

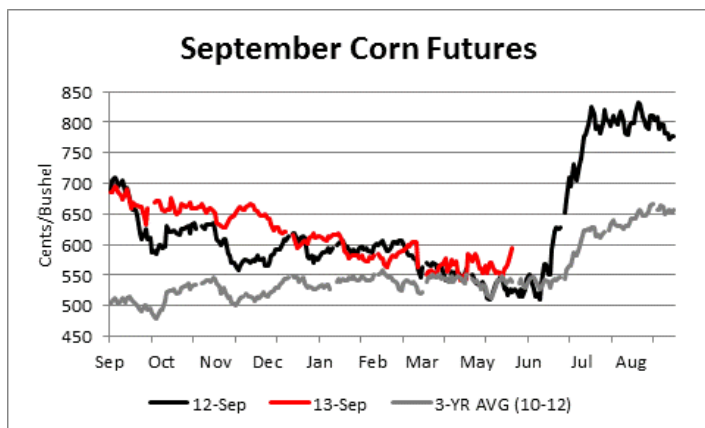
Overview

Wheat, soybeans, and corn were up and cotton was down for the week. Planting / weather concerns continue to play a key role in the markets. Corn planting has improved dramatically the past two weeks however planting concerns continue in Wisconsin, Minnesota, and North Dakota. Concern over planting delays has also become prevalent with soybeans due to heavy precipitation with additional precipitation anticipated for a large part of the Corn Belt in the next 5-days which could also result in flooding in the Midwest. Drier weather conditions have been forecast in the 6 to 15 day forecasts however this would put planting into the middle of June. Warm dry conditions in the southern plains and planting delays in North Dakota and Canada continue to provide support to wheat prices. July cotton decreased for the 9th consecutive trading session today. Old crop new crop spreads have narrowed as positions have begun to be moved from July to future months.

	Previous	Current	Change
USD	84.25	83.41	-0.84
Crude Oil	96.04	91.98	-4.06
Dow	15,349	15,243	-106

Corn

Weekly exports were within expectations with net sales of 34.5 million bushels (3.4 million bushels for the 2012/13 marketing year and 31.1 million bushels for the 2013/14 year). Overall corn sales continue to trail USDA predictions. Ethanol production decreased 12,000 barrels per day to 863,000 barrels per day. May 24th ending ethanol stocks decreased to 16 million barrels from 16.4 million the 5th consecutive weekly decline. Jul/Sep and Jul/Dec future spreads were -65 cents and -95 cents, respectively.

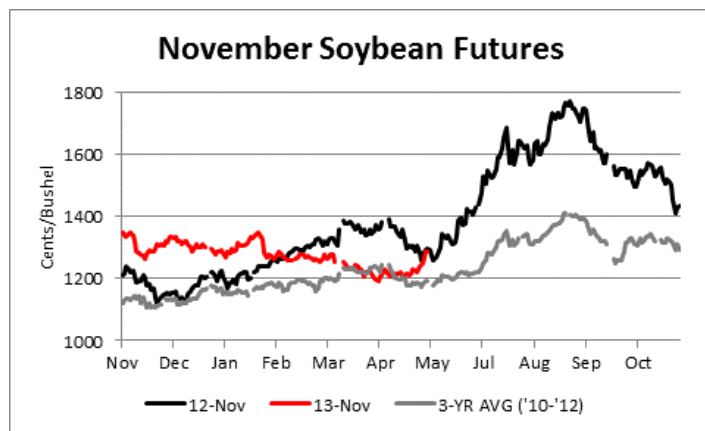


Corn planted reported May 28th was 86% compared to 71% last week, 99% last year, and a 5-year average of 90%. Planting progress for the week was within market expectations. Corn emerged was 54% compared to 19% last week, 89% last year, and 67% for the 5-year average. In Tennessee corn planted was 87% (5-year average 95%), corn emerged was 73% (5-year average 86%), and corn condition was 75% good to excellent 5% poor to very poor. Producers should consider having 35% of their crop priced at this point. Any additional rallies in prices should be looked at as an opportunity to increase the level of new crop priced. From a price risk management standpoint (depending on anticipated harvest date), a \$6.00 September Put Option costing 38 cents would establish a \$5.62 futures floor or a \$5.70 December Put Option costing 46 cents would establish a \$5.24 futures floor.

