



"A man is rich in proportion to the number of things he can afford to let alone."—**Henry David Thoreau**

MONDAY, APRIL 03, 2017

Morning Summary: Traders will be extremely busy this week digesting a wave of economic data and more headlines from the Fed. Interestingly however it will be the headlines from Washington that continue to create the most media attention and investors interest. Normally the monthly employment report, which is due out on Friday and the "minutes" from the latest Fed rate hike meeting, would be more than enough to occupy center-stage, but in today's world of political change, all eyes are on the new Trump administration and in particular relations with global leaders. This week's meeting between President Trump and Chinese President Xi Jinping is the most highly anticipated we've seen. From what I understand, leaders of the world's #1 and #2 powers will get together on Thursday at President Trump's Mar-a-Lago estate in Florida. The leaders will have a full agenda as they hash out some of the more contentious issues in bilateral relations. President Trump has made some tough remarks about China stealing American jobs and using unfair trade practices. There's also the concerns surrounding China's military ambitions in the South China Sea and their relations with North Korea. Wall Street insiders are worried that Trump might have to call a couple of bluffs early and follow through with some of his tough talk before China makes any type of significant concessions. The wrong move or wrong set of words by President Trump and company could obviously destabilize trade relations and hurt the U.S. economy nearby. Remember, during the presidential campaign, Trump talked a lot about imposing large tariffs on Chinese imports if their government weren't willing to cooperate. Obviously if that were to come about retaliatory measures would be made by the Chinese and a full-blown "trade war" would start to dominate the headlines. Keep in mind President Xi is one of the most powerful and popular Chinese leader in decades, so I doubt he is going to back down or take a soft-line approach towards President Trump's wishes. I personally doubt anything major comes from this initial face-to-face meeting between the two powers, but look for the media and money-managers to try their best to read between the lines. I suspect body language and facial expressions will be highly scrutinized. Looking towards the economy and the more traditional fundamentals, I continue to see several signs of strengthening: U.S. Q4 GDP was just revised higher; Labor market is continuing to show signs of strength; U.S. housing market is extremely strong, with many saying it would be even stronger if we had the inventory; Mortgage defaults or serious delinquencies are lower than they've been in almost a decade; U.S. corporate profits are up nearly double-digits compared to last year; Household debt levels as a percentage of disposable income are at near 30-year lows; Hotel and travel spending is at near record levels. As for today we will be digesting the latest in monthly Auto Sales and Construction

Spending; Tuesday we have Factory order and Trade Balance; Wednesday will be “minutes” from the Fed’s recent meeting and more insight into their decision to raise rates, we also have ADP employment numbers and ISM service data; Thursday brings Initial Jobless Claims and Crude Oil Inventories; Friday is the highly anticipated monthly Employment Report, where most sources are looking for around +180,000 jobs being added in March. Bottom-line, there’s a lot on the agenda this week, but I suspect headlines from Washington will continue to garner most of the attention. The meeting between President Trump and President Xi will be of extreme importance. Stay engaged and fully alert...

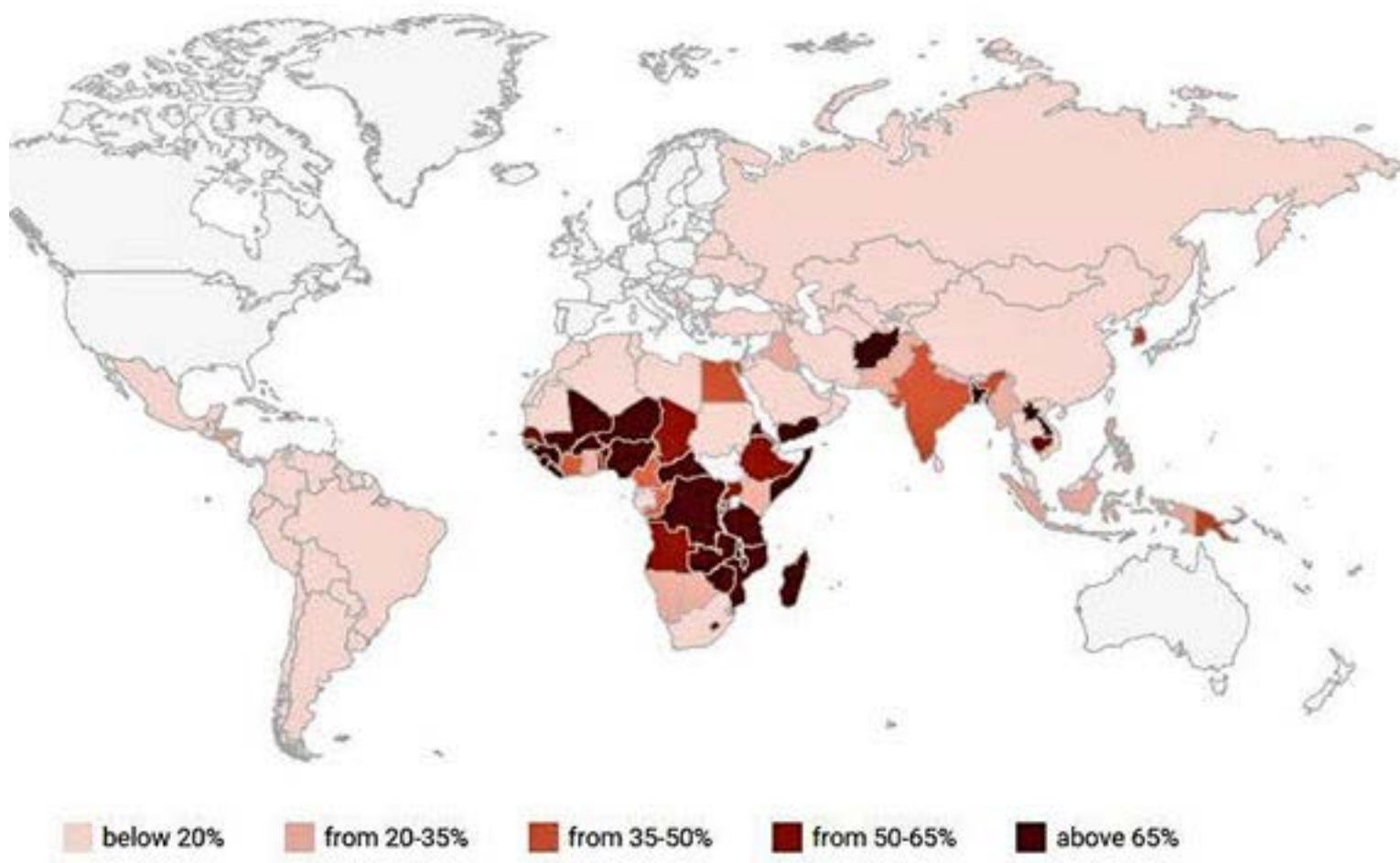
“New Blood vs. Old Blue Blood” *Gonzaga and North Carolina will face off tonight for all the marbles. Both teams are #1 seeds and rightfully are playing for the NCAA National Championship tonight at the University of Phoenix Stadium in Glendale, Arizona. The game will be a late one, not starting until a little after 8:00pm CST and shown on CBS. At last glance North Carolina was a +2 point favorite. For what it’s worth, I’m taking the underdog. Gonzaga seems like they are one of the few teams in the country capable of matching the Heels’ size and depth in the front-court. Either way I’m looking for an extremely close finish. Should be a great game!*

