % planted to be 55-65% when the USDA comes out on Monday compared to the 5 year average of 80%. Last week, the USDA was 28% planted vs. 65% average. If big progress is seen, worry over slow plantings will subside notably next week. The table at the right shows the biggest weeks of planting progress going back to 1990. There is a good chance that the improved weather and increased sense of urgency felt by farmers could land this week in 2013 somewhere on the list.

A few things should be pointed out however. The top 4 weeks occurred in the 1990s which runs counter to the "bigger equipment" argument (fewer operators?). The week from 1993 bears many similarities to where we are 2013. It is the same week of the calendar year (3rd week of May); we came into the week 37% behind in 2013 vs. 38% behind in 1993. If the US would match the progress of that week from 1993, it would put us at 59% done.

Biggest Weeks of Planting Progress Since 1990			
Rank	Ending Date	% Progressed	Ahead/Behind in Week Before
1	5/10/1992	43	-11
2	5/9/1999	34	-13
3	5/4/1997	32	3
4	5/23/1993	31	-38
5	4/25/2010	31	10
6	4/30/2000	30	9
7	5/6/2001	30	0
8	5/6/2007	30	-19
9	5/6/1990	29	-6
10	5/7/2000	29	26
???	5/21/2013	???	-37

In other news: Stronger cash corn values have hurt ethanol margins but they remain firmly in the black. The Chicago Federal Reserve said Midwest farmland values are up 15% from a year ago. POET announced that their Alexandria, IN ethanol plant is still operating but is unable to take corn at the present time due to a mechanical problem. The first trade in RIN futures was cleared through CME Clearport on Thursday. Canada is preparing a list of US products it will target in retaliation to US country of origin labels (COOL) on meat products if the US does not comply with a WTO decision on COOL by a May 23rd deadline. The funds bought 6,000 contracts.

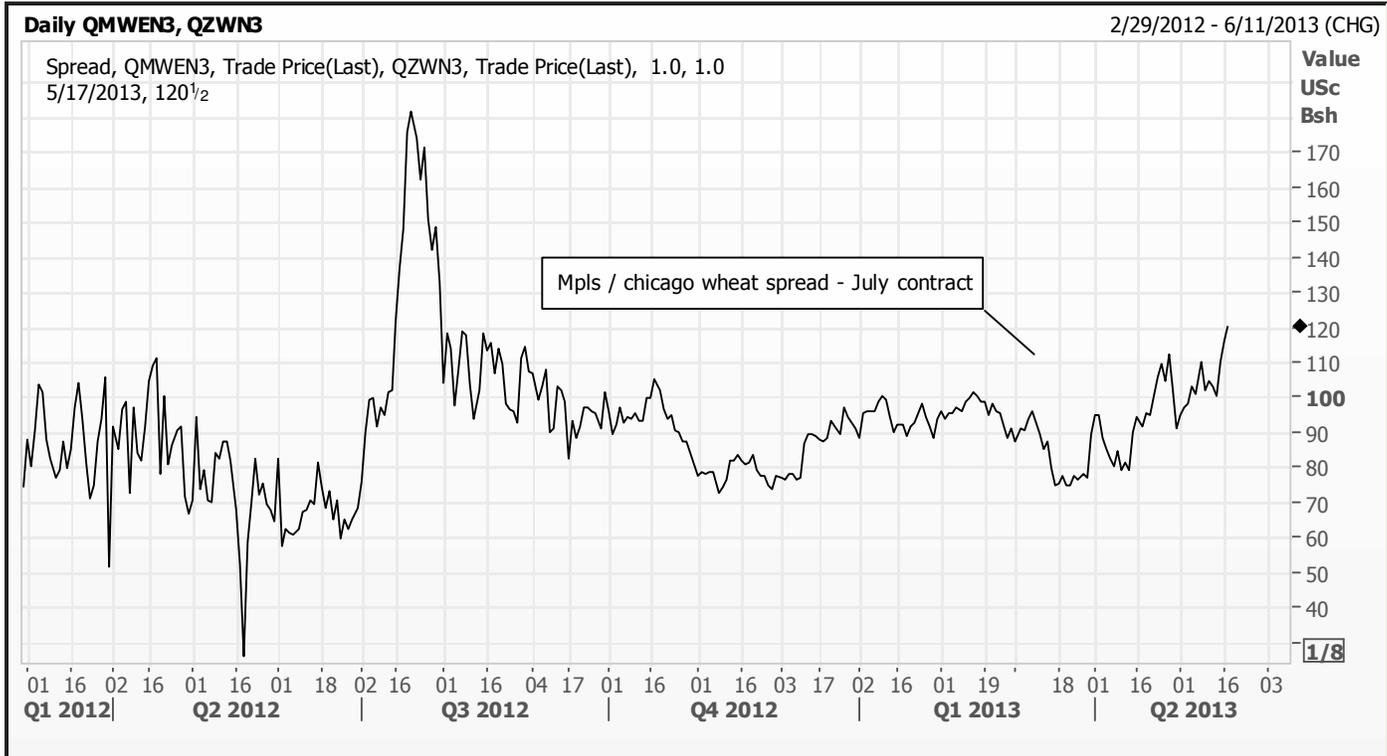
Midwest corn basis continues to improve with many locations up 5-10 cents yesterday. Reports of generous pushes (in excess of 10 cents) have been fielded and some buyers are casting much wider nets than normal (geographically) in order to find bushels. The export markets improved with bids at the Gulf climbing to +100 N from +92 N yesterday.