Corn	July	Change	September	Change
Price	\$6.62	\$0.05	\$5.97	\$0.31
Support	\$6.46	-\$0.03	\$5.81	\$0.31
Resistance	\$6.73	\$0.05	\$6.08	\$0.33
20 Day MA	\$6.51	\$0.02	\$5.67	\$0.02
50 Day MA	\$6.48	-\$0.04	\$5.68	\$0.00
100 Day MA	\$6.74	\$0.00	\$5.80	-\$0.01
4-Week High	\$6.69	\$0.00	\$6.01	\$0.05
4-Week Low	\$6.25	\$0.08	\$5.38	\$0.00
Technical	Buy	=	Strong Buy	+

Soybeans

Soybean supplies continue to be tight contributing to market volatility. Weekly exports were below expectations with net sales of 31.8 million bushels (4.0 million bushels for 2012/13 and 27.8 million bushels for 2013/14). China cancelled 5.4 million bushels of old crop soybeans and may cancel additional contracts. Poor Chinese crush margins have contributed to cancellations. Jul/Nov future spread was -\$2.06.

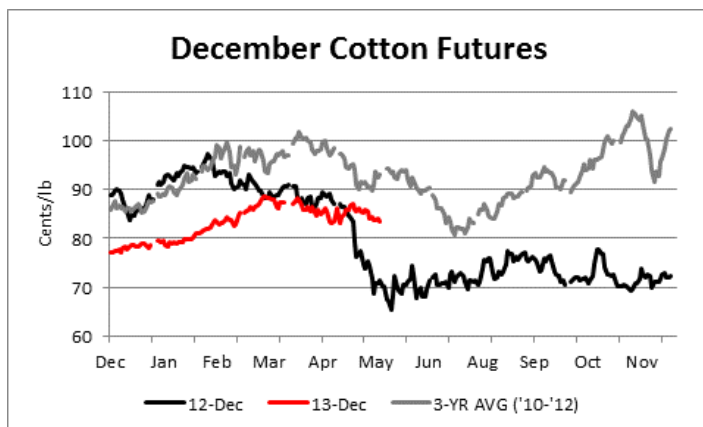


Soybean planting estimates as reported May 28th were 44% compared to 24% last week, 87% last year, and a 5-year average of 61%. Soybean planting this week was slightly above market expectations. Soybeans emerged were 14% compared to 3% week, 57% last year, and a 5-year average of 30%. In Tennessee soybeans planted was 21% (5-year average 41%) and soybeans emerged was 8% (5-year average 20%). Improvements in November soybean prices the past two weeks presents an opportunity to price additional production. Having 35% of the crop priced at this point should be considered. Downside protection could be achieved by purchasing a \$13.20 November Put Option which would cost 72 cents and set a \$12.48 futures floor.

Soybeans	July	Change	November	Change
Price	\$15.10	\$0.34	\$13.04	\$0.57
Support	\$14.80	\$0.31	\$12.76	\$0.42
Resistance	\$15.37	\$0.19	\$13.28	\$0.72
20 Day MA	\$14.44	\$0.23	\$12.35	\$0.15
50 Day MA	\$14.05	\$0.08	\$12.32	\$0.02
100 Day MA	\$14.13	\$0.04	\$12.59	\$0.01
4-Week High	\$15.46	\$0.00	\$13.14	\$0.62
4-Week Low	\$13.66	\$0.22	\$11.97	\$0.04
Technical	Strong Buy	=	Strong Buy	+

Cotton

All cotton weekly export net sales were higher than last week, however within expectations at 157,900 running bales (117,500 bales of Upland cotton for 2012/13; 35,00 bales of Upland cotton for 2013/14; 2,300 running bales of Pima cotton for 2012/13; and 3,100 bales of Pima cotton for 2013/14. May 30th adjusted world price (AWP) decreased 2.65 cents to 68.99 cents. Cotton equities on 2013 loan cotton are in the 23 cent range. Jul/Dec future spread was 2.7 cents.