Borrowed Money To Invest In Stocks Hits Record: *Stocks are hovering at all-time highs, and everyone wants to jump on the bandwagon. The latest data from the New York Stock Exchange show margin debt, or cash borrowed to buy shares, hit a record \$528.2 billion in February, up from its prior high of \$513.3 billion in January. The “red flag” that this raises is that, while investors remain optimistic, they can’t necessarily afford to buy stocks at this level. Or are not willing to invest their cash all the way. If stock prices fall, obviously some investors are going to get hit with margin calls. If they aren’t able to cover those, that could lead to a massive sell-off. Be aware that that a dip in prices, and a ‘seeming panic’, may not be directly related to anything other than the inability to meet collateral requirements.*

Is China’s Economy Out of the Woods? *With recent signs pointing to the stabilization of the Chinese economy and currency, sentiment has turned around dramatically among market watchers. But some analysts warn it may be too early to cheer as there are good reasons to expect growth to slow again and the yuan to come back under pressure. “Evidence of a sharp turnaround in growth and policymakers’ success in preventing a destabilizing slide in the renminbi have underpinned a dramatic shift in sentiment towards China,” Julian Evans-Pritchard and Mark Williams, analysts for Capital Economics, said in a recent research report. The main driver of the turnaround in sentiment has been a stronger Chinese economy. According to Capital Economics’ China Activity Proxy, the mainland economy is now growing at around +6.5% year on year, up from +4.8% at the start of last year. Even debt fears have abated. Profit growth at China’s industrial firms surged +32% in the first two months of this year to 1.91 trillion yuan. However, this state of affairs will not last, they warned. Capital outflows are likely to pick up and the yuan could come under pressure when the US dollar strengthens again. US President Trump could also adopt a more confrontational stance toward China later in his term. Additionally, the sharp rebound in China’s economic activities was triggered by policy loosening, but the growth is well above the sustainable rate. In the longer term, China’s outlook hinges on structural reforms. However, China’s policy makers appear unwilling to be so bold at this moment. The Capital Economics analysts*

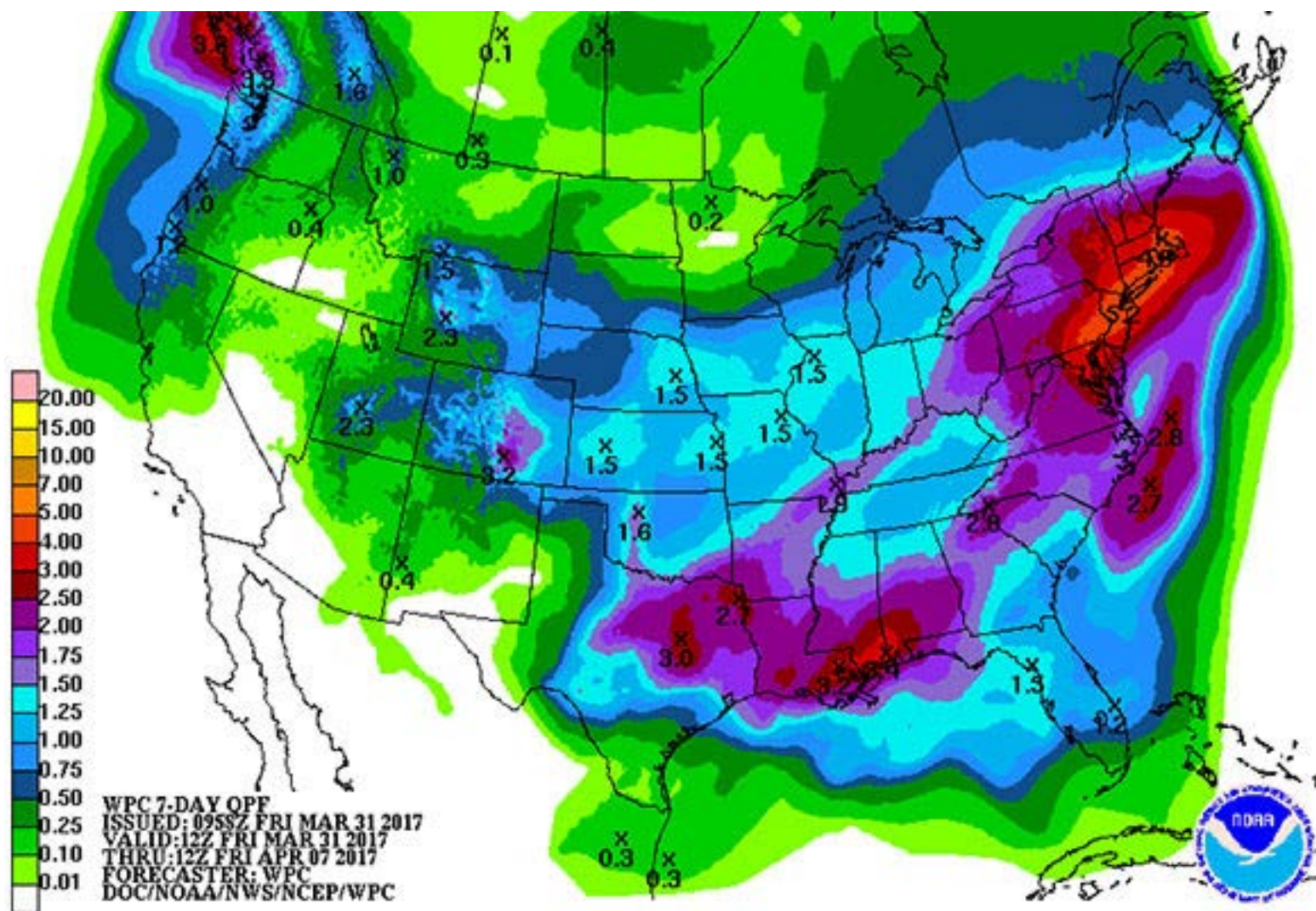
said the authorities still have the tools to prevent problems at individual banks from snowballing into a systemic crisis. But as balance sheets deteriorate, it will be more challenging to manage financial risks. (Source: South China Morning Post, Financial Times)

The Poorest Areas of the World: *The share of workers living on less than \$3.10 per day (in U.S. dollars) as a percentage of total employment.*



Weather saw a storm system emerge from the West late last week and cross the central and southern Plains over the weekend. Last week's major rain event along with the recent weekend showers as well as more rain early this week will favor developing winter wheat. Some delay to seasonal, early spring fieldwork can be anticipated. A drier, warmer period later this week would promote development of crops and improve fieldwork conditions. Weekend rains also delayed fieldwork in the eastern Midwest and Delta where corn planting is begun in some parts. Additional storms will follow, with another system arriving across the nation's mid-section by the middle of next week. The active weather pattern will lead to widespread precipitation, with only a few areas remaining dry. Heavy showers and locally severe thunderstorms will accompany each storm system as it emerges from the western U.S. and crosses the nation's mid-section, while heavy snow will accumulate at higher elevations of the central Rockies and Intermountain West.

Heavy Rains Continue This Week For Plains And Midwest: I would be careful putting too much in the latest U.S. Drought Monitor map that's floating around. Last week and this week's forecasted rain will bring some big changes to the data soon. Take Kansas for instance, almost the entire state received from double to 8 times normal rainfall from March 24 - 31. More rain is forecasted for the southern Plains all this week too. Below is a 7 day rainfall forecast valid Friday, March 31 through Friday April 7.



Corn planted acres were reported at 89.996 million, slightly below trade expectations and -4% last year's 94 million, but still 2% higher than 2015 planted acres. According to the USDA data, corn acreage is expected to be down across most major corn-producing states with the exception of Kansas, which is something I'm just not in agreement with. I actually believe there are a ton of farmers in Kansas who have shifted some of their acres. I realize less wheat has been planted in the state of Kansas, but it also feels like fewer corn acres than I've seen the past several years. Just another small reason I believe total U.S. corn acres are still going to work themselves lower as the USDA gathers and crunches more data. Quarterly stocks data came in a bit higher than anticipated at 8.62 billion bushels, which is up about +10% from a year ago. Bushels stored "on farms" was reported up about +13% from last year, while bushels stored "off-farms" are up about +6% from last year. Bottom-line, there's still plenty of old-crop supply sitting available and in the pipeline. In fact the trade seems a bit more concerned that the balance sheet might get

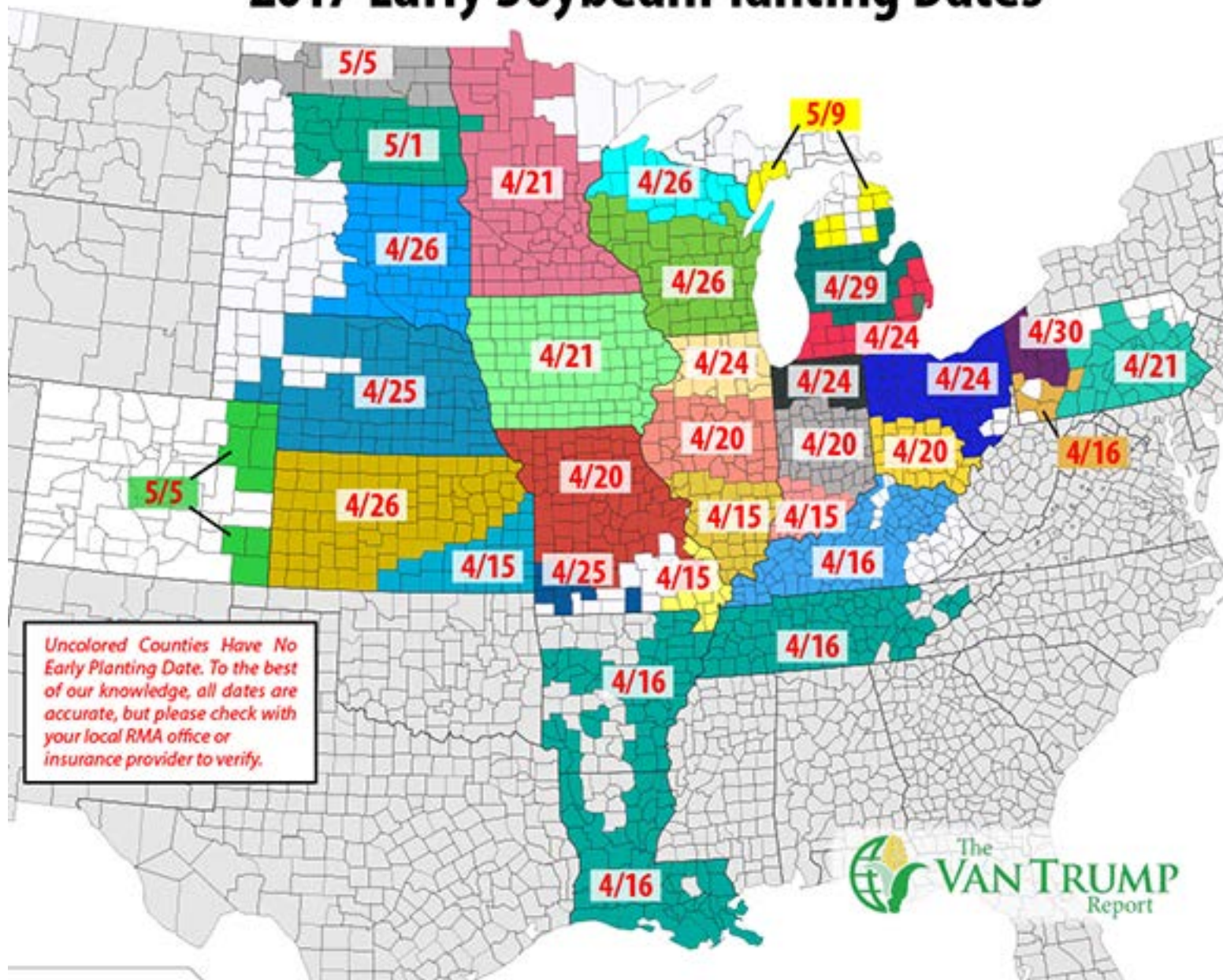
more burdensome before it gets better. There's a lot more talk circulating that the USDA's current corn for feed usage estimate is well overstated, some insiders estimating perhaps +50 to +100 million bushels to high? You have to imagine some of the reduction will more than likely be offset in the balance sheet by a bump in overall export demand, but regardless the trade still seems to believe stocks are going to become more burdensome in the upcoming report, despite the -4% reduction in total acres compared to last year. To add to the continued bearish U.S. fundamentals, we are also digesting Informa's latest South American production estimates, where they now have the Brazilian crop estimated at a whopping 95 MMTs vs. the current USDA estimate of 91.5 MMTs, and the Argentine production estimate at 38.2 MMTs vs. the current USDA estimate of 37.5 MMTs. Moral of the story, until "weather" becomes more of a concern the trade will continue to chew on bearish fundamentals. Record rebound in production out of South America and U.S. ending stock in the 2.3 to 2.5 billion bushel range leaves very little argument or need for higher prices nearby. Certainly if we could catch some late weather complications in Brazil or some increased more widespread problems here in the U.S. one could argue additional "risk-premium" be added, but with supplies at such burdensome levels it's just tough to forecast higher prices without a forecast for extreme weather.

2017 Early Corn Planting Dates



Soybean prices have been under pressure for the past several weeks as the traditional fundamentals float back to the top. The USDA's latest round of data was nothing but bearish. Planted soybean acres were reported at an new all-time record up 6 million acres from last year and higher than what the trade was estimating, just as I had suspected. I honestly think they are going to continue to push even higher. In fact I wouldn't be surprised if we end up seeing planted soybean acres higher than planted corn acres once it's all said and done. On top of the record acres, Quarterly Stocks were also higher than most had anticipated. In fact stocks were up +13% from last year as usage between Dec and Feb was estimated down -2% from last year. The data also showed bushels stored "on farms" down -8% from last year, while the bushels stored "off farms" was up about +33% from last year. IU should also note there's more talk that last years record crop could have been even larger than what the USDA had estimated or perhaps the "quality" was just so good we've gotten more out of it. Bottom-line, many fundamentalist believe the USDA could easily justify a -10 to -20 million bushel reduction to the demand side of the balance sheet by lowering their current residual estimate. Considering all of the above mentioned facts and record new-crop acres, the trade seems to now be positioning itself for a new-crop ending stocks number perhaps north of 550 million bushels. In fact some sources are already talking about a possible +600 or perhaps +700 million ending stock number if U.S. weather cooperates. We have to also imagine old-crop ending stocks will also be working itself higher in the upcoming report. Net-net, nothing fundamentally bullish about any of the recent U.S. data. Adding a bit of salt to the wound, we also digesting another round of bearish South American data as Informa recently pushed their Brazilian soybean production estimate to 111 MMTs, we've seen some others push it as high as 113 MMTs, compared to the USDA's current estimate which is still at 108 MMTs. Informa also pushed their Argentine soybean estimate higher to 57.5 MMTs vs. the current USDA estimate of 55.5 MMTs. In other words the weather in South America became extremely cooperative and the yields being harvested out of the fields have been a huge surprise to many, very similar to the massive yields we harvested here at home last year. Similar to corn, unless we can catch a "weather" story or our leaders in "Washington" can get on the same page and reignite excitement about global growth and "reflation," the overly burdensome bearish fundamentals are going to continue to dominate the headlines and keep the upside limited. As a spec I continue to closely monitor the downside, looking for an opportunity to start building a longer-term bullish position. I see no reason to get in a hurry, but I have to imagine the trade is getting fairly close to cooking in all the bearish fundamentals. Lets get though this next USDA report... As a producer I will continue to keep all hedges in place.

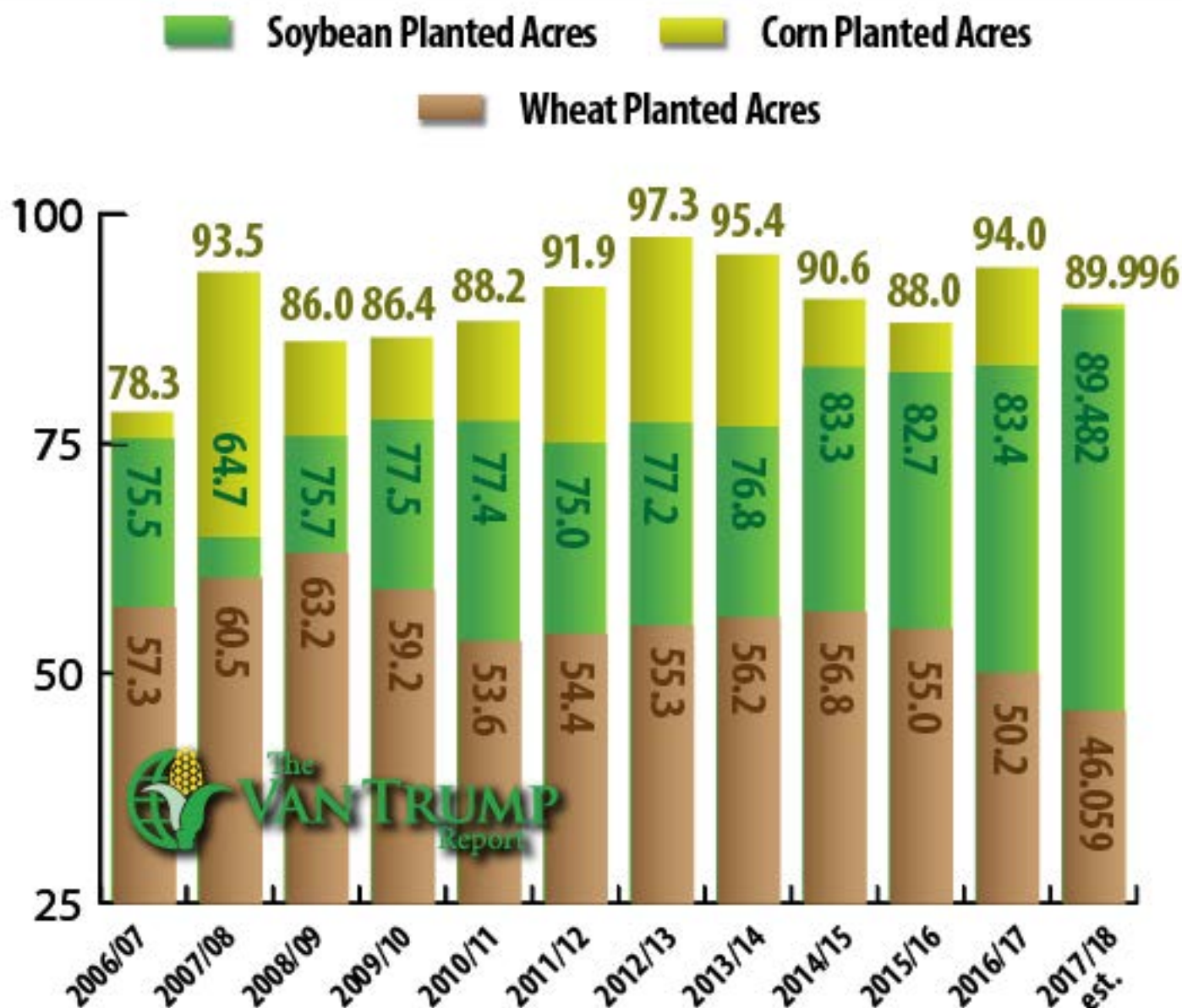
2017 Early Soybean Planting Dates



Wheat bulls were hoping to see fewer planted acres. I still think the USDA is a bit too high with their current forecast, despite the fact total wheat acres are down -8% from last year and the lowest number since we started keeping score back some 100-years ago. Winter wheat acres were estimated down about -9% from last year, which I can understand. Spring wheat acres however are only forecast down about -300,000 at 11.3 million acres, which I suspect is still overly optimistic. Durum acres are estimated down -400,000 from last year at right about 2 million acres. The bears are happy as all-wheat stocks were projected up by about +21% from last year. There's also a bit more talk that the USDA's current wheat for feed estimate is overly optimistic and might need to be lowered by -15 to -25 million bushels. Meaning the balance sheet might have to become a bit more burdensome. From a bullish perspective, we will be digesting the USDA's first weekly crop-condition estimates this afternoon. There's no question this years crop is in worse shape than last, but by how much? Unfortunately, whatever the crop-conditions show the bears are going to argue the recent rounds of rain and improved moisture levels should help the

crop improve in the days ahead. Bottom-line, there's just not a lot of new fundamental to digest as bullish. Yes, total planted acres are record low, but last years huge record setting yield here at home, over +1.0 billion in domestic surplus, record global supply, and good global weather is doing very little to make the bears nervous. Something has to shake the bears from their strong position and it's clearly not the nearby fundamentals. As a longer-term conservative bull I continue to look in different directions... Staying extremely patient!

U.S. Planted Acres - March 31 Prospective Plant



Source: USDA, March 31st Prospective Plantings



> Midwest Economic Growth Picking Up: *The Midwest Economy Index (MEI) increased to +0.27 in February from +0.01 in January. The relative MEI increased to +0.08 in February from -0.09 in January. February's value for the relative MEI indicates that Midwest economic growth was slightly higher than what would typically be suggested by the growth rate of the national economy. The manufacturing sector's contribution to the MEI increased to +0.11 in February from +0.02 in January. The construction and mining sector's contribution to the MEI increased to +0.06 in February from -0.02 in January. The service sector made a contribution of +0.04 while the contribution of consumer spending moved up to +0.05. The MEI is calculated by the Chicago Fed and covers Illinois, Indiana, Iowa, Michigan and Wisconsin. A zero value for the MEI indicates the economy is expanding at its historical trend rate. Positive numbers indicate above average growth, while negative numbers indicate below average growth.*

> Russia To Cut Wheat Prices For State Stocking Program: *Russia's Agriculture Ministry has proposed cutting wheat prices for its restocking program in the 2017/18 marketing year which starts on July 1st, signaling stronger competition in the domestic market. The ministry, which has 4.0 million metric tons of grains in state stocks, buys grain on the domestic market every year in what are known as interventions. (Source: Reuters)*

> European Union Grain and Soy Update: *FranceAgriMer has rated 90% of soft wheat as being in "good-to-excellent" condition, down just slightly from 91% a week ago, but still extremely strong. Most sources estimating total soft wheat exports for the EU at this point down -15% to -20% compared to the same point last season. EU corn imports were down about -20%, soybean imports were down about -7%, soymeal imports down about -15%, palm oil imports down about -18%.*

> India's Cotton Imports To Surge: *India's 2016-17 cotton imports are set to jump more than a third from a year ago to a record 3 million bales as the rupee's rise makes buying overseas cheaper. Usually it's just the textile mills in southern India that like to import cotton, but this year mills from even the north are importing as overseas supplies have become competitive. That total of 3 million bales would be 36% more than the 2.2 million bales imported in the 2015-16 crop year, with stocks coming mainly from African countries, the United States, Brazil and Australia. (Source: Reuters)*

> Aussie Beef Industry To Benefit From Brazil Scandal: *As a result of the Brazilian meat scandal, China and Australia have extended their December 2015 free trade deal. The extension gives more Australian chilled-meat processors the opportunity to export to China. It is expected that meat exports to China will soar for the foreseeable future as*

well as provide Australia with a revenue increase that could reach over \$765 million. This would almost double their current exports.

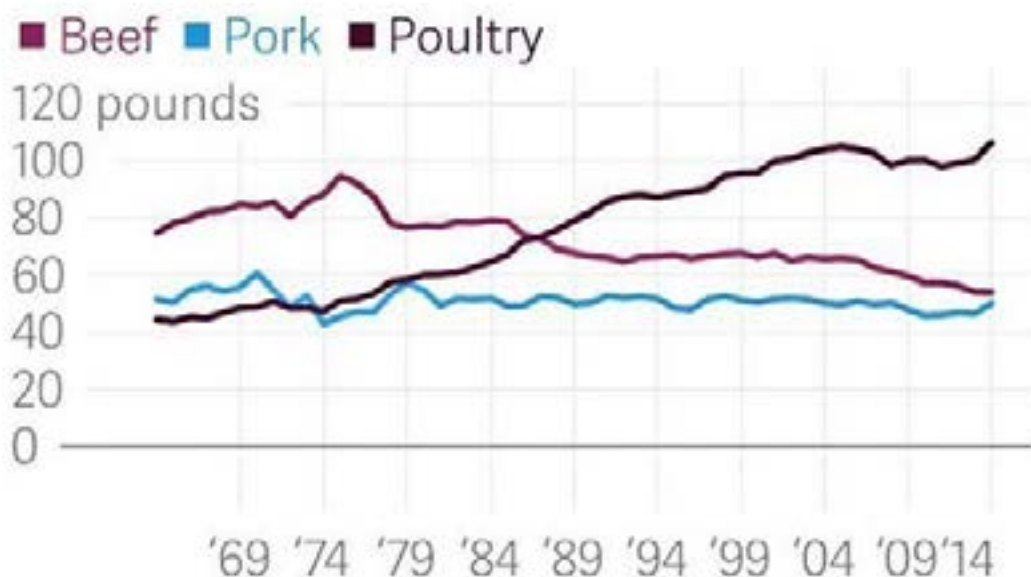
> Mexico Is Making Room For Brazilian Rice... Could Corn Be Next? *The Mexican ambassador in Brazil, Eleazar Velasco Navarro, promised that he would allow rice imports from the South American country in an agricultural fair in Rio Grande do Sul. Mexico produced 80% less rice than it did 30 years ago and currently only harvests 158,000 tons while the country consumes over one million metric tons from which most is imported from the U.S. Mike Zuzolo, president of Global Analytics & Consulting, commented this will be a hot topic for now, especially until it is known how fast U.S. corn planting goes. In his opinion, Mexico is trying to show its cards in the case of the Trump administration imposing a border tax.*(Source: agriculture.com)

> "Big Short" Author Steve Eisman Sees Subprime-Auto Market As A Concern: *Even though credit quality has improved across the banking system Eisman sees the subprime-auto market as an issue. He shared his thoughts in a recent interview with Bloomberg TV. He doesn't believe the asset class is big enough to cause problems to the financial system as a whole though. He believes that the banking sector will undergo gradual deregulation and become more leveraged over the next several years under U.S. President Donald Trump.* (Source: Bloomberg)

> Food Stamps Remain A Huge Part Of America: *Poverty in America is still an underappreciated issue. At the beginning of the Financial Crisis we began to track the increased participation in the US Government's Supplemental Nutrition Assistance Program (aka Food Stamps). Enrollment went from 25 million to 45 million Americans from 2007 to 2012. Current participation in the SNAP program is 43 million people, still not far off the 48 million person peak in 2013. That is still 15% of the US population, after all, or 20% of all US households. For an economy at "Full employment", that is a lot of people.* (Source:Convergex)

> U.S. Per Capita Consumption of Meat Over Time: *Interesting to see the growth in poultry.*

US per capita consumption of meat over time





Southwest Kansas - We are doing much better here as we have gotten rain over the past few days. I think with this moisture we will be able to salvage our wheat crop. The winter wheat has greened up and looks like we could have an above average crop. We have not had any moisture since mid January. The guys planting early variety corn will want to get going as soon as things dry out enough. It seems like guys were ready to go back in early March so I know as soon as the ground is ready guys will be running hard. The bad thing is that we have gone from a corn deficient area to one with a surplus and the basis has taken a hit. The ethanol plants have plenty of corn and milo ground piles still to work through. Most guys will roll straight from corn to beans. We will have a lot more bean acres down in our part of the country, maybe as much as 30% more than last year. We have had great wheat yields the last two years and 2016 was a record for us. The wheat acres are really taking a hit. I would imagine the wheat acres will be down 15% to 20%.

Westcentral Indiana - The soil is not too far off for us and if we have a couple good drying days we will be able to get in the field to start planting corn. We have been getting nice wonderful rains and the tiles are just barely running. Before it started raining we had put down most of our anhydrous. We will do split applications putting half down now, then side dress with 32% once we get things planted. We will finish planting our corn and roll straight to beans. We had been 100% corn on corn for a lot of years but about two years ago went to a 60/40 corn to bean ratio. This year we will be right at a 50/50 corn to bean rotation. We will have some fields switch that have been corn on corn for the past 25 years. We have seen the corn on corn yields fall way off so this little break will help. I would rather plant corn over beans any day, not really liking to plant beans, watching beans grow or harvesting the darn things.

Eastern Iowa - Took over the farm from grandpa 4 years ago. We are sticking with our rotation and not going to chase the markets. I do plan on gaining some knowledge this year on using the board a bit more for future hedging. I just started soil sampling a couple of years ago in order to benefit from variable-rate technology with our fertilizer applications. One interesting thing we found from the soil samples was the amount of nutrients still the ground left from the years of grandpa's cattle. Through it all, we have seen the fertilizer bill go down a little bit. Currently, this year I will be GMO but seriously considering switching as I've watched my neighbor's yields exceed some of mine. I believe the modern work on non-GMO hybrid seeds isn't given enough due when it comes to the potential yields they can produce. I believe advancements in both types have been a part of the yield increases over the last decades but I still believe it's weather first then inputs next.



Farming in the Midwest: *How Bad is this Farm Slump? American net farm revenue dropped from \$120 billion in 2013 to an estimated \$62 billion this year. This has a lot of people talking about the setbacks. The Economist ran an article this weekend that has been getting some circulation. You can read more [HERE](#).*

Beef Industry Asks Trump To Help Get U.S. Supplies Back Into China: *The U.S. beef industry is asking President Trump to help get U.S. beef back into China. Trump is scheduled to meet with Chinese President Xi Jinping in April and Kent Bacus with the National Cattlemen's Beef Association (NCBA) says they're urging Trump to raise the issue of U.S. beef access during that meeting. "We need someone who is a master negotiator, someone who can close the deal," Bacus says. "President Trump has really sold himself as that person and we think this is a great opportunity to show what he's worth." China banned U.S. beef in 2003 after the BSE scare. The ban was finally lifted last fall, but China still has not resumed purchases from U.S. The issue resurfaced last week when China briefly halted imports of Brazilian beef over that country's meatpacking scandal, but the U.S. was never mentioned in news reports as a viable, alternative source of beef for the Chinese. "We're one of the leading exporters in the world and yet we don't have access to the Chinese market—even though some of our competitors, who do not have the same safety designations as ours, do have access to that market," says Bacus. Listen to the full interview [HERE](#).*

As Farmers Pump More Groundwater For Crops, Food Prices Risk Surge: *Farmers around the world are using an unsustainable amount of well water to irrigate their crops – which could lead to an uptick in food prices as that water runs low, international researchers are warning. Farmers are increasing their use of groundwater — water naturally stored underground — to grow staple crops such as rice, wheat and cotton, the scientists said. But much of that water use is unsustainable as water is being pumped out faster than it can be naturally replenished. "Groundwater depletion is increasing rapidly, especially in the last 10, 20 years, due to the increasing populations and also associated food production," said Yoshihide Wada, deputy water program director at the International Institute for Applied Systems Analysis, a science organization based in Austria. The shortages are occurring in some big agricultural producers such as India, China and the United States, he said. But they could have an impact on a much wider area of the world because "much of the agricultural production is traded internationally", he said. Read more from [Reuters](#).*

Investors Underperforming Their Own Investments: *If a financial advisor could just accomplish one thing for clients – help them capture more of the returns that their own investments offer, then he or she has done something extremely worthy and valuable. This requires difficult work though: It's easier to promise a client that they'll be able to avoid*

draw-downs than it is to convince a client why they must learn to tolerate them. Every advisor's client yearns to be able to say "My guy got me out" at the country club. Steve Russolillo looks at the well-known phenomenon in which investors systematically under-perform their own investments by acting emotionally, over-trading and making poor timing decisions. Read *The Reformed Broker* [HERE](#).

Is Fat Killing You Or Is Sugar? *In the early nineteen-sixties, when cholesterol was declared an enemy of health, my parents quickly enlisted in the war on fat. Onion rolls slathered with butter, herring in thick cream sauce, brisket of beef with a side of stuffed derma, and other staples of our family cuisine disappeared from our table. Margarine dethroned butter, vinegar replaced cream sauce, poached fish substituted for brisket. I recall experiencing something like withdrawal, daydreaming about past feasts as my stomach grumbled. My father's blood-cholesterol level—not to mention that of his siblings and friends—became a regular topic of conversation at the dinner table. Yet, despite the restrictive diet, his number scarcely budged, and a few years later, in his mid-fifties, he had a heart attack and died. The dangers of fat haunted me after his death. When, in my forties, my cholesterol level rose to 242—200 is considered the upper limit of what's healthy—I embarked on a regimen that restricted fatty foods (and also cut down on carbohydrates). Six months later, having shed ten pounds, I rechecked my level. It was unchanged; genes have a way of signalling their power. But as soon as my doctor put me on just a tiny dose of a statin medication my cholesterol plummeted more than eighty points. In recent decades, fat has been making a comeback. Researchers have questioned whether dietary fat is necessarily dangerous, and have shown that not all fats are created equal. Read more at [The New Yorker](#)*