The CFTC report showed the speculative funds as buyers of nearly 13,000 contracts and the commercials as buyers of over 7,000 contracts of corn from May 7th to the 14th. The small specs were notable sellers of nearly 20,000 contracts.

WHEAT: Wheat closed lower with KC seeing the most weakness followed by Chicago while Mpls wheat performed the best today. Informa pegged US spring wheat plantings at 12.40 mln acres vs the 12.7 mln the USDA is currently using. The chart below shows nearby Mpls/Chicago wheat spread pushing out to \$1.20 premium on Mpls. Winter wheat crop ratings should be unchanged in Monday's report to up slightly while spring wheat plantings should have another big jump. Informa's all wheat plantings were 56.3 mln vs USDA's 56.4 mln.

Export news is quiet other than normal weekly Japanese business. Pakistan approved of 100k tons of wheat to Iran to pay for electricity from Iran. European values struggled with wetter looking forecast for parts of FSU next week. Note that

France is off for a holiday Monday. US basis levels are steady with producers waiting to see how harvest goes before making any more sales. Next support for WN now toward March/April low of \$6.65 while support for KWN toward \$7.31 and then \$7.13. Tonight's CoT report showing the spec funds increasing their short Chicago position to 50k contracts while being short just 2k KC (and small long in Mpls).



SOY-COMPLEX: Beans and soymeal surged higher today driven by stronger cash values and continued bull spreading of old/new crop. Technically July beans do not have much resistance now until the \$14.65-14.80 area. July soymeal is toward \$434-436 area. The rally today did bring out selling from the country, both producers and elevators, into the processor market. Bean basis softened 10 cents in some areas of the Midwest and are off up to 25 cents from values paid earlier this morning. Some River markets are off as much as 20 cents today.

Job of the market remains to pull soybeans and soymeal into the US from S. America for the Aug/Sept time slot. The table below shows at the current crush pace and shipment pace of the last 4 weeks that at 5 mln bu a day use is too high. On paper we will have only enough bean stocks to get us to Sept 1. USDA is penciling in 20 mln bu imports from Canada/S America but at current usage that buys us only 4 more days (plus those beans/ meal only feeds into the Southeastern US). So the market will be watching for signs we are doing the needed rationing but until flat price and spreads have work to do.

Current pace		As of May 15
999	March 1st Stocks	
110	- Export Inspections since March 1 to April 30	
268	- March/April crush	
622	Estimated Stocks April 30th	
4.16	Daily Crush if rate doesn't change from April	
0.85	Daily Export shipments given the last 4 weeks pace	
5.01	Daily Use	
124	Days of Supplies (Stocks/daily use)	
123	Days from May 1 to Aug 31	
1	So in theory run out of beans Sept 1st	
USDA projected carryout is 14.8 days.		