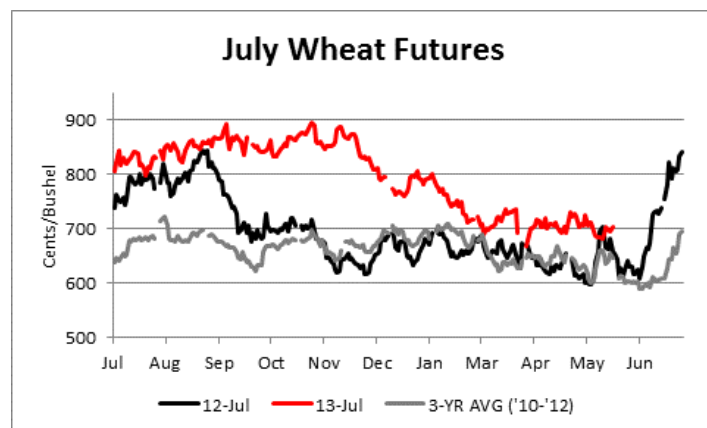
Cotton planted reported May 28th was 59% this week compared to 39% last week, 76% last year, and the 5-year average of 69%. Tennessee was 37% planted compared to 13% last week, 88% last year and a 5-year average of 71%. Lack of precipitation in West Texas and parts of Georgia

continue to be of concern, however speculation is that planting in Georgia is higher than the March Intentions number. Producers should consider obtaining downside protection on a portion of their new crop production. Purchasing an 83 cent December Put Option costing 5.38 cents would establish a 77.62 futures floor.

Cotton	July	Change	December	Change
Price	79.36	-2.13	82.06	-1.71
Support	78.70	-1.58	81.74	-0.88
Resistance	82.46	-0.52	84.54	-0.02
20 Day MA	84.64	-1.06	84.93	-0.31
50 Day MA	86.09	-0.88	85.50	-0.42
100 Day MA	84.97	0.13	84.26	0.15
4-Week High	88.40	0.00	87.25	0.00
4-Week Low	79.30	-1.73	82.00	-0.92
Technical	Strong Sell	=	Strong Sell	=

Wheat

Weekly exports were within expectations at net sales of 28 million bushels (1.3 million bushels for 2012/13 and 26.7 million bushels for 2013/14). Jul/Sep future spread was 10 cents.



Nationally, winter wheat heading as of May 28th was reported at 60% compared to 43% last week, 85% last year, and the 5-year average of 72%. Crop condition ratings for winter wheat as reported May 28th were 31% good to excellent which was the same as last week, compared to 54% last year. Poor to very poor was 42%, compared to 41% last week and 17% last year. In Tennessee winter wheat turning color was reported at 9% (5-year average 61%) and crop condition was reported as 81% good to excellent and 4% poor to very poor. Spring wheat planting reported May 28th was at 79% compared to 67% last week, 100% last year, and a 5-year average of 86%. Spring wheat emerged reported May 28th was 42% compared to 22% last week, 94% last year, and a 5-year average of 66%. Currently producers should consider having 35% of the 2013 crop priced. A \$7.20 July Put Option would cost 39 cents and set a \$6.81 futures floor.

Wheat	July	Change	September	Change
Price	\$7.05	\$0.08	\$7.15	\$0.11
Support	\$6.81	-\$0.08	\$6.90	-\$0.06
Resistance	\$7.10	-\$0.01	\$7.18	\$0.00
20 Day MA	\$7.00	-\$0.05	\$7.08	-\$0.05
50 Day MA	\$7.05	-\$0.02	\$7.13	-\$0.02
100 Day MA	\$7.27	-\$0.03	\$7.35	-\$0.03
4-Week High	\$7.35	-\$0.01	\$7.44	-\$0.01
4-Week Low	\$6.74	\$0.00	\$6.81	\$0.00
Technical	Hold	+	Hold	+

Additional Information

Upcoming dates Tennessee farmers should be aware of are: the CRP general sign up (May 20 to June 14), the Tennessee Agriculture Enhancement Program application period (June 1 to 7), and the June 3rd deadline for choosing ACRE as a revenue-protection plan. Important crop insurance dates in the next two months are: corn - late planting period ends June 14; soybeans – final planting date June 15th (late planting period ends July 5th), soybeans behind wheat – final planting date June 25th (late planting period ending July 15th), and Cotton - late planting period ending June 5th. Contact your crop insurance representative if clarification on your current insurance position is required or prior to any changes in planting decisions.

If you require further information, clarification, or would like to be added to our email list please contact me at aaron.smith@utk.edu.