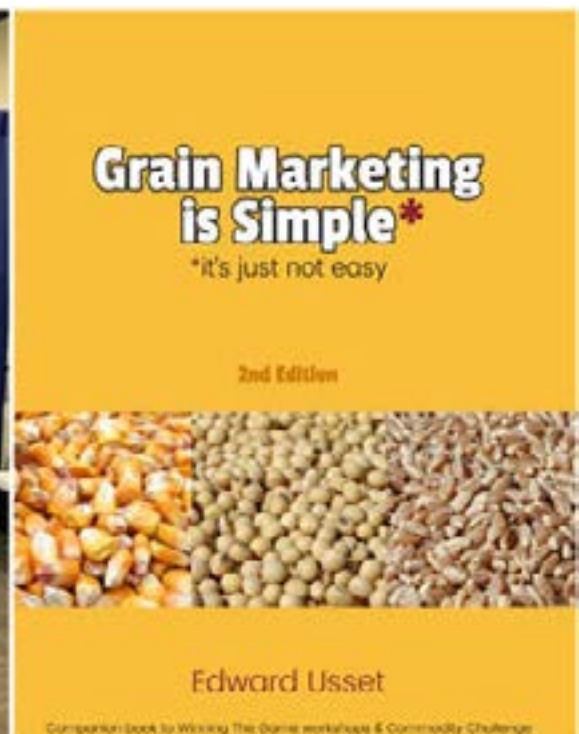
Interesting To Think About: *An article came across my desk this weekend titled, "Watching the hearings, I learned my 'Bernie bro' harassers may have been Russian bots". The article talks about how Russian computer programmers built algorithms that targeted all kinds of people on social media sites to dispute or challenge thoughts during the election. It was so much the article itself, but rather I found it interesting to think about how dependent our society has become with social media and how we easily open ourselves up to outside influence. Just lots of moving pieces and overall very interesting to think about, regardless of your political party affiliation. Read the full article at [Shareblue](#).*

The New Jersey Theme Park Where Kids' Backhoe Dreams Come True: *There is probably only one place in America where an eight-year-old can ride a carousel whose seats look like excavator buckets, then swipe at bowling pins with a mini-digger—where, for a ticket price of less than \$40, he or she can operate a backhoe, drive a drum-roller, and ride the telescoping arm of a construction lift 50 feet into the air to admire the Philadelphia skyline. That place is a small theme park in West Berlin, N.J., called Diggerland USA. Diggerland opened for the season in March, but even on a recent visit when the park was closed, its discordant appeal was obvious: Small children get to climb into the cabs of heavy-duty construction equipment. The idea of Diggerland, say its owners, is to scratch an itch for anyone who's ever passed a construction site and wondered what it would be like to get behind the controls of a crane or bulldozer. Read more about it over at Bloomberg (Source: [Bloomberg](#))*



Grain Marketing Book Worth The Read!

I recently ran in to my friend Ed Usset, from the University of Minnesota. He told me that he had gotten in another shipment of his extremely popular and very informative book titled, "Grain Marketing Made Simple". This new 2nd Edition has been completely revised and updated. It was written exclusively for producers and includes sections on five common mistakes in marketing, and how to write pre and post harvest marketing plans. It also includes a new section on pricing tools. Readers will meet May Sellers, Grandma, Covered Cal and a dozen other celebrity producers who help Mr. Usset illustrate several of his important marketing strategies. The book is only available through our University of Minnesota web site and all proceeds go to the University. I personally believe Ed does a great job of making some of the more complex strategies simple and is a book every farmer should have in his library. I've met a lot of folks through the years who could have greatly enhanced their bottom-line profits by using some alternative marketing strategies, but they just didn't fully understand them and were a bit too uncomfortable to ask questions in front of a large crowd. I've been there myself on many occasions. I think having a book you can read at home that takes you from start to finish is a great way to start the process. Below is a picture of Ed and I at the Commodity Classic holding the book. The book is normally sold for \$39.95 delivered to your doorstep, but Ed said he would give \$10 off to anyone who reads The Van Trump Report. All you have to do is visit the University site by [Clicking HERE](#) and at checkout type in the code SIMPLE (all caps) and you will get the discount. Ed is a great guy who does a lot for the kids and folks in our industry, so anything I can do to help him and his cause is worth the effort. Thanks again Ed for all you do, keep up the great work!



Take A Guess On Americas Top Dog Breed?

Without a doubt dogs are the greatest human companion ever! While it is true that everyone's dog is the best dog in the world, the [American Kennel Club](#) continues to release their list of the 10 most popular dog breeds. The Labrador Retriever, known for their intelligence, family friendliness and great trainability, holds on to the number one spot for a record-breaking 26th consecutive year. The Lab's eager to please temperament is just one of many reasons why this ideal family dog takes top honors year after year. The German Shepherd secured its spot as the second most popular breed. This smart, confident and courageous breed is known as a superior working therapy and guard dog. Also keep in mind some recent popularity may have helped the "German Shepard" take home [Best in Show](#) at this year's Westminster Kennel Club Dog Show. Somewhat surprising to me, the Rottweiler has been slowly but surely rising up the list over the past decade. The confident, loyal and loving Rottie was actually this past years eighth most popular breed, it's highest ranking since landing at number two in 1997. The Rottweiler has risen nine spots over the past decade and is poised for a comeback. The Rottie has strong instincts to protect its loved ones, is intelligent and has a strong willingness to work. What some folks might not know is that they're especially impressive when it comes to herding. If you are in the market - check out the 10 most popular breeds below with links to further explore. I have also included a link that includes 189 dog breeds with their current and previous rankings. To access the list Click [HERE](#) (Source: akc.org)

1. [Labrador Retriever](#) - *Early in the 1800s, some of the multipurpose dogs used in North America - mostly Canada - by hunters were shipped back to England. Many of these "water dogs" were of the Newfoundland type, but the smaller ones were often designated "St John's" dogs. In England, the breed was developed and refined- probably with some flat-coated retriever input - into the breed we recognize today.*

2. [German Shepard](#) - *In Europe during the 1850s, attempts were being made to standardize breeds. The dogs were bred to preserve traits that assisted in their job of herding sheep and protecting flocks from predators. In Germany this was practiced within local communities, where shepherds selected and bred dogs that they believed had the skills necessary for herding sheep, such as intelligence, speed, strength, and keen senses of smell. The results were dogs that were able to do such things, but that differed significantly, both in appearance and ability, from one locality to another.*

3. [Golden Retriever](#) - *The Golden Retriever was originally bred in Scotland in the mid-19th century. At that time, wildfowl hunting was a popular sport for the wealthy Scottish elite, but the existing retriever breeds were inadequate for retrieving downed game from both water and land. Retrieving from both land and water was necessary because the hunting grounds of the time were pocketed with marshy ponds and rivers. Consequently, the best water spaniels were crossed with the existing retrievers, resulting in the establishment of the breed today known as the Golden Retrievers.*

4. [Bulldog](#) - *The designation "bull" was applied because of the dog's use in the sport of bull baiting. This entailed the setting of dogs - after placing wagers on the dogs - onto a tethered bull. The dog that grabbed the bull by the nose and pinned it to the ground would be the victor. It was common for a bull to maim or kill several dogs at such an*

event, either by goring, tossing, or trampling. Over the centuries, dogs used for bull-baiting developed the stocky bodies and massive heads and jaws that typify the breed as well as a ferocious and savage temperament. Bull-baiting, along with bear-baiting, reached the peak of its popularity in England in the early 1800s until they were both made illegal by the Cruelty to Animals Act 1835.

5. Beagle - General Richard Rowett from Illinois, USA imported some dogs from England and began breeding. Rowett's Beagles are believed to be the models for the first American standard. The Beagle was accepted as a breed by the American Kennel Club (AKC) in 1884. In the 20th century the breed has spread worldwide as a very popular dog. Now, the Beagle was not just used for hunting; the Beagle became a family pet.

6. French Bulldog - French bulldogs' origins are murky, but most sources trace their roots to English bulldogs. Lace makers in England were drawn to the toy version of the dog and would use the smaller pups as lap warmers while they worked. When the lace industry moved to France, they took their dogs with them. There, the English bulldogs probably bred with terriers to create bouledogues français, or French bulldogs.

7. Poodle - The poodle is a group of formal dog breeds, the Standard Poodle, Miniature Poodle and Toy Poodle. The origins of the poodles are still discussed with a dispute over whether the poodle descends from the old French Barbet breed or from Germany as a type of water dog. Ranked second most intelligent dog breed just behind the Border Collie, the poodle is skillful in many dog sports and activities, including agility, obedience, tracking to herding, circus performers or assistance dogs. Poodles have taken top honors in many conformation shows, including "Best in Show" at the Westminster Kennel Club Dog Show in 1991 and 2002.

8. Rottweiler - The Rottweiler is a breed of domestic dog, regarded as medium-to-large or large. The dogs were known in German as Rottweiler Metzgerhund, meaning Rottweil butchers' dogs, because one of their uses was to herd livestock and pull carts laden with butchered meat to market. This continued until the mid-19th century when railways caused droving to be replaced with herding. Rottweilers are now used as search and rescue dogs, as guide dogs for the blind, as guard dogs and police dogs.

9. Yorkshire Terrier - The Yorkshire Terrier is a small dog breed of terrier type, developed during the 19th century in Yorkshire, England, to catch rats in clothing mills. The defining feature of the breed is its maximum size of 7 pounds, although some may exceed this and grow up to 15 pounds.

10. Boxer - The Boxer was bred from the Old English Bulldog and the now extinct Bullenbeisser which became extinct by crossbreeding rather than by a decadence of the breed. The purpose of the crossbreeding was the wish to eliminate the excessive white color of the breed, and the necessity of producing thousands of dogs for one of the most popular breeds in the world. The Boxer is part of the Molosser group. This group is a category of solidly built, large dog breeds that all descend from the same common ancestor, the large shepherd dog known as a Molossus.



It's Tornado Season... Here's What You Need to Know

It was on this day back in 1974 that a series of deadly twisters ripped through the U.S. heartland. In fact 148 tornadoes hit the United States heartland within 16 hours. By the time the deadly storm ended, 330 people had died. This was the largest grouping of tornadoes recorded in its time, affecting 11 states and pushing into Canada. At any one moment during the storm, there were as many as 15 separate tornadoes touching the ground. The storm began over the Ohio River Valley. The first twister hit Lincoln, Illinois, at about 2 p.m. and, within hours, others made landfall over a range of hundreds of miles across several states. The deadly storm did not end until early the next morning. In all, it

caused 22 F4 tornadoes, with winds over 207 mph, and six F5 tornadoes, with winds over 261 mph. The worst-hit location was Xenia, Ohio, where, with little warning of the impending catastrophe, 35 people were killed and more than 1,000 were injured. It is believed that, had the tornado not hit after school had ended for the day, the casualties would have been far higher. Brandenburg, Kentucky, was also badly hit. The town lost 31 people and 250 were seriously hurt. The entire downtown was demolished, causing many millions of dollars in damages. In all, 50,000 people were directly impacted by the tornadoes. Six states were declared federal disaster areas. In response, many towns installed tornado-warning sirens in an effort to minimize future damage from deadly twisters. Interestingly tornado warning systems have not changed all that much in the past several decades. The most notable updates have come in the form of improvements in lead time coming from dual-polarization Doppler radar, severe storm research and a much more dense network of spotters and exchange of real-time data. One problem however that's starting to be noticed is that with technology improving radar and research, and more people having real-time access to news and information, the watch's and warning's are starting to lose a bit of their thunder. Meaning that folks are starting to see them more frequently and more often and in turn are becoming less moved by the alerts. Similar to Aesop's Fables and "The Boy Who Cried Wolf". The concern is if the public is alerted or warned enough times but not affected by a tornado or severe storm, they will become much more reluctant in taking shelter the next time. I must admit, I've not been good the past few years in heeding all of the warnings. Lets just make sure we aren't all lulling ourselves to sleep by the constant and easy access to watch and warning signals. We are clearly entering our period of dangerous storms, so make sure you keep the family safe and use the latest in technology to your betterment...not your detriment. Stay safe! (Source: [History](#))

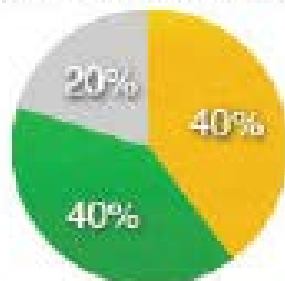




CASH SALES & HEDGING TOTALS

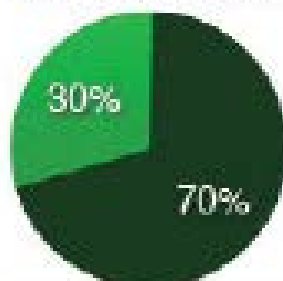
CORN 2016 CROP

40% SOLD
40% HEDGED
20% Cash Remaining



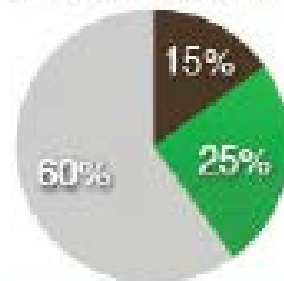
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% Cash Remaining



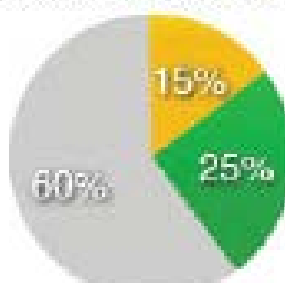
WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% Cash Remaining



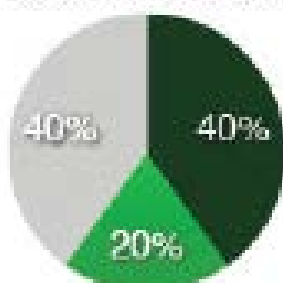
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



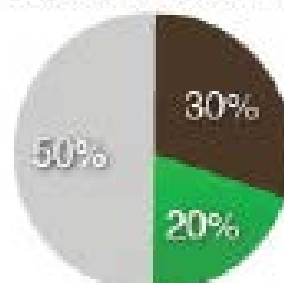
SOYBEANS 2017 CROP

40% SOLD
20% HEDGED
40% UNPROTECTED



WHEAT 2017 CROP

30% SOLD
20% HEDGED
50% UNPROTECTED



CORN 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



SOYBEANS 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



WHEAT 2018 CROP

0% SOLD
10% HEDGED
90% UNPROTECTED