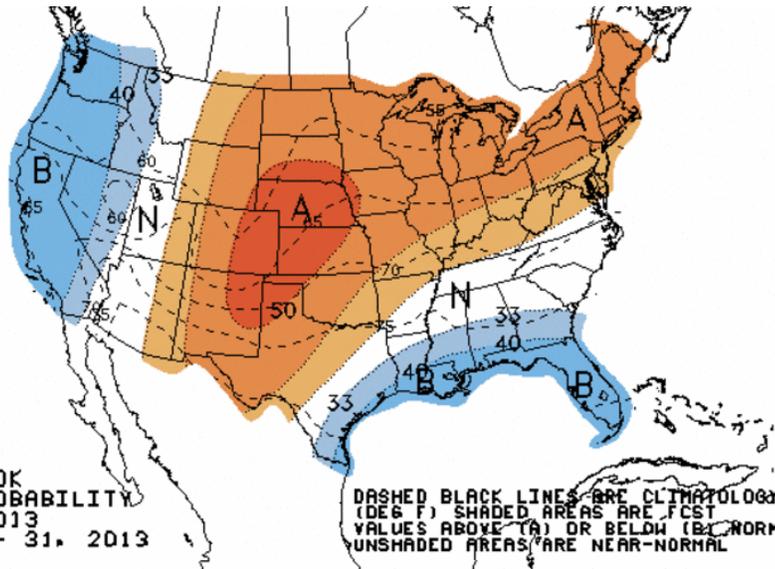
Note the Jly/Nov pushed out to over \$2.20 inverse while July/Aug hit over 90 cents today.

This morning Informa pegged US soybean plantings at 78.286 mln acres, which is down from their previous number but still above the USDA number of 77.1 mln acres. Informa is using soybean estimate of 43.9 bpa instead of USDA's 44.5 bpa and this seems to be more realistic given recent yield history. Many private analysts believe USDA yield is too aggressive. Estimates for planting progress next Monday range from 15-20% (vs 6% last Monday). This afternoon's CoT report showed that the spec funds increased their bean long by 10k to 44k contracts, increased their meal long by 10k to 25k now while cutting their short position in soyoil from 68k down to 57k contracts. Look for follow through support Monday.

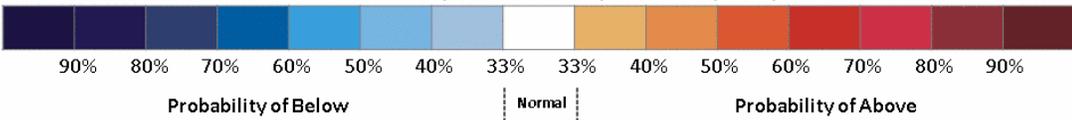
Have a great weekend!



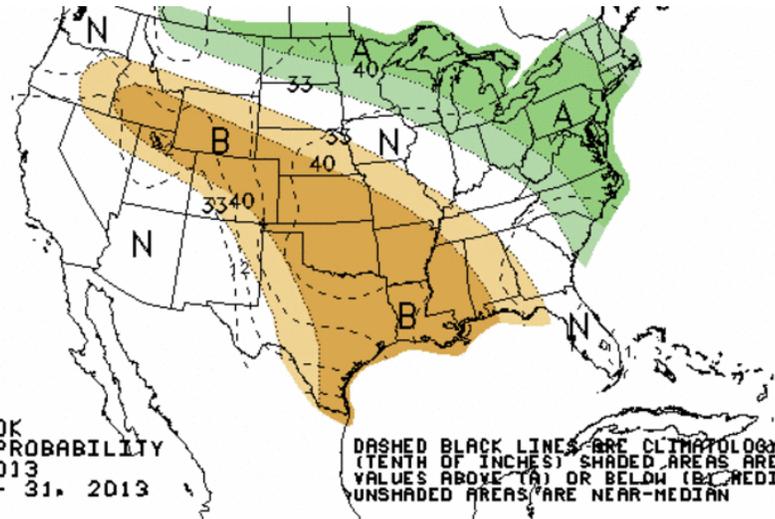
8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 17 MAY 2013
VALID MAY 25 - 31, 2013



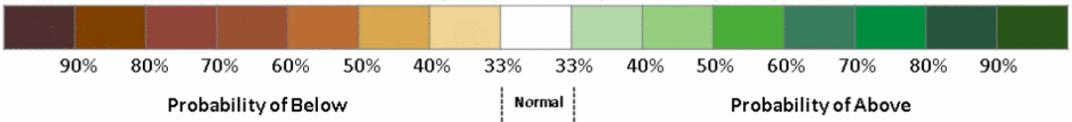
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8-14 DAY OUTLOOK
PRECIPITATION PROBABILITY
MADE 17 MAY 2013
VALID MAY 25 - 31, 2013



DASHED BLACK LINES ARE CLIMATOLOGY (TENTH OF INCHES) SHADED AREAS ARE FCS' VALUES ABOVE (A) OR BELOW (B) MEDIAN UNSHADED AREAS ARE NEAR-MEDIAN



